

Defense to guarantee the FHA insurance fund against loss, if he determines that the mortgage is not an acceptable risk.

As of August 1965, about 5,300 new homes and 6,500 existing homes had been insured under the program.

Section 810.—This program was authorized by the Housing Act of 1959. The units must be held for rental for a period of not less than 5 years, after which they may be sold. There had been no insurance or application activity under this section through August of 1965.

4. *Level of operations.* (See general answer covering all FHA programs.)
5. *Estimated magnitude of program in 1970.* (See general answer covering all FHA programs.)
6. *Prospective changes in program orientation.* (See general answer covering all FHA programs.)
7. *Coordination and cooperation.* (See general answer covering all FHA programs.)
8. *Laws and regulations.* (See general answer covering all FHA programs.)

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects.* (See general answer covering all FHA programs.)
10. *Economic classification of program expenditures.* (See general answer covering all FHA programs.)

RENTAL HOUSING PROGRAMS

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

Nearly all of the objectives as outlined for FHA sales housing programs apply equally to the FHA rental housing programs. The obvious exception to this statement is the sales housing objective of "broadening the opportunity for home ownership * * *." Rental housing programs, instead, have the objective of facilitating a continued availability of a diversity of structural forms, amenities, and means of tenure. Rental tenure may serve needs, or consumer preferences, or both. Rental housing frequently tends to serve those whose occupations or habits involve substantial mobility and for whom homeownership is, therefore, less suitable or less desirable.

Rental housing also serves those who do not wish to assume the risks or responsibility that homeownership implies. The largest market segment served by rental housing, however, tends to be those who have been unable to accumulate the required equity for homeownership investment or who are otherwise unable to qualify as acceptable credit risks for long-term mortgages. This group is composed in large part of younger families and individuals in early stages of the life cycle who will eventually become homeowners after assets accumulate, employment becomes more settled, and careers mature at higher earning levels.

A second objective of rental housing programs is to provide for higher density structural types which permit maximum economic use of strategically located land in high-cost urban areas, to the