The banks do not receive appropriated funds to carry out their activities nor are their annual budgets subject to review by Congress. Funds for the Federal home loan banks are obtained principally from (1) the sale of their obligations, (2) interest on advances (loans) to members, (3) interest on investments, (4) sale of capital stock, and (5) deposits of member institutions. In addition, the banks' funds are supplemented through the redemption and sale of investments and by the repayment of advances by member institutions. Authority to borrow from the Treasury in the amount of $1 billion is provided in the United States Code (12 U.S.C. 1431); however, no borrowings have been made to date.

Federal Savings and Loan Insurance Corporation

The Federal Savings and Loan Insurance Corporation is authorized under title IV of the National Housing Act (12 U.S.C. 1724 et seq.) to insure savings in all Federal savings and loan associations and in State-chartered institutions of the savings and loan type which apply and qualify for insurance. The protection thus afforded, which insures savers in member associations against financial loss up to a statutory limit of $15,000, may be provided through the prevention of default or the payment of insurance to savings account holders in the event of liquidation.

Although the Corporation does not receive appropriated funds to carry out its activities, congressional limitations are placed on the amount that may be expended annually by the Corporation for administrative expenses. The Corporation derives its income principally from annual insurance premiums received from insured institutions, interest earned on investments, and interest, rentals, etc., received on assets acquired from insured institutions. In addition, the Corporation's income is supplemented by the redemption and sale of securities, the realization on assets acquired from insured institutions, such as mortgages and real estate, and the prepayment of insurance premiums by insured institutions. The Corporation is authorized to borrow up to $750 million from the United States Treasury, but this authority has never been used.

Net income for fiscal year 1966, as shown by the Corporation's revenue and expense statement, was $85.3 million.