

Public Law 87-70

AN ACT

To assist in the provision of housing for moderate and low income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

June 30, 1961
[S. 1922]

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 Act of 1961".

Housing Act of
1961.

TITLE I—NEW HOUSING PROGRAMS

HOUSING FOR MODERATE INCOME FAMILIES

SEC. 101. (a) Section 221 of the National Housing Act is amended by—

68 Stat. 599.
12 USC 1715f.

(1) inserting before the text of such section a section heading as follows:

"HOUSING FOR MODERATE INCOME AND DISPLACED FAMILIES";

(2) striking out subsection (a) and inserting in lieu thereof the following:

73 Stat. 658.

"(a) This section is designed to assist private industry in providing housing for low and moderate income families and families displaced from urban renewal areas or as a result of governmental action.";

(3) inserting in subsection (b) after "any mortgage" the following: "(including advances during construction on mortgages covering property of the character described in paragraphs (3) and (4) of subsection (d) of this section)";

73 Stat. 659.

(4) striking out in subsection (d) (2) "(A) not to exceed" and all that follows down through "other prepaid expenses" and inserting in lieu thereof the following: "(A) not to exceed (i) \$11,000 in the case of a property upon which there is located a dwelling designed principally for a single-family residence, (ii) \$18,000 in the case of a property upon which there is located a dwelling designed principally for a two-family residence, (iii) \$27,000 in the case of a property upon which there is located a dwelling designed principally for a three-family residence, or (iv) \$33,000 in the case of a property upon which there is located a dwelling designed principally for a four-family residence: *Provided*, That a mortgage secured by property upon which there is located a dwelling designed principally for a two-, three-, or four-family residence shall not be insured under this section except in the case of a dwelling for occupancy by a family displaced from an urban renewal area or as a result of governmental action: *Provided further*, That the Commissioner may increase the foregoing amounts to not to exceed \$15,000, \$25,000, \$32,000, and \$38,000, respectively, in any geographical area where he finds that cost levels so require; and (B) not to exceed the appraised value of the property (as of the date the mortgage is accepted for insurance): *Provided*, That (i) if the mortgagor is the owner and an occupant of the property at the time of insurance, (1) in the case of a family displaced from an urban renewal area or as a result of Government action, he shall have paid on account of the property at least \$200 in the case of a single-family dwelling, \$400 in the case of a two-family dwelling, \$600 in the case of a three-family dwelling, and \$800 in the case of a four-family dwelling, or (2) in the case of any other family, he shall have paid

Eligibility for in-
surance.
C o n d i t i o n s ;
l i m i t s .

on account of the property at least 3 per centum of the Commissioner's estimate of its acquisition cost; which amount in either instance may include amounts to cover settlement costs and initial payments for taxes, hazard insurance, mortgage insurance premium, and other prepaid expenses; or (ii) in the case of repair and rehabilitation, the amount of the mortgage shall not exceed the sum of the estimated cost of repair and rehabilitation and the Commissioner's estimate of the value of the property before repair and rehabilitation, except that in no case involving refinancing shall such mortgage exceed such estimated cost of repair and rehabilitation and the amount (as determined by the Commissioner) required to refinance existing indebtedness secured by the property";

12 USC 1715f.

(5) striking out the last proviso in subsection (d) (2);

(6) striking out subsection (d) (3) and inserting in lieu thereof the following:

"(3) if executed by a mortgagor which is a public body or agency (and which certifies that it is not receiving financial assistance from the United States exclusively pursuant to the United States Housing Act of 1937), a cooperative (including an investor-sponsor who meets such requirements as the Commissioner may impose to assure that the consumer interest is protected), or a limited dividend corporation (as defined by the Commissioner), or a private nonprofit corporation or association regulated or supervised under Federal or State laws or by political subdivisions of States, or agencies thereof, or by the Commissioner under a regulatory agreement or otherwise, as to rents, charges, and methods of operation, in such form and in such manner as in the opinion of the Commissioner will effectuate the purposes of this section—

50 Stat. 888.
42 USC 1430.

"(i) not exceed \$12,500,000;

"(ii) not exceed for such part of such property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$2,250 per room (or \$8,500 per family unit if the number of rooms in such property or project is less than four per family unit), except that the Commissioner may in his discretion increase the dollar amount limitation of \$2,250 per room to not to exceed \$2,750 per room, and the dollar amount limitation of \$8,500 per family unit to not to exceed \$9,000 per family unit, as the case may be, to compensate for higher costs incident to the construction of elevator-type structures of sound standards of construction and design, and except that the Commissioner may increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed \$1,000 per room without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require; and

"(iii) not exceed (1) in the case of new construction, the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner), or (2) in the case of repair and rehabilitation, the sum of the estimated cost of repair and rehabilitation and the Commis-

sioner's estimate of the value of the property before repair and rehabilitation: *Provided*, That in no case involving refinancing shall such mortgage exceed such estimated cost of repair and rehabilitation and the amount (as determined by the Commissioner) required to refinance existing indebtedness secured by the property or project: *Provided further*, That such property or project, when constructed, or repaired and rehabilitated, shall be for use as a rental or cooperative project, and low and moderate income families or families displaced by urban renewal or other governmental action shall be eligible for occupancy in accordance with such regulations and procedures as may be prescribed by the Commissioner and the Commissioner may adopt such requirements as he determines to be desirable regarding consultation with local public officials where such consultation is appropriate by reason of the relationship of such project to projects under other local programs; or”;

Refinancing.

(7) striking out in subsection (d) (4) “which is not a nonprofit organization” and inserting in lieu thereof “other than a mortgagor referred to in subsection (d) (3)”;

73 Stat. 660.

(8) striking out subsection (d) (4) (ii) and inserting in lieu thereof the following:

“(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$2,250 per room (or \$8,500 per family unit if the number of rooms in such property or project is less than four per family unit), except that the Commissioner may in his discretion increase the dollar amount limitation of \$2,250 per room to not to exceed \$2,750 per room, and the dollar amount limitation of \$8,500 per family unit to not to exceed \$9,000 per family unit, as the case may be, to compensate for higher costs incident to the construction of elevator type structures of sound standards of construction and design, and except that the Commissioner may increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed \$1,000 per room without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require;”;

(9) striking out in subsection (d) (4) (iv) all that follows “(iv)” down through “*And provided further*” and inserting in lieu thereof the following: “not exceed 90 per centum of the sum of the estimated cost of repair and rehabilitation and the Commissioner's estimate of the value of the property before repair and rehabilitation if the proceeds of the mortgage are to be used for the repair and rehabilitation of a property or project: *Provided*, That in no case involving refinancing shall such mortgage exceed such estimated cost of repair and rehabilitation and the amount (as determined by the Commissioner) required to refinance existing indebtedness secured by the property or project: *Provided further*”;

(10) striking out “and” at the end of subsection (d) (4), striking out in subsection (d) (5) “provide for complete amortization” and all that follows down through “lesser;”, striking out the period at the end of subsection (d) (5) and inserting in lieu thereof “; and”, and adding after subsection (d) (5) the following:

12 USC 1715l.

“(6) provide for complete amortization by periodic payments within such terms as the Commissioner may prescribe, but as to

12 USC 1715L.

mortgages coming within the provisions of subsection (d) (2) not to exceed from the date of the beginning of amortization of the mortgage (i) 40 years in the case of a family displaced from an urban renewal area or as a result of governmental action, (ii) 35 years in the case of any other family if the mortgage is approved for insurance prior to construction, except that the period in such case may be increased to not more than 40 years where the mortgagor is an owner-occupant of the property and is not able, as determined by the Commissioner, to make the required payments under a mortgage having a shorter amortization period, and (iii) 30 years in the case of any other family where the mortgage is not approved for insurance prior to construction: *Provided*, That no mortgage insured under subsection (d) (2) shall have a maturity exceeding three-quarters of the Commissioner's estimate of the remaining economic life of the building improvements."

Interest rate.

(11) inserting before the period at the end of subsection (d) (5) the following: "*Provided*, That a mortgage insured under the provisions of subsection (d) (3) shall bear interest (exclusive of any premium charges for insurance and service charge, if any) at not less than the annual rate of interest determined, from time to time by the Secretary of the Treasury at the request of the Commissioner, by estimating the average market yield to maturity on all outstanding marketable obligations of the United States, and by adjusting such yield to the nearest one-eighth of 1 per centum, and there shall be no differentiation in the rate of interest charged under this proviso as between mortgagors under subsection (d) (3) on the basis of differences in the types or classes of such mortgagors";

Premium charges.

(12) inserting the following at the end of subsection (f): "A property or project covered by a mortgage insured under the provisions of subsection (d) (3) or (d) (4) shall include five or more family units. The Commissioner is authorized to adopt such procedures and requirements as he determines are desirable to assure that the dwelling accommodations provided under this section are available to families displaced from urban renewal areas or as a result of governmental action. Notwithstanding any provision of this Act, the Commissioner, in order to assist further the provision of housing for low and moderate income families, in his discretion and under such conditions as he may prescribe, may insure a mortgage which meets the requirements of subsection (d) (3) of this section as in effect after the date of enactment of the Housing Act of 1961, with no premium charge, with a reduced premium charge, or with a premium charge for such period or periods during the time the insurance is in effect as the Commissioner may determine, and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to reimburse the Section 221 Housing Insurance Fund for any net losses in connection with such insurance. No mortgage shall be insured under subsection (d) (2) or (d) (4) after July 1, 1963, or under subsection (d) (3) after July 1, 1965, except pursuant to a commitment to insure before that date, or except a mortgage covering property which the Commissioner finds will assist in the provision of housing for families displaced from urban renewal areas or as a result of governmental action.";

12 USC 1715L.

(13) redesignating paragraph (3) of subsection (g) as paragraph (4) and inserting after paragraph (2) of subsection (g) a new paragraph as follows:

Debentures.

“(3) as to mortgages meeting the requirements of this section which are insured or initially endorsed for insurance on or after the date of enactment of the Housing Act of 1961, notwithstanding the provisions of paragraphs (1) and (2) of this subsection, the Commissioner in his discretion, in accordance with such regulations as he may prescribe, may make payments pursuant to such paragraphs in cash or in debentures (as provided in the mortgage insurance contract), or may acquire a mortgage loan that is in default and the security therefor upon payment to the mortgagee in cash or in debentures (as provided in the mortgage insurance contract) of a total amount equal to the unpaid principal balance of the loan plus any accrued interest and any advances approved by the Commissioner and made previously by the mortgagee under the provisions of the mortgage, and after the acquisition of any such mortgage by the Commissioner the mortgagee shall have no further rights, liabilities, or obligations with respect to the loan or the security for the loan. The appropriate provisions of sections 204 and 207 relating to the issuance of debentures shall apply with respect to debentures issued under this paragraph, and the appropriate provisions of sections 204 and 207 relating to the rights, liabilities, and obligations of a mortgagee shall apply with respect to the Commissioner when he has acquired an insured mortgage under this paragraph, in accordance with and subject to regulations (modifying such provisions to the extent necessary to render their application for such purposes appropriate and effective) which shall be prescribed by the Commissioner, except that as applied to mortgages so acquired (A) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Section 221 Housing Insurance Fund, (B) all references in section 204 to section 203 shall be construed to refer to this section, and (C) all references in section 207 to the Housing Insurance Fund, the Housing Fund, or the Fund shall be construed to refer to the Section 221 Housing Insurance Fund; or”;

12 USC 1710,
1713.

12 USC 1715L.

(14) striking out in paragraph (4) of subsection (g) (as redesignated by the preceding paragraph) the phrase “this paragraph (3)”, each place it appears, and inserting in lieu thereof “this paragraph”; and

(15) inserting in the last sentence of subsection (h) after “cash adjustments,” the following: “cash payments.”

(b) Section 101(c) of the Housing Act of 1949 is amended by—

68 Stat. 623.
42 USC 1451.

(1) striking out “under section 220 or 221” and inserting in lieu thereof “under section 220 or section 221 (d) (3)”;

(2) striking out “of section 220 (d), or under section 221 of the National Housing Act, as amended, if the mortgaged property is in an area described in clause (3) of section 221 (a) of said Act, or in a community referred to in clause (2) (B) of said section” and inserting in lieu thereof “of section 220 (d) of the National Housing Act”; and

(3) striking out clause (iii) and renumbering clause (iv) as clause (iii).

(c) Section 305 of the National Housing Act is amended by adding at the end thereof a new subsection as follows:

68 Stat. 616.
12 USC 1720.

“(h) Notwithstanding clause (2) of section 302 (b) and any provision of this Act which is inconsistent with this subsection, the Association is authorized (subject to Presidential action as provided in subsection (a), as limited by subsection (c)) to purchase pursuant to commitments or otherwise, and to service, sell, or otherwise deal in, mortgages insured under the provisions of section 221 (d) (3) of this Act.”

12 USC 1717.

Ante, p. 150.

68 Stat. 605.
12 USC 1715n.

(d) Section 223 of the National Housing Act is amended by redesignating subsection (b) as subsection (c), and by inserting after subsection (a) the following new subsection:

Ante, p. 150.

“(b) Notwithstanding any of the provisions of this title and without regard to limitations upon eligibility contained in section 221, the Commissioner may in his discretion insure under section 221 (d) (3) any mortgage executed by a mortgagor of the character described therein where such mortgage is given to refinance a mortgage covering an existing property or project (other than a one- to four-family structure) located in an urban renewal area, if the Commissioner finds that such insurance will facilitate the occupancy of dwelling units in the property or project by families of low or moderate income or families displaced from an urban renewal area or displaced as a result of governmental action.”

HOME IMPROVEMENT AND REHABILITATION LOANS

68 Stat. 596.
12 USC 1715k.

SEC. 102. (a) Section 220 of the National Housing Act is amended by—

(1) striking out the provisos in subsections (d) (3) (A) (i) and (d) (3) (B) (ii) and inserting in lieu thereof in each subsection the following: “: *Provided*, That in the case of properties other than new construction, the foregoing limitations upon the amount of the mortgage shall be based upon the sum of the estimated cost of repair and rehabilitation and the Commissioner’s estimate of the value of the property before repair and rehabilitation rather than upon the Commissioner’s estimate of the replacement cost: *Provided further*, That in no case involving refinancing shall such mortgage exceed such estimated cost of repair and rehabilitation and the amount (as determined by the Commissioner) required to refinance existing indebtedness secured by the property or project”;

(2) striking out “mortgage insurance” in subsection (a) and inserting in lieu thereof “loan and mortgage insurance”; and

(3) adding at the end thereof the following subsection:

“(h) (1) To assist further in the conservation, improvement, repair, and rehabilitation of property located in the area of an urban renewal project, as provided in paragraph (1) of subsection (d) of this section, the Commissioner is authorized upon such terms and conditions as he may prescribe to make commitments to insure and to insure home improvement loans (including advances during construction or improvement) made by financial institutions on and after the date of enactment of the Housing Act of 1961. As used in this subsection, ‘home improvement loan’ means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made for the purpose of financing the improvement of an existing structure (or in connection with an existing structure) which was constructed not less than ten years prior to the making of such loan, advance, or purchase, and which is used or will be used primarily for residential purposes: *Provided*, That a home improvement loan shall include a loan, advance, or purchase with respect to the improvement of a structure which was constructed less than ten years prior to the making of such loan, advance, or purchase if the proceeds are or will be used primarily for major structural improvements, or to correct defects which were not known at the time of the completion of the structure or which were caused by fire, flood, windstorm, or other casualty; ‘improvement’ means conservation, repair, restoration, rehabilitation, conversion, alteration, enlargement, or remodeling; and ‘financial institution’ means a lender approved by the Commissioner as eligible for insurance under section 2 or a mortgagee approved under section 203 (b) (1).

“(2) To be eligible for insurance under this subsection, a home improvement loan shall—

“(i) not exceed the Commissioner’s estimate of the cost of improvement, or \$10,000 per family unit, whichever is the lesser;

“(ii) be limited to an amount which when added to any outstanding indebtedness related to the property (as determined by the Commissioner) creates a total outstanding indebtedness which does not exceed the limits provided in subsection (d)(3) for properties (of the same type) other than new construction;

“(iii) bear interest at not to exceed a rate prescribed by the Commissioner, but not in excess of 6 per centum per annum of the amount of the principal obligation outstanding at any time, and such other charges (including such service charges, appraisal, inspection, and other fees) as may be approved by the Commissioner;

“(iv) have a maturity satisfactory to the Commissioner, but not to exceed twenty years from the beginning of amortization of the loan or three-quarters of the remaining economic life of the structure, whichever is the lesser;

“(v) comply with such other terms, conditions, and restrictions as the Commissioner may prescribe; and

“(vi) represent the obligation of a borrower who is the owner of the property improved, or a lessee of the property under a lease for not less than 99 years which is renewable or under a lease having a period of not less than 50 years to run from the date of the loan.

“(3) Any home improvement loan insured under this subsection may be refinanced and extended in accordance with such terms and conditions as the Commissioner may prescribe, but in no event for an additional amount or term in excess of the maximum provided for in this subsection.

“(4) There is hereby created a separate Section 220 Home Improvement Account to be maintained under the Section 220 Housing Insurance Fund and to be used by the Commissioner as a revolving fund for carrying out the provisions of this subsection. The Commissioner is authorized to transfer to such Account the sum of \$1,000,000 from the War Housing Insurance Fund established pursuant to the provisions of section 602 of this Act. Any premium charges, and appraisal and other fees received on account of the insurance of any home improvement loan accepted for insurance under this subsection, and the receipts derived from the sale, collection, deposit, or compromise of any evidence of debt, contract, claim, property, or security assigned to or held by the Commissioner in connection with the payment of insurance under this subsection, shall be credited to the Section 220 Home Improvement Account. Insurance claims under this subsection and expenses incurred in the handling, management, renovation, and disposal of any properties acquired by the Commissioner under this subsection shall be charged to the Section 220 Home Improvement Account. General expenses of operation of the Federal Housing Administration and other expenses incurred under this subsection may be charged to the Section 220 Home Improvement Account. Moneys in the Account not needed for the current operation of the Federal Housing Administration under this subsection shall be deposited with the Treasurer of the United States to the credit of the Account, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. In order to protect the solvency of the Section 220 Home Improvement Account, adequate security shall be taken in connection with loans insured under this subsection in such manner as the Commissioner may require.

12 USC 1715k.

12 USC 1737.

Premium charge.

"(5) The Commissioner is authorized to fix a premium charge for the insurance of home improvement loans under this subsection but in the case of any such loan 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 1 per centum per annum of the amount of the principal obligation of the loan outstanding at any time, without taking into account delinquent payments or prepayments. Such premium charges shall be payable by the financial institution either in cash or in debentures (at par plus accrued interest) issued by the Commissioner as obligations of the Section 220 Home Improvement Account, in such manner as may be prescribed by the Commissioner, and the Commissioner may require the payment of one or more such premium charges at the time the loan is insured, at such discount rate as he may prescribe not in excess of the interest rate specified in the loan. If the Commissioner finds upon presentation of a loan for insurance and the tender of the initial premium charge or charges so required that the loan complies with the provisions of this subsection, such loan may be accepted for insurance by endorsement or otherwise as the Commissioner may prescribe. In the event the principal obligation of any loan accepted for insurance under this subsection is paid in full prior to the maturity date, the Commissioner is authorized to refund to the financial institution for the account of the borrower all, or such portions as he shall determine to be equitable, of the current unearned premium charges theretofore paid.

12 USC 1715k.

Defaults.

"(6) In cases of defaults on loans insured under this subsection, upon receiving notice of default, the Commissioner, in accordance with such regulations as he may prescribe, may acquire the loan and any security therefor upon payment to the financial institution in cash or in debentures (as provided in the loan insurance contract) of a total amount equal to the unpaid principal balance of the loan, plus any accrued interest, any advances approved by the Commissioner made previously by the financial institution under the provisions of the loan instruments, and reimbursement for such collection costs, court costs, and attorney fees as may be approved by the Commissioner.

Debentures.

"(7) Debentures issued under this subsection shall be executed in the name of the Section 220 Home Improvement Account as obligor, shall be signed by the Commissioner, by either his written or engraved signature, shall be negotiable, and shall be dated as of the date the loan is assigned to the Commissioner and shall bear interest from that date. They shall bear interest at a rate established by the Commissioner pursuant to section 224, payable semiannually on the 1st day of January and the 1st day of July of each year, and shall mature ten years after their date of issuance. They shall be exempt from taxation as provided in section 207(i) with respect to debentures issued under that section. They shall be paid out of the Section 220 Home Improvement Account which shall be primarily liable therefor and they shall be fully and unconditionally guaranteed as to principal and interest by the United States, and the guaranty shall be expressed on the face of the debentures. In the event the Section 220 Home Improvement Account 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, out of any money in the Treasury not otherwise 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. Debentures issued under this subsection shall be in such form and denominations in multiples of \$50, shall be subject to such terms and conditions, and

68 Stat. 606.
12 USC 1715o.

12 USC 1713.

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 they may be in coupon or registered form. Any difference between the amount of the debentures to which the financial institution is entitled, 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 financial institution from the Section 220 Home Improvement Account.

“(8) The provisions of subsections (c), (d), and (h) of section 2 shall apply to home improvement loans insured under this subsection, and for the purposes of this subsection references in subsections (c), (d), and (h) of section 2 to ‘this section’ or ‘this title’ shall be construed to refer to this subsection.

12 USC 1703.

“(9) (A) Notwithstanding any other provisions of this Act, no home improvement loan executed in connection with the improvement of a structure for use as rental accommodations for five or more families shall be insured under this subsection unless the borrower has agreed (i) to certify, upon completion of the improvement and prior to final endorsement of the loan, either that the actual cost of improvement equalled or exceeded the proceeds of the home improvement loan, or the amount by which the proceeds of the loan exceed the actual cost, as the case may be, and (ii) to pay forthwith to the financial institution, for application to the reduction of the principal of the loan, the amount, if any, certified to be in excess of the actual cost of improvement. Upon the Commissioner’s approval of the borrower’s certification as required under this paragraph, the certification shall be final and incontestable, except for fraud or material misrepresentation on the part of the borrower.

Exception.

“(B) As used in subparagraph (A), the term ‘actual cost’ means the cost to the borrower of the improvement, including the amounts paid for labor, materials, construction contracts, off-site public utilities, streets, organization and legal expenses, such allocations of general overhead items as are acceptable to the Commissioner, and other items of expense approved by the Commissioner, plus a reasonable allowance for builder’s profit if the borrower is also the builder, as defined by the Commissioner, and excluding the amount of any kickbacks, rebates, or trade discounts received in connection with the improvement.

“Actual cost”.

“(10) Notwithstanding any other provision of this Act, the Commissioner is authorized and empowered (i) to make expenditures and advances out of funds made available by this Act to preserve and protect his interest in any security for, or the lien or priority of the lien securing, any loan or other indebtedness owing to, insured by, or acquired by the Commissioner or by the United States under this subsection, or section 2 or 203(k); and (ii) to bid for and to purchase at any foreclosure or other sale or otherwise acquire property pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of any loan or other indebtedness owing to or acquired by the Commissioner or by the United States under this subsection or section 2 or 203(k). The authority conferred by this paragraph may be exercised as provided in the last sentence of section 204(g).”

Authority.

(b) Section 203 of the National Housing Act is amended by—

12 USC 1710.

(1) striking out in subsection (e) “of the mortgage” and inserting in lieu thereof “of the loan or mortgage”;

12 USC 1709.

(2) striking out in subsection (e) “approved mortgagee” each place it appears and inserting in lieu thereof “approved financial institution or approved mortgagee”; and

(3) adding at the end thereof the following subsection:

“(k) To supplement the mortgage insurance provisions of this section in order to assist the conservation, improvement, and alteration

Ante, p. 154.

of housing, the Commissioner is authorized to make commitments to insure and to insure a home improvement loan (including advances during construction or improvement) under this subsection in accordance with the provisions of section 220(h), except that (1) the structures improved shall be designed for occupancy by not more than four families and shall not be required to be located in the area of an urban renewal project, (2) the Commissioner shall find that the project with respect to which the loan is executed is economically sound, (3) all funds received and all disbursements made shall be credited or charged, as appropriate, to a separate Section 203 Home Improvement Account to be maintained as hereinafter provided under the Mutual Mortgage Insurance Fund, and (4) insurance benefits shall be paid in debentures executed in the name of the Section 203 Home Improvement Account. For the purposes of this subsection, the Commissioner shall have all the authority provided in section 220(h). Debentures issued with respect to loans insured under this subsection shall be issued in accordance with sections 220(h)(6) and 220(h)(7), except that as applied to those loans references in section 220(h) to 'this subsection' shall be construed to refer to this section 203(k), references to the Section 220 Home Improvement Account shall be construed to refer to the Section 203 Home Improvement Account, and references to the Section 220 Housing Insurance Fund shall be construed to refer to the Mutual Mortgage Insurance Fund. All of the provisions in section 220(h)(4) relative to the Section 220 Home Improvement Account shall be equally applicable to the Section 203 Home Improvement Account. There is hereby created a separate Section 203 Home Improvement Account under the Mutual Mortgage Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this subsection, and the Commissioner is authorized to transfer to such Account the sum of \$1,000,000 from the War Housing Insurance Fund established pursuant to the provisions of section 602 of this Act. The provisions of section 205(c) shall not be applicable to loans insured under this subsection."

12 U S C 1737,
1711.

68 Stat. 613,
12 USC 1717.

(c) Section 302(b) of the National Housing Act is amended by adding at the end thereof the following new sentence: "For the purposes of this title, the term 'mortgages' shall be inclusive of any mortgages or other loans insured under any of the provisions of the National Housing Act."

EXPERIMENTAL HOUSING MORTGAGE INSURANCE

12 U S C 1707-
1715w.

SEC. 103. Title II of the National Housing Act is amended by adding at the end thereof the following section:

"EXPERIMENTAL HOUSING

"SEC. 233. (a) In order to assist in lowering housing costs and improving housing standards, quality, livability, or durability or neighborhood design through the utilization of advanced housing technology, or experimental property standards, the Commissioner is authorized to insure and to make commitments to insure, under this section, mortgages (including, in the case of mortgages insured under subsection (b)(2) of this section, advances on such mortgages during construction) secured by properties including dwellings involving the utilization and testing of advanced technology in housing design, materials, or construction, or experimental property standards for neighborhood design if the Commissioner determines that (1) the property is an acceptable risk, giving consideration to the need for testing advanced housing technology or experimental property stand-

ards, (2) the utilization and testing of the advanced technology or experimental property standards involved will provide data or experience which the Commissioner deems to be significant in reducing housing costs or improving housing standards, quality, livability, or durability, or improving neighborhood design, and (3) the mortgages are eligible for insurance under the provisions of this section and under any further terms and conditions which may be prescribed by the Commissioner to establish the acceptability of the mortgages for insurance.

“(b) To be eligible for insurance under this section a mortgage shall—

Eligibility.

“(1) meet the requirements of section 203(b), except that the maximum principal obligation of the mortgage as computed under clauses (i), (ii), and (iii) of section 203(b)(2) shall be determined on the basis of the Commissioner's estimate of the cost of replacing the property using comparable conventional design, materials, and construction rather than value, and the proviso in section 203(b)(8) shall not be applicable to mortgages insured under this section; or

12 USC 1709.

“(2) meet the requirements of section 207(b) and section 207(c), except that the maximum principal obligation of the mortgage as computed under section 207(c)(2) shall be determined on the basis of the Commissioner's estimate of the cost of replacing the property using comparable conventional design, materials, and construction rather than value.

12 USC 1713.

“(c) The Commissioner may enter into such contracts, agreements, and financial undertakings with the mortgagor and others as he deems necessary or desirable to carry out the purposes of this section, and may expend available funds for such purposes, including the correction (when he determines it necessary to protect the occupants), at any time subsequent to insurance of a mortgage, of defects or failures in the dwellings which the Commissioner finds are caused by or related to the advanced housing technology utilized in their design or construction or experimental property standards.

“(d) The Commissioner may make such investigations and analyses of data, and publish and distribute such reports, as he determines to be necessary or desirable to assure the most beneficial use of the data and information to be acquired as a result of this section.

“(e) Any mortgagee under a mortgage insured under subsection (b)(1) of this section shall be entitled to the benefits of the insurance as provided in section 204(a) with respect to mortgages insured under section 203, and the provisions of subsections (b), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 shall apply to the mortgages insured under subsection (b)(1), except that as applied to those mortgages (1) all references therein to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Experimental Housing Insurance Fund, and (2) all references therein to section 203 shall be construed to refer to this section.

12 USC 1710.

“(f) Any mortgagee under a mortgage insured under subsection (b)(2) of this section shall be entitled to the benefits of the insurance as provided in section 207(g) with respect to mortgages insured under section 207, and the provisions of subsections (d), (e), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to the mortgages insured under subsection (b)(2) of this section, except that as applied to those mortgages (1) all references therein to the Housing Insurance Fund, the Housing Fund, or the Fund shall be construed to refer to the Experimental Housing Insurance Fund, and (2) all references therein to ‘this section’ shall be construed to refer to this section 233.

Default.

“(g) Notwithstanding the provisions of subsections (e) and (f) of this section, in the case of default on any mortgage insured under this section, the Commissioner in his discretion, in accordance with such regulations as he may prescribe, may make payments pursuant to such subsections in cash or in debentures (as provided in the mortgage insurance contract), or may acquire the mortgage loan and the security therefor upon payment to the mortgagee in cash or in debentures (as provided in the mortgage insurance contract) of a total amount equal to the unpaid principal balance of the loan plus any accrued interest and any advances approved by the Commissioner made previously by the mortgagee under the provisions of the mortgage. After the acquisition of the mortgage by the Commissioner the mortgagee shall have no further rights, liabilities, or obligations with respect to the mortgage. The appropriate provisions of sections 204 and 207 relating to the issuance of debentures shall apply with respect to debentures issued under this subsection, and the appropriate provisions of sections 204 and 207 relating to the rights, liabilities, and obligations of a mortgagee shall apply with respect to the Commissioner when he has acquired an insured mortgage under this subsection, in accordance with and subject to regulations (modifying such provisions to the extent necessary to render their application for such purposes appropriate and effective) which shall be prescribed by the Commissioner, except that as applied to mortgages insured under this section (1) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Experimental Housing Insurance Fund, (2) all references in section 204 to section 203 shall be construed to refer to this section, and (3) all references in section 207 to the Housing Insurance Fund, the Housing Fund, or the Fund shall be construed to refer to the Experimental Housing Insurance Fund.

12 USC 1710,
1713.

“(h) There is hereby created an Experimental Housing Insurance Fund to be used by the Commissioner as a revolving fund to carry out the provisions of this section, and the Commissioner is directed to transfer the sum of \$1,000,000 to the Fund from the War Housing Insurance Fund created by section 602 of this Act. General expenses of operation of the Federal Housing Administration and other expenses incurred under this section may be charged to the Experimental Housing Insurance Fund.”

12 USC 1737.

INDIVIDUALLY OWNED UNITS IN MULTIFAMILY STRUCTURES

12 USC 1707-
1715w.

SEC. 104. Title II of the National Housing Act is amended by adding after section 233 (as added by section 103 of this Act) the following section:

“MORTGAGE INSURANCE FOR INDIVIDUALLY OWNED UNITS IN MULTIFAMILY STRUCTURES

“SEC. 234. (a) The purpose of this section is to provide an additional means of increasing the supply of privately owned dwelling units where, under the laws of the State in which the property is located, real property title and ownership are established with respect to a one-family unit which is part of a multifamily structure.

Definitions.

12 USC 1707.

“(b) The terms ‘mortgage’, ‘mortgagee’, ‘mortgagor’, ‘maturity date’, and ‘State’ shall have the meanings respectively set forth in section 201, except that the term ‘mortgage’ for the purposes of this section may include a first mortgage given to secure the unpaid purchase price of a fee interest in, or a long-term leasehold interest in, a one-family unit in a multifamily structure and an undivided interest in the

common areas and facilities which serve the structure where the mortgage is determined by the Commissioner to be eligible for insurance under this section. The term 'common areas and facilities' as used in this section shall be deemed to include the land and such commercial, community, and other facilities as are approved by the Commissioner.

“(c) The Commissioner is authorized, in his discretion and under such terms and conditions as he may prescribe (including the minimum number of family units in the structure which shall be offered for sale and provisions for the protection of the consumer and the public interest), to insure any mortgage covering a one-family unit in a multifamily structure and an undivided interest in the common areas and facilities which serve the structure, if (1) the mortgage meets the requirements of this section and of section 203(b), except as that section is modified by this section, (2) the structure is or has been covered by a mortgage insured under another section (except section 213) of this Act, notwithstanding any requirements in any such section that the structure be constructed or rehabilitated for the purpose of providing rental housing, and (3) the mortgagor is acquiring, or has acquired, a family unit covered by a mortgage insured under this section for his own use and occupancy and will not own more than four one-family units covered by mortgages insured under this section. Any project proposed to be constructed or rehabilitated after the date of enactment of the Housing Act of 1961 with the assistance of mortgage insurance under this Act, where the sale of family units is to be assisted with mortgage insurance under this section, shall be subject to such requirements as the Commissioner may prescribe. To be eligible for insurance pursuant to this section a mortgage shall (A) involve a principal obligation in an amount not to exceed the limits per room and per family dwelling unit provided by section 207(c)(3), and not to exceed the sum of (i) 97 per centum of \$13,500 of the amount which the Commissioner estimates will be the appraised value of the family unit including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of \$13,500 but not in excess of \$18,000, and (iii) 70 per centum of such value in excess of \$18,000, and (B) have a maturity satisfactory to the Commissioner but not to exceed, in any event, thirty years from the date of the beginning of amortization of the mortgage or three-fourths of the Commissioner's estimate of the remaining economic life of the structure, whichever is the lesser. In determining the amount of a mortgage in the case of a nonoccupant mortgagor the reference to paragraph (2) of section 203(b) in section 203(b)(8) shall be construed to refer to the preceding sentence in this section. The mortgage shall contain such provisions as the Commissioner determines to be necessary for the maintenance of common areas and facilities and the multifamily structure. The mortgagor shall have exclusive right to the use of the one-family unit covered by the mortgage and, together with the owners of other units in the multifamily structure, shall have the right to the use of the common areas and facilities serving the structure and the obligation of maintaining all such common areas and facilities. The Commissioner may require that the rights and obligations of the mortgagor and the owners of other dwelling units in the structure shall be subject to such controls as he determines to be necessary and feasible to promote and protect individual owners, the multifamily structure, and its occupants. For the purposes of this section, the Commissioner is authorized in his discretion and under such terms and conditions as he may prescribe to permit one-family units and interests in common areas and facilities in multifamily structures covered

Authority.

12 USC 1709.

64 Stat. 54,
12 USC 1715e.

12 USC 1713.

Mortgagor,
rights.

12 USC 1715e. by mortgages insured under any section of this Act (other than section 213) to be released from the liens of those mortgages.

12 USC 1710. “(d) Any mortgagee under a mortgage insured under this section is entitled to receive the benefits of the insurance as provided in section 204(a) of this Act with respect to mortgages insured under section 203, and the provisions of subsections (b), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 shall be applicable to the mortgages insured under this section, except that (1) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Apartment Unit Insurance Fund, (2) all references therein to section 203 shall be construed to refer to this section, and (3) the excess remaining, referred to in section 204(f)(1), shall be retained by the Commissioner and credited to the Apartment Unit Insurance Fund.

Apartment Unit
Insurance Fund,
creation.

12 USC 1737. “(e) There is hereby created the Apartment Unit Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section. The Commissioner is authorized to transfer to the Fund the sum of \$1,000,000 from the War Housing Insurance Fund established pursuant to the provisions of section 602 of this Act. General expenses of operation of the Federal Housing Administration under this section may be charged to the Apartment Unit Insurance Fund. The provisions of the second and third paragraphs of section 220(g) shall be applicable to the Apartment Unit Insurance Fund and to this section, all references therein to the Section 220 Housing Insurance Fund or the Fund shall be construed to refer to the Apartment Unit Insurance Fund, and all references therein to ‘this section’ shall be construed to refer to this section 234.

12 USC 1715k.

68 Stat. 607; 73
Stat. 662.
12 U S C 1715p,
1715t, 1715u.

“ (f) The provisions of sections 225, 229, and 230 shall be applicable to the mortgages insured under this section.”

TITLE II—HOUSING FOR ELDERLY PERSONS AND LOW INCOME FAMILIES

HOUSING FOR THE ELDERLY

DIRECT LOANS

73 Stat. 667.
12 USC 1701q.

SEC. 201. (a) Section 202 of the Housing Act of 1959 is amended by—

(1) inserting in subsection (a)(1) after the words “private nonprofit corporations” the following: “, consumer cooperatives, or public bodies or agencies”;

(2) striking out subsection (a)(2) and inserting in lieu thereof the following:

“(2) In order to carry out the purpose of this section, the Administrator may make loans to any corporation (as defined in subsection (d)(2)), to any consumer cooperative, or to any public body or agency for the provision of rental or cooperative housing and related facilities for elderly families and elderly persons, except that (A) no such loan shall be made unless the applicant shows that it is unable to secure the necessary funds from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this section, (B) 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, and (C) no such loan shall be made to a public body or agency unless it certifies that it is not receiving financial assistance from the United States exclusively pursuant to the United States Housing Act of 1937.”;

50 Stat. 888.
42 USC 1430.

(3) striking out in subsection (a) (3) "A loan to a corporation under this section" and inserting in lieu thereof "A loan under this section"; and

73 Stat. 667.
12 USC 1701q.

(4) striking out in subsection (c) (3) "corporation undertaking" and inserting in lieu thereof "corporation, cooperative, or public body or agency undertaking".

(b) Section 202 (a) (3) of such Act is amended by striking out "98 per centum of".

(c) Section 202 (a) (4) of such Act is amended by striking out "\$50,000,000" and inserting in lieu thereof "\$125,000,000", and by striking out the second sentence.

(d) Section 202 of such Act is further amended by adding at the end thereof the following new subsection:

"(e) Nothing in this section or in regulations promulgated under this section shall prevent a corporation or consumer cooperative from obtaining a loan under this section for the provision of housing and related facilities for elderly families and elderly persons, notwithstanding the fact that such corporation or cooperative has theretofore obtained a commitment from the Federal Housing Administration for mortgage insurance under section 231 of the National Housing Act with respect to the housing involved, if (1) such corporation or cooperative is otherwise eligible for such loan under this section, (2) such commitment was obtained prior to the date of enactment of the Housing Act of 1961, and (3) the Administrator determines that the financing of such housing through a loan under this section rather than through mortgage insurance under such section 231 is necessary or desirable in order to avoid hardship for the elderly families and elderly persons who are the prospective tenants of such housing."

Exception.

12 USC 1715v.

LOW-RENT PUBLIC HOUSING

ELIGIBILITY REQUIREMENT FOR DISABLED PERSONS

SEC. 202. Section 2 of the United States Housing Act of 1937 is amended by striking out the words "has attained the age of fifty and" in the second and third sentences of paragraph (2), and by striking out paragraph (14) and renumbering paragraph (15) as paragraph (14).

73 Stat. 681.
42 USC 1402.

ADDITIONAL SUBSIDY FOR ELDERLY TENANTS

SEC. 203. Section 10(a) of the United States Housing Act of 1937 is amended by inserting the following proviso before the period at the end of the third sentence thereof: "Provided, That the Authority may, in addition to the payments guaranteed under the contract, pay not to exceed \$120 per annum per dwelling unit occupied by an elderly family on the last day of the project fiscal year where such amount, in the determination of the Authority, was necessary to enable the public housing agency to lease the dwelling unit to the elderly family at a rental it could afford and to operate the project on a solvent basis".

42 USC 1410.

DWELLING UNIT AUTHORIZATION

SEC. 204. (a) Section 10(e) of the United States Housing Act of 1937 is amended by striking out the first three sentences and inserting in lieu thereof the following: "The Authority is authorized to enter into contracts for annual contributions aggregating not more than \$336,000,000 per annum, but any such contracts for additional units for any one State shall not, after the date of enactment of the Housing Act of 1961, be entered into for more than 15 per centum of the aggregate amount not already guaranteed under contracts for annual con-

63 Stat. 427.

tributions on such date: *Provided*, That no such new contract for additional units shall be entered into after the date of enactment of the Housing Act of 1961 except with respect to low-rent housing for a locality respecting which the Administrator has made the determination and certification relating to a workable program as prescribed in section 101(c) of the Housing Act of 1949, and the Authority shall enter into only such new contracts for preliminary loans as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into."

(b) Section 10(i) of such Act is repealed; and section 15(10) of such Act is redesignated as section 10(i) and transferred (as so redesignated) to the place heretofore occupied by the section so repealed.

(c) Section 21(d) of such Act is repealed.

GREATER LOCAL RESPONSIBILITY FOR ADMISSION POLICIES

SEC. 205. (a) Section 10(g) of the United States Housing Act of 1937 is amended to read as follows:

"(g) Every contract for annual contributions for any low-rent housing project shall provide that—

"(1) the maximum income limits fixed by the public housing agency shall be subject to the prior approval of the Authority and the Authority may require the agency to review and revise such limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of the Act;

"(2) the public housing agency shall adopt and promulgate regulations establishing admission policies which shall give full consideration to its responsibility for the rehousing of those displaced by urban renewal or other governmental action, to the applicant's status as a serviceman or veteran or relationship to a serviceman or veteran or to a disabled serviceman or veteran, and to the applicant's age or disability, housing conditions, urgency of housing need, and source of income; and

"(3) the public housing agency shall determine, and so certify to the Authority, that each family in the project was admitted in accordance with duly adopted regulations and approved income limits; and the public housing agency shall make periodic reexaminations of the incomes of families living in the project and shall require any family whose income has increased beyond the approved maximum income limits for continued occupancy to move from the project unless the public housing agency determines that, due to special circumstances, the family is unable to find decent, safe and sanitary housing within its financial reach although making every reasonable effort to do so, in which event such family may be permitted to remain for the duration of such a situation if it pays an increased rent consistent with such family's increased income."

(b) Sections 10(m) and 15(8) of such Act are repealed.

MISCELLANEOUS PUBLIC HOUSING AMENDMENTS

SEC. 206. (a) Section 15 of the United States Housing Act of 1937 is amended by—

(1) inserting in paragraph (5) after the second parenthetical clause the following: "on which the computation of any annual contributions under this Act may be based";

(2) striking out in paragraph (5) "\$2,500 per room in the case of Alaska or in the case of accommodations designed specifically for elderly families", and inserting in lieu thereof

68 Stat. 623.
42 USC 1451.

42 USC 1410.
73 Stat. 681.
42 USC 1415.

42 USC 1421.

63 Stat. 423.
42 USC 1410.

Repeals.
42 USC 1410,
1415.

“(\$3,000 per room in the case of Alaska, or in the case of accommodations designed specifically for elderly families \$3,000 per room and \$3,500 per room in the case of Alaska)”;

(3) striking out paragraph (6), redesignating paragraph (9) as paragraph (6), and transferring paragraph (9), as so redesignated, to the place heretofore occupied by the paragraph so stricken out; and

(4) striking out “or 5 per centum in the case of any family entitled to a first preference as provided in section 10(g)” in paragraph (7)(b) and inserting in lieu thereof “except in the case of a family displaced by urban renewal or other governmental action or an elderly family”.

(b) Section 10(h) of such Act is amended by inserting the following after the word “project” the third time it appears therein: “(exclusive of any portion thereof which is not assisted by annual contributions under this Act)”.

68 Stat. 631,
42 USC 1410.

(c) Section 10(j) of such Act is repealed.

Repeal.

DEMONSTRATION PROGRAMS

SEC. 207. The Housing and Home Finance Administrator is authorized to enter into contracts to make grants, not exceeding \$5,000,000, to public or private bodies or agencies, subject to such terms and conditions as he shall prescribe, for the purposes of developing and demonstrating new or improved means of providing housing for low income persons and families. Advances and progress payments may be made, under any contract to make grants under this section, without regard to the provisions of section 3648 of the Revised Statutes.

31 USC 529.

TITLE III—URBAN RENEWAL AND PLANNING

INCREASED FEDERAL AID FOR SMALL COMMUNITIES; POOLING GRANTS-IN-AID BETWEEN PROJECTS

SEC. 301. (a) Section 103(a) of the Housing Act of 1949 is amended by inserting “(1)” after “(a)”, by striking out the last two sentences, and by inserting at the end thereof the following:

71 Stat. 299,
42 USC 1453.

“(2) The aggregate of such capital grants with respect to all of the projects of a local public agency (or of two or more local public agencies in the same municipality) on which contracts for capital grants have been made under this title shall not exceed the total of—

“(A) two-thirds of the aggregate net project costs of all such projects to which neither subparagraph (B) nor subparagraph (C) applies, and

“(B) three-fourths of the aggregate net project costs of any of such projects which are located in a municipality having a population of fifty thousand or less (one hundred fifty thousand or less in the case of a municipality situated in an area which, at the time the contract or contracts involved are entered into or at such earlier time as the Administrator may specify in order to avoid hardship, is designated as a redevelopment area under the second sentence of section 5(a) of the Area Redevelopment Act) according to the most recent decennial census, and

“(C) three-fourths of the aggregate net project costs of any of such projects (not falling within subparagraph (B)) which the Administrator, upon request, may approve on a three-fourths capital grant basis.

Ante, p. 48.

“(3) A capital grant with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.”

70 Stat. 1101.
42 USC 1454.

(b) Section 104 of such Act is amended by striking out the second sentence and inserting in lieu thereof the following: "Such local grants-in-aid, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency (or two or more local public agencies in the same municipality) on which contracts for capital grants have theretofore been made, shall be at least equal to the total of one-third of the aggregate net project costs of such projects undertaken on a two-thirds capital grant basis and one-fourth of the aggregate net project costs of such projects undertaken on a three-fourths capital grant basis."

42 USC 1460.

(c) The third and fourth sentences of section 110(e) of such Act are each amended by striking out "pursuant to the proviso in the second sentence of section 103(a)" and inserting in lieu thereof "pursuant to section 103(a)(2)(C)".

INCONTESTABLE FEDERAL OBLIGATION IN PRIVATE FINANCING OF PROJECTS

42 USC 1452.

SEC. 302. (a) Section 102(c) of the Housing Act of 1949 is amended by adding at the end thereof the following: "In connection with any such pledge of a loan contract, including loan payments thereunder, as security for the repayment of obligations of the local public agency held by other than the Federal Government, the Administrator is authorized to agree to pay, through operations of a paying agent or agents, and to pay or cause to be paid when due, from funds obtained pursuant to subsection (e) of this section, to the holders of such obligations (or to their agents or designees) the principal of and the interest on such obligations, subject to such conditions as the Administrator may determine but without regard to any other condition or requirement. Notwithstanding any other provision of law, any contract or other instrument executed by the Administrator which, by its terms, includes an obligation of the Administrator to make payment pursuant to this subsection shall be construed by all officers of the United States separate and apart from the loan contract and shall be incontestable in the hands of a bearer and the full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Administrator pursuant to this subsection."

63 Stat. 424.
42 USC 1421a.

(b) Section 22 of the United States Housing Act of 1937 is amended by inserting the following new subsection at the end thereof:

"(c) Obligations of a public housing agency which (1) are secured either (A) by a pledge of a loan under an agreement between such public housing agency and the Authority, or (B) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Authority, and (2) bear, or are accompanied by, a certificate of the Authority that such obligations are so secured, shall be incontestable in the hands of a bearer, and the full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Authority as security for such obligations."

GRANT AUTHORIZATION

71 Stat. 299.
42 USC 1453.

SEC. 303. Section 103(b) of the Housing Act of 1949 is amended by striking out the first sentence and inserting in lieu thereof the following: "The Administrator may, with the approval of the President, contract to make grants under this title aggregating not to exceed \$4,000,000,000: *Provided*, That of such sum the Administrator may, without regard to other provisions of this title, contract to make grants aggregating not to exceed \$25,000,000 for mass transportation demonstration projects which he determines will assist in carrying out urban transportation plans and research, including but not limited to the development of data and information of general applicability

on the reduction of urban transportation needs, the improvement of mass transportation service, and the contribution of such service toward meeting total urban transportation needs at minimum cost. Such grants shall not be used for major long-term capital improvement; shall not exceed two-thirds of the cost, as determined or estimated by the Administrator, of the project for which the grant is made; and shall be subject to such other terms and conditions as he may prescribe. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advance or progress payments on account of any grant contracted to be made pursuant to this section."

31 USC 529.

RELOCATION PAYMENTS

SEC. 304. Section 106(f)(2) of the Housing Act of 1949 is amended—

71 Stat. 300.
42 USC 1456.

(1) by striking out "and business concerns" in the first sentence and inserting in lieu thereof the following: "business concerns, and nonprofit organizations";

(2) by striking out "business concern." in the second sentence and inserting in lieu thereof the following: "business concern or nonprofit organization."

(3) by inserting after "\$3,000" the following: "(or, if greater, the total certified actual moving expenses)"; and

(4) by inserting "and actual direct losses of property" before the period at the end of the last sentence.

FINANCIAL ASSISTANCE FOR DISPLACED BUSINESS CONCERNS

SEC. 305. Section 7(b) of the Small Business Act is amended—

72 Stat. 387.
15 USC 636.

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and";

(3) by adding after paragraph (2) a new paragraph as follows:

"(3) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small-business concern in reestablishing its business, if the Administration determines that such concern has suffered substantial economic injury as a result of its displacement by a federally aided urban renewal or highway construction program or by any other construction conducted by or with funds provided by the Federal Government."; and

(4) by adding immediately before the period at the end of the third sentence the following: "; except that in the case of a loan made pursuant to paragraph (3), the rate of interest on the Administration's share of such loan shall not be more than the higher of (A) 2¾ per centum per annum; or (B) 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 date of the loan and adjusted to the nearest one-eighth of 1 per centum, plus one-quarter of 1 per centum per annum."

(b) Section 2(b) of such Act is amended by inserting before the period at the end thereof the following: ", and small-business concerns which are displaced as a result of federally aided construction programs".

15 USC 631.

(c) Section 4(c) of such Act is amended—

73 Stat. 647.
15 USC 633.

- (1) by striking out "\$975,000,000" each place it appears and inserting in lieu thereof "\$1,000,000,000"; and
 (2) by striking out "\$125,000,000" in the sixth sentence and inserting in lieu thereof "\$150,000,000".

RESALE OF PROPERTY IN URBAN RENEWAL AREAS FOR HOUSING FOR
 MODERATE INCOME FAMILIES

73 Stat. 674.
 42 USC 1457.

SEC. 306. (a) Section 107 of the Housing Act of 1949 is amended by—

- (1) changing the title thereof to read "PROPERTY TO BE USED FOR PUBLIC HOUSING OR HOUSING FOR MODERATE INCOME FAMILIES";
 (2) inserting "(a)" before the first sentence and striking out the words "to be" in such sentence;
 (3) striking out "is incorporated" and inserting in lieu thereof "was incorporated on or after September 23, 1959,"; and
 (4) adding at the end thereof the following new subsection:

"(b) Upon approval of the Administrator and subject to such conditions as he may determine to be in the public interest, any real property held as part of an urban renewal project may be made available to (1) a limited dividend corporation, nonprofit corporation or association, cooperative, or public body or agency, or (2) a purchaser who would be eligible for a mortgage insured under section 221(d)(4) of the National Housing Act, for purchase at fair value for use by such purchaser in the provision of new or rehabilitated rental or cooperative housing for occupancy by families of moderate income."

12 USC 1715L.

70 Stat. 1097.
 42 USC 1460.

(b) Clause (4) of the second sentence of section 110(c) of the Housing Act of 1949 is amended by inserting before the semicolon at the end thereof the following: "or as provided in section 107".

REHABILITATION

42 USC 1460.

SEC. 307. (a) The second sentence of section 110(c) of the Housing Act of 1949 is amended by—

- (1) striking out "and" at the end of paragraph (5);
 (2) striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and
 (3) adding after paragraph (6) a new paragraph as follows:

"(7) acquisition and repair or rehabilitation for guidance purposes, and resale by the local public agency, of structures which are located in the urban renewal area and which, under the urban renewal plan, are to be repaired or rehabilitated for dwelling use or related facilities: *Provided*, That the local public agency shall not acquire for such purposes, in any urban renewal area, structures which contain or will contain more than (A) one hundred dwelling units, or (B) 5 per centum of the total number of dwelling units in such area which, under the urban renewal plan, are to be repaired or rehabilitated, whichever is the lesser."

(b) The third sentence of section 110(c) of such Act is amended by inserting after "include" the following: "(except as provided in paragraph (7) above)".

(c) Clause (i) of section 110(e) of such Act is amended by striking out "and (6)" and inserting in lieu thereof "(6), and (7)".

INCREASE IN NONRESIDENTIAL EXCEPTION

SEC. 308. The fifth sentence of section 110(c) of the Housing Act of 1949 is amended by striking out "20 per centum" in the second proviso and inserting in lieu thereof "30 per centum".

URBAN RENEWAL AREAS INVOLVING COLLEGES, UNIVERSITIES, OR HOSPITALS

SEC. 309. Section 112 of the Housing Act of 1949 is amended to read as follows:

73 Stat. 677.
42 USC 1463.

“URBAN RENEWAL AREAS INVOLVING COLLEGES, UNIVERSITIES, OR
HOSPITALS

“SEC. 112. (a) In any case where an educational institution or a hospital is located in or near an urban renewal project area and the governing body of the locality determines that, in addition to the elimination of slums and blight from such area, the undertaking of an urban renewal project in such area will further promote the public welfare and the proper development of the community (1) by making land in such area available for disposition, for uses in accordance with the urban renewal plan, to such educational institution or hospital for redevelopment in accordance with the use or uses specified in the urban renewal plan, (2) by providing, through the redevelopment of the area in accordance with the urban renewal plan, a cohesive neighborhood environment compatible with the functions and needs of such educational institution or hospital, or (3) by any combination of the foregoing, the Administrator is authorized to extend financial assistance under this title for an urban renewal project in such area without regard to the requirements in section 110 hereof with respect to the predominantly residential character or predominantly residential reuse of urban renewal areas. The aggregate expenditures made by any such institution or hospital (directly or through a private redevelopment corporation or municipal or other public corporation) for the acquisition within, adjacent to, or in the immediate vicinity of the project area, of land, buildings, and structures to be redeveloped or rehabilitated by such institution for educational uses or by such hospital for hospital uses in accordance with the urban renewal plan (or with a development plan proposed by such institution, hospital, or corporation, found acceptable by the Administrator after considering the standards specified in section 110(b), and approved under State or local law after public hearing) and for the demolition of such buildings and structures if, pursuant to such urban renewal or development plan, the land is to be cleared and redeveloped, and for the relocation of occupants from buildings and structures to be demolished or rehabilitated, as certified by such institution or hospital to the local public agency and approved by the Administrator, shall be a local grant-in-aid in connection with such urban renewal project: *Provided*, That no such expenditure shall be eligible as a local grant-in-aid in any case where the property involved is acquired by such educational institution or hospital from a local public agency which, in connection with its acquisition or disposition of such property, has received, or contracted to receive, a capital grant pursuant to this title.

71 Stat. 301.
42 USC 1460.

“(b) No expenditure made by any educational institution or hospital, as provided in subsection (a), shall be deemed ineligible as a local grant-in-aid (1) in connection with any urban renewal project if made not more than seven years prior to the authorization by the Administrator of a contract for a loan or capital grant for such project, or (2) in connection with any such project for which the Administrator, prior to September 25, 1963, has authorized a loan or capital grant contract if made not more than five years prior to the submission of an application for financial assistance under this title for such urban renewal project.

“(c) The aggregate expenditures made by any public authority, established by any State, for acquisition, demolition, and relocation

in connection with land, buildings, and structures acquired by such public authority and leased to an educational institution for educational uses or to a hospital for hospital uses shall be deemed a local grant-in-aid to the same extent as if such expenditures had been made directly by such educational institution or hospital.

“(d) As used in this section—

“(1) the term ‘educational institution’ means any educational institution of higher learning, 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) the term ‘hospital’ means any hospital licensed by the State in which such hospital is located, including any public hospital or any nonprofit hospital, no part of the net earnings of which inures to the benefit of any private shareholder or individual.”

URBAN PLANNING ASSISTANCE

SEC. 310. (a) Section 701 of the Housing Act of 1954 is amended by—

(1) striking out “50 per centum” in the first sentence of subsection (b) and inserting in lieu thereof “two-thirds”;

(2) striking out “20,000,000” in the last sentence of subsection (b) and inserting in lieu thereof “\$75,000,000”;

(3) inserting after “public facilities” in clause (1) of subsection (d) “, including transportation facilities”; and

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

“(f) The consent of the Congress is hereby given to any two or more States to enter into agreements or compacts, not in conflict with any law of the United States, for cooperative efforts and mutual assistance in the comprehensive planning for the physical growth and development of interstate, metropolitan, or other urban areas, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts.”

(b) Section 701 of such Act is further amended by—

(1) striking out the matter preceding paragraph (1) of subsection (a) and inserting in lieu thereof the following:

“SEC. 701. (a) In order to assist State and local governments in solving planning problems resulting from the increasing concentration of population in metropolitan and other urban areas, including smaller communities; to facilitate comprehensive planning for urban development, including coordinated transportation systems, on a continuing basis by such governments; and to encourage such governments to establish and improve planning staffs, the Administrator is authorized to make planning grants to—”;

(2) inserting the following after “agencies” in paragraph (2) of subsection (a): “, or other agencies and instrumentalities designated by the Governor (or Governors in the case of interstate planning) and acceptable to the Administrator,”;

(3) adding the following at the end of subsection (a): “The Administrator shall encourage cooperation in preparing and carrying out plans among all interested municipalities, political subdivisions, public agencies, and other parties in order to achieve coordinated development of entire areas. To the maximum extent feasible, pertinent plans and studies already made for areas shall be utilized so as to avoid unnecessary repetition of effort and expense. Planning which may be assisted under this section includes the preparation of comprehensive urban transportation surveys, studies, and plans to aid in solving problems of traffic congestion, facilitating the circulation of people and

goods in metropolitan and other urban areas and reducing transportation needs. Funds available under this section shall be in addition to and may be used jointly with funds available for planning surveys and investigations under other Federally-aided programs, and nothing contained in this section shall be construed as affecting the authority of the Secretary of Commerce under section 307 of title 23, United States Code.”; and

(4) striking out the first sentence of subsection (d) and inserting in lieu thereof the following: “It is the further intent of this section to encourage comprehensive planning, including transportation planning, for States, cities, counties, metropolitan areas, and urban regions and the establishment and development of the organizational units needed therefor. The Administrator is authorized to provide technical assistance to State and local governments and their agencies and instrumentalities undertaking such planning and, by contract or otherwise, to make studies and publish information on related problems.”

72 Stat. 913.
73 Stat. 678.
40 USC 461.

HISTORICAL SITE IN URBAN RENEWAL AREA

SEC. 311. (a) Notwithstanding section 110(c)(4) of the Housing Act of 1949, as amended, or any other provision of law, the urban renewal project in Knoxville, Tennessee, known as the Riverfront-Willow Street redevelopment project, may include the donation by the Knoxville Housing Authority to the James White's Fort Association, by a suitable instrument of conveyance, of all right, title, and interest of the authority in and to the following described tract of land, constituting a portion of tract T-2 of the said project and containing 0.985 acres more or less:

70 Stat. 1097.
42 USC 1460.

Beginning at an iron pin located at the intersection of the east property line of Collins Alley and the south property line of Rouser Alley; thence in a northerly direction, north 32 degrees 35 minutes west, 111.0 feet to an iron pin located in the east property line of Collins Alley; thence in a westerly direction, south 55 degrees 20 minutes west, 207.0 feet to an iron pin; thence in a southwesterly direction, south 35 degrees 05 minutes west, 80 feet to an iron pin; thence in a southerly direction south 27 degrees 25 minutes east, 193.40 feet to an iron pin located in the north property line of Hill Avenue; thence in an easterly direction, north 67 degrees 43 minutes east, 33.54 feet to an iron pin; thence in an easterly direction, north 60 degrees 02 minutes east, 31.64 feet to an iron pin; thence in an easterly direction, north 58 degrees 30 minutes 30 seconds east, 53 feet to an iron pin located in the north property line of Hill Avenue; thence in a northerly direction, north 30 degrees 22 minutes 30 seconds west, 134.03 feet to an iron pin; thence in an easterly direction, north 59 degrees 21 minutes 30 seconds east, 175.61 feet to the point of beginning.

(b) The conveyance authorized to be included in the Riverfront-Willow Street redevelopment project under subsection (a) of this section shall be made only if the James White's Fort Association represents, and furnishes such assurances as may be required by the Knoxville Housing Authority, that such Association (1) will undertake the reconstruction on the site conveyed of General James White's cabin and fort, and (2) will develop, preserve, and operate such property on a nonprofit basis as a historical site or monument.

CREDIT FOR COST OF SCHOOL CONSTRUCTION

SEC. 312. No public facility, the provision of which is otherwise eligible as a local grant-in-aid for any urban renewal project receiving assistance under title I of the Housing Act of 1949 in the city of

63 Stat. 414.
42 USC 1450-
1463.

Roanoke, Virginia, and the construction of which was commenced prior to January 1, 1961, shall be deemed to be ineligible as a local grant-in-aid because of any change in the urban renewal plan for such project which is determined by the Housing and Home Finance Administrator to have resulted from the proposed location within the urban renewal area in which such project was undertaken of a Federally-aided highway. For the purpose of computing the portion of the cost of any such facility which may be allowed as a local grant-in-aid, the degree of benefit of the facility to such urban renewal area shall be based on the latest estimate of benefit submitted by the local public agency and accepted by the Administrator prior to such change in the urban renewal plan.

ELIGIBILITY OF CERTAIN LOCAL GRANTS-IN-AID

SEC. 313. Notwithstanding the provisions of section 312 of the Housing Act of 1954 or any request previously made pursuant to such section, upon request of the local public agency the eligibility of the local grants-in-aid for any project in the city of Norfolk, Virginia, in connection with which the final capital grant payment has not been made, shall be determined in accordance with the provisions of sections 110(d) and 112 of the Housing Act of 1949.

68 Stat. 629.
42 U S C 1450
note.

42 USC 1460.
Ante, p. 169.

TECHNICAL AMENDMENTS

SEC. 314. (a) Section 101(c) of the Housing Act of 1949 is amended by inserting in clause (1) after "workable program" the words "for community improvement".

68 Stat. 623.
42 USC 1451.

42 USC 1452.

(b) Section 102(a) of such Act is amended by inserting in the second proviso after "demolition and removal" the first place it appears the following: "together with administrative, relocation, and other related costs and payments."

42 USC 1460.

(c) Clause (4) of the second sentence of section 110(c) of such Act is amended by striking out "initial".

PARKS AND RECREATIONAL FACILITIES

SEC. 315. Section 105(a) of the Housing Act of 1949 is amended by striking out "and" preceding clause (iii), and by adding at the end thereof the following: "and (iv) the urban renewal plan gives due consideration to the provision of adequate park and recreational areas and facilities, as may be desirable for neighborhood improvement, with special consideration for the health, safety, and welfare of children residing in the general vicinity of the site covered by the plan;"

42 USC 1455.

TITLE IV—COLLEGE HOUSING

LOAN AUTHORIZATION

SEC. 401. Section 401(d) of the Housing Act of 1950 is amended by striking out the first colon and all that follows and inserting in lieu thereof the following: "which amount shall be increased by \$300,000,000 on July 1 in each of the years 1961 through 1964: *Provided*, That the amount outstanding for other educational facilities, as defined herein, shall not exceed \$175,000,000, which limit shall be increased by \$30,000,000 on July 1 in each of the years 1961 through 1964: *Provided further*, That the amount outstanding for hospitals, referred to in clause (2) of section 404(b) of this title, shall not exceed \$100,000,000, which limit shall be increased by \$30,000,000 on July 1 in each of the years 1961 through 1964."

73 Stat. 681.
12 USC 1749c.

71 Stat. 304.
12 USC 1749c.

APPORTIONMENT BY STATES

SEC. 402. Section 403 of the Housing Act of 1950 is amended by striking out "10 per centum" and inserting in lieu thereof "12½ per centum".

64 Stat. 80.
12 USC 1749b.

HOUSING PROVIDED BY NONPROFIT CORPORATIONS

SEC. 403. (a) Clause (3) of section 404(b) of the Housing Act of 1950 is amended—

71 Stat. 304.
12 USC 1749c.

(1) by striking out "established by any institution included in clause (1) of this subsection for the sole purpose" and inserting in lieu thereof "established for the sole purpose"; and

(2) by striking out "such institution" where it first appears and inserting in lieu thereof "one or more institutions included in clause (1) of this subsection".

(b) Clause (3) of section 404(b) of such Act is further amended by striking out "will pass to such institution" and inserting in lieu thereof "will pass to such institution (or to any one or more of such institutions) unless it is shown to the satisfaction of the Administrator that such property or the proceeds from its sale will be used for some other nonprofit educational purpose".

(c) Section 404(b) of such Act is further amended by adding at the end thereof the following new sentence: "In the case of any loan made under section 401 to a corporation described in clause (3) of this subsection which was not established by the institution or institutions for whose students or students and faculty it would provide housing, the Administrator shall require that the note securing such loan be cosigned by such institution (or by any one or more of such institutions)."

69 Stat. 644.
12 USC 1749.

TITLE V—COMMUNITY FACILITIES

PUBLIC FACILITY LOANS

SEC. 501. (a) (1) The second paragraph of section 201 of the Housing Amendments of 1955 is amended by inserting after "public works or facilities" the following: "(including mass transportation facilities and equipment)".

69 Stat. 642.
42 USC 1491.

(2) The third paragraph of section 201 of such Amendments is amended by inserting after "title" the following: "(subject to the limitations contained herein)".

(b) The first sentence of section 202(a) of such Amendments is amended to read as follows: "The Housing and Home Finance Administrator is authorized (1) to purchase the securities and obligations of, or make loans to, municipalities and other political subdivisions and instrumentalities of States (including public agencies and instrumentalities of one or more municipalities or other political subdivisions in the same State), to finance specific projects for public works or facilities under State, municipal, or other applicable law, and (2) 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 the acquisition, construction, reconstruction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urban areas, and for use in coordinating highway, bus, surface-rail, underground, parking and other transportation facilities in such areas. The facilities and equipment referred to in clause (2) may include land, but

42 USC 1492.

not public highways, and any other real or personal property needed for an economic, efficient, and coordinated mass transportation system."

42 USC 1492.

(c) Section 202(b)(2) of such Amendments is amended by adding at the end thereof the following new sentence: "Subject to such maximum maturity, the Administrator in his discretion may provide for the postponement of the payment of interest on not more than 50 per centum of any financial assistance extended to an applicant under this section for a period up to ten years where (A) such assistance does not exceed 50 per centum of the development cost of the project involved, and (B) it is determined by the Administrator that such applicant will experience above-average population growth and the project would contribute to orderly community development, economy, and efficiency; and any amounts so postponed shall be payable with interest in annual installments during the remaining maturity of such assistance."

(d)(1) Section 202(b) of such Amendments is further amended by adding at the end thereof the following new paragraph:

"(3) Financial assistance extended under this section shall bear interest at a rate determined by the Administrator which shall be not more than the higher of (A) 3 per centum per annum, or (B) the total of one-half 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 section 203(a)."

69 Stat. 643; 74
Stat. 1028.
42 USC 1493.

(2) The third sentence of section 203(a) of such Amendments is amended to read as follows: "Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury which shall be not more than the higher of (1) 2½ 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."

42 USC 1492.

(e) Section 202(b) of such Amendments is further amended by adding at the end thereof (after the paragraph added by subsection (d)(1) of this section) the following new paragraph:

"(4) No financial assistance shall be extended under clause (1) of subsection (a) of this section to any municipality or other political subdivision having a population of fifty thousand or more (one hundred fifty thousand or more in the case of a community situated in an area designated as a redevelopment area under the second sentence of section 5(a) of the Area Redevelopment Act) according to the most recent decennial census, or to any public agency or instrumentality of one or more municipalities or other political subdivisions having a population (or an aggregate population) equal to or exceeding that figure according to such census."

Ante, p. 48.

42 USC 1492.

(f) Section 202(c) of such Amendments is amended by striking out "this section" and inserting in lieu thereof "clause (1) of subsection (a) of this section".

(g) Section 202 of such Amendments is further amended by adding at the end thereof the following new subsection:

"(d) No loans may be made for transportation facilities or equipment, pursuant to clause (2) of subsection (a) of this section, unless the Administrator determines (1) that there is being actively developed (or has been developed) for the urban or other metropolitan area served by the applicant a program, meeting criteria established by him, for the development of a comprehensive and coordinated mass transportation system; (2) that the proposed facilities or equipment can reasonably be expected to be required for such a system; and (3)

if such program has not been completed, that there is an urgent need for the provision of the facilities or equipment to be commenced prior to the time that the program could reasonably be expected to be completed: *Provided*, That no such loan shall be made, except under a prior commitment, after December 31, 1962."

(h) Section 203(a) of such Amendments is amended by striking out the words "in an amount not exceeding \$150,000,000, notes and other obligations" in the first sentence and inserting in lieu thereof the following: "notes and other obligations in an amount not to exceed \$650,000,000: *Provided*, That, of the funds obtained through the issuance of such notes and other obligations, \$600,000,000 shall be available only for purchases and loans pursuant to clause (1) of section 202(a) of this title and \$50,000,000 shall be available only for purchases and loans pursuant to clause (2) of such section".

74 Stat. 1028.
42 USC 1493.

(i) Title II of such Amendments is further amended by adding at the end thereof the following new section:

42 USC 1491-
1496.

"SEC. 207. The Administrator is authorized to establish technical advisory services to assist municipalities and other political subdivisions and instrumentalities in the budgeting, financing, planning, and construction of community facilities. There are hereby authorized to be appropriated such sums as may be necessary, together with any fees that may be charged, to cover the cost of such services."

42 USC 1493.

(j) Section 203(b) of such Amendments is amended by inserting "be" immediately after "which may".

ADVANCES FOR PUBLIC WORKS PLANNING

SEC. 502. Section 702 of the Housing Act of 1954 is amended by—

69 Stat. 641.
40 USC 462.

(1) striking out in subsection (a) "10" and inserting in lieu thereof "12½";

(2) striking out the first sentence of subsection (b) and inserting in lieu thereof the following: "No advance shall be made hereunder with respect to any individual project, including a regional or metropolitan or other area-wide project, unless (1) it is planned to be constructed within or over a reasonable period of time considering the nature of the project, (2) it conforms to an overall State, local, or regional plan approved by a competent State, local, or regional authority, and (3) 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.";

(3) inserting after "1958;" in subsection (e) the following: "\$10,000,000 which may be made available to such fund on or after July 1, 1961;"; and

(4) striking out in subsection (e) "\$48,000,000" and inserting in lieu thereof "\$58,000,000".

TITLE VI—AMENDMENTS TO THE NATIONAL HOUSING ACT

FEDERAL NATIONAL MORTGAGE ASSOCIATION

SPECIAL ASSISTANCE AUTHORIZATION

SEC. 601. (a) Section 305(c) of the National Housing Act is amended to read as follows:

71 Stat. 299: 72
Stat. 73.
12 USC 1720.

"(c) The total amount of purchases and commitments authorized by the President pursuant to subsection (a) of this section shall not exceed \$1,700,000,000 outstanding at any one time."

72 Stat. 74.
12 USC 1720.

(b) Section 305(g) of such Act is amended by adding before the period at the end thereof the following: “: *Provided further*, That the authority of the Association to make purchases and commitments under this subsection shall terminate on the date of enactment of the Housing Act of 1961, and any portion of the total amount of such authority as specified in the first proviso in this subsection which on such date would otherwise be available for making such purchases and commitments shall be transferred to and merged with the authority granted by subsection (a) and added to the amount of such authority as specified in subsection (c)”.

Ante, p. 175.

68 Stat. 618.
12 USC 1721.

(c) Section 306 of such Act is amended by adding at the end thereof the following new subsection:

“(f) Notwithstanding any of the provisions of this Act or of any other law, an amount equal to the net decrease for the preceding fiscal year in the aggregate principal amount of all mortgages owned by the Association under this section shall, as of July 1 of each of the years 1961 through 1964, be transferred to and merged with the authority provided under section 305(a), and the amount of such authority as specified in section 305(c) shall be increased by any amounts so transferred.”

LIMITATION ON MORTGAGE AMOUNT

73 Stat. 669.
12 USC 1717.

12 USC 1748-
1748g.

SEC. 602. (a) Section 302(b) of the National Housing Act is amended by striking out “or 803” and inserting in lieu thereof “or title VIII”.

12 USC 1715e.

(b) Section 302(b) of such Act is further amended by inserting before “or a mortgage covering property” the following: “or insured under section 213 and covering property located in an urban renewal area.”

FEDERAL NATIONAL MORTGAGE ASSOCIATION LENDING AUTHORITY

12 USC 1719.

48 Stat. 1246.
12 USC 1701.
58 Stat. 284; 72
Stat. 1273.

SEC. 603. (a) Section 302(b) of the National Housing Act is amended by striking out “to make commitments” and all that follows down through the first colon and inserting in lieu thereof the following: “, pursuant to commitments or otherwise, to purchase, lend (under section 304) on the security of, service, sell, or otherwise deal in any mortgages which are insured under the National Housing Act, or which are insured or guaranteed under the Servicemen’s Readjustment Act of 1944 or chapter 37 of title 38, United States Code:”

12 USC 1718.

(b) The first sentence of section 303(b) of such Act is amended by inserting immediately before the period at the end thereof the following: “; and by requiring each borrower to make such payments, equal to not more than one-half of 1 per centum of the amount lent by the Association to such borrower under section 304”.

(c) Section 303(c) of such Act is amended by striking out the first sentence and by inserting in lieu thereof the following: “The Association shall issue from time to time, to each mortgage seller or borrower, its common stock (only in denominations of \$100 or multiples thereof) evidencing any capital contributions (adjusted by reason of any payments into surplus required by the Association) made by such seller or borrower pursuant to subsection (b) of this section.”

12 USC 1719.

(d) Section 304(a) of such Act is amended by inserting “(1)” before “To carry out”, and by adding at the end thereof the following new paragraph:

“(2) In the further interest of assuring sound operation, any loan made by the Association in its secondary market operations under

this section, and any extension or renewal thereof, shall not exceed 80 per centum of the unpaid principal balances of the mortgages securing the loan, and shall bear interest at a rate consistent with general loan policies established from time to time by the Association's board of directors. Any such loan shall mature in not more than twelve months and the term of any extension or renewal shall not exceed twelve months. The volume of the Association's lending activities and the establishment of its loan ratios, interest rates, maturities, and charges or fees, in its secondary market operations under this section, should be determined by the Association from time to time; and such determinations, in conjunction with determinations made under paragraph (1), should be consistent with the objectives that the lending activities should be conducted on such terms as will reasonably prevent excessive use of the Association's facilities, and that the operations of the Association under this section should be within its income derived from such operations and that such operations should be fully self-supporting. Notwithstanding any Federal, State, or other law to the contrary, the Association is hereby empowered, in connection with any loan under this section, whether before or after any default, to provide by contract with the borrower for the settlement or extinguishment, upon default, of any redemption, equitable, legal, or other right, title, or interest of the borrower in any mortgage or mortgages that constitute the security for the loan; and with respect to any such loan, in the event of default and pursuant otherwise to the terms of the contract, the mortgages that constitute such security shall become the absolute property of the Association."

(e) Section 304(b), section 309(c) and section 310 of such Act are each amended by inserting "or other security holdings" after "mortgages". 12 U.S.C. 1719, 1723a, 1723b.

FHA INSURANCE PROGRAMS

LIMITATIONS ON INSURANCE AUTHORIZATIONS

SEC. 604. (a) Section 2(a) of the National Housing Act is amended by striking out in the first sentence "1961" and inserting in lieu thereof "1965". 74 Stat. 1028.
12 USC 1703.

(b) Section 203(a) of such Act is amended by striking out the colon and all that follows the colon and inserting in lieu thereof a period. 48 Stat. 1248.
12 USC 1709.

(c) Section 217 of such Act is amended to read as follows: 73 Stat. 657.
12 USC 1715h.

"GENERAL MORTGAGE INSURANCE AUTHORIZATION

"SEC. 217. Except with respect to the insurance of a loan or mortgage pursuant to section 2, section 221, or title VIII of this Act (subject to any limitations thereunder on the time of such insurance), no loan or mortgage shall be insured under any provision of this Act after October 1, 1965, except pursuant to a commitment to insure before that date." 12 U.S.C. 1703, 1715l, 1748-1748g.

(d) Section 803 (a) of such Act is amended by striking out "1961" and inserting in lieu thereof "1962", and by striking out "twenty-five thousand" and inserting in lieu thereof "twenty-eight thousand". 73 Stat. 322.
12 USC 1748b.

SECTION 203 RESIDENTIAL HOUSING INSURANCE

SEC. 605. (a) Section 203(b)(2) of such act is amended— 71 Stat. 294.
12 USC 1709.

(1) by striking out "\$13,500" each place it appears and inserting in lieu thereof "\$15,000";

(2) by striking out "\$18,000" each place it appears and inserting in lieu thereof "\$20,000"; and

(3) by striking out "70 per centum" and inserting in lieu thereof "75 per centum".

73 Stat. 654.
12 USC 1709.

(b) Section 203(b)(2) of such Act is amended (1) by striking out "\$22,500" and inserting in lieu thereof "\$25,000", and (2) by striking out "or \$25,000" and inserting in lieu thereof "or \$27,500".

68 Stat. 591.
12 USC 1709.

(c) Section 203(b)(3) of such Act is amended by striking out "thirty years" and inserting in lieu thereof "thirty-five years (or thirty years if such mortgage is not approved for insurance prior to construction)".

AUTHORITY TO REDUCE PREMIUM CHARGES

52 Stat. 11.
12 USC 1709.

SEC. 606. The first sentence of section 203(c) of the National Housing Act is amended to read as follows: "The Commissioner is authorized to fix premium charges for the insurance of mortgages under the separate sections of this title but in the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 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: *Provided*, That any reduced premium charge so fixed and computed may, in the discretion of the Commissioner, also be made applicable in such manner as the Commissioner shall prescribe to each insured mortgage outstanding under the section or sections involved at the time the reduced premium charge is fixed."

SECTION 207 RENTAL HOUSING INSURANCE

52 Stat. 16.
12 USC 1713.

SEC. 607. Section 207 of the National Housing Act is amended by—

(1) striking out the first paragraph of subsection (b)(2) and inserting in lieu thereof the following:

"(2) any other mortgagor approved by the Commissioner which, until the termination of all obligations of the Commissioner under the insurance and during such further period of time as the Commissioner shall be the owner, holder, or reinsurer of the mortgage, is regulated or restricted by the Commissioner as to rents or sales, charges, capital structure, rate of return, and methods of operation to such extent and in such manner as to provide reasonable rentals to tenants and a reasonable return on the investment. The Commissioner may make such contracts with and acquire, for not to exceed \$100, such stock or interest in the mortgagor as he may deem necessary to render effective the regulations or restrictions. The stock or interest acquired by the Commissioner shall be paid for out of the Housing Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.";

(2) inserting in subsection (c)(3) after the words "attributable to dwelling use" the following: "(excluding exterior land improvements as defined by the Commissioner)";

(3) striking out "\$1,500 per space" in subsection (c)(3) and inserting in lieu thereof "\$1,800 per space"; and

(4) inserting in the first sentence of subsection (i) after the words "of this section" the following: "except that debentures issued pursuant to the provisions of section 220(f), 221(g), and section 233 may be dated as of the date the mortgage is assigned (or the property is conveyed) to the Commissioner".

12 USC 1715k,
1715l.
Ante, p. 158.

SECTION 213 COOPERATIVE HOUSING INSURANCE

SEC. 608. (a) Section 213 of the National Housing Act is amended by—

(1) inserting in paragraph (2) of subsection (b) after the words “as may be attributable to dwelling use” the following: “(excluding exterior land improvements as defined by the Commissioner)”;

(2) striking out “eight or more family units” in subsection (d) and inserting in lieu thereof “five or more family units”; and

(3) striking out in subsection (h) “such mortgagor shall not thereafter be eligible by reason of such paragraph (3) for insurance of any additional mortgage loans pursuant to this section” and inserting in lieu thereof the following: “the Commissioner is authorized to refuse, for such period of time as he shall deem appropriate under the circumstances, to insure under this section any additional investor-sponsor type mortgage loans made to such mortgagor or to any other investor-sponsor mortgagor where, in the determination of the Commissioner, any of its stockholders were identified with such mortgagor”.

(b) Section 213 of such Act is further amended by adding at the end thereof the following new subsection:

“(j) (1) With respect to any property covered by a mortgage insured under this section (or any cooperative housing project covered by a mortgage insured under section 207 as in effect prior to the enactment of the Housing Act of 1950), the Commissioner is authorized, upon such terms and conditions as he may prescribe, to make commitments to insure and to insure supplementary cooperative loans (including advances during construction or improvement) made by financial institutions approved by the Commissioner. As used in this subsection, ‘supplementary cooperative loan’ means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made for the purpose of financing any of the following:

“(A) Improvements or repairs of the property covered by such mortgage; or

“(B) Community facilities necessary to serve the occupants of the property.

“(2) To be eligible for insurance under this subsection, a supplementary cooperative loan shall—

“(A) be limited to an amount which, when added to the outstanding mortgage indebtedness on the property, creates a total outstanding indebtedness which does not exceed the original principal obligation of the mortgage;

“(B) have a maturity satisfactory to the Commissioner but not to exceed the remaining term of the mortgage;

“(C) be secured in such manner as the Commissioner may require;

“(D) contain such other terms, conditions, and restrictions as the Commissioner may prescribe; and

“(E) represent the obligation of a borrower of the character described in paragraph (1) of subsection (a).”

SECTION 220 SALES HOUSING MORTGAGE INSURANCE

SEC. 609. (a) Section 220(d)(3)(A)(i) of the National Housing Act is amended—

(1) by striking out “\$13,500” each place it appears and inserting in lieu thereof “\$15,000”;

(2) by striking out “\$18,000” each place it appears and inserting in lieu thereof “\$20,000”; and

64 Stat. 54.
12 USC 1715e.

73 Stat. 656.

69 Stat. 635.

70 Stat. 1094.

12 USC 1713.

64 Stat. 48.
12 USC 1701k
note.

73 Stat. 657.
12 USC 1715k.

(3) by striking out "70 per centum" and inserting in lieu thereof "75 per centum".

73 Stat. 657.
12 USC 1715k.

(b) Section 220(d)(3)(A) of such Act is amended (1) by striking out "\$22,500" and inserting in lieu thereof "\$25,000", and (2) by striking out "or \$25,000" and inserting in lieu thereof "or \$27,500".

NURSING HOMES

73 Stat. 663.
12 USC 1715w.

SEC. 610. Section 232(d)(2) of the National Housing Act is amended by striking out the words following the comma and inserting in lieu thereof the following: "and not to exceed 90 per centum of the estimated value of the property or project when the proposed improvements are completed."

HOUSING FOR DEFENSE-IMPACTED AREAS

73 Stat. 683.
12 USC 1748h-2.

SEC. 611. (a)(1) Section 810(b) of the National Housing Act is amended (A) by striking out "the Secretary of Defense or his designee shall have certified to the Commissioner that", and (B) by striking out the last sentence.

(2) Section 810(d) of such Act is amended (A) by striking out "until advised by the Secretary of Defense or his designee" and inserting in lieu thereof "until he finds", and (B) by striking out ", as evidenced by certification" and all that follows and inserting in lieu thereof a period.

Repeal.

73 Stat. 321.
42 USC 1594i.

(3) Section 810(1) of such Act is repealed.

12 USC 1748h-2.

(b) Section 406(a) of the Act of August 30, 1957 (71 Stat. 556), is amended by striking out ", and no certificates with respect to any family housing units shall be issued by the Secretary of Defense or his designee under section 810 of the National Housing Act, as amended,".

MISCELLANEOUS FHA AMENDMENTS

52 Stat. 11.
12 USC 1709.

SEC. 612. (a) Section 203 of the National Housing Act is amended by—

(1) striking out in subsection (b)(3) the words "insurance of the mortgage" and inserting in lieu thereof "beginning of amortization of the mortgage", and

(2) striking out in the first proviso of the second sentence of subsection (c) the words "particular insurance fund" and inserting in lieu thereof "particular insurance fund or account".

12 USC 1710.

12 USC 1715k.
12 USC 1715l.
Ante, p. 158.

(b) The second sentence of section 204(d) of such Act is amended by inserting after "mortgagee after default," the following: "except that debentures issued pursuant to the provisions of section 220(f), section 221(g), and section 233 may be dated as of the date the mortgage is assigned (or the property is conveyed) to the Commissioner,".

12 USC 1710.

(c) The last sentence of section 204(g) of such Act is amended to read as follows: "The power to convey and to execute in the name of the Commissioner deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein heretofore or hereafter acquired by the Commissioner pursuant to the provisions of this Act, may be exercised by the Commissioner or by any Assistant Commissioner appointed by him, without the execution of any express delegation of power or power of attorney: *Provided*, That nothing in this subsection shall be construed to prevent the Commissioner from delegating such power by order or by power of attorney, in his discretion, to any officer, agent, or employee he may appoint: *And provided further*, That a conveyance or transfer of title to real or personal property or an interest therein to the Federal Housing Com-

missioner, his successors and assigns, without identifying the Commissioner therein, shall be deemed a proper conveyance or transfer to the same extent and of like effect as if the Commissioner were personally named in such conveyance or transfer."

(d) Section 209 of such Act is amended by striking out in the second sentence "shall be charged as a general expense of the Fund, the Housing Fund, and the Defense Housing Insurance Fund in such proportion as the Commissioner shall determine" and inserting in lieu thereof "shall be charged as a general expense of such insurance fund or funds, or account or accounts, as the Commissioner shall determine".

12 USC 1715.

(e) Section 212 of such Act is amended by—

12 USC 1715c.

(1) striking out in the second sentence of subsection (a) "any mortgage under section 220" and inserting in lieu thereof "any loan or mortgage under section 220 or section 233"; and

12 USC 1715k.

Ante, p. 158.

(2) striking out in the third sentence of subsection (a) "in subsection (d) (4)" and inserting in lieu thereof "in subsection (d)

(3) in the case of a cooperative or a limited profit mortgagor, or in subsection (d) (4)".

(f) Section 219 of such Act is amended to read as follows:

12 USC 1715j.

"SEC. 219. Notwithstanding any limitations contained in other sections of this Act as to the use of moneys credited to the Title I Insurance Account, the Title I Housing Insurance Fund, the Section 203 Home Improvement Account, the Housing Insurance Fund, the War Housing Insurance Fund, the Housing Investment Insurance Fund, the Armed Services Housing Mortgage Insurance Fund, the National Defense Housing Insurance Fund, the Section 220 Housing Insurance Fund, the Section 220 Home Improvement Account, the Section 221 Housing Insurance Fund, the Experimental Housing Insurance Fund, the Apartment Unit Insurance Fund, or the Servicemen's Mortgage Insurance Fund, the Commissioner is hereby authorized to transfer funds from any one or more of such insurance funds or accounts to any other such fund or account in such amounts and at such times as the Commissioner may determine, taking into consideration the requirements of such funds or accounts, separately and jointly to carry out effectively the insurance programs for which such funds or accounts were established."

12 USC 1709.

12 USC 1715k.

12 USC 1715l.

(g) Section 220(f) of such Act is amended by—

12 USC 1715k.

(1) striking out "or" at the end of paragraph (1),

(2) striking out the period at the end of paragraph (2) and inserting in lieu thereof "; or", and

(3) adding at the end thereof the following:

"(3) as to mortgages meeting the requirements of this section that are insured or initially endorsed for insurance on or after the date of enactment of the Housing Act of 1961, notwithstanding the provisions of paragraphs (1) and (2) of this subsection, the Commissioner in his discretion, in accordance with such regulations as he may prescribe, may make payments pursuant to such paragraphs in cash or in debentures (as provided in the mortgage insurance contract), or may acquire a mortgage loan that is in default and the security therefor upon payment to the mortgagee in cash or in debentures (as provided in the mortgage insurance contract) of a total amount equal to the unpaid principal balance of the loan plus any accrued interest and any advances approved by the Commissioner and made previously by the mortgagee under the provisions of the mortgage. After the acquisition of the mortgage by the Commissioner the mortgagee shall have no further rights, liabilities, or obligations with respect to the loan or the security for the loan. The appropriate provisions of sections 204 and 207 relating to the rights, liabilities, and obligations

12 USC 1710,
1713.

of a mortgagee shall apply with respect to the Commissioner when he has acquired an insured mortgage under this paragraph, in accordance with and subject to regulations (modifying such provisions to the extent necessary to render their application for such purposes appropriate and effective) which shall be prescribed by the Commissioner, except that as applied to mortgages so acquired (A) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Section 220 Housing Insurance Fund, (B) all references in section 204 to section 203 shall be construed to refer to this section, and (C) all references in section 207 to the Housing Insurance Fund, the Housing Fund, or the Fund shall be construed to refer to the Section 220 Housing Insurance Fund."

12 USC 1710.

12 USC 1715k.

12 USC 1709.

12 USC 1713.

12 USC 1715n,
1715e.

12 USC 1715l,
1715m, 1715v,
1715w.

Ante, p. 158.
12 USC 1750c,
1750g.

12 USC 1743.

(h) (1) Section 223 (a) of such Act is amended by striking out "213, or 222" each place it appears and inserting in lieu thereof "213, 220, 221, 222, 231, 232, or 233".

(2) Section 223 (a) (7) of such Act is amended—

(A) by striking out "section 903 or section 908 of title IX" and inserting in lieu thereof "section 220, 221, 903, or 908"; and

(B) by striking out "insured under section 608 or 908".

(3) Section 223 of such Act is further amended by adding at the end thereof the following new subsection:

"(d) With respect to any mortgage, other than a mortgage covering a one- to four-family structure, heretofore or hereafter insured by the Commissioner, and notwithstanding any other provision of this Act, when the taxes, interest on the mortgage debt, mortgage insurance premiums, hazard insurance premiums, and the expense of maintenance and operation of the project covered by such mortgage during the first two years following the date of completion of the project, as determined by the Commissioner, exceed the project income, the Commissioner may, in his discretion and upon such terms and conditions as he may prescribe, permit the excess of the foregoing expenses over the project income to be added to the amount of such mortgage, and extend the coverage of the mortgage insurance thereto, and such additional amount shall be deemed to be part of the original face amount of the mortgage."

12 USC 1715o.

(i) The first sentence of section 224 of such Act is amended to read as follows: "Notwithstanding any other provisions of this Act, debentures issued under any section of this Act with respect to a loan or mortgage accepted for insurance on or after thirty days following the effective date of the Housing Act of 1954 (except debentures issued pursuant to paragraph (4) of section 221 (g)) shall bear interest at the rate in effect on the date the commitment to insure the loan or mortgage was issued, or the date the loan or mortgage was endorsed for insurance, or (when there are two or more insurance endorsements) the date the loan or mortgage was initially endorsed for insurance, whichever rate is the highest, except that debentures issued pursuant to section 220 (f), section 220 (h) (7), section 221 (g), or section 233 may, at the discretion of the Commissioner, bear interest at the rate in effect on the date they are issued."

68 Stat. 590.
12 USC 1703

note.
12 USC 1715l.

12 USC 1715q.

12 USC 1715m.

Ante, pp. 158, 160.

(j) Section 226 of such Act is amended by—

(1) striking out in the first sentence "222, or" and inserting in lieu thereof "222, 233, 234, or"; and

(2) striking out in the third sentence the words "that a written statement setting forth such estimate" and inserting in lieu thereof the following: "or on the basis of any other estimates of the Commissioner, that a written statement setting forth such estimate or estimates, as the case may be,".

(k) Section 227 of such Act is amended by—

(1) striking out in subsection (a) “or (vi) under section 810 if the mortgage meets the requirements of subsection (f)” and inserting in lieu thereof “(vi) under section 233 if the mortgage meets the requirements of subsection (b) (2), or (vii) under section 810 if the mortgage meets the requirements of subsection (f)”;

(2) striking out in subsection (b) the word “value” and inserting in lieu thereof “value, cost,”; and

(3) striking out in the second and third sentences of subsection (c) “section 221 if the mortgage meets the requirements of paragraph (4) of subsection (d) thereof, or section 231,” and inserting in lieu thereof “section 221(d) (3), section 221(d) (4), section 231, or section 233 (b) (2).”

(l) Section 229 of such Act is amended to read as follows:

12 USC 1715r.
12 USC 1748h-2.
Ante, p. 158.

12 USC 1715l.
12 USC 1715v.

73 Stat. 662.
12 USC 1715t.

“VOLUNTARY TERMINATION OF INSURANCE

“SEC. 229. Notwithstanding any other provision of this Act and with respect to any loan or mortgage heretofore or hereafter insured under this Act, except under section 2, the Commissioner is authorized to terminate any insurance contract upon request by the borrower or mortgagor and the financial institution or mortgagee and upon payment of such termination charge as the Commissioner determines to be equitable, taking into consideration the necessity of protecting the various insurance Funds and Accounts. Upon such termination, borrowers and mortgagors and financial institutions and mortgagees shall be entitled to the rights, if any, to which they would be entitled under this Act if the insurance contract were terminated by payment in full of the insured loan or mortgage.”

12 USC 1703.

(m) Section 231(c) (2) of such Act is amended to read as follows:

“(2) not exceed, for such part of such property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$2,250 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit): *Provided*, That as to projects to consist of elevator-type structures, the Commissioner may, in his discretion, increase the dollar amount limitation of \$2,250 per room to not to exceed \$2,750 per room and the dollar amount limitation of \$9,000 per family unit to not to exceed \$9,400 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed \$1,250 per room, without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require;”.

12 USC 1715v.

TITLE VII—OPEN SPACE LAND

FINDINGS AND PURPOSE

SEC. 701. (a) The Congress finds that a combination of economic, social, governmental, and technological forces have caused a rapid expansion of the Nation's urban areas, which has created critical problems of service and finance for all levels of government and which, combined with a rapid population growth in such areas, threatens severe problems of urban and suburban living, including the loss of

valuable open-space land in such areas, for the preponderant majority of the Nation's present and future population.

(b) It is the purpose of this title to help curb urban sprawl and prevent the spread of urban blight and deterioration, to encourage more economic and desirable urban development, and to help provide necessary recreational, conservation, and scenic areas by assisting State and local governments in taking prompt action to preserve open-space land which is essential to the proper long-range development and welfare of the Nation's urban areas, in accordance with plans for the allocation of such land for open-space purposes.

FEDERAL GRANTS

SEC. 702. (a) In order to encourage and assist in the timely acquisition of land to be used as permanent open-space land, as defined herein, the Housing and Home Finance Administrator (hereinafter referred to as the "Administrator") is authorized to enter into contracts to make grants to States and local public bodies acceptable to the Administrator as capable of carrying out the provisions of this title to help finance the acquisition of title to, or other permanent interests in, such land. The amount of any such grant shall not exceed 20 per centum of the total cost, as approved by the Administrator, of acquiring such interests: *Provided*, That this limitation may be increased to not to exceed 30 per centum in the case of a grant extended to a public body which (1) exercises responsibilities consistent with the purposes of this title for an urban area as a whole, or (2) exercises or participates in the exercise of such responsibilities for all or a substantial portion of an urban area pursuant to an interstate or other intergovernmental compact or agreement. The faith of the United States is pledged to the payment of all grants contracted for under this title.

Limitation.

Appropriation.

(b) The Administrator may enter into contracts to make grants under this title aggregating not to exceed \$50,000,000. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the amounts necessary to provide for the payment of such grants as well as to carry out all other purposes of this title.

Restrictions.

(c) No grants under this title shall be used to defray development costs or ordinary State or local governmental expenses, or to help finance the acquisition by a public body of land located outside the urban area for which it exercises (or participates in the exercise of) responsibilities consistent with the purpose of this title.

(d) The Administrator may set such further terms and conditions for assistance under this title as he determines to be desirable.

Review of applications.

(e) The Administrator shall consult with the Secretary of the Interior on the general policies to be followed in reviewing applications for grants. To assist the Administrator in such review, the Secretary of the Interior shall furnish him appropriate information on the status of recreational planning for the areas to be served by the open-space land acquired with the grants. The Administrator shall provide current information to the Secretary from time to time on significant program developments.

PLANNING REQUIREMENTS

SEC. 703. (a) The Administrator shall enter into contracts to make grants for the acquisition of land under this title only if he finds that (1) the proposed use of the land for permanent open space is important to the execution of a comprehensive plan for the urban area meeting criteria he has established for such plans, and (2) a program of

comprehensive planning (as defined in section 701(d) of the Housing Act of 1954) is being actively carried on for the urban area.

(b) In extending financial assistance under this title, the Administrator shall take such action as he deems appropriate to assure that local governing bodies are preserving a maximum of open-space land, with a minimum of cost, through the use of existing public land; the use of special tax, zoning, and subdivision provisions; and the continuation of appropriate private use of open-space land through acquisition and leaseback, the acquisition of restrictive easements, and other available means.

73 Stat. 678.
40 USC 461.

CONVERSIONS TO OTHER USES

SEC. 704. No open-space land for which a grant has been made under this title shall, without the approval of the Administrator, be converted to uses other than those originally approved by him. The Administrator shall approve no conversion of land from open-space use unless he finds that such conversion is essential to the orderly development and growth of the urban area involved and is in accord with the then applicable comprehensive plan, meeting criteria established by him. The Administrator shall approve any such conversion only upon such conditions as he deems necessary to assure the substitution of other open-space land of at least equal fair market value and of as nearly as feasible equivalent usefulness and location.

TECHNICAL ASSISTANCE, STUDIES, AND PUBLICATION OF INFORMATION

SEC. 705. In order to carry out the purpose of this title the Administrator is authorized to provide technical assistance to State and local public bodies and to undertake such studies and publish such information, either directly or by contract, as he shall determine to be desirable. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such amounts as may be necessary to provide for such assistance, studies, and publication. Nothing contained in this section shall limit any authority of the Administrator under any other provision of law.

DEFINITIONS

SEC. 706. As used in this title—

(1) The term "open-space land" means any undeveloped or predominantly undeveloped land in an urban area which has value for (A) park and recreational purposes, (B) conservation of land and other natural resources, or (C) historic or scenic purposes.

(2) The term "urban area" means any area which is urban in character, including those surrounding areas which, in the judgment of the Administrator, form an economic and socially related region, taking into consideration such factors as present and future population trends and patterns of urban growth, location of transportation facilities and systems, and distribution of industrial, commercial, residential, governmental, institutional, and other activities.

(3) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

TITLE VIII—FARM HOUSING

63 Stat. 432.
42 USC 1471.

Definitions.

SEC. 801. (a) Section 501(b) of the Housing Act of 1949 is amended by inserting "(1)" immediately after "(b)" and by adding at the end thereof a new paragraph as follows:

"(2) For the purposes of this title, the terms 'owner', 'farm', and 'mortgage' shall be deemed to include, respectively, the lessee of, the land included in, and other security interest in, any leasehold interest which the Secretary determines has an unexpired term (A) in the case of a loan, for a period sufficiently beyond the repayment period of the loan to provide adequate security and a reasonable probability of accomplishing the objectives for which the loan is made, and (B) in the case of a grant for a period sufficient to accomplish the objectives for which the grant is made."

42 USC 1472.

(b) Section 502(b)(1) of such Act is amended by striking out "and such additional security" and inserting in lieu thereof the words "or such other security".

42 USC 1481-1483.

(c) Sections 511, 512, and 513 of such Act are each amended by striking out "1961" and inserting in lieu thereof "1965".

SEC. 802. The second sentence of section 511 of the Housing Act of 1949 is amended by striking out "\$450,000,000" and inserting in lieu thereof "\$650,000,000".

SEC. 803. (a) Section 501(a) of the Housing Act of 1949 is amended by inserting "(1)" before "to owners of farms", and by inserting before the period at the end thereof the following: "and (2) to owners of other real estate in rural areas to enable them to provide dwellings and related facilities for their own use and buildings adequate for their farming operations".

(b) Section 501(c) of such Act is amended by inserting before the semicolon at the end of clause (1) the following: "or that he is the owner of other real estate in a rural area without an adequate dwelling or related facilities for his own use or buildings adequate for his farming operations."

(c) Section 501 of such Act is further amended by adding at the end thereof the following new subsection:

Definitions.

"(d) As used in this title (except in sections 503 and 504(b)), the terms 'farm', 'farm dwelling', and 'farm housing' shall include dwellings or other essential buildings of eligible applicants."

42 USC 1471 of seq.

SEC. 804. (a) Title V of the Housing Act of 1949 is further amended by adding at the end thereof the following new section:

"INSURANCE OF LOANS FOR THE PROVISION OF HOUSING AND RELATED FACILITIES FOR DOMESTIC FARM LABOR

"SEC. 514. (a) The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to the owner of any farm, any association of farmers, any State or political subdivision thereof, or any public or private nonprofit organization for the purpose of providing housing and related facilities for domestic farm labor in accordance with terms and conditions substantially identical with those specified in section 502; except that—

42 USC 1472.

"(1) no such loan shall be insured in an amount in excess of the value of the farm involved less any prior liens in the case of a loan to an individual owner of a farm, or the total estimated value of the structures and facilities with respect to which the loan is made in the case of any other loan;

"(2) no such loan shall be insured if it bears interest at a rate in excess of 5 per centum per annum;

"(3) out of interest payments by the borrower the Secretary shall retain a charge in an amount not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan;

"(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

"(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) notwithstanding the fact that the note may be held by the lender or his assignee.

"(b) The Secretary shall utilize the insurance fund created by section 11 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005a) and the provisions of section 13 (a), (b), and (c) of such Act (7 U.S.C. 1005c (a), (b), and (c)) to discharge obligations under insurance contracts made pursuant to this section, and

Farm tenant
mortgage insur-
ance fund.

60 Stat. 1075.

"(1) the Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

"(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

"(3) of the charges retained by the Secretary out of interest payments by the borrower, amounts not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan shall be deposited in and become a part of the insurance fund. The remainder of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

"(c) Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

Insurance con-
tract.

"(d) The aggregate amount of the principal obligations of the loans insured under this section shall not exceed \$25,000,000 in any one fiscal year.

Maximum obliga-
tions.

"(e) Amounts made available pursuant to section 513 of this Act shall be available for administrative expenses incurred under this section.

42 USC 1483.

"(f) As used in this section—

"(1) the term 'housing' means (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement; and

"Housing."

"(2) the term 'related facilities' means (A) new structures suitable for use as dining halls, community rooms or buildings, or infirmaries, or for other essential services facilities, and (B) existing structures which can be made suitable for the above uses by rehabilitation, alteration, conversion, or improvement; and

"Related facili-
ties."

"Domestic farm labor."

"(3) the term 'domestic farm labor' means citizens of the United States who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States."

42 USC 1471 et seq.

(b) Title V of such Act is further amended—

(1) by inserting in section 506(a) "and section 514," immediately after "501 to 504, inclusive," each place it appears; and

(2) by striking out "under this title" in section 507 and inserting in lieu thereof "under sections 501 to 504, inclusive".

(c) The first paragraph of section 24 of the Federal Reserve Act (12 U.S.C. 371) is amended by inserting after "the Act of August 28, 1937, as amended" the following: "or title V of the Housing Act of 1949, as amended".

SEC. 805. (a) Section 506 of the Housing Act of 1949 is amended—

(1) by striking out the last sentence of subsection (a);

(2) by redesignating subsection (b) as subsection (e); and

(3) by inserting after subsection (a) the following new subsections:

Research and technical studies.

"(b) The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purpose of stimulating construction, improving the architectural design and utility of such dwellings and buildings, and utilizing new and native materials, economies in materials and construction methods, and new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

"(c) The Secretary is further authorized to carry out a program of research, study, and analysis of farm housing in the United States to develop data and information on—

"(1) the adequacy of existing farm housing;

"(2) the nature and extent of current and prospective needs for farm housing, including needs for financing and for improved design, utility, and comfort, and the best methods of satisfying such needs;

"(3) problems faced by farmers and other persons eligible under section 501 in purchasing, constructing, improving, altering, repairing, and replacing farm housing;

"(4) the interrelation of farm housing problems and the problems of housing in urban and suburban areas; and

"(5) any other matters bearing upon the provision of adequate farm housing.

"(d) To the extent determined by him to be advisable, the Secretary may carry out the research and study programs authorized by subsections (b) and (c) through grants made by him on such terms, conditions, and standards as he may prescribe to land-grant colleges established pursuant to the Act of July 2, 1862 (7 U.S.C. 301-308) or through such other agencies as he may select."

42 USC 1471.

(b) Section 513 of such Act is amended by striking out "and (c)" and inserting in lieu thereof the following: "(c) not to exceed \$250,000 per year for research and study programs pursuant to subsections (b), (c), and (d) of section 506 during the period beginning July 1, 1961, and ending June 30, 1965; and (d)".

42 USC 1483.

42 USC 1478.

SEC. 806. (a) Section 508 of the Housing Act of 1949 is amended by striking out "of \$5 per day" in subsection (a) and inserting in lieu thereof "determined by the Secretary".

(b) Section 508 of such Act is amended by striking out "their opinions of the reasonable values of the farms" in the second sentence of subsection (b) and inserting in lieu thereof "as to the amount of the loan or grant."

42 USC 1478.

TITLE IX—MISCELLANEOUS

HOME OWNERS' LOAN ACT OF 1933

SEC. 901. (a) Section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking out "in loans insured under title I of the National Housing Act, as amended," in the first sentence of the second paragraph and inserting in lieu thereof "in loans insured under title I of the National Housing Act, in home improvement loans insured under title II of the National Housing Act,".

12 USC 1464.

12 USC 1702-1706d.

12 USC 1707-1715w, 1702a.

(b) Section 5(c) of such Act is further amended by adding at the end thereof the following new paragraph:

"Without regard to any other provision of this subsection except the area restriction and the \$35,000 limitation, any such association may invest an amount not exceeding at any one time 5 per centum of its assets in nonamortized loans which are made on the security of first liens upon homes or combinations of homes and business property and which (1) are repayable within a period of eighteen months, (2) provide that interest payments be made at least semiannually, and (3) do not exceed 80 per centum of the appraised value of the property involved. For the purposes of this paragraph the term 'first liens' includes the assignment of the whole of the beneficial interest in a trust having a corporate trustee whereunder real estate held in the trust can be subjected to the satisfaction of the obligation or obligations secured with the same priority as a first mortgage, a first deed of trust, or a first trust deed in the jurisdiction where the real estate is located."

Federal Savings and Loan Associations. Investment of assets.

(c) Section 5(c) of such Act is further amended by adding at the end thereof (after the paragraph added by subsection (b) of this section) the following new paragraph:

"Without regard to any other provision of this subsection except the area restriction, any such association is authorized to invest an amount not exceeding at any one time 5 per centum of its assets in amortized loans or participating interests therein which are secured by first liens upon improved real estate used to provide housing facilities for the aging, subject to the following qualifications:

"(1) each such loan shall be repayable within a period of 30 years;

"(2) no such loan shall exceed 90 per centum of the appraised value of the improved real estate given as security therefor; and

"(3) each such loan—

"(A) shall be made upon and secured by real estate which is improved by housing accommodations, individual or multiple, designed for the purpose of providing accommodations for occupancy by aging persons, or of providing rest homes or nursing homes, so constructed or altered as to be suitable primarily for the occupancy of persons over fifty-five years of age and limited principally to the occupancy of such persons; and

"(B) shall be made for the implementation of the purpose described in clause (A)."

12 USC 1464.

(d) Section 5(c) of such Act is further amended by adding at the end thereof (after the paragraph added by subsection (c) of this section) the following new paragraph:

"Without regard to any other provision of this subsection, any such association is authorized to invest not more than 5 per centum of its assets in certificates of beneficial interest issued by any urban renewal investment trust. For the purposes of this paragraph the term 'urban renewal investment trust' means an unincorporated trust established by written agreement between the authorized officers of two or more savings institutions the savings or share accounts of which are insured by an agency of the Federal Government, which agreement—

"(1) expressly limits the purposes of the trust and the investment powers of the trustees to the elimination or prevention of the spread of slums and blighted or deteriorated or deteriorating areas and the redevelopment, renewal, rehabilitation, or conservation of such areas by private enterprise through financing the purchase or rehabilitation of real property, or the construction of improvements thereon, designed or usable for industrial, commercial, or housing purposes within the confines of an urban renewal area (as defined in section 110 of the Housing Act of 1949);

"(2) expressly limits the beneficial ownership of the trust to savings and loan associations or banks the savings or share accounts of which are insured by an agency of the Federal Government;

"(3) provides that such beneficial ownership be evidenced by certificates of beneficial interest, which certificates shall have first claim at all times on the assets of the trust without preference between the holders thereof, and shall be fully transferable and assignable between any such banks and savings and loan associations at all times; and

"(4) expressly provides that it shall be effective and binding between the parties thereto only upon being approved by the board.

Any association chartered under the provisions of this section may become a party to any urban renewal investment trust. The Federal Home Loan Bank Board shall prescribe such rules and regulations, not inconsistent with the provisions of this paragraph, as it may deem necessary for the proper establishment of urban renewal investment trusts, for the effective operation thereof, and the participation in such operations of eligible institutions either as parties, as trustees, or as the holders of certificates of beneficial interest."

(e) Section 5(c) of such Act is further amended by adding at the end thereof (after the paragraph added by subsection (d) of this section) the following new paragraph:

"Without regard to any other provision of this subsection, any such association whose general reserves, surplus, and undivided profits aggregate a sum in excess of 5 per centum of its withdrawable accounts is authorized to invest in, to lend to, or to commit itself to lend to any business development credit corporation incorporated in the State in which the head office of such association is situated, in the same manner and to the same extent as the statutes of such State authorize a savings and loan association organized under the laws of said State to invest in, to lend to, or to commit itself to lend to such business development credit corporation, but the aggregate amount of such investments, loans, and commitments of any such association outstanding at any time shall not exceed one-half of 1 per centum of the total outstanding loans made by such association, or \$250,000, whichever is the lesser."

42 USC 1460.

Federal Home
Loan Bank Board,
Rules and regu-
lations.

FEDERAL RESERVE ACT

SEC. 902. Section 24 of the Federal Reserve Act is amended by inserting at the end of the next to the last paragraph a new sentence as follows: "Home improvement loans which are insured under the provisions of section 203(k) or 220(h) of the National Housing Act may be made without regard to the first lien requirements of this section." 12 USC 371.

Ante, p. 157,
154.

VOLUNTARY HOME MORTGAGE CREDIT PROGRAM

SEC. 903. Section 610(a) of the Housing Act of 1954 is amended by striking out "1961" and inserting in lieu thereof "1965". 68 Stat. 640; 73 Stat. 687. 12 USC 1750jj.

DISPOSAL OF PASSYUNK WAR HOUSING PROJECT

SEC. 904. Section 802(a) of the Housing Act of 1959 is amended by striking out "five" in the first sentence and inserting in lieu thereof "six". 73 Stat. 686.

DISPOSAL OF NATHANAEL GREENE VILLA HOUSING PROJECT

SEC. 905. Notwithstanding the provisions of section 606 of 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, and any agreements entered into thereunder, the Housing and Home Finance Administrator and the Public Housing Administration are authorized and directed to agree to the sale by the Housing Authority of Savannah, Georgia, to the city of Savannah, Georgia, of all right, title, and interest in and to Nathanael Greene Villa (low-rent Housing project GA-2-8; formerly war housing project GA-9041), for a total price of \$275,000, which shall be paid to the Administration and deposited by the Administration in the Treasury as miscellaneous receipts in accordance with section 606(d) of such Act. 64 Stat. 66. 42 USC 1586.

HOSPITAL CONSTRUCTION

SEC. 906. (a) Section 605(b) of the Housing Act of 1956 is amended by striking out "1960" and inserting in lieu thereof "1962". 42 USC 1592c note.

(b) Section 605(c) of such Act is amended by striking out "and June 30, 1961" and inserting in lieu thereof "June 30, 1961, and June 30, 1962".

PAYMENT IN LIEU OF TAXES BY HOLYOKE HOUSING AUTHORITY

SEC. 907. Notwithstanding the provisions of any other law or any contract or rule of law, the Public Housing Commissioner shall approve the payment in lieu of taxes, in the amount of \$9,933.47, made by the Holyoke Housing Authority to the city of Holyoke, Massachusetts, under section 10(h) of the United States Housing Act of 1937, for its fiscal year ended December 31, 1956. 42 USC 1410.

RECORDS AND AUDIT

SEC. 908. Section 814 of the Housing Act of 1954 is amended to read as follows: 42 USC 1434 and note.

"RECORDS

"SEC. 814. Every contract between the Housing and Home Finance Agency (or any official or constituent thereof) and any person or local body (including any corporation or public or private agency or body) for a loan, advance, grant, or contribution under the United

42 USC 1430.
42 USC 1441
note.

12 USC 1715r.

States Housing Act of 1937, as amended, the Housing Act of 1949, as amended, or any other Act shall provide that such person or local body shall keep such records as the Housing and Home Finance Agency (or such official or constituent thereof) shall from time to time prescribe, including records which permit a speedy and effective audit and will fully disclose the amount and the disposition by such person or local body of the proceeds of the loan, advance, grant, or contribution, or any supplement thereto, the capital cost of any construction project for which any such loan, advance, grant, or contribution is made, and the amount of any private or other non-Federal funds used or grants-in-aid made for or in connection with any such project. No mortgage covering new or rehabilitated multifamily housing (as defined in section 227 of the National Housing Act, as amended) shall be insured unless the mortgagor certifies that he will keep such records as are prescribed by the Federal Housing Commissioner at the time of the certification and that they will be kept in such form as to permit a speedy and effective audit. The Housing and Home Finance Agency or any official or constituent agency thereof and the Comptroller General of the United States shall have access to and the right to examine and audit such records. This section shall become effective on the first day after the first full calendar month following the date of approval of the Housing Act of 1961."

ADMINISTRATIVE

62 Stat. 1283.
12 USC 1701c
and note.

SEC. 909. Section 502 of the Housing Act of 1948 is amended by—

(1) striking out in subsection (c) (3) the first proviso, the colon thereafter, and the words "And provided further," and inserting in lieu thereof "Provided," and

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

"(d) The Housing and Home Finance Administrator, the Federal Housing Commissioner, and the Public Housing Commissioner, respectively, may utilize funds made available to them for salaries and expenses for payment in advance for dues or fees for library memberships in organizations (or for membership of the individual librarians of the respective agencies in organizations which will not accept library membership) whose publications are available to members only, or to members at a price lower than to the general public, and for payment in advance for publications available only upon that basis or available at a reduced price on prepublication order."

Approved June 30, 1961, 12:16 p.m.

Public Law 87-71

AN ACT

June 30, 1961
[H. R. 5475]

To transfer a section of Blue Ridge Parkway to the Shenandoah National Park, in the State of Virginia, and for other purposes.

Blue Ridge Parkway, Va.
Transfer of lands.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to valid existing rights, the lands and interests in lands which comprise section 1-A of the Blue Ridge Parkway and lie between the southern boundary of the Shenandoah National Park at Jarman Gap and parkway centerline station 448+00 at Rockfish Gap are excluded from the parkway, made a part of the Shenandoah National Park, and shall be administered in accordance with the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1-4), as amended and supplemented.

Approved June 30, 1961.