

Public Law 94

CHAPTER 170

AN ACT

To amend the National Housing Act and other laws relating to housing.

June 30, 1953
[S. 2103]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Amendments of 1953".

SEC. 2. Section 8 (b) (2) of the National Housing Act, as amended, is hereby amended to read as follows:

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed \$5,700, and not to exceed 95 per centum of the appraised value, as of the date the mortgage is accepted for insurance, of a property upon which there is located a dwelling designed principally for a single-family residence, and which is approved for mortgage insurance prior to the beginning of construction: *Provided*, That the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 per centum of the Commissioner's estimate of the cost of acquisition in cash or its equivalent, or shall be the builder constructing the dwelling, in which case the principal obligation shall not exceed 85 per centum of the appraised value of the property or \$5,100: *Provided further*, That the Commissioner finds that the project with respect to which the mortgage is executed is an acceptable risk, giving consideration to the need for providing adequate housing for families of low and moderate income particularly in suburban and outlying areas: *And provided further*, That, where the mortgagor is the owner and occupant of the property and establishes (to the satisfaction of the Commissioner) that his home, which he occupied as an owner or as a tenant, was destroyed or damaged to such an extent that reconstruction is required as a result of a flood, fire, hurricane, earthquake, storm or other catastrophe, which the President, pursuant to section 2 (a) of the Act entitled 'An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes' (Public Law 875, Eighty-first Congress, approved September 30, 1950), has determined to be a major disaster, such maximum dollar limitation may be increased by the Commissioner from \$5,700 to \$7,000, and the percentage limitation may be increased by the Commissioner from 95 per centum to 100 per centum of the appraised value;"

SEC. 3. Section 203 of the National Housing Act, as amended, is hereby amended by adding the following new subsection at the end thereof:

"(g) Notwithstanding any other provisions of this section, a mortgage otherwise eligible for insurance hereunder and covering property upon which there is located a dwelling designed principally for a single-family residence and which is approved for mortgage insurance prior to the beginning of construction, may have such higher ratio of loan to value and such longer maturity than otherwise provided as the President may determine to be in the public interest, taking into account the general effect of such higher ratio or longer maturity, as the case may be, upon conditions in the building industry and upon the national economy: *Provided*, That the principal obligation of any such mortgage shall not exceed \$12,000 and the maturity thereof shall not exceed thirty years: *And provided further*, That with respect to any such mortgage the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 per centum of the Commissioner's estimate of the cost of acquisition in cash or its equivalent."

Housing Amend-
ments of 1953.

64 Stat. 49.
12 USC 1706c.

Mortgage insur-
ance.
Low-cost sale
housing.

64 Stat. 1109.
42 USC 1855a.

48 Stat. 1248.
12 USC 1709.

Single-family
residence.

12 USC 1711.

Group accounts.
Semiannual
transfer.

SEC. 4. Section 205 (c) of the National Housing Act, as amended, is hereby amended to read as follows:

Termination of
insurance.Settlement of
accounts.

“(c) The Commissioner shall, except as to group accounts terminated as of a date prior to July 1, 1953, transfer from each of the several group accounts to the general reinsurance account, beginning as of July 1, 1953, and as of the beginning of each semiannual period thereafter, an amount which, in the case of the initial transfer, shall equal 10 per centum of the total premium charges theretofore credited to such group accounts, and, in the case of subsequent transfers, shall equal the amount of any adjusted premium charges collected by the Commissioner in connection with the payment in full of insured mortgages prior to maturity on or after July 1, 1953, and an amount which shall in no event be less than 10 per centum nor more than 35 per centum of all other premium charges credited to such group accounts during the preceding semiannual period: *Provided*, That, until such time as the Commissioner determines that the resources in the general reinsurance account are sufficient to cover all estimated future deficits among individual group accounts, 100 per centum of all other premium charges credited to such group accounts during each such semiannual period shall be transferred as provided in this subsection. The Commissioner shall terminate the insurance as to any group of mortgages (1) when he shall determine that the amounts to be distributed, as hereinafter set forth, to each mortgagee under an outstanding mortgage assigned to such group are sufficient to pay off the unpaid principal of each such mortgage, or (2) when all the outstanding mortgages in any group have been paid. In addition to the amounts transferred as herein provided, the Commissioner shall, upon such termination, charge to the group account the estimated losses arising from transactions relating to that group, and shall distribute to the mortgagees for the benefit and account of the mortgagors of the mortgages assigned to such group the balance remaining in such group account, less any amount by which such balance exceeds the aggregate scheduled annual premiums of such mortgagors to the year of termination of the insurance: *Provided*, That any undistributed balance in the group account at termination shall be transferred to the general reinsurance account. Any such distribution to mortgagees shall be made equitably and in accordance with sound actuarial and accounting practice: *Provided*, That in no event shall any distribution to a mortgagor or for the account of a mortgagor under any provision of this section exceed his aggregate scheduled annual premiums to the year of termination of the insurance.”

12 USC 1713.
Multifamily
rental housing.

SEC. 5. (a) Section 207 (c) of the National Housing Act, as amended, is hereby amended—

(1) by striking out of paragraph numbered (2), “the sum of (i) 90 per centum of that portion of the estimated value of the property or project attributable to dwelling use (when the proposed improvements are completed) which does not exceed \$7,000 per family unit and (ii) 60 per centum of such estimated value in excess of \$7,000 and not in excess of \$10,000 per family unit and (iii) 90 per centum of the estimated value of such part of such property or project as may be attributable to nondwelling use” and inserting “80 per centum of the estimated value of the property or project (when the proposed improvements are completed)”;

(2) by amending paragraph numbered (3) to read as follows:

“(3) not to exceed, for such part of such property or project as may be attributable to dwelling use, \$2,000 per room (or \$7,200 per family unit if the number of rooms in such property or project does not equal or exceed four per family unit) and not in excess of \$10,000 per family unit.”; and

(3) by inserting after paragraph numbered (3) the following new paragraph:

"Notwithstanding any of the limitations contained in paragraphs numbered (2) and (3) of this subsection (c), if the number of bedrooms in such property or project is equal to or exceeds two per family unit, and the principal obligation of the mortgage does not exceed \$7,200 per family unit for such part of such property as may be attributable to dwelling use, the mortgage may involve a principal obligation not in excess of 90 per centum of the estimated value of the property or project (when the proposed improvements are completed)."

(b) Section 207 (i) of the National Housing Act, as amended, is hereby amended by striking out of the second sentence thereof the word "twenty" and inserting in lieu thereof the word "ten".

SEC. 6. The first sentence of section 213 (d) of the National Housing Act, as amended, is hereby amended by striking "4 per centum per annum" and inserting "4½ per centum per annum, except that individual mortgages insured pursuant to this subsection covering the individual dwellings in the project may bear interest at not to exceed 5 per centum per annum."

SEC. 7. Section 217 of the National Housing Act, as amended, is hereby amended by striking out of the second proviso "\$1,900,000,000" and inserting "\$3,400,000,000".

SEC. 8. Title II of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new section:

"SEC. 219. Notwithstanding limitations contained in any other sections of this Act as to the use of moneys credited to the Title I Housing Insurance Fund, the Housing Insurance Fund, the War Housing Insurance Fund, the Housing Investment Insurance Fund, the Military Housing Insurance Fund, or the Defense Housing Insurance Fund, the Commissioner is hereby authorized to transfer funds from any one or more of such Insurance Funds to any other such Fund in such amounts and at such times as the Commissioner may determine, taking into consideration the requirements of such Funds, separately and jointly to carry out effectively the insurance programs for which such Funds were established."

SEC. 9. Title V of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new section:

"SEC. 516. The following funds shall be deemed an indebtedness to the United States of the particular insurance fund involved, and the Commissioner is authorized and directed to pay the amount of such indebtedness to the Secretary of the Treasury, with simple interest thereon from the date the funds were advanced to the date of final payment at a rate determined by the Secretary of the Treasury, taking into consideration the average rate on outstanding marketable obligations of the United States from the date the funds were advanced until the date of final payment—

"(1) funds made available to the Commissioner pursuant to the provisions of sections 4 and 202, exclusive of amounts heretofore refunded, (a) for carrying out title II with respect to mortgages insured under section 203 where such funds were credited to the general reinsurance account in the Mutual Mortgage Insurance Fund, and (b) for the payment of salaries and expenses with respect to mortgage insurance under sections 207 and 210 where such funds were credited to the Housing Insurance Fund;

"(2) funds made available to the Commissioner pursuant to sections 602 and 802; and

65 Stat. 314.
12 USC 1713.

Cooperative
housing insurance.
64 Stat. 54.
12 USC 1715e.

Mortgage insur-
ance authoriza-
tion.
66 Stat. 601.
12 USC 1715h.

Transfer of in-
surance funds.

Payment to
Treasury.

12 USC 1705,
1708.

12 USC 1709.

12 USC 1713,
1715a note.

12 USC 1737,
1748a.

12 USC 1747i.

"(3) funds made available to the Commissioner by the Secretary of the Treasury pursuant to section 710.

"Payments to the Secretary of the Treasury under this section shall be made in such amounts and at such times as the Commissioner determines, after consultations with the Secretary of the Treasury, that funds are available for that purpose, taking into consideration the continued solvency of the funds involved. All payments made pursuant to this section shall be covered into the Treasury as miscellaneous receipts."

Military housing.
12 USC 1748b.

SEC. 10. (a) Section 803 (a) of the National Housing Act, as amended, is hereby amended by striking "1953" and inserting "1954".

(b) Section 803 (b) of the National Housing Act, as amended, is hereby amended by inserting immediately preceding the last paragraph thereof the following new paragraph:

Physical improvement certification.

"The mortgagor shall agree (i) to certify, upon completion of the physical improvements on the mortgaged property or project and prior to final endorsement of the mortgage, either (a) that the amount of the actual cost to the mortgagor of said physical improvements (exclusive of off-site public utilities and streets and of organization and legal expenses) equaled or exceeded the proceeds of the mortgage loan or (b) the amount by which the proceeds of the mortgage loan exceeded the actual cost to the mortgagor of said physical improvements (exclusive of off-site public utilities and streets and of organization and legal expenses) as the case may be, and (ii) to pay, within sixty days after such certification, to the mortgagee, for application to the reduction of the principal obligation of such mortgage, the amount, if any, so certified to be in excess of such actual cost. The Commissioner shall construe the term 'actual cost' in such a manner as to reduce same by the amount of any kickbacks, rebates, and normal trade discounts received in connection with the construction of the said physical improvements, and to include only the actual amounts paid for labor and materials and necessary services in connection therewith."

"Actual cost".

12 USC 1750g.

(c) The first sentence of the last paragraph of sections 803 (b) and 908 (b) of the National Housing Act, as amended, is hereby amended by striking out "4 per centum" and inserting "4½ per centum".

Critical areas.
12 USC 1750b.

SEC. 11. Section 903 (a) of the National Housing Act, as amended, is hereby amended by inserting the following proviso after the first proviso of said section: "*Provided further*, That in the event the Commissioner has issued a commitment to insure a mortgage under section 903 of this title, which commitment was in force and effect on June 1, 1953, and the Commissioner determines that, because of changes in defense requirements, there is reasonable doubt that such housing is needed for defense purposes and that it is probable that the mortgage would become immediately in default and claim made for payment under the mortgage insurance contract if the unit or units are completed and the mortgage insured, the Commissioner is authorized, in the interest of conserving the National Defense Housing Insurance Fund, to pay (in cash from the National Defense Housing Insurance Fund) to the mortgagee for the account of the mortgagor such amount as the Commissioner shall determine to be necessary to reimburse the mortgagor the amounts paid or to be paid by the mortgagor on account of labor performed and materials in place, less the Commissioner's estimate of the reasonable salvage value of such materials, plus an allowance for development costs equal to 4 per centum of the principal amount of the mortgage specified in such commitment, and no payments shall be made pursuant to this proviso unless a claim therefor is filed not later than six months from date of the determination of lack of need and the claim is in such form and

contains such supporting information, documents, and data as the Commissioner may require".

SEC. 12. Subparagraph (E) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended—

Federal National
Mortgage Association.

66 Stat. 602.
12 USC 1716.

(1) by striking "unpaid principal balance thereof" and inserting "principal amount to be paid therefor";

(2) by striking "aggregate amount" and inserting "aggregate principal amount"; and

(3) by striking everything after the colon and inserting: "*Provided*, That the foregoing clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G): *Provided further*, That, in lieu of or in conjunction with the other requirements with respect to mortgages covered by the aforesaid clause (2), and also with respect to any defense or disaster mortgages as defined in subparagraph (G), the Association may (in the discretion of its Board of Directors, and notwithstanding the provisions of subparagraph (G)) issue a purchase contract (which shall not be assignable or transferable except with the consent of the Association) in an amount not exceeding the amount of the sale of mortgages purchased from the Association, entitling the holder thereof to sell to the Association mortgages in the amount of the contract, upon such terms and conditions as the Association may prescribe: *And provided further*, That the authority of the Association to issue purchase contracts hereunder shall expire July 1, 1954, and the aggregate amount of such purchase contracts issued shall not exceed \$500,000,000; and".

SEC. 13. (a) The first sentence of subparagraph (G) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended by striking "1953" and inserting "1954".

64 Stat. 57.

(b) The first sentence of section 302 of the National Housing Act, as amended, is hereby amended by changing the colon to a period, and by deleting the proviso.

66 Stat. 602.
12 USC 1717.

SEC. 14. Public Law 243, Eighty-second Congress, is hereby amended by striking "June 29, 1951" and inserting "September 1, 1953", and by changing the period at the end thereof to a colon and adding the following: "*And provided further*, That subparagraph (C) of section 301 (a) (1) of the National Housing Act, as amended, shall have no application with respect to any mortgage which otherwise qualifies hereunder if such mortgage is the subject of a commitment to be made by the Association and covers housing in which the number of rooms equals or exceeds six for each family unit and in which the number of bedrooms equals or exceeds three for each family unit."

Cooperative
housing.
65 Stat. 699.
12 USC 1716-1.

SEC. 15. Section 101 (a) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking ", III, or IV" and inserting "or III".

65 Stat. 293.
42 USC 1591.

SEC. 16. Section 104 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended—

42 USC 1591c.

(1) by inserting before the first sentence of said section "After June 30, 1953, no construction of permanent housing may be begun under title III of this Act.";

(2) by striking out "1953" in the first place where it appears in said section and inserting "1954";

(3) by striking out "housing" in clause (b) and inserting "temporary housing";

(4) by striking out clause (c); and

(5) by relettering clause (d) as clause (c).

SEC. 17. Section 305 (c) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking "June 30, 1953" and inserting "June 30, 1954".

42 USC 1592d.

42 USC 1592n.

SEC. 18. Section 315 (e) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is amended by striking out the word "or" immediately before "(3)", and by inserting before the period at the end thereof a comma and the following: "or (4) the provision of community facilities or services necessary to the health, safety, or public welfare of the inhabitants of a town or community which has been relocated as a result of the acquisition (through eminent domain or purchase in lieu thereof) of its former site by or on behalf of the Atomic Energy Commission for national-defense activities".

Repeal.
42 USC 1593-
1593d.
64 Stat. 822; 65
Stat. 144.
50 USC app.
2166.

SEC. 19. Title IV of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby repealed.

SEC. 20. Section 717 (c) of the Defense Production Act of 1950, as amended, is hereby amended by inserting the following new paragraph at the end thereof:

50 USC app.
2131-2136.

"Notwithstanding any other provision of this Act, the termination of title VI or any section thereof shall not be construed as affecting any obligation, condition, liability, or restriction arising out of any agreement heretofore entered into pursuant to, or under the authority of, section 602 or section 605 of this Act, or any issuance thereunder, by any person or corporation and the Federal Government or any agency thereof relating to the provision of housing for defense workers or military personnel in an area designated as a critical defense housing area pursuant to law."

HOLC, dissolu-
tion.
48 Stat. 129.
12 USC 1463.

SEC. 21. (a) The Home Owners' Loan Corporation created pursuant to section 4 of the Home Owners' Loan Act of 1933, as amended (referred to in this section as the "Corporation"), shall cease to exist and shall for all purposes be considered dissolved and abolished, except as otherwise provided in this section, one hundred and eighty days after the date the Home Loan Bank Board publishes in the Federal Register a notice to that effect, which shall also contain information as to the time for, and manner of, filing claims against the Corporation. The period of time prescribed for the filing of such claims shall be the ninety days immediately following the date of publication of the notice, and all creditors and claimants who have not presented their claims or demands within that period shall be forever barred from presenting or prosecuting the same, and any creditor or claimant who has not instituted suit within sixty days from the date his claim or demand is rejected by the Corporation shall be forever barred.

(b) With respect to any action, suit, or other legal proceeding commenced against the Corporation prior to the date of its dissolution, the Corporation shall continue a body corporate for the purpose of defending such suit and for no other purpose, and service of subpoena or other process in such proceeding may be made upon the Corporation by serving the same on the Secretary to the Home Loan Bank Board.

(c) Effective as of the date of the dissolution of the Corporation, (1) the title to any and all real property remaining in the Corporation on such date is transferred to the United States of America, (2) authority is given to the Home Loan Bank Board to sell and convey such property in the name of the United States of America for such cash consideration as such Board shall deem reasonable, and (3) all powers of the Corporation with respect to the execution of any instruments or documents affecting title to real estate or with respect to authorizing satisfactions of judgments are transferred to such Board. Any such instruments or documents executed by the Secretary or an Assistant Secretary to such Board on behalf of the Board shall be as effective as if the same had been executed by the Corporation prior to its dissolution. Subject to the approval of the Director of the Bureau

of the Budget, such Board may transfer to any other department or agency of the United States, with the consent of such department or agency, all the powers and functions vested in such Board by this subsection (c). All liens held by the Corporation upon real or personal property on account of judgments rendered in its favor, except judgments for mortgage debts which have been assigned by the Corporation, and all claims now held by the Corporation arising out of its mortgage or real estate operations, whether for rent or otherwise, are hereby released and discharged in full.

(d) The authority to appropriate for any functions relating to the Corporation may continue to be exercised after its dissolution for the purpose of making appropriations to any department or agency carrying out the provisions of this section.

SEC. 22. Subsection (e) of section 106 of the Housing Act of 1949 (42 U. S. C. 1456 (e)), is amended by inserting before the period at the end thereof a colon and the following: "Provided, That the Administrator, without regard to such limitation, may enter into contracts for capital grants aggregating not to exceed \$35,000,000 (subject to the total authorization provided in section 103 (b) of this title) with local public agencies in States where more than two-thirds of the maximum capital grants permitted in the respective State under this subsection has been obligated".

SEC. 23. Section 504 of the Housing Act of 1950, as amended, is hereby amended to read as follows:

"SEC. 504. With respect to housing built or sold with assistance provided under the National Housing Act, as amended, or title III of the Servicemen's Readjustment Act of 1944, as amended, the Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are hereby specifically authorized and directed to issue such regulations, applicable uniformly to all classes of mortgagees, as they determine desirable for the purpose of limiting the charges and fees, which shall not be construed to include any loss suffered by an originating lender in the bona fide sale or pledge of or an agreement to sell the mortgage, imposed upon the builder or other seller, or the veteran or other purchaser in connection with the financing of the construction or sale of such housing, whether or not such charges were or are imposed in connection with the financing assisted by the Federal Government, and no loan shall be insured or guaranteed under such Acts unless the mortgagee certifies that it has not imposed upon the builder or other seller, or the veteran or other purchaser any charges or fees in connection with the financing of the construction or sale of such housing in excess of the charges or fees permitted under such regulations for such purposes as are applicable to the housing involved."

SEC. 24. (a) The first sentence of paragraph (g) of section 110 of the Housing Act of 1949, as amended, is hereby amended to read as follows: "'Going Federal rate' means (with respect to any contract for a loan or advance entered into after the first annual rate has been specified as provided in this sentence) the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the six-month period (beginning with the six-month period ending December 31, 1953) during which the contract for loan or advance is made, which applicable rate for each six-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such six-month period, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May or November, and

Capital grants.
63 Stat. 419.

42 USC 1453.

64 Stat. 81.
12 USC 1701j.

Charges and
fees.
12 USC 1701
note; 38 USC 694
et seq.

"Going Federal
rate".
63 Stat. 421.
42 USC 1460.

Loans to educational institutions.
64 Stat. 78.
12 USC 1749.

by adjusting such estimated average annual yield to the nearest one-eighth of one per centum."

(b) The third sentence of section 401 (a) of the Housing Act of 1950, as amended, is hereby amended to read as follows: "A loan to an educational institution may be in an amount not exceeding the total development cost of the housing, as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding forty years, as may be determined by him; and, with respect to loan contracts entered into after the first minimum annual rate has been specified as provided herein, shall bear interest at a rate determined by the Administrator which shall be not less than the minimum annual rate which the Secretary of the Treasury shall specify as applicable to the six-month period (beginning with the six-month period ending December 31, 1953) during which the contract for the loan is made: *Provided*, That such minimum annual rate for each six-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such six-month period, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of one per centum."

63 Stat. 426.
42 USC 1402.

Low-rent housing.
"Going Federal rate".

(c) Section 2, paragraph 10, of the United States Housing Act of 1937, as amended, is hereby amended by inserting after the words "*Provided*, That" the following: "with respect to any loans or annual contributions made pursuant to a contract approved by the President after the first annual rate has been specified as provided in this proviso, the term 'going Federal rate' means the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the six-month period (beginning with the six-month period ending December 31, 1953) during which the contract is approved by the President, which applicable rate for each six-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such six-month period, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of one per centum: *And provided further*, That".

Hawaii.
12 USC 1715d.

SEC. 25. (a) Section 214 of the National Housing Act, as amended, is hereby amended by inserting the words "or Hawaii" after the word "Guam" in each place where it appears therein.

63 Stat. 58.
48 USC 484e.

12 USC 1716.

(b) Section 2 (b) of Public Law 52, Eighty-first Congress, is hereby amended by adding at the end thereof the following new paragraph:

"Notwithstanding the provisions of subparagraph (C) of section 301 (a) (1) of the National Housing Act, as amended, any mortgage loans may be offered to the Federal National Mortgage Association for purchase if such loans are secured by property located in Guam or Hawaii, and insured under any of the provisions of the National Housing Act, as amended."

Alaska, Guam and Hawaii.
12 USC 1715d.

(c) Section 214 of the National Housing Act, as amended, is hereby amended—

(1) by striking from the last sentence of said section the words "Upon application by the mortgagee," and inserting in lieu thereof the words: "Upon application by the mortgagee (1) where the

mortgagor is regulated or restricted pursuant to the last sentence of this section or (2)"; and

(2) by adding the following new sentence at the end of said section: "Without limiting the authority of the Commissioner under any other provision of law, the Commissioner is hereby authorized, with respect to any mortgagor in such case (except where the Alaska Housing Authority is the mortgagor or mortgagee), to require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation to such an extent and in such manner as the Commissioner determines advisable to provide reasonable rentals and sales prices and a reasonable return on the investment."

Approved June 30, 1953.

Public Law 95

CHAPTER 171

AN ACT

To provide authority for temporary economic controls, and for other purposes.

June 30, 1953
[S. 1081]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Production Act Amendments of 1953".

SEC. 2. Section 2 of the Defense Production Act of 1950, as amended, is amended to read as follows:

Defense Production Act Amendments of 1953.
64 Stat. 798.
50 U.S.C. app. 2062.

"DECLARATION OF POLICY

"SEC. 2. In view of the present international situation and in order to provide for the national defense and national security our mobilization effort continues to require some diversion of certain materials and facilities from civilian use to military and related purposes. It also requires expansion of productive facilities beyond the levels needed to meet the civilian demand."

SEC. 3. Section 101 of the Defense Production Act of 1950, as amended, is amended to read as follows:

50 U.S.C. app. 2071.

"SEC. 101. (a) The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders in preference to other contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense.

Priorities and allocations.

"(b) The powers granted in this section shall not be used to control the general distribution of any material in the civilian market unless the President finds (1) that such material is a scarce and critical material essential to the national defense, and (2) that the requirements of the national defense for such material cannot otherwise be met without creating a significant dislocation of the normal distribution of such material in the civilian market to such a degree as to create appreciable hardship."

Restriction.

SEC. 4. Subsection (a) of section 301 of the Defense Production Act of 1950, as amended, is amended by striking out "or in connection with or in contemplation of the termination," and by inserting before the period at the end thereof a comma and the following: "or for the purpose of financing any contractor, subcontractor, or other person in

50 U.S.C. app. 2091.