

The program has been amended from time to time and volume under the program has averaged about 4,000 to 5,000 units annually since enactment. As of August 1965, a total of 68,400 units have been insured under the program.

*Section 220.*—This program was authorized by the Housing Act of 1954, after it was determined that mortgage funds from customary sources were unavailable for development of rental housing in urban renewal areas. Existing FHA programs were often inappropriate for the special circumstances and requirements of urban renewal redevelopment. Over 48,000 rental housing units had been insured under section 220 as of August 1965.

*Section 221(d)(3).*—This program was originally authorized in the Housing Act of 1954 to provide housing at moderate rentals for families displaced by urban renewal. Only nonprofit sponsors were originally eligible as mortgagors. It had but limited success in achieving its relocation objective due to the extreme difficulty of synchronizing the availability of new units with the timing of displacement.

The program was substantially changed by the Housing Act of 1961 as follows:

1. The objective was redirected toward low- and moderate-income families generally, though displacees still have priority for initial occupancy and waiting list status.

2. New classes of sponsors were made eligible, including management cooperatives, limited dividend corporations, and investor sponsors planning sale to cooperatives.

3. A new, separate, below-market interest rate program was created under section 221(d)(3). This program has such substantial advantage over the market rate program in most circumstances that it generally is preferred by the special sponsor classes eligible for either program.

Activity data on the market rate 221(d)(3) program is not readily separated from that of the 221(d)(4) program. However, a tabulation of projects insured through May of 1965 showed 37 "old law" (d)(3) projects, 13 "new law" market rate (d)(3) projects, and 41 (d)(4) projects—for a total of 91 projects. Combined data for all market rate 221 projects as of August 1965 showed a new total of 99 projects insured, covering 12,435 dwelling units.

The "new law" 221(d)(3) market rate program offers a slight advantage over section 213 for financing low- and moderate-cost management cooperatives, and to date, nearly all of the limited activity under the program has been in cooperative development.

*Section 221(d)(4).*—This program was authorized by the Housing Act of 1959. It provides a program for profit motivated sponsors with objectives identical to those of the section 221(d)(3) market rate program, including the 1961 changes outlined above.

*Section 810.*—This program was authorized by the Housing Act of 1959. It originally required certification of need by the Department of Defense (DOD) and was subject to a possible FHA requirement for DOD guarantee of losses. The DOD responsibility was eliminated in 1961. No units were insured under the program prior to 1963, and only 17 projects containing 2,046 units have been insured to date.

4. *Level of operations.* (See general answer covering all FHA programs.)