

\$12,000. Volume data are normally combined with 203(b), but when last tallied separately (March 1965) the cumulative total of homes insured under 203(h) was 113.

*Section 203(i).*—This program was authorized by the Housing Act of 1954, replacing a title I, section 8, program of similar character (adopted 1950) which in turn had replaced a class 3 program under title I, section 2, originally authorized by the National Housing Act Amendments of 1938. Sections 2 and 8 accounted for more than 84,000 units insured over their approximately 17-year life.

Through August of 1965, more than 75,000 units had been insured under section 203(i). The volume under this program ran much higher during the late 1950's than recently, probably because of the broadening of eligibility criteria of the 221(d)(2) program by the Housing Act of 1961. Section 221(d)(2) may now be used with at least equal advantage in a majority of cases that would have previously been eligible only under 203(i).

Section 203(i) terms have generally been amended from time to time as housing market conditions have indicated the need. The 1965 act increased the maximum mortgage limit to \$12,500, with a loan-to-value ratio of 97 percent.

*Section 213.*—The 213 cooperative housing program was authorized by the Housing Act of 1950, and the sales cooperative is a variation of the cooperative concept. Management cooperatives are also covered by the same section, and are described elsewhere in this report under rental housing programs. Section 213 superseded previous authority for financing housing cooperatives granted under section 207 in 1948.

The sales cooperative (as contrasted to a management cooperative) is best described as a purchasing cooperative. For example, a group of prospective home buyers can band together in a nonprofit corporation and use their collective bargaining power to obtain a more favorable purchase price for new homes, than they might otherwise secure as individuals.

With the passage of time, the 213 program has primarily evolved into a method for production of homes by operative builders, to be marketed through a cooperative with appropriate financing procedures, in contrast to early expectations that organized cooperative groups might use the program for bargaining with builders en bloc and thus achieve savings in contract construction of homes for individual ownership. Through August 1965, over 33,000 sales homes had been insured under section 213, though activity under the program has declined sharply since 1961. The reduced section 213 sales housing activity (mostly by operative builders) is believed due to the substantially improved terms made available under other sale home programs by the Housing Act of 1961. Such minor advantages of 213 sales financing as remained for operative builders were virtually eliminated by the Housing and Urban Development Act of 1965.

*Section 220(b) home mortgages.*—This program was enacted in 1954 because existing FHA home mortgage programs were often inappropriate for financing homes in urban renewal areas, owing to the requirement for a finding of economic soundness. Conventional mortgage loans were also unavailable for similar reasons. The 220 sales housing program authorized FHA insurance of mortgages on properties in areas with approved rehabilitation programs without a finding of