

VETERANS ADMINISTRATIONDirect Loan Revolving Fund

The Direct Loan Revolving Fund was established by Public Law 475, Eighty-first Congress. The purpose of the direct loan program is to provide credit assistance to qualified veterans for the purchase of homes or farms in rural areas where private capital is unavailable for Veterans Administration (VA) guaranteed loans. The Veterans Readjustment Benefits Act of 1966 (38 U.S.C. 1818) extended direct loan availability to eligible veterans who served in the Armed Forces after January 31, 1955.

From the beginning of the direct loan program in 1950 through June 30, 1966, about \$1.73 billion has been advanced by the Treasury, of which about \$3 million has been returned to the Treasury as miscellaneous receipts and about \$306 million has been transferred to the Loan Guaranty Revolving Fund.

Direct Loan Revolving Fund
Financial Condition
June 30, 1966

(Thousands of dollars)

Assets:	
Treasury balance	\$1,002,271
Accounts receivable--regular, net	6,724
Interest collections on deposit	5,939
Equity in loans receivable	478,574
Principal collections in escrow	6,467
Equity in real property	<u>4,687</u>
Total	<u>\$1,504,662</u>
Liabilities and Government equity:	
Accrued interest payable	\$ 9,135
Accounts payable and accrued liabilities	35,013
Deferred credits	197
Interest-bearing capital	1,424,360
Retained earnings, end of year	<u>35,957</u>
Total	<u>\$1,504,662</u>

Loan Guaranty Revolving Fund

The Loan Guaranty Revolving Fund was established on July 1, 1961, by Public Law 86-665. The fund is used to pay the guaranty or insurance claims of holders of defaulted guaranteed loans and to pay for the acquisition of properties which were the security for defaulted loans.