203(b)(2) provides for financing of housing for veterans who have not used eligibility under the veterans home loan programs of the Veterans' Administration.

203(h) provides for financing replacement or reconstruction of owner-occupied homes damaged or destroyed by natural disaster.

203(i) provides for financing new or existing homes in small towns, and outlying urban and rural nonfarm areas.

213 provides for financing of mortgages on individual sale properties released from nonprofit cooperative sales projects.

220 provides for financing of newly constructed or rehabilitated homes in urban renewal areas.

221(d)(2) provides for financing of low-cost homes for families displaced by urban renewal and other government action, and for other low- and moderate-income families.

222 provides for financing of proposed or existing dwellings for servicemen.

234 provides for financing of mortgages on individual units in condominium projects. (Condominium ownership provides fee simple title to a dwelling unit but includes undivided interest in common property of the overall project. It permits ownership of individual units in multifamily structures as well as detached houses sharing common facilities.)

809 provides for financing of new sales housing for civilian employees at or near research or development installations of the Department of Defense, NASA, AEC, and employees of contractors thereof, on certification by the appropriate department or agency.

810 provides for financing of new sales housing after an initial rental period for military and essential civilian personnel of the armed services, NASA, and AEC, and for employees of contractors for these agencies, upon a finding by FHA of need.

2. Operation

The mortgage insurance programs are a direct Federal operation, conducted by field offices with headquarters supervision.

The FHA sales house operations consist essentially of insurance to private lenders against the possibility of nonrepayment of long-term mortgage loans. A premium for this insurance is generally paid by the borrower, through the mortgage lender, to FHA. The insurance premiums provide both for reserves against losses and for operating and administrative costs. In addition, fees are assessed for various services such as appraisal, inspection, and processing actions. Overall, the operation is conducted without net cost to the Federal Government.

The section 222 program for servicemen is an exception to the statement that insurance premiums are paid by the borrower. These premiums are paid by the armed services until termination of the servicemen's ownership.

The objectives of the FHA sales house programs are achieved primarily through advantages in terms over mortgages typically available in the conventional mortgage market. These advantages in terms would ordinarily not be offered by private lenders due to increased risk of loss, or would be offered only at substantially higher interest charges commensurate with the acceptance of greater risk.