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INVESTMENT YIELDS IN NSLI AND USGLI TRUST FUNDS AS OF JUNE 30, 1979



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VETERANS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., August 27, 1979.

Hon. RAY ROBERTS,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with a request in a letter of December 6, 1966 from your committee, we have prepared the enclosed tabulations showing the status as of June 30, 1979 of investment yields in the NSLI, VSLI and USGLI funds.

In addition to investments in U.S. securities, there are substantial trust fund investments in policy loans. The amounts of loans and the proportion of 4 percent and 5 percent loans in the three funds are as follows:

	NSLI	VSLI	USGLI
Amount of loans (millions)	$1,039.3	$56.3	$46.0
Proportion of 5-percent loans	39	67	22
Proportion of 4-percent loans	61	33	78

Reinvestments of semiannual interest on U.S. securities together with the gradual extinction of older low interest securities have increased the average yield on Treasury securities held by the funds during the last 6 months by 0.39 percent for NSLI, 0.21 percent for VSLI and 0.03 percent for USGLI.

You will note that the new investment rates have increased in the 6-month period from December 31, 1978 to June 30, 1979. These increases amounted to 0.24 percent for NSLI, 0.18 percent for VSLI and 0.13 percent for USGLI.

For calendar year 1979 there will be moderate increases for NSLI and USGLI and a small increase for VSLI in the average rate earned during the year, which consists of the weighted new money rate and the rate earned on previous investments still outstanding.

Sincerely,

JOHN J. LEFFLER,
Associate Deputy Administrator
(In the absence of Max Cleland, Administrator).

Enclosures.

INVESTMENT YIELDS IN NATIONAL SERVICE LIFE INSURANCE TRUST FUND

Date	Amount of U.S. (or U.S. guaranteed) securities held at end of period (in billions)	Average rate of interest on securities in col. (2) (percent)	Amount of U.S. securities purchased or refinanced in 6 mo ending with date in col. (1) (in millions)	Average rate of interest on investments in col. (4) (percent)
(1)	(2)	(3)	(4)	(5)
Dec. 31, 1959	$5.7	3.00	Not required	----------
June 30, 1960	5.8	3.06	$598	3.81
Dec. 31, 1960	5.8	3.07	None	----------
June 30, 1961	5.8	3.07	367	3.12
Dec. 31, 1961	5.7	3.07	28	3.38
June 30, 1962	5.8	3.09	445	3.25
Dec. 31, 1962	5.8	3.09	5	3.27
June 30, 1963	5.7	3.11	315	3.37
Dec. 31, 1963	5.8	3.11	41	3.46
June 30, 1964	5.8	3.16	483	3.63
Dec. 31, 1964	5.8	3.16	56	3.59
June 30, 1965	5.9	3.21	558	3.63
Dec. 31, 1965	6.0	3.21	64	3.80
June 30, 1966	6.1	3.33	599	4.38
Dec. 31, 1966	6.1	3.43	200	6.03
June 30, 1967	6.1	3.51	512	4.61
Dec. 31, 1967	6.1	3.53	167	5.46
June 30, 1968	6.2	3.65	444	5.65
Dec. 31, 1968	6.2	3.77	211	6.11
June 30, 1969	6.3	3.89	347	6.22
Dec. 31, 1969	6.2	3.93	109	6.73
June 30, 1970	6.3	4.23	633	7.51
Dec. 31, 1970	6.4	4.28	133	5.88
June 30, 1971	6.4	4.53	1,173	5.73
Dec. 31, 1971	6.5	4.57	150	5.59
June 30, 1972	6.5	4.69	521	5.49
Dec. 31, 1972	6.6	4.72	189	5.75
June 30, 1973	6.7	4.97	675	6.49
Dec. 31, 1973	6.8	5.02	166	6.49
June 30, 1974	6.9	5.29	581	7.49
Dec. 31, 1974	7.0	5.35	182	7.16
June 30, 1975	7.0	5.57	846	7.00
Dec. 31, 1975	7.2	5.62	217	7.37
June 30, 1976	7.2	5.88	929	7.25
Dec. 31, 1976	7.5	5.90	241	6.25
June 30, 1977	7.5	6.05	1,365	6.71
Dec. 31, 1977	7.7	6.09	238	7.11
June 30, 1978	7.8	6.68	1,812	8.00
Dec. 31, 1978	7.9	6.81	362	8.39
June 30, 1979	8.0	7.20	1,203	8.63

INVESTMENT YIELDS IN U.S. GOVERNMENT LIFE INSURANCE TRUST FUND

Date	Amount of U.S. (or U.S. guaranteed) securities held at end of period (in billions)	Average rate of interest on securities in col. (2) (percent)	Amount of U.S. securities purchased or refinanced in 6 mo. ending with date in col. (1) (in millions)	Average rate of interest on investments in col. (4) (percent)
(1)	(2)	(3)	(4)	(5)
Dec. 31, 1959	$1.1	3.50	Not required	----------
June 30, 1960	1.1	3.52	$106	3.38
Dec. 31, 1960	1.1	3.52	None	----------
June 30, 1961	1.1	3.52	43	3.50
Dec. 31, 1961	1.0	3.52	1	3.50
June 30, 1962	1.0	3.52	36	3.50
Dec. 31, 1962	1.0	3.52	1	3.50
June 30, 1963	1.0	3.52	50	3.50
Dec. 31, 1963	1.0	3.52	None	----------
June 30, 1964	1.0	3.54	58	3.79
Dec. 31, 1964	1.0	3.54	1	3.63
June 30, 1965	1.0	3.54	46	3.63
Dec. 31, 1965	.9	3.55	26	4.00
June 30 , 1966	.9	3.60	78	4.38
Dec. 31, 1966	.9	3.84	83	6.05
June 30, 1967	.9	3.87	28	4.25
Dec. 31, 1967	.9	3.72	87	4.63
June 30, 1968	.9	3.76	64	5.25
Dec. 31, 1968	.8	3.77	None	----------
June 30, 1969	.8	3.87	33	6.00
Dec. 31, 1969	.8	3.89	None	----------
June 30, 1970	.8	4.03	30	7.25
Dec. 31, 1970	.8	4.09	15	5.50
June 30, 1971	.8	4.27	112	5.50
Dec. 31, 1971	.7	4.32	16	5.28
June 30, 1972	.7	4.39	32	5.25
Dec. 31, 1972	.7	4.44	16	5.49
June 30, 1973	.7	4.61	47	6.25
Dec. 31, 1973	.7	4.70	15	6.12
June 30, 1974	.7	4.88	35	7.25
Dec. 31, 1974	.6	4.99	15	6.88
June 30, 1975	.6	5.26	91	6.75
Dec. 31, 1975	.6	5.38	15	7.12
June 30, 1976	.6	5.66	73	7.00
Dec. 31, 1976	.6	5.75	16	5.88
June 30, 1977	.5	5.98	72	6.50
Dec. 31, 1977	.5	6.11	16	6.87
June 30, 1978	.5	6.94	158	7.75
Dec. 31, 1978	.5	7.10	17	8.25
June 30, 1979	.5	7.13	16	8.38

INVESTMENT YIELDS IN VETERANS SPECIAL LIFE INSURANCE TRUST FUND

Date	Amount of U.S. (or U.S. guaranteed) securities held at end of period (in billions)	Average rate of interest on securities in col. (2) (percent)	Amount of U.S. securities purchased or refinanced in 6 mo ending with date in col. (1) (in millions)	Average rate of interest on investments in col. (4) (percent)
(1)	(2)	(3)	(4)	(5)
Dec. 31, 1959	$73.6	2.62	$7.4	2.62
June 30, 1960	84.6	2.62	92.4	2.62
Dec. 31, 1960	92.9	2.63	8.3	2.66
June 30, 1961	106.3	2.87	115.3	2.87
Dec. 31, 1961	85.3	2.88	6.8	2.90
June 30, 1962	88.0	3.12	92.5	3.12
Dec. 31, 1962	95.5	3.13	7.5	3.15
June 30, 1963	100.6	3.37	109.4	3.37
Dec. 31, 1963	106.7	3.37	6.1	3.37
June 30, 1964	123.2	3.50	135.0	3.50
Dec. 31, 1964	133.5	3.50	10.4	3.50
June 30, 1965	149.1	3.62	160.3	3.62
Dec. 31, 1965	158.5	3.62	9.4	3.62
June 30, 1966	169.6	3.62	176.6	3.62
Dec. 31, 1966	178.7	3.62	9.1	3.62
June 30, 1967	189.4	3.62	196.0	3.62
Dec. 31, 1967	197.1	3.62	7.8	3.64
June 30, 1968	214.1	4.00	224.3	3.99
Dec. 31, 1968	222.9	4.00	8.8	4.07
June 30, 1969	242.6	4.37	253.5	4.37
Dec. 31, 1969	250.5	4.38	7.9	4.41
June 30, 1970	266.9	4.46	67.3	4.72
Dec. 31, 1970	280.6	4.48	13.8	4.84
June 30, 1971	293.0	4.58	73.8	4.99
Dec. 31, 1971	308.9	4.61	15.8	5.16
June 30, 1972	321.0	4.74	78.7	5.25
Dec. 31, 1972	337.5	4.78	16.5	5.47
June 30, 1973	352.6	4.96	89.1	5.61
Dec. 31, 1973	367.3	5.00	15.5	5.72
June 30, 1974	390.6	5.21	102.0	5.87
Dec. 31, 1974	409.4	5.26	18.6	6.17
June 30, 1975	432.2	5.53	103.8	6.14
Dec. 31, 1975	453.5	5.57	21.4	6.47
June 30, 1976	476.4	5.87	106.6	6.73
Dec. 31, 1976	499.6	5.91	23.2	6.85
June 30, 1977	524.1	6.17	109.1	6.99
Dec. 31, 1977	548.7	6.21	24.7	6.98
June 30, 1978	577.9	6.44	115.6	7.11
Dec. 31, 1978	604.6	6.48	26.7	7.32
June 30, 1979	618.4	6.69	92.3	7.50

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