

## Public Law 345

## CHAPTER 783

## AN ACT

August 11, 1955  
[S. 2126]

To extend and clarify laws relating to the provision and improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works, and for other purposes.

*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 1955".

Housing Amend-  
ments of 1955.

## TITLE I—GENERAL HOUSING AMENDMENTS

## HOME IMPROVEMENT LOANS

SEC. 101. Section 2 (a) of the National Housing Act, as amended, is hereby amended by striking "August 1, 1955" and inserting "September 30, 1956".

Ante, p. 225.

## MORTGAGE INSURANCE

SEC. 102. (a) Section 204 (f) of said Act, as amended, is hereby amended by adding the following paragraph at the end thereof:

48 Stat. 1250.  
12 USC 1710.

"Notwithstanding any other provisions of this section, the Commissioner is authorized, with respect to mortgages insured pursuant to commitments for insurance issued after the date of enactment of the Housing Amendments of 1955, and, with the consent of the mortgagee or mortgagor, as the case may be, with respect to mortgages insured pursuant to commitments issued prior to such date, to effect the settlement of certificates of claim and refunds to mortgagors at any time after the sale or transfer of title to the property conveyed to the Commissioner under this section and without awaiting the final liquidation of such property for the purpose of determining the net amount to be realized therefrom."

(b) Section 207 of said Act, as amended, is hereby amended as follows:

12 USC 1713.

(1) In subsection (a) (1) (B), after the words "residential use", insert "or upon which there is located or to be constructed facilities for trailer coach mobile dwellings";

(2) In subsection (a) (6), before the period, insert the following: "or space in a trailer court or park properly arranged and equipped to accommodate trailer coach mobile dwellings";

(3) In the first proviso of subsection (c) (2), after the words "of this section", insert "or a mortgage on a trailer court or park";

(4) Before the colon immediately preceding the proviso in subsection (c) (3), insert "or not to exceed \$1,000 per space or \$300,000 per mortgage for trailer courts or parks"; and

(5) In the last sentence of subsection (c), after the word "project", insert "may include eight or more family units and".

(c) Sections 207 (c) (1), 213 (b) (1), 213 (c), 220 (d) (3) (B), and 221 (d) (3) of said Act, as amended, are hereby amended by striking out "\$5,000,000" and inserting in lieu thereof "\$12,500,000".

68 Stat. 596, 599.  
12 USC 1715e,  
1715k, 1715l.

(d) Section 213 (b) (2) of said Act, as amended, is amended by striking out "the estimated value" both times it appears and inserting in lieu thereof "the amount which the Commissioner estimates will be the replacement cost".

(e) Section 213 of said Act, as amended, is hereby amended by adding, in the last sentence of subsection (d), after the words "subsection (a) of this section", the words "may include eight or more family units and".

Ante, p. 11.

(f) Section 217 of said Act, as amended, is hereby amended by striking "July 1, 1954" and inserting "July 1, 1955", and by striking "\$3,500,000,000" and inserting "\$4,000,000,000".

12 USC 1715k.

(g) Section 220 (d) (3) of such Act, as amended, is amended as follows:

(1) In subparagraph (A) by striking out "the appraised value" and inserting in lieu thereof "the amount which the Commissioner estimates will be the replacement cost", and by striking out "such value" and inserting in lieu thereof "such cost", and by adding the following proviso before the last semicolon of said subparagraph (A): "*And provided further*, That in the case of properties other than new construction, the foregoing limitations upon the amount of the mortgage shall be based upon appraised value rather than upon the Commissioner's estimate of the replacement cost"; and

(2) In subparagraph (B) (ii) by striking out "the estimated value" and inserting in lieu thereof "the amount which the Commissioner estimates will be the replacement cost", and by striking out "value" and inserting in lieu thereof "replacement cost", and by adding the following proviso before the semicolon in said subparagraph (B) (ii): "*Provided*, That in the case of properties other than new construction, the foregoing limitation upon the amount of the mortgage shall be based upon appraised value rather than upon the Commissioner's estimate of the replacement cost".

12 USC 1715e.

(h) In the performance of, and with respect to, the functions, powers, and duties vested in him by section 213 of the National Housing Act, as amended, the Commissioner, notwithstanding the provisions of any other law, shall appoint a Special Assistant for Cooperative Housing, and provide the Special Assistant with adequate staff, whose sole responsibility will be to expedite operations under such section and to eliminate obstacles to the full utilization of such section under the direction and supervision of the Commissioner. The person so appointed shall be fully sympathetic with the purposes of such section.

68 Stat. 607.  
12 USC 1715r.

(i) Clause (a) of the second sentence of section 227 of said Act, as amended, is hereby amended by striking "under section 221" and inserting "under section 221 if the mortgage meets the requirements of paragraph (3) of subsection (d) thereof".

12 USC 1715l.

(j) Section 221 (a) of said Act, as amended, is amended as follows:

(1) By inserting after the words "in order to assist in relocating families" the following: "from urban renewal areas and in relocating families";

(2) By striking out the words "to be so displaced" in the first proviso of the second sentence;

(3) By striking out the words "to be so displaced and" and inserting "referred to above" in the second proviso of the second sentence.

68 Stat. 605.  
12 USC 1715n.

(k) Section 223 (a) of said Act, as amended, is amended by striking out "section 203 or section 207" each time it appears and inserting in lieu thereof "section 203, 207, or 213".

#### FEDERAL NATIONAL MORTGAGE ASSOCIATION

68 Stat. 616.  
12 USC 1720.

SEC. 103. Section 305 of said Act, as amended, is amended by adding at the end thereof the following:

Advance commitment contracts.

"(e) Notwithstanding any other provision of this Act, the Association is authorized to enter into advance commitment contracts which do not exceed \$50,000,000 outstanding at any one time, if such commitments relate to mortgages with respect to which the Federal Housing Commissioner shall have issued pursuant to section 213 either a commitment to insure or a statement of eligibility; but not more than

12 USC 1715e.

\$5,000,000 of such authorization shall be available for such commitments in any one State."

#### CERTIFICATES OF CLAIM

SEC. 104. Section 604 (f) of said Act, as amended, is hereby amended by adding the following paragraph at the end thereof:

"Notwithstanding any other provisions of this section, the Commissioner is authorized, with the consent of the mortgagee or mortgagor, as the case may be, to effect the settlement of certificates of claim and refunds at any time after the sale or transfer of title to the property conveyed to the Commissioner under this section and without awaiting the final liquidation of such property for the purpose of determining the net amount to be realized therefrom."

55 Stat. 60.  
12 USC 1739.

#### TERMINATION OF TITLE IX OF THE NATIONAL HOUSING ACT

SEC. 105. The second sentence of section 104 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking in clause (a) thereof "designate hereunder" and inserting "designate hereunder or (iii) pursuant to a commitment to insure issued pursuant to the preceding clause (ii)".

68 Stat. 609.  
42 USC 1591c.

#### SLUM CLEARANCE AND URBAN RENEWAL

SEC. 106. (a) Section 103 (b) of the Housing Act of 1949, as amended, is hereby amended by striking "\$100,000,000, which limit shall be increased by further amounts of \$100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$500,000,000)" and inserting "\$500,000,000, which limit shall be increased by further amounts of \$200,000,000 on July 1 in each of the years 1955 and 1956, respectively: *Provided*, That".

63 Stat. 416.  
42 USC 1453.

(b) Section 106 (e) of said Act, as amended, is hereby amended by striking "\$35,000,000" and inserting "\$70,000,000".

67 Stat. 127.  
42 USC 1456.

(c) Section 110 (c) of said Act, as amended, is hereby amended by inserting between the first and second sentences thereof the following sentence: "Where land within the purview of subparagraph (1) (ii) or (1) (iii) hereof (whether it be predominantly residential or nonresidential in character) is to be redeveloped for predominantly nonresidential uses, loans and advances under this title may be extended therefor if the governing body of the local public agency determines that such redevelopment for predominantly nonresidential uses is necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives and to afford maximum opportunity for the redevelopment of the project area by private enterprise: *Provided*, That loans and outstanding advances to any local public agency pursuant to the authorization of this sentence shall not exceed 2½ per centum of the estimated gross project costs of the projects undertaken under other contracts with such local public agency pursuant to this title."

63 Stat. 420.  
42 USC 1460.

SEC. 107. The Territorial Enabling Act of 1950 (64 Stat. 344) is hereby amended—

48 USC 480 note.

(1) by inserting "urban renewal," after "urban redevelopment," in the title;

(2) by inserting "AND URBAN RENEWAL" after "REDEVELOPMENT" in the heading of title I;

(3) by inserting "and urban renewal projects" after the term "urban redevelopment projects" in each place where that term appears in title I;



(4) by inserting "URBAN RENEWAL," after "REDEVELOPMENT," in the heading of title III;

48 USC 1408,  
1408b.

(5) by inserting "urban renewal," after "urban redevelopment," in sections 301 and 303;

48 USC 1408c.  
48 USC 480, 721,  
910.

(6) by inserting "or urban renewal" after "urban redevelopment" in section 304;

(7) by inserting "as amended," after "(Public Law 171, Eighty-first Congress)," in sections 101, 301, and 304;

(8) by inserting "as amended," after "Housing Act of 1949," in the clause numbered "(1)" in section 304; and

(9) by inserting ", as amended," after "this Act" in sections 101, 301, and 304.

#### PUBLIC HOUSING

68 Stat. 623.  
42 USC 1451.

SEC. 108. (a) Section 101 (c) of title I of the Housing Act of 1949, as amended, is amended by striking out "or for annual contributions or capital grants pursuant to the United States Housing Act of 1937, as amended, for any project or projects not constructed or covered by a contract for annual contributions prior to the effective date of the Housing Act of 1954,".

68 Stat. 630.  
42 USC 1410.

(b) Subsection (i) of section 10 of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(i) Notwithstanding any other provisions of law the Authority may enter into new contracts for loans and annual contributions for not more than forty-five thousand additional dwelling units during the period from the date of enactment of the Housing Amendments of 1955 through July 31, 1956, and may enter into only such new contracts for preliminary loans in respect thereto as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into hereunder: *Provided*, That no new contracts for loans and annual contributions for additional dwelling units in excess of the number authorized in this sentence shall be entered into unless authorized by the Congress."

Glastonbury,  
Conn.

(c) Notwithstanding the provisions of any other law, the Housing and Home Finance Administrator is authorized to sell and convey all right, title, and interest of the United States (including any off-site easements) at fair market value as determined by him, in and to war housing project CONN-6028, known as Welles Village, containing one hundred and ninety-nine dwelling units on approximately thirty-four and one-half acres of land in Glastonbury, Connecticut, to the Housing Authority of the town of Glastonbury, Connecticut, subject to the approval of the legislative body of the town of Glastonbury, for use in providing moderate rental housing. Any sale pursuant to this section shall be on such terms and conditions as the Administrator shall determine: *Provided*, That full payment to the United States shall be required within a period of not to exceed thirty years with interest on the unpaid balance at not to exceed 5 per centum per annum: *Provided further*, That the provisions of this subsection shall be effective only during the period ending 12 months after the date of approval of this Act.

68 Stat. 644.  
42 USC 1585.

(d) The Act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended, is hereby amended by amending the last paragraph of section 605 (a) to read as follows:

"In any city in which, on March 1, 1953, there were more than ten thousand temporary housing units held by the United States of America, or any two contiguous cities in one of which there were on such date more than ten thousand temporary housing units so held, the Administrator may acquire, by purchase or condemnation,

a fee simple title to any or all lands in which the Administrator holds a leasehold interest, or other interest less than a fee simple, acquired by the Federal Government for national defense or war housing or for veteran's housing where (1) the Administrator finds that the acquisition by him of a fee simple title in the land will tend to expedite the orderly disposal or removal of temporary housing under his jurisdiction by facilitating the availability of improved sites for privately owned housing needed to replace such temporary housing, and will tend to expedite the transition of the city from a war-affected community containing, as of said date, a large number of temporary houses to a community having additional permanent, well-planned, residential neighborhoods, (2) the local governing body of the city makes a like finding and requests the Administrator to acquire such title to the land, and (3) the city has furnished assurances satisfactory to the Administrator that no individual who is employed by, or is an official of, the government of the city in which the land is located, or any agency thereof, shall be permitted, directly or indirectly, to have any financial interest in the purchase or redevelopment of such land: *Provided*, That such acquisitions by the Administrator pursuant to this sentence shall be limited to not exceeding four hundred and twenty-five acres of land in the general area in which approximately one thousand five hundred units of temporary housing held by the United States of America were unoccupied on said date: *And provided further*, That funds for such acquisition by the Administrator, which are authorized, pursuant to subsection (c) of this section and title II of the Independent Offices Appropriation Act, 1955, to be expended from the revolving fund established by that title under the heading "Housing and Home Finance Agency Office of the Administrator, revolving fund", shall be taken into consideration, to the extent that they are needed, in making any determination pursuant to the second proviso under that heading. All or any part of any land so acquired by the Administrator may, during the five year period following the date of its acquisition, be sold by the Administrator, through negotiated sale, to such city or any local public agency where (1) the city or local public agency has represented to the Administrator that it is duly authorized under State law to purchase and resell such land, that such land will be made available to private enterprise for development in accordance with local zoning and other laws, and that the aggregate of such land and any other land in the same city previously sold under the authority of this paragraph to the city or a local public agency will be developed for predominantly residential use, and (2) the city or local public agency has agreed to pay the fair market value of the land as determined by the Administrator, after giving consideration, among other relevant information, to the cost to the Federal Government of acquiring the fee simple title and of holding the land pending sale (including estimated amounts to cover legal and overhead expenses of such acquisition and to cover interest costs to the Federal Government of monies invested in the land pending sale). Any such negotiated sale of land to the city or a local public agency shall be made upon terms which require (1) that the city or public agency shall pay in cash at least one third of the price of the land upon its conveyance and the entire price within one year after its conveyance and (2) that any portion of the entire price not paid upon such conveyance shall be represented by an indebtedness which shall bear interest on outstanding balances at a rate of 4 per centum per annum and which shall be secured by a first mortgage lien upon the land or such portion of

68 Stat. 295.  
12 USC 1701g-5.

the land as the Administrator deems adequate to protect the financial interest of the Federal Government. The Administrator may, at any time that he deems it to be in the public interest to do so, dispose, under authority of other provisions of this Act, of any land acquired by him pursuant to this paragraph. Any land acquired by the Administrator pursuant to this paragraph which has not been disposed of within five years after its acquisition shall be disposed of by him as expeditiously as possible in the public interest in accordance with other authority contained in this Act. Notwithstanding the provisions of section 306 of this Act or any other provisions of law, no payments in lieu of taxes shall be made for any tax year beginning subsequent to the date of the acquisition of title to the property by the Administrator."

#### HOME LOAN BANK BOARD

SEC. 109. (a) The Federal Home Loan Bank Act, as amended, is hereby amended—

47 Stat. 729.  
12 USC 1426(i).

(1) by striking the first sentence of section 6 (i) and inserting: "Any member other than a Federal savings and loan association may withdraw from membership in a Federal Home Loan Bank six months after filing with the board written notice of intention so to do, and the board may, after hearing, remove any member from membership, or deprive any nonmember borrower of the privilege of obtaining further advances, if, in the opinion of the board, such member or nonmember borrower (i) has failed to comply with any provision of this Act or regulation of the board made pursuant thereto; (ii) is insolvent: *Provided*, That any member of a bank which is a building and loan association, savings and loan association, cooperative bank, or homestead association shall be deemed insolvent if the assets of such member are less than its obligations to its creditors and others, including the holders of its withdrawable accounts; or (iii) has a management or home-financing policy of a character inconsistent with sound and economical home financing or with the purposes of this Act.";

49 Stat. 294.  
12 USC 1427(a).

(2) by striking the period at the end of section 7 (a) and inserting a colon and the following: "*Provided*, That the board may by regulation increase the number of elective directors of any Federal Home Loan Bank having a district which includes five or more States to a number not exceeding twice the number of States comprising such district, but such additional elective directors shall be apportioned as nearly as may be practicable in the same manner and order as is provided for the apportionment of elective directors under subsections (c) and (d) hereof: *Provided further*, That there shall be not less than one elective director from any of the States nor more than three elective directors from any of the States in any district referred to in the preceding proviso and in no event shall the total number of elective directors in any one district exceed eleven. The term 'States' as used in the preceding provisos shall mean the States of the Union and the District of Columbia.";

47 Stat. 736.  
12 USC 1437.

Federal Home  
Loan Bank Board.  
61 Stat. 954.  
12 USC 1437  
note.

(3) by inserting "(a)" after the section number in section 17 and adding at the end thereof a new subsection (b) as follows: "(b) The Home Loan Bank Board which was, pursuant to Reorganization Plan Numbered 3 of 1947, established and made a constituent agency of the Housing and Home Finance Agency shall, from the effective date of the Housing Amendments of 1955, cease to be such a constituent agency and shall be an independent agency (including the Federal Savings and Loan Insurance Corporation) in the exec-



utive branch of the Government: *Provided*, That the functions vested in the Chairman of said board under clause (2) of the last sentence of subsection (b) of section 2 of said reorganization plan are hereby transferred to said board. Notwithstanding any other provision of law, said board, the Chairman thereof except as herein otherwise provided, and the Federal Savings and Loan Insurance Corporation, respectively, shall have and may exercise all functions which they respectively had or could exercise, immediately prior to the effective date of the Housing Amendments of 1955 or immediately prior to the effective date of the Independent Offices Appropriation Act, 1955. Said board shall annually make a report of its operations (including those of the Federal Savings and Loan Insurance Corporation) to the Congress as soon as practicable after the first day of January in each year. The name of the Home Loan Bank Board is hereby changed to 'Federal Home Loan Bank Board'."

68 Stat. 272.  
Report to Congress.

(b) Subsection (e) of section 406 of the National Housing Act, as amended (12 U. S. C. 1729 (e)), is hereby amended by striking the words "Housing and Home Finance Administrator" and inserting in lieu thereof the word "Congress".

Report to Congress.  
68 Stat. 643.

SEC. 110. The Home Owners' Loan Act of 1933, as amended, is hereby amended by striking the proviso at the end of the second paragraph of section 5 (c) and inserting: "*Provided*, That no such loan, unless so insured or guaranteed, shall be made in excess of \$2,500."

68 Stat. 636.  
12 USC 1464 (c).

#### FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION ADMISSION FEES

SEC. 111. The National Housing Act, as amended, is hereby amended by striking section 403 (d) and inserting:

"(d) Any institution which applies after the effective date of the Housing Amendments of 1955 for insurance under this title shall pay, in the event its application is approved, an admission fee in such amount as the Corporation shall determine, taking into consideration the total cost of processing all insurance applications."

49 Stat. 298.  
12 USC 1726 (d).

#### COMMUNITY FACILITIES ADMINISTRATION

SEC. 112. Section 702 of the Housing Act of 1954 is hereby amended to read as follows:

68 Stat. 641.  
40 USC 462.

"SEC. 702. (a) In order (1) to encourage municipalities and other public agencies to maintain at all times a current and adequate reserve of planned public works the construction of which can rapidly be commenced, particularly when the national or local economic situation makes such action desirable, and (2) to help attain maximum economy and efficiency in the planning and construction of public works, the Administrator is hereby authorized to make advances to public agencies (notwithstanding the provisions of section 3648 of the Revised Statutes, as amended) to aid in financing the cost of engineering and architectural surveys, designs, plans, working drawings, specifications, or other action preliminary to and in preparation for the construction of public works: *Provided*, That the making of advances hereunder shall not in any way commit the Congress to appropriate funds to assist in financing the construction of any public works so planned: *And provided further*, That advances outstanding to public agencies in any one State shall at no time exceed 10 per centum of the aggregate then authorized to be appropriated to the revolving fund established pursuant to subsection (e) of this section.

31 USC 529.

"(b) No advance shall be made hereunder with respect to any individual project unless it is planned to be constructed within a reasonable period of time, unless it conforms to an overall State, local, or

regional plan approved by a competent State, local, or regional authority, and unless the public agency formally contracts with the Federal Government to complete the plan preparation promptly and to repay such advance or part thereof when due. Subsequent to approval and prior to disbursement of any Federal funds for the purpose of advance planning the applicant shall establish a separate planning account into which all Federal and applicant funds estimated to be required for plan preparation shall be placed.

“(c) Advances under this section to any public agency shall be repaid without interest by such agency when the construction of the public works is undertaken or started: *Provided*, That if the public agency undertakes to construct only a portion of a planned public work it shall repay such proportionate amount of the advances relating to the public work as the Administrator determines to be equitable: *And provided further*, That in the event repayment is not made promptly such unpaid sum shall bear interest at the rate of 4 per centum per annum from the date of the Government’s demand for repayment to the date of payment thereof by the public agency.

“(d) The Administrator is authorized to prescribe rules and regulations to carry out the purpose of this section.

“(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts in connection with advances made under this section. There are hereby authorized to be appropriated to such revolving fund, in addition to the amount authorized by this section as originally enacted, the further amounts of \$12,000,000 which may be made available to the revolving fund on or after July 1, 1956; \$12,000,000 which may be made available to such fund on or after July 1, 1957; \$14,000,000 which may be made available to such fund on or after July 1, 1958; and such additional sums which may be made available from year to year thereafter as may be estimated to be necessary to maintain not to exceed a total of \$48,000,000 in undisbursed balances in the revolving fund and in advances outstanding for plans in preparation or for completed plans with respect to projects which, in the determination of the Administrator, can be expected to be undertaken within a reasonable period of time.”

Community Fa-  
cilities Commis-  
sioner,  
Compensation.

SEC. 113. Effective upon the date of enactment of this Act the basic rate of compensation of the Community Facilities Commissioner of the Housing and Home Finance Agency shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency.

## TITLE II—PUBLIC FACILITY LOANS

### DECLARATION OF POLICY

SEC. 201. It has been the policy of the Congress to assist wherever possible the States and their political subdivisions to provide the services and facilities essential to the health and welfare of the people of the United States.

The Congress finds that in many instances municipalities, or other political subdivisions of States, which seek to provide essential public works or facilities, are unable to raise the necessary funds at reasonable interest rates.

It is the purpose of this title to authorize the extension of credit to assist in the provision of certain essential public works or facilities by States, municipalities, or other political subdivisions of States, where



such credit is not otherwise available on reasonable terms and conditions.

#### FEDERAL LOANS

SEC. 202. (a) The Housing and Home Finance Administrator, acting through the Community Facilities Administration, is authorized to purchase the securities and obligations of, or make loans to, States, municipalities and other political subdivisions of States, public agencies, and instrumentalities of one or more States, municipalities and political subdivisions of States, and public corporations, boards, and commissions established under the laws of any State, to finance specific public projects under State or municipal law. No such purchase or loan shall be made for payment of ordinary governmental or non-project operating expenses.

(b) The powers granted in subsection (a) of this section shall be subject to the following restrictions and limitations:

(1) No financial assistance shall be extended under this section unless the financial assistance applied for is not otherwise available on reasonable terms, and all securities and obligations purchased and all loans made under this section shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations or otherwise.

(2) No securities or obligations shall be purchased, and no loans shall be made, including renewals or extensions thereof, which have maturity dates in excess of forty years.

(c) In the processing of applications for financial assistance under this section the Administrator shall give priority to applications of smaller municipalities for assistance in the construction of basic public works (including works for the storage, treatment, purification, or distribution of water; sewage, sewage treatment, and sewer facilities; and gas distribution systems) for which there is an urgent and vital public need. As used in this section, a "smaller municipality" means an incorporated or unincorporated town, or other political subdivision of a State, which had a population of less than ten thousand inhabitants at the time of the last Federal census.

#### FINANCING

SEC. 203. (a) In order to finance activities under this title, the Administrator is authorized and empowered to issue to the Secretary of the Treasury, from time to time and to have outstanding at any one time, in an amount not exceeding \$100,000,000, notes and other obligations. Such obligations shall be in such forms and denominations, have such maturities and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator to be issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may

be issued under such Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(b) Funds borrowed under this section and any proceeds shall constitute a revolving fund which may be used by the Administrator in the exercise of his functions under this title.

#### GENERAL PROVISIONS

64 Stat. 78.  
12 USC 1749a.

SEC. 204. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402, except subsection (c) (2), of the Housing Act of 1950. Funds obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for the administrative expenses of the Administrator in connection with the performance of such functions.

40 USC 459.

SEC. 205. No loans shall be made under section 108 of the Reconstruction Finance Corporation Liquidation Act (67 Stat. 230), as amended, after the date of enactment of this Act, except pursuant to an application for such loan filed prior to such date.

College Housing  
Amendments of  
1955.

#### TITLE III—COLLEGE HOUSING

64 Stat. 77.  
12 USC 1749.

SEC. 301. Section 401 of title IV of the Housing Act of 1950, as amended, is hereby amended to read as follows:

"SEC. 401. (a) To assist educational institutions in providing housing and other educational facilities for students and faculties, the Administrator may make loans of funds to such institutions for the construction of such facilities: *Provided*, That (1) no such loan shall be made unless the educational institution shows that it is unable to secure the necessary funds for such construction from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title, and (2) no such loan shall be made unless the Administrator finds that the construction will be undertaken in an economical manner, and that it will not be of elaborate or extravagant design or materials.

"(b) Any educational institution which, prior to the date of enactment of this Act, has contracted for housing or other educational facilities may, in connection therewith, receive loans authorized under this title, as the Administrator may determine: *Provided*, That no such loan shall be made for any housing or other educational facilities, the construction of which was begun prior to the effective date of this Act, or completed prior to the filing of an application under this title.

"(c) A loan to an educational institution may be in an amount not exceeding the total development cost of the facility, as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding fifty years, as may be determined by him; and with respect to loan contracts under which loan funds have not been fully disbursed prior to the date of enactment of the College Housing Amendments of 1955 shall bear interest at a rate determined by the Administrator which shall be not more than the higher of (1)  $2\frac{3}{4}$  per centum per annum, or (2) the total of one-quarter of 1 per centum per annum added to the rate of interest

paid by the Administrator on funds obtained from the Secretary of the Treasury as provided in subsection (e) of this section.

“(d) To obtain funds for loans under this title, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$500,000,000: *Provided*, That the amount outstanding for other educational facilities, as defined herein, shall not exceed \$100,000,000.

“(e) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations issued to obtain funds for loan contracts entered into after the effective date of the College Housing Amendments of 1955 shall bear interest at a rate determined by the Secretary of the Treasury which shall be not more than the higher of (1)  $2\frac{1}{2}$  per centum per annum, or (2) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the issuance by the Administrator and adjusted to the nearest one-eighth of 1 per centum. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

40 Stat. 288.  
31 USC 774 (2).

“(f) There are hereby authorized to be appropriated to the Administrator such sums as may be necessary, together with loan principal and interest payments made by educational institutions assisted hereunder, for payments on notes or other obligations issued by the Administrator under this section.”

Appropriation.

SEC. 302. That subsection (c) of section 404 of title IV of the Housing Act of 1950, as amended, is hereby amended to read as follows:

64 Stat. 80.  
12 USC 1749c.

“(c) ‘Development cost’ means costs of the construction of the housing or other educational facilities and the land on which it is located, including necessary site improvements to permit its use for housing or other educational facilities.”

SEC. 303. Section 404 of title IV of the Housing Act of 1950, as amended, is amended by—

(1) striking out subsection (b) and inserting in lieu thereof the following:

“(b) ‘Educational institution’ means (1) any educational institution offering at least a two-year program acceptable for full credit toward a baccalaureate degree, including any public educational institution, or any private educational institution no part of the net earnings of which inures to the benefit of any private shareholder or individual, and (2) any corporation (no part of the net earnings of which inures to the benefit of any private shareholder or individual) (A) established by any institution included in clause (1) of this subsection for the sole purpose of providing housing or other educational facilities for students or students and faculty of such institution without regard to their membership in or affiliation with any social,



fraternal, or honorary society or organization, and (B) upon dissolution of which all title to any property purchased or built from the proceeds of any loan secured under this title will pass to such institution.”; and

(2) adding at the end thereof the following new subsection:

“(h) ‘Other educational facilities’ means (1) new structures suitable for use as cafeterias or dining halls, student centers or student unions, infirmaries or other inpatient or outpatient health facilities, and for other essential service facilities, and (2) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.”.

SEC. 304. This title may be cited as the “College Housing Amendments of 1955”.

#### TITLE IV—ARMED SERVICES HOUSING MORTGAGE INSURANCE

63 Stat. 571.  
12 USC 1748 et  
seq.

SEC. 401. Title VIII of the National Housing Act, as amended, is hereby amended to read as follows:

#### “TITLE VIII—ARMED SERVICES HOUSING MORTGAGE INSURANCE

“SEC. 801. As used in this title—

“(a) The term ‘mortgage’ means a first mortgage on real estate, in fee simple, or on a leasehold (1) under a lease for not less than ninety-nine years which is renewable; or (2) under a lease for a period of not less than fifty years to run from the date the mortgage was executed; and the term ‘first mortgage’ means such classes of first liens as are commonly given to secure advances on, or the unpaid purchase price of, real estate, under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

“(b) The term ‘mortgagee’ includes the original lender under a mortgage, and his successors and assigns approved by the Commissioner; and the term ‘mortgagor’ includes the original borrower under a mortgage, his successors and assigns.

“(c) The term ‘maturity date’ means the date on which the mortgage indebtedness would be extinguished if paid in accordance with periodic payments provided for in the mortgage.

“(d) The term ‘housing accommodations’ means housing designed for occupancy by military personnel and their dependents, assigned to duty at or near the military installation where such housing units are constructed.

“(e) The term ‘personnel’ shall include military and civilian personnel approved by the Secretary of Defense, or his designee, and the dependents of all such personnel.

“(f) The term ‘military’ includes Army, Navy, Marine Corps, Air Force, and Coast Guard.

“(g) The term ‘State’ includes the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, Guam, and the Virgin Islands.

Armed Services  
Housings Mortgage  
Insurance Fund.

“SEC. 802. The Military Housing Insurance Fund created by this section prior to amendment thereto shall hereafter be known as the Armed Services Housing Mortgage Insurance Fund. General expenses of operation of the Federal Housing Administration under this title (including operations with respect to mortgages insured or

to be insured pursuant to this title prior to enactment of the Housing Amendments of 1955) may be charged to the Armed Services Housing Mortgage Insurance Fund.

"SEC. 803. (a) In order to assist in relieving the acute shortage and urgent need for family housing which now exists at or in areas adjacent to military installations because of uncertainty as to the permanency of such installations and to increase the supply of necessary family housing accommodations for personnel at such installations, the Commissioner is authorized, upon application of the mortgagee, to insure mortgages (including advances on such mortgages during construction) which are eligible for insurance as hereinafter provided, and, upon such terms as the Commissioner may prescribe, to make commitments for so insuring such mortgages prior to the date of their execution or disbursement thereon: *Provided*, That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed \$1,363,500,000: *And provided further*, That the limitation in section 217 of this Act shall not apply to this title: *And provided further*, That no mortgage shall be insured under this title after September 30, 1956, except pursuant to a commitment to insure issued before such date.

*Ante*, p. 636.

"(b) To be eligible for insurance under this title a mortgage shall meet the following conditions:

"(1) The mortgaged property shall be held by a mortgagor approved by the Commissioner. The Commissioner may, in his discretion, require such mortgagor to be regulated or restricted as to capital structure, and methods of operation. The Commissioner may make such contracts with, and acquire for not to exceed \$100 stock or interest in, any such mortgagor, as the Commissioner may deem necessary to render effective such restriction or regulation. Such stock or interest shall be paid for out of the Armed Services Housing Mortgage Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

"(2) The mortgaged property shall be designed for use for residential purposes by personnel of the armed services and situated at or near a military installation, and the Secretary or his designee shall have certified that there is no intention, so far as can reasonably be foreseen, to substantially curtail the personnel assigned or to be assigned to such installation, and (i) shall have determined that for reasons of safety, security, or other essential military requirements, it is necessary that the personnel involved reside in public quarters (*Provided, however*, That for the purposes of this subsection housing covered by a mortgage insured, or for which a commitment to insure has been issued, under section 803 prior to the enactment of the 'Housing Amendments of 1955' may be considered the same as available quarters), or (ii) after consultation with the Commissioner, shall have determined that adequate housing is not available for such personnel at reasonable rentals within reasonable commuting distance of the installation. The housing accommodations shall comply with such standards and conditions as the Commissioner may prescribe to establish the acceptability of such property for mortgage insurance, except that the certification of the Secretary of Defense, or his designee, shall (for purposes of mortgage insurance under this title) be conclusive evidence to the Commissioner of the existence of the need for such housing. However, if the Commissioner does not concur in the housing needs as certified by the Secretary, the Commissioner may require the Secretary to guarantee the Armed Services Housing Mortgage Insurance Fund from loss with respect to the mortgage covering such housing. There are hereby author-

ized to be appropriated such sums as may be necessary to provide for payment to meet losses arising from such guarantee.

Amount of principal obligation.

"(3) The mortgage shall involve a principal obligation in an amount—

"(A) not to exceed the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the cost of the property or project as such term is used in this paragraph may include the cost of the land, the physical improvements, and utilities within the boundaries of the property or project);

"(B) not to exceed an average of \$13,500 per family unit for such part of such property or project as may be attributable to dwelling use: *Provided*, That the replacement cost of the property or project as determined by the Commissioner, including the estimated value of any usable utilities within the boundaries of the property or project where owned by the United States and not provided for out of the proceeds of the mortgage, shall not exceed an average of \$13,500 per family unit; and

"(C) not to exceed the bid of the eligible builder of the property or project under section 403 of the Housing Amendments of 1955.

Amortization; interest.

The mortgage shall provide for complete amortization by periodic payments within such terms as the Commissioner shall prescribe, have a maturity not to exceed twenty-five years, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 per centum per annum of the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release.

Premium charge.

"(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this title but in the case of any mortgage such charge shall not be less than an amount equivalent to one-half of 1 per centum per annum nor more than an amount equivalent to 1½ per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments. Such premium charges shall be payable by the mortgagee, either in cash, or in debentures issued by the Commissioner under this title at par plus accrued interest, in such manner as may be prescribed by the Commissioner: *Provided*, That the Commissioner may require the payment of one or more such premium charges at the time the mortgage is insured, at such discount rate as he may prescribe not in excess of the interest rate specified in the mortgage. If the Commissioner finds, upon the presentation of a mortgage for insurance and the tender of the initial premium charge and such other charges as the Commissioner may require, that the mortgage complies with the provisions of this title, such mortgage may be accepted for insurance by endorsement or otherwise as the Commissioner may prescribe. In the event that the principal obligation of any mortgage accepted for insurance under this title is paid in full prior to the maturity date, the Commissioner is authorized to refund to the mortgagee for the account of the mortgagor all, or such portion as he shall determine to be equitable, of the current unearned premium charges theretofore paid. The Commissioner may reduce the payment of premiums provided for herein.

Failure of mortgagor to pay.

"(d) The failure of the mortgagor to make any payment due under or provided to be paid by the terms of a mortgage insured under this title shall be considered a default under such mortgage, and, if



such default continues for a period of thirty days, the mortgagee shall be entitled to receive the benefits of the insurance as hereinafter provided, upon assignment, transfer, and delivery to the Commissioner, within a period and in accordance with rules and regulations to be prescribed by the Commissioner of (1) all rights and interest arising under the mortgage so in default; (2) all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transactions; (3) all policies of title or other insurance or surety bonds or other guaranties and any and all claims thereunder; (4) any balance of the mortgage loan not advanced to the mortgagor; (5) any cash or property held by the mortgagee, or to which it is entitled, as deposits made for the account of the mortgagor and which have not been applied in reduction of the principal of the mortgage indebtedness; and (6) all records, documents, books, papers, and accounts relating to the mortgage transaction. Upon such assignment, transfer, and delivery, the obligation of the mortgagee to pay the premium charges for mortgage insurance shall cease, and the Commissioner shall, subject to the cash adjustment provided for in subsection (e) of this section, issue to the mortgagee debentures having a total face value equal to the value of the mortgage, and a certificate of claim as hereinafter provided. For the purposes of this subsection, the value of the mortgage shall be determined in accordance with rules and regulations prescribed by the Commissioner, by adding to the amount of the original principal obligation of the mortgage which was unpaid on the date of default, the amount the mortgagee may have paid for (A) taxes, special assessments, and water rates, which are liens prior to the mortgage; (B) insurance on the property; and (C) reasonable expenses for the completion and preservation of the property and any mortgage insurance premiums paid after default; less the sum of (i) any amount received on account of the mortgage after such date; and (ii) any net income received by the mortgagee from the property after such date.

“(e) Debentures issued under this title shall be in such form and denominations in multiples of \$50, shall be subject to such terms and conditions, and shall include such provisions for redemption, if any, as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury, and may be in coupon or registered form. Any difference between the value of the mortgage determined as herein provided and the aggregate face value of the debentures issued, not to exceed \$50, shall be adjusted by the payment of cash by the Commissioner to the mortgagee from the Armed Services Housing Mortgage Insurance Fund.

“(f) Debentures issued under this title shall be executed in the name of the Armed Services Housing Mortgage Insurance Fund as obligor, shall be signed by the Commissioner, by either his written or engraved signature, and shall be negotiable. All such debentures shall be dated as of the date of default as determined in accordance with subsection (d) of this section, and shall bear interest from such date at a rate determined by the Commissioner with the approval of the Secretary of the Treasury, at the time the mortgage was accepted for insurance, but not to exceed 3 per centum per annum, payable semiannually on the 1st day of January and the 1st day of July of each year, and shall mature twenty years after the date thereof. Such debentures shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by any Territory, dependency, or possession of the United States or by the District of Columbia, or by any State, county, municipality, or local taxing authority. They shall be paid out of the Armed Services Housing Mortgage Insurance

Debentures.

Tax exemption.

Guaranty.

Fund, which shall be primarily liable therefor, and they shall be fully and unconditionally guaranteed as to principal and interest by the United States, and such guaranty shall be expressed on the face of the debentures. In the event the Armed Services Housing Mortgage Insurance Fund fails to pay upon demand, when due, the principal of or interest on any debentures so guaranteed, the Secretary of the Treasury shall pay to the holders the amount thereof which is hereby authorized to be appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such debentures.

Certificate of claim.

55 Stat. 60.  
12 USC 1739.

12 USC 1713.

“(g) The certificate of claim issued by the Commissioner to any mortgagee in connection with the insurance of mortgages under this title shall be for an amount determined in accordance with subsections (e) and (f) of section 604 of this Act, except that any amount remaining after the payment of the full amount under the certificate of claim shall be retained by the Commissioner and credited to the Armed Services Housing Mortgage Insurance Fund.

“(h) The provisions of section 207 (k) and section 207 (l) of this Act shall be applicable to mortgages insured under this title and to property acquired by the Commissioner hereunder, except that as applied to such mortgages and property (1) all references in such sections to the ‘Housing Fund’ shall be construed to refer to the ‘Armed Services Housing Mortgage Insurance Fund’, and (2) the reference in section 207 (k) to ‘subsection (g)’ shall be construed to refer to ‘subsection (d)’ of this section.

12 USC 1707 et seq.

“(i) The Commissioner shall also have power to insure under this title or title II any mortgage executed in connection with the sale by him of any property acquired under this title without regard to any limit as to eligibility, time or aggregate amount contained in this title or title II.

Validity of insurance contract.

“(j) Any contract of insurance executed by the Commissioner under this title shall be conclusive evidence of the eligibility of the mortgage for insurance and the validity of any contract of insurance so executed shall be incontestable in the hands of an approved mortgagee from the date of the execution of such contract, except for fraud or misrepresentation on the part of such approved mortgagee.

Moneys not needed for current operations.

“SEC. 804. (a) Moneys in the Armed Services Housing Mortgage Insurance Fund not needed for current operations under this title shall be deposited with the Treasurer of the United States to the credit of the Armed Services Housing Mortgage Insurance Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the provisions of this title. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

Fees, receipts, etc.

“(b) Premium charges, adjusted premium charges, and appraisal and other fees, received on account of the insurance of any mortgage insured under this title, the receipts derived from any such mortgage or claim assigned to the Commissioner and from any property acquired by the Commissioner, and all earnings on the assets of the Armed Services Housing Mortgage Insurance Fund, shall be credited to the Armed Services Housing Mortgage Insurance Fund. The principal of and interest paid and to be paid on debentures issued in exchange for any mortgage or property insured under this title, cash adjustments, and expenses incurred in the handling of such mortgages or property and in the foreclosure and collection of mortgages and

claims assigned to the Commissioner under this title, shall be charged to the Armed Services Housing Mortgage Insurance Fund.

"SEC. 805. Whenever the Secretary of the Army, Navy, or Air Force determines that it is necessary to lease any land held by the United States on or near a military installation to effectuate the purposes of this title, he may lease such land upon such terms and conditions as will, in his opinion, best serve the national interest. The authority conferred by this section shall be in addition to and not in derogation of any other power or authority of the Secretary of the Army, Navy, or Air Force.

Land leases on  
or near military in-  
stallations.

"SEC. 806. The second sentence of section 214 of the National Housing Act, as amended, relating to housing in the Territory of Alaska, shall not apply to mortgages insured under this title on property in said Territory.

Alaska.  
12 USC 1715d.

"SEC. 807. The Commissioner is authorized and directed to make such rules and regulations as may be necessary to carry out the provisions of this title. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions of any other law, shall appoint a Special Assistant for Armed Services Housing for Mortgage Insurance, and provide the Special Assistant with adequate staff, whose whole responsibility will be to expedite operations under this title and to eliminate administrative obstacles to the full utilization of this title under the direction and supervision of the Commissioner.

Rules and regu-  
lations.

"SEC. 808. The cost certification required under section 227 of this Act shall not be required with respect to mortgages insured under the provisions of this title as amended by the Housing Amendments of 1955."

12 USC 1715r.

SEC. 402. Section 305 of the National Housing Act, as amended, is amended by adding the following at the end thereof:

Ante, p. 636.

"(f) Notwithstanding any other provision of this Act, the Association is authorized to make commitments to purchase and to purchase, service, or sell, any mortgage (or participation therein) which is insured under title VIII of this Act, as amended by the Housing Amendments of 1955: *Provided*, That the total amount of purchases and commitments authorized by this subsection shall not exceed \$200,000,000 outstanding at any one time."

SEC. 403. (a) The Secretary of Defense or his designee is hereby authorized to enter into contracts with any eligible builder to provide for the construction of urgently needed housing on lands owned or leased by the United States and situated on or near a military reservation or installation for the purpose of providing suitable living accommodations for military personnel of the armed services assigned to duty at the military installation at or in the area where the housing is situated. Any such contract shall provide that each housing unit in the project shall be placed under the control of the Secretary of Defense, or his designee, as soon as the unit is available for occupancy as determined by the Commissioner. Any such contract shall also provide that, except for stock held by the Commissioner, the capital stock of the builder (where the builder is a corporation) be transferred to the Secretary of Defense, or his designee, when the housing has been completed as determined by the Commissioner. Any such contract shall contain such terms and conditions as the Secretary may determine to be necessary to protect the interests of the United States. Before the Secretary shall enter into any contract with any builder as authorized by this section for the construction of housing, he shall invite the submission of competitive bids after advertising in the manner prescribed in section 3 of the Armed Services Procurement Act of 1947.

Construction on  
U. S. lands for mil-  
itary personnel.

(b) For the purposes of this title, the term "eligible builder" means

62 Stat. 22.  
41 USC 152.



a person, partnership, firm, or corporation determined by the Secretary after consultation with the Commissioner (1) to be qualified by experience and financial responsibility to construct housing of the type described in subsection (a) of this section, and (2) to have submitted the lowest acceptable bid.

Acquisition of  
capital stock.

(c) Notwithstanding any other provision of law, the Secretary of Defense or his designee is authorized to acquire the capital stock of mortgagors holding property covered by a mortgage insured under title VIII of the National Housing Act, as amended by the Housing Amendments of 1955, and to exercise the rights as holder of such capital stock during the life of such mortgage and, upon the termination of the mortgage, to dissolve the corporation; to guarantee the payment of notes or other legal instruments required by the Commissioner of such mortgagors; to make payments thereon; and to guarantee and indemnify the Armed Services Housing Mortgage Insurance Fund against loss in cases where so required. All housing facilities placed under the control of the Secretary of Defense pursuant to the provisions of this title shall be deemed to be housing facilities under the jurisdiction of the military department to which they are assigned.

Acquisition of  
unimproved land,  
etc.

Sec. 404. Whenever the Secretary of Defense or his designee shall deem it necessary for the purposes of this title, he may acquire by purchase, donation, or other means of transfer, or may cause proceedings to be instituted in any court having jurisdiction of such proceedings to acquire by condemnation, any unimproved land, or (with the approval of the Federal Housing Commissioner) any housing financed with mortgages insured under the provisions of title VIII of the National Housing Act as in effect prior to the enactment of the Housing Amendments of 1955. Notwithstanding the provisions of any other law, the price paid for any such unimproved land or housing purchased by the Secretary under this or any other law shall be the fair market value of such land or housing as determined by the Secretary on the basis of an independent appraisal, and, in connection with any agreements to purchase such housing, the Secretary of Defense or his designee may assume, or purchase subject to, any such mortgage. Any such condemnation proceedings shall be conducted in accordance with the provisions of the Act of August 1, 1888 (25 Stat. 357), as amended, or any other applicable Federal statute. Before condemnation proceedings are instituted pursuant to this section, an effort shall be made to acquire the property involved by negotiation unless, because of reasonable doubt as to the identity of the owner or owners, because of the large number of persons with whom it would be necessary to negotiate, or for other reasons, the effort to acquire by negotiation would involve, in the judgment of the Secretary, such delay in acquiring the property as to be contrary to the interest of national defense. In any condemnation proceeding instituted pursuant to this section, the court shall not order the party in possession to surrender possession in advance of final judgment unless a declaration of taking has been filed, and a deposit of the amount estimated to be just compensation has been made, under the first section of the Act of February 26, 1931 (46 Stat. 1421), providing for such declarations. Unless title is in dispute, the courts, upon application, shall promptly pay to the owner at least 75 per centum of the amount so deposited, but such payment shall be made without prejudice to any party to the proceeding. Property acquired under this section may be occupied, used, and improved for the purposes of this section prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended.

40 USC 257.

40 USC 258a.

40 USC 255.

Sec. 405. The Secretary of Defense or his designee is authorized to maintain and operate any housing acquired under this title and

assign quarters therein to military and civilian personnel and their dependents. Appropriations for quarters allowances or appropriate allotments, and rental charges to civilian personnel, may be utilized by the military department concerned for the payment of principal, interest, and other obligations, except those of maintenance and operation, of the mortgagor corporation with respect to such housing projects. Such payments shall not exceed an average of \$90 a month per housing unit and total payments for all housing so acquired shall not exceed \$9,000,000 per month: *Provided*, That, in case of the United States Coast Guard, total payments for all housing so acquired shall not exceed \$90,000 per month.

Use of quarters allowances, etc.

Coast Guard.

SEC. 406. Whenever the Secretary of Defense or his designee determines that it is desirable in order to effectuate the purposes of this title, the Secretary is authorized, without regard to the civil service and classification laws, to procure, by negotiation or otherwise, the services of architects and engineers, or organizations thereof, under such arrangements as he deems desirable, but at an expense not in excess of that permissible under the schedule of fees allowed from time to time by the Public Housing Administration in connection with projects assisted under the United States Housing Act of 1937, as amended. Such services may include the development of plans, drawings, and specifications for family housing under this title and other services in connection therewith: *Provided*, That such plans, drawings, and specifications may include the use on any project to be constructed under this title of alternate materials or alternate types of construction, including prefabrication, that provide substantially equal value and conform to standards established by the Federal Housing Commissioner: *Provided further*, That the Secretary may designate certain sites or parts thereof for family housing to be furnished from prefabricated houses or housing components. Such arrangements may include provision for advance or progress payments, for payment by third parties, for payment by the Government of any such compensation as is not paid for by third parties, and shall include provision for reimbursement by third parties to the Government of any compensation or other expenses paid by the Government pursuant to this section, and may include other provisions for compensation. Any public works appropriations now or hereafter available to the Departments of the Army, Navy, or Air Force or the Coast Guard may be obligated by the respective departments or the Coast Guard for these purposes. Reimbursements to the Government on account of payments made pursuant to this section shall be made to appropriations against which such payments were charged. The Secretary is further authorized to advance or pay to the Federal Housing Administration its "Appraisal and Eligibility Statement" fees in connection with such family housing. The Secretary is further authorized to enter into arrangements by contract or otherwise for eventual acquisition by the Government, without cost to the Government of all right, title, and interest in sites on which housing is constructed pursuant to this title and improvements thereon.

Services of architects and engineers.

50 Stat. 888.  
42 USC 1401-1430.

SEC. 407. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of sections 403 through 406 of this Act.

Appropriations.

(b) Any funds heretofore or hereafter authorized to be expended by any of the military departments or the Coast Guard for the payment of allowances for quarters for military personnel may be used for the purposes specified in subsection (a) above.

SEC. 408. Notwithstanding the provisions of section 401 of this Act, the provisions of title VIII of the National Housing Act in effect prior to the enactment of the Housing Amendments of 1955 shall

Prior commitments.

continue in full force and effect with respect to all mortgages insured pursuant to a certification by the Secretary of Defense or his designee made on or before June 30, 1955, and a commitment to insure issued on or before June 30, 1956 or pursuant to a certification by the Atomic Energy Commission or its designee made on or before June 30, 1956, except that the maximum dollar amount for each such mortgage shall be \$12,500,000.

SEC. 409. (a) Wherever the terms "Secretary of Defense" or "Secretary" or "Secretary of the Army, Navy, or Air Force" appear in this title or in title VIII of the National Housing Act, as amended by the Housing Amendments of 1955, they shall be deemed to mean the Secretary of the Treasury in the case of the application of the provisions of this title or of title VIII of the National Housing Act, as amended by the Housing Amendments of 1955, for the benefit of the United States Coast Guard.

(b) Wherever the term "armed services" appears in this title it shall be deemed to include the United States Coast Guard.

### TITLE V—FARM HOUSING

68 Stat. 320.

SEC. 501. Title V of the Housing Act of 1949, as amended, is hereby further amended as follows:

42 USC 1481.

(1) In the first sentence of section 511 immediately following the phrase "July 1, 1953" strike out the word "and" and insert at the end of the sentence immediately before the period a comma and the following: "and an additional \$100,000,000 on and after July 1, 1955".

42 USC 1482.

(2) In section 512, (A) strike out "and 1954" and insert "1954, and 1955", and (B) strike out "and \$2,000,000" and insert "\$2,000,000 and \$2,000,000".

42 USC 1483.

(3) In section 513, strike out "and \$10,000,000 on July 1 of each of the years 1950, 1951, 1952, 1953, and 1954" and insert "\$10,000,000, and \$10,000,000 on July 1 of each of the years 1950, 1951, 1952, 1953, 1954, and 1955".

Approved August 11, 1955.

### Public Law 346

### CHAPTER 784

#### AN ACT

August 11, 1955  
[S. 2260]

Granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact providing for the apportionment of the waters of the Red River and its tributaries.

Red River.  
Consent of Con-  
gress to interstate  
compact.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the consent of Congress is hereby given to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact providing for an equitable apportionment among them of the waters of the Red River and its tributaries, upon the condition that one qualified person appointed by the President of the United States shall participate in such negotiations as chairman, without vote, representing the United States, and shall make a report to the President of the United States and the Congress of the proceedings and of any compact entered into. Such compact shall not be binding or obligatory upon any of the parties thereto until it shall have been ratified by the legislatures of each of the respective States, and approved by the Congress of the United States.

Reports.

Approved August 11, 1955.