economic soundness. In 1955 the program was amended to base mortgage amounts on replacement costs rather than on appraised values. About 3,400 new homes and 850 existing homes had been insured under the program through August of 1965.

Section 221(d)(2).—This program was authorized by the Housing Act of 1954 to provide favorable terms for home purchase by families displaced by urban renewal and other Government action. In 1961 the program was amended to make nondisplacees eligible, though displacees retain a slightly lower downpayment privilege and FNMA special assistance financing.

The program now primarily services low- and moderate-income families. This is largely accomplished through relatively low mortgage ceilings, currently $11,000 for a one-family unit (which may be increased by the Commissioner up to $15,000 in high-cost areas).

Through August of 1965, nearly 60,000 new homes and over 100,000 existing homes had been insured under this program, with volume substantially accelerated since the 1961 amendment.

Section 222.—This section was authorized by the Housing Act of 1954 to permit certain active duty servicemen to obtain mortgage insurance on homeowner housing. The transitory nature of military service had previously tended to make mortgage loans unavailable to servicemen.

The program has been amended from time to time, the latest amendment occurring in the Housing and Urban Development Act of 1965. Mortgages are now authorized up to $30,000 with 3 percent down on the first $15,000 of value, plus 10 percent of the next $5,000, and 15 percent of the remainder.

As of August 1965, about 58,000 new homes and 107,000 existing homes had been insured under the program.

Section 234.—This program was authorized by the Housing Act of 1961. It provides for insurance of mortgages on individual units when units are held under condominium conditions. Condominium ownership is permitted in any project insured under any of the FHA multifamily programs with the exception of section 213 management-type cooperatives. The Housing Act of 1964 provided that projects could be initiated as condominiums under section 234.

When this program was enacted, only Puerto Rico had legal provisions to accommodate condominium ownership. As of now, 47 of the 50 States plus the Virgin Islands and the District of Columbia have enacted condominium enabling laws, and 2 of the 3 remaining States have such action pending—all traceable to the original stimulus provided by the Federal program.

As of August 1964, only 556 individual units had been insured under the section 234 program, but application activity for both individual units and projects suggests that increasing activity is to be expected. The creation of the program is also believed to have stimulated substantial conventionally financed condominium activity.

Section 809.—This program was authorized by the Housing Act of 1955 because the nature of civilian employment at Federal research and development centers renders arrangement of mortgage financing for home purchase difficult for these employees, both through conventional sources and established FHA programs.

Mortgage terms and other features of the program are similar to section 203(b) but the requirement for economic soundness is omitted. The law provides that the Commissioner may require the Secretary of