are supplied below, therefore, are only the roughest of approximations, tentative in nature, and subject to substantial modification upon more detailed and precise study.

Some of the assumptions which could be made are:

1. The extremely liberal financing provisions under FHA home mortgages, as compared to other vehicles for home financing, suggest that the great bulk of new homes for purchase under FHA programs might not otherwise have been produced.

2. The insurance of mortgages for existing homes, which constitutes the bulk of FHA home mortgage insurance activity, frees mortgage funds for support of a certain amount of new conventionally financed construction that might not otherwise have been built. For purposes of these calculations, it is believed that a 30 percent indirect impact represents a reasonable and conservative estimate.

3. The extremely liberal financing provisions of FHA for multifamily rental housing, together with the recognition that the special purpose rental programs of FHA account for a very large part of the agency's rental housing insurance activity, suggest that rental development under FHA programs would not have occurred, otherwise.

In calendar year 1965, FHA issued mortgage insurance commitments, as follows:

Home mortgages: $3.1 billion for new construction and $11 billion for existing housing.

Rental mortgages: $649 million for new construction and $57.4 million for existing projects.

Property improvement: $634 million.

On the basis of the foregoing, it is estimated that directly and indirectly, FHA mortgage insurance commitments in 1965 supported new construction borrowings in the amount of $6.4 million for homes and $666 million for rental housing, or a total of about $7 billion. On the basis that mortgages do not cover the entire value of the property but the value includes raw land purchases which do not augment the national product, the estimated value of construction supported by the programs would amount to about $6.9 billion. Values yielded by property improvements under FHA programs would bring this total to about $7.5 billion, about 1.1 percent of the 1965 GNP.

Employment and payrolls directly and indirectly supported by FHA programs are estimated as follows:

Home mortgages, covering an estimated $6.2 billion of new construction:

On-site employment: Based on Department of Labor estimates of 68 man-hours per $1,000 of contract amount; 1,800 hours employment per year; and average hourly rate of $3.68. Man-years employment, 234,000; annual payroll, $1.6 billion.

Off-site employment: Based on Department of Labor estimates of 126 man-hours per $1,000 of contract amount; 2,000 hours employment per year; and average hourly rate of $2.60. Man-years employment, 391,000; annual payroll, $2.0 billion.

Rental housing mortgages, covering an estimated $645 million of new construction:

On-site employment: Based upon Department of Labor estimates of 76 man-hours per $1,000 of contract amount; 1,800