pending establishment of their marketability in the general secondary market and sells them to the extent feasible in areas where and when investors (such as banks, insurance companies, and the like) have funds available for investment in such mortgages.

Under its special assistance functions, dating from November 1, 1954, FNMA has contracted to purchase 165,160 FHA and VA mortgages totaling $3,613 million in 10⅔ years through June 30, 1965, and purchased 137,244 mortgages with unpaid principal balances aggregating $2,494 million. During the same period, sales aggregated 31,110 mortgages totaling $666 million. The purchases related to properties located in 48 States, the District of Columbia, Guam, and Puerto Rico, as indicated in the answer to question No. 9(f) of part II hereof.

Effective in February 1962 FNMA adopted a policy of refunding three-fourths of its commitment fee charged in connection with outstanding and future commitments issued under its special assistance functions for the purchase of multifamily mortgages, provided the seller, within the commitment period, requested such a refund, agreed to immediate termination of the commitment contract and furnished evidence satisfactory to the Association that arrangements had been completed for financing the mortgages privately (expanded in November 1962 to include project mortgages containing five or more units of housing). Commitment contracts totaling $391.0 million and involving 167 projects had been terminated under this procedure as of June 30, 1965. The procedure not only reduced the dollar amount of mortgages which the Association would otherwise have been required to purchase, but also, simultaneously, made the released authority available for other housing programs or for other governmental purposes and made it possible for private participation in the special assistance programs to be increased by an amount equal to the terminated contracts.

FNMA's special assistance programs which have been authorized by the President of the United States and by the Congress and activities thereunder as of June 30, 1965, are shown in table 5, below in this section.

4. Level of operations. (See table 1.)

Program: Special assistance functions.

Department or agency, and office or bureau: Department of Housing and Urban Development; Federal National Mortgage Association.