

## NATIONAL HOUSING AGENCY

### INTRODUCTORY STATEMENT

The National Housing Agency was created by Executive Order 9070, issued February 24, 1942, and represented a consolidation of the civilian housing programs previously vested in 16 Government agencies.

The Agency consists of: The Office of the Administrator, which is responsible for assisting in the formulation of Federal housing programs, for supervising the execution of national housing policy, and for over-all coordination of the Agency's activities; the Federal Home Loan Bank Administration, with responsibilities for the supervision of building and loan and similar financial institutions and the establishment of credit facilities to protect their liquidity; the Federal Housing Administration, with statutory powers to insure mortgage loans made by private financial institutions on privately constructed and owned dwellings; and the Federal Public Housing Authority, which provides financial assistance, pursuant to the United States Housing Act of 1937, in the construction and maintenance of low-rent slum-clearance housing projects and supervision in varying degrees over their management, and is also engaged in reerection, management, and disposition of temporary emergency housing under the veterans housing and the public war housing programs.

The Office of the Housing Expediter was established by Executive Order 9686, January 26, 1946, to correct the critical housing shortage which has particularly affected the veteran. This office has powers to direct positive Federal Government action to meet shelter needs—particularly those of the veteran. Upon appointment of the present Housing Expediter to the office of National Housing Administrator in February 1946, the Housing Expediter merged his staff with that of the Administrator, and now exercises his functions with a single staff, the Office of the Administrator, National Housing Agency.

The long-term failure of residential building in the United States to keep pace with increased population and family formation was brought to a crisis during the war by the necessity for channeling building construction materials into purposes other than residential. As a result, the returning veteran faced the most acute housing shortage ever experienced by this country. The veterans emergency housing program calls for the construction of 2,700,000 dwelling units by December 31, 1947. With the exception of approximately 200,000 temporary structures reerected from salvaged military camps and temporary war housing, and 50,000 trailers, all of these dwelling units will be a privately financed permanent addition to the Nation's housing.

The only budget estimate of the Agency herein presented which requires a direct appropriation from the

Treasury is that for annual contributions by the Federal Public Housing Authority to local housing authorities in connection with low-rent housing. The remaining items are subject to a limitation by the Congress on the amount of corporate or other available funds which may be used for the payment of administrative expenses or, in the case of the Federal Housing Administration, of certain losses from premium income.

The Agency includes several activities which have been defined by section 101 of the Government Corporation Control Act as wholly owned Government corporations subject to the provisions of that act; namely, the Federal Savings and Loan Insurance Corporation, the Home Owners' Loan Corporation, and the United States Housing Corporation, which are administered within the Federal Home Loan Bank Administration; the Defense Homes Corporation; and the Federal Public Housing Authority (or United States Housing Authority) and including public housing projects financed from appropriated funds and operations thereof. Accordingly, business-type budget programs have been submitted for these activities. Also included in this presentation are estimates in customary form for the following noncorporate activities of the Agency: Office of the Administrator and Expediter; the Administrative Department and Federal Home Loan Bank System, of the Federal Home Loan Bank Administration; and the Federal Housing Administration. The unity of the National Housing Agency budget is thus preserved, in accordance with the expressed wishes of the Congress. The programs and estimates are based on presently authorized functions, and make no allowance for additional activities which would result from enactment of pending legislation.

The budget programs and estimates of the Agency, included in this presentation, are as follows:

- Office of the Administrator and Expediter.
- Federal Home Loan Bank Administration:
  - Administrative department, Federal Home Loan Bank Administration.
  - Federal Home Loan Bank System.
  - Federal Savings and Loan Insurance Corporation.
  - Home Owners' Loan Corporation.
  - United States Housing Corporation.
- Federal Housing Administration.
- Federal Public Housing Authority:
  - Public war housing program.
  - Homes conversion program.
  - Veterans housing program.
  - Defense Homes Corporation.
  - Corporate program.
  - Farm Security Administration program.
  - Administrative expenses, Federal Public Housing Authority.

## OFFICE OF THE ADMINISTRATOR AND EXPEDITER

The Housing Expediter, in executing the broad powers conferred upon him, has proposed the veterans emergency housing program, approved by the President on February 8, 1946, which calls for throwing the full resources of the country into the production of an unprecedented number of dwellings. The planning, supervision, and coordination of the widespread activities necessitated by the emergency program have been made the responsibility of this Office, which in addition will conduct its normal functions of assisting the Congress and the President in the formulation of Federal housing programs and of supervising the execution of national housing policy.

The veterans emergency housing program will be the primary factor in determining the activities of this Office in fiscal year 1947. This budget has been prepared on the assumption that priorities and allocation powers will continue available through fiscal year 1947. The financing of proposed additional functions now before the Congress, such as incentive premium payments and market guarantees, has not been taken into account in arriving at these estimates.

Of the total estimate for the Office of \$8,100,000 for 1947, \$450,000 would be derived from funds made available to the constituent units for administrative expenses, \$7,375,000 from appropriations already available for construction of war housing and for reerection of veterans housing, and \$275,000 from war housing rental receipts already available for disposition expenses.

The Expediter's program, approved by the President, sets a goal of 2,700,000 homes to be started by December 31, 1947. The coming fiscal year, therefore, will be the crucial period for the accomplishment of a program which calls for housing production at a rate one and one-half times greater than the country has ever attained, and many times greater than the current rate. To reach the goal, an expansion of materials and equipment production, the residential construction labor force, site development activities, and private home building organizations, equalled only by our best achievements in war production, must be obtained. The major activities of this Office will be directed toward these ends. Action on the part of the constituent administrations of the National Housing Agency and of many other Federal agencies is required. The magnitude of the task and the diversity of its elements call for central direction and continual review and adjustment of individual agency programs.

The cooperation and assistance of the local communities is of fundamental importance in meeting the schedule, and in assuring that homes built form an orderly addition to the communities' stock of permanent, desirable dwellings. The major concern of the field organization is to secure this cooperation and assistance, and in turn to make available to the builders and the communities Federal assistance in establishing local goals, breaking bottlenecks, securing financing, and other elements necessary to accomplish the task.

Activities of the Office relating to the veterans housing emergency will be financed from funds appropriated under titles I and V of the Lanham Act. It is estimated that a total of \$7,375,000 will be necessary from these sources in fiscal year 1947, of which \$2,000,000 is available from balances of title I appropriations, and \$5,375,000 is available from funds already appropriated under title V. The total is \$4,892,131 greater than the 1946 estimate of amounts to be derived from these sources.

The supervisory functions of the Office include over-all direction and review of constituent operations. Closely related is the responsibility for policy research and for assisting the Congress and the Administration in the formulation of long-range Federal housing programs. These activities are financed by transfers from the constituent organizations. The estimate for 1947 is \$450,000, about the same as for fiscal year 1946. These transfers must be specifically authorized by the Congress annually; funds from the remaining sources are made available for administrative expenses by the Lanham Act.

Although the severe shortage limits the extent to which federally owned temporary war housing can be dismantled, there are a number of areas where the volume of out-migration has been so great that part of the war housing has or will soon become surplus. In other localities, the communities are anxious to develop their plans now for the eventual disposition of public war housing. Responsibility for its disposition is placed upon the National Housing Administrator by title III of the Lanham Act, which also makes moneys derived from rental receipts available for disposition expenses. To discharge this responsibility, it is estimated that \$275,000 will be required in fiscal 1947. The decrease of \$546,209 results from the shift in emphasis from disposition occasioned by the severity of the shortage.

## LANGUAGE

## OFFICE OF THE ADMINISTRATOR AND EXPEDITER

## Salaries and Expenses, Office of Administrator, National Housing Agency—

Salaries and expenses: In addition to the amounts available by or pursuant to law (which shall be transferred to this authorization) for the administrative expenses of the Office of the Administrator, National Housing Agency, in carrying out duties imposed by or pursuant to law, such amounts, not exceeding **[\$400,000] \$450,000**, as the Administrator determines are required for the expenses of the Office of the Administrator in the performance of administrative and supervisory services relating to the constituent units of said Agency shall be transferred, from the funds available for the administrative expenses of such constituent units for the fiscal year **[1946] 1947**, to this authorization for expenditure hereunder, and all such amounts shall be available for all necessary expenses of said Office of the Administrator, including personal services and rent in the District of Columbia; printing and binding; purchase and exchange of lawbooks, books of reference; periodicals and newspapers (not to exceed **[\$500] \$1,000**); preparation, mounting, shipping, and installation of exhibits **[(not to exceed \$500)]**; *purchase of sixteen (including one at not to exceed \$1,800), maintenance, repair, [and] operation, and rental of [motor-propelled] passenger[-carrying vehicles] automobiles; [not to exceed \$5,000 for] temporary employment of persons or organizations, by contract or otherwise, for research work, and for engineering, technical, legal, or other special services including stenographic reporting services, without regard to section 3709 of the Revised Statutes and the civil-service and classification laws; expenses of attendance at meetings of organizations concerned with the work of the Agency, when specifically authorized by the Administrator; [and] reimbursement for the actual cost of ferry fares and bridge, road, and tunnel tolls; payment of not to exceed three cents per mile to employees or others rendering service to the Government for use by them of privately owned automobiles for transportation on official business within the limits of their official stations; and purchase of teletype news services (not to exceed \$1,000): Provided, That section 7 of the First Deficiency Appropriation Act, 1936, shall continue to apply to administrative expenses of and for the constituent units of the National Housing Agency mentioned in said section 7 and shall also apply to such expenses of said National Housing Agency in connection with the functions and purposes of said constituent units, and none of the funds made available by this Act for such administrative expenses shall be obligated or expended unless and until an appropriate appropriation account shall have been established therefor pursuant to an appropriation warrant or a covering warrant, and all such expenditures shall be accounted for and audited in accordance with the Budget and Ac-*

OFFICE OF THE ADMINISTRATOR AND EXPEDITER—NATIONAL HOUSING AGENCY

counting Act, as amended: *Provided further*, That the Administrator may, with the approval of the President of the United States, transfer to this authorization or to an authorization of a constituent unit from funds available for administrative expenses of the constituent units or the Office of the Administrator such additional sums as represent a consolidation in the Office of the Administrator or in a constituent unit of any of the administrative functions of the National Housing Agency; but no such transfer of funds shall be made unless the consolidation will result in a reduction in manpower and a savings in administrative expenses, which savings shall not be used for administrative expenses but instead shall be returned to or remain in the funds from which administrative expenses are drawn under this authorization: *Provided further*, That a report of such transfers and the savings effected thereby shall be submitted to Congress in the annual budget. (42 U. S. C. 1521; Act of May 3, 1945, Public Law 49.)

By objects	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL</b>			
Clerical, administrative, and fiscal service: Grade 16. In excess of \$9,800: Administrator-expediter.....	1 \$12,000	1.3 \$16,000	1 \$12,000
Grade 15. Range \$8,750 to \$9,800: Assistant to administrator-expediter.....		0.8 7,058	2 17,762
Information director.....	1 8,000	1 9,012	1 9,012
Deputy expediter.....		0.6 5,104	2 17,500
Labor branch director.....		0.4 2,917	1 8,750
Employment and training director.....		0.3 2,188	1 8,750
Industrial labor adviser.....		0.2 1,458	1 8,750
Crafts labor adviser.....		0.3 2,188	1 8,750
Materials production director.....		0.2 1,578	1 8,750
Assistant materials production director.....		0.4 3,157	2 17,500
Prefabrication production director.....		0.3 2,188	1 8,750
Community action director.....		0.3 2,552	1 8,750
Field operations director.....		1.3 11,929	1 8,750
Land and governmental services director.....		0.3 2,625	1 8,750
Assistant administrator.....	2.9 23,537	1.3 11,637	2 17,762
Grade 14. Range \$7,175 to \$8,225: Assistant to administrator-expediter.....	0.8 5,509	1.3 9,530	2 14,612
Production and services director.....		0.3 1,794	1 7,175
Operations director.....		0.3 1,794	1 7,175
Labor specialist.....		0.4 2,392	1 7,175
Chief materials specialist.....		0.8 6,279	3 21,525
Chief, distribution section.....		0.2 1,495	1 7,175
Deputy community action director.....		0.2 1,495	1 7,175
Racial relations director.....		0.3 2,093	1 7,175
Assistant field operations director.....		0.7 4,784	1 7,175
Assistant to assistant administrator.....	0.1 542	0.3 1,794	1 7,175
Budget and accounting director.....	0.5 3,375	1 7,437	1 7,437
Administrative relations director.....	1 6,500	1 7,437	1 7,437
Personnel officer.....		0.3 2,392	1 7,175
Administrative services director.....		0.3 2,178	1 7,175
Housing analyst.....	1 6,500		
Homes use director.....	0.7 4,151		
Conversion specialist.....	0.1 562		
Grade 13. Range \$6,230 to \$7,070: Chief, publications section.....		0.3 2,077	1 6,230
Chief, field section.....		1 6,230	1 6,230
Chief, graphic and film section.....		0.3 1,558	1 6,230
Chief, advertising section.....		0.2 1,038	1 6,230
Chief, press section.....		1 6,440	1 6,440
Chief, radio section.....		0.3 1,558	1 6,230
Chief, magazine section.....		0.2 1,038	1 6,230
Information specialist.....		0.2 1,038	1 6,230
Chief, reports and inquiries section.....		0.3 2,077	1 6,230
Chief, FHLBA information section.....		1 6,230	1 6,230
Chief, FHA information section.....		0.1 519	1 6,230
Chief, FHHA information section.....		1 6,230	1 6,230
Liaison representative.....		0.3 1,558	1 6,230
Executive assistant.....		1 6,230	1 6,230
Assistant to deputy expediter.....		0.5 2,856	2 12,460
Industrial economist.....		1 6,440	1 6,440
Labor specialist.....		0.7 3,634	3 18,690
Materials representative.....	4.1 21,527	1.2 7,521	2 12,460
Community specialist.....		1.2 7,212	2 12,460
Assistant prefabrication production director.....		0.2 1,298	1 6,230
Priorities expediter.....		0.2 1,038	1 6,230
Marketing specialist.....		0.1 779	1 6,230
Homes use specialist.....	0.4 2,333	1.2 7,528	2 12,460
Community relations specialist.....		0.2 1,298	2 12,460
Racial relations adviser.....		0.4 2,492	2 12,460
Program analyst.....		1 6,230	1 6,230
Assistant to assistant administrator.....	0.3 1,606	0.2 1,246	1 6,230
Budget analyst.....	2.5 12,600	1.4 8,844	3 18,690
Organization officer.....	0.8 4,200	0.9 5,816	1 6,440
Procedures officer.....		0.3 1,558	1 6,230
Training officer.....	1 5,600	1 6,335	1 6,440
Administrative services director.....	1 5,650	0.7 4,508	1 6,230
Chief, budget and procedures section.....		0.3 2,077	1 6,230
Chief, personnel section.....		0.4 2,595	1 6,230
Housing representative.....		0.2 1,246	1 6,230
Assistant to information director.....	0.8 4,667		
Deputy information director.....	0.8 4,800		
Grade 12. Range \$5,180 to \$6,020: Information specialist.....	2.5 12,500	4.6 25,703	9 49,140
Editor, insured mortgage portfolio.....	0.4 1,917	0.1 432	1 5,180
Editor, FHLB Review.....		0.4 2,158	1 5,180

By objects	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL—CON.</b>			
Clerical, administrative, and fiscal service—Continued	Man-years Amount	Man-years Amount	Man-years Amount
Grade 12. Range \$5,180 to \$6,020—Con. Chief, FHHA information section.....	0.9 \$4,216	1 \$5,180	
Community relations adviser.....	1 4,600	1 5,600	
Labor specialist.....		0.4 1,727	3 \$15,540
Materials representative.....		0.6 2,932	4 20,720
Community specialist.....		0.3 1,296	3 15,540
Priorities expediter.....		0.4 2,159	3 15,540
Homes use specialist.....	2.8 13,033	0.5 2,695	1 5,390
Community relations specialist.....		0.1 648	1 5,180
Area analyst.....		2.8 16,320	9 40,830
Budget analyst.....	1 4,600	2.1 11,298	3 15,960
Accounting analyst.....	0.3 1,150	1 5,180	1 5,180
Assistant personnel officer.....	0.8 3,967	0.6 3,075	1 5,180
Administrative analyst.....	1.2 5,052	1 5,396	1 5,180
Chief, budget and procedures section.....	1 4,600	0.7 3,488	
Budget and procedures analyst.....		0.6 2,590	2 10,360
Classification officer.....		0.3 2,007	1 6,020
Placement officer.....		0.3 1,554	1 5,180
Chief, FHHA information section.....	1 4,600		
Chief, news section.....	0.9 4,216		
Housing representative.....	2 9,400		
Marketing specialist.....		0.2 1,079	1 5,180
Grade 11. Range \$4,300 to \$5,180: Administrative assistant.....		0.3 1,254	1 4,300
Visual aids specialist.....		1 4,740	1 4,740
Information specialist.....	3.8 15,350	5 24,206	7 33,620
Labor specialist.....		0.4 1,791	2 8,600
Marketing specialist.....		0.1 538	1 4,300
Homes use specialist.....	0.8 2,850	0.7 3,316	2 8,820
Community relations specialist.....		0.2 896	1 4,300
Procedures specialist.....		1 4,520	1 4,520
Accounting analyst.....	0.8 2,850	1.5 6,890	2 9,480
Administrative analyst.....		0.8 3,225	1 4,300
Budget and procedures analyst.....	1.4 5,433	1.4 6,353	2 9,040
Chief, finance section.....	0.5 2,300	1 4,860	1 4,520
Classification officer.....	1 3,800	1 4,520	1 4,520
Placement officer.....	0.8 3,167		
Housing representative.....		1 4,520	1 4,520
Budget analyst.....	0.3 1,267		
Program analyst.....	1 3,800		
Editor, FHLB review.....	0.1 318		
Grade 9. Range \$3,640 to \$4,300: Community relations assistant.....	0.5 1,600	1.1 4,182	1 4,300
Photographer.....		0.3 909	1 3,640
Information specialist.....	1.9 6,266	1.1 4,438	2 7,940
Assistant editor, FHLB review.....	0.1 267	1 3,640	1 3,640
Technical editor.....	0.6 1,867	1 3,704	1 3,750
Administrative analyst.....	2.2 6,950	1.6 5,898	2 7,390
Budget and procedures analyst.....	0.6 1,867	1 3,695	1 3,750
Placement officer.....	1.3 4,292	1.3 4,787	2 7,390
Classification officer.....		0.6 2,123	1 3,640
Training and employees' service officer.....	1 3,200	1 3,750	1 3,750
Chief, office services section.....	1 3,325	0.6 2,252	1 3,860
Editor, FHLB review.....	0.7 1,867		
Commercial specialist.....	0.7 2,133		
Administrative assistant.....	0.2 550		
Grade 7. Range \$2,980 to \$3,640.....	14.4 37,652	19.3 58,261	35 106,060
Grade 6. Range \$2,650 to \$3,310.....	10.2 23,785	10.5 28,053	16 42,730
Grade 5. Range \$2,320 to \$2,980.....	27.1 55,073	41.8 100,085	63 150,450
Grade 4. Range \$2,100 to \$2,496.....	62.9 115,730	63.1 135,268	112 239,819
Grade 3. Range \$1,902 to \$2,298.....	31 49,822	28.4 54,578	66 127,170
Grade 2. Range \$1,704 to \$2,100.....	10.4 15,000	3 5,475	7 12,096
<b>Professional service:</b>			
Grade 8. Range \$8,750 to \$9,800: Assistant to administrator.....	0.4 3,750	1 9,800	1 9,800
General counsel.....	1 9,000	1 9,800	1 9,800
Technical research director.....	1 8,125	1 9,013	1 9,013
Standards and review director.....		0.2 1,823	1 8,750
Materials and construction director.....		0.3 2,552	1 8,750
Codes and costs director.....		0.3 2,552	1 8,750
Program requirements director.....		0.3 2,625	1 8,750
Statistics and control director.....		0.3 2,625	1 8,750
Program planning director.....		1 8,858	1 9,012
Housing finance director.....		0.8 6,563	1 8,750
Urban development director.....	0.6 5,250		
Grade 7. Range \$7,175 to \$8,225: Assistant general counsel.....	3 19,625	3 22,311	3 22,311
Architectural engineer.....		0.2 1,495	1 7,175
Construction engineer.....		1.2 8,801	2 14,612
Production engineer.....		1 7,437	1 7,437
Chief, building codes section.....		0.3 2,093	1 7,175
Chief, cost analysis section.....		1 7,306	1 7,437
Chief, production service section.....	1 6,562	0.2 1,495	1 7,175
Site development director.....		0.3 2,153	1 7,175
Municipal services director.....		0.3 2,153	1 7,175
Land director.....		0.5 3,588	1 7,175
Chief, materials requirements section.....	1 6,562	0.3 2,152	1 7,175
Chief, labor requirements section.....		0.3 2,152	1 7,175
Chief, statistics section.....	0.6 3,792	1 7,175	1 7,175
Chief, control section.....		0.3 2,392	1 7,175
Market analyst.....		1.3 9,327	2 14,350
Chief, housing economics section.....	0.3 2,167	0.6 4,338	1 7,437
Chief, credit and finance section.....	0.8 5,417	0.5 3,600	1 7,175
Chief, market research section.....	0.6 3,792		
Assistant housing market service director.....	0.5 3,375		
Urban development specialist.....	0.1 583		
Chief, site and dwelling standards section.....	1.4 9,208		
Industrial economist.....	0.9 5,958		

OFFICE OF THE ADMINISTRATOR—Continued

Salaries, and Expenses, Office of Administrator, National Housing Agency—Continued

By objects	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL—CON.</b>			
Professional service—Continued	Man-years Amount	Man-years Amount	Man-years Amount
Grade 6. Range \$6,230 to \$7,070:			
Attorney	2.7 \$14,933	2.1 \$13,654	3 \$19,110
Architectural engineer	0.3 1,867	2.7 16,873	6 37,380
Mechanical engineer	0.3 1,400	1 6,230	1 6,230
Chemical engineer		0.2 1,246	1 6,230
Electrical engineer		0.2 1,298	1 6,230
Structural engineer	0.3 1,400	1 6,230	1 6,230
Construction engineer	2.2 12,233	1.1 7,187	1 7,070
Production engineer		0.2 1,038	1 6,230
Site planning adviser		0.2 1,246	1 6,230
Site utilities specialist		0.3 1,869	1 6,230
Community facilities adviser		0.2 1,246	1 6,230
Municipal planning adviser		0.2 1,246	1 6,230
Transportation specialist		0.2 1,246	1 6,230
Land use specialist		1 6,440	1 6,440
Urban land economist		1 7,070	1 7,070
Program analyst		0.2 1,246	1 6,230
Materials allocation specialist		0.6 3,738	2 12,460
Labor analyst		0.7 4,361	1 6,230
Statistician		0.4 2,492	2 12,460
Housing economist	3.3 18,667	4.5 28,073	8 50,260
Housing analyst		1 6,440	1 6,440
Credit and finance specialist		0.2 1,246	1 6,230
Chief, statistics section	0.4 2,333		
Urban development specialist	2.7 15,926		
Construction cost analyst	0.3 1,400		
Industrial economist	0.9 5,184		
Chief, program review section	0.9 5,133		
Grade 5. Range \$5,180 to \$6,020:			
Attorney	1.1 5,033	1.8 9,491	3 15,750
Construction engineer	0.5 2,300	0.1 648	1 5,180
Architectural engineer	0.7 3,100	0.4 2,375	3 15,540
Mechanical engineer	0.7 3,200	0.1 648	1 5,180
Chemical engineer		0.1 648	1 5,180
Electrical engineer		0.1 648	1 5,180
Cost analyst		1 5,180	1 5,180
Production engineer	0.5 2,317	0.2 863	1 5,180
Community facilities adviser		0.1 518	1 5,180
Site planning adviser		0.1 518	1 5,180
Municipal planning adviser		0.2 1,036	2 10,360
Public utilities specialist		0.3 1,554	1 5,180
Urban land economist		1.9 10,050	3 15,750
Local finance specialist		0.3 1,554	1 5,180
Material allocation specialist		0.6 3,108	2 10,360
Labor analyst		0.3 1,554	1 5,180
Program analyst	1.3 6,333	0.2 1,036	1 5,180
Statistician	1.2 5,367	3 15,750	3 15,750
Housing economist	1.8 9,050	2.7 14,530	9 47,400
Market analyst		1 5,792	2 10,360
Credit and finance specialist	0.3 897	2 10,139	3 15,750
Reports analyst		0.7 3,626	3 15,540
Urban development specialist	1.4 6,517		
Structural engineer	0.6 2,683		
Technical analyst	0.1 383		
Chief, internal data unit	1.2 5,367		
Grade 4. Range \$4,300 to \$5,180:			
Attorney	0.3 1,043	1.4 5,913	3 12,900
Construction engineer		0.1 538	1 4,300
Architectural engineer		0.2 1,076	2 8,600
Mechanical engineer		0.1 538	1 4,300
Community facilities adviser		0.1 430	1 4,300
Site utilities specialist		0.1 430	1 4,300
Urban development specialist		1.2 4,995	3 12,900
Materials analyst		0.3 1,356	1 4,520
Labor analyst		0.2 904	1 4,520
Housing economist	1.4 5,217	3.1 13,440	4 17,420
Statistician	0.8 3,167	0.8 3,440	3 12,900
Reports analyst		0.1 179	1 4,300
Program analyst	2 7,700		
Grade 3. Range \$3,640 to \$4,300:			
Attorney	2.5 8,000	1.1 4,053	2 7,390
Statistician	1.1 3,262	0.2 728	1 3,640
Housing economist	1.7 5,384	2.8 10,144	4 14,780
Reports analyst		0.1 364	1 3,640
Market research assistant		0.9 3,337	1 3,640
Architect	1.3 4,283		
Urban development specialist	0.8 2,933		
Grade 2. Range \$2,980 to \$3,640:			
Grade 1. Range \$2,320 to \$2,980:			
Crafts, protective, and custodial service:			
Grade 4. Range \$1,770 to \$2,166:			
Grade 3. Range \$1,572 to \$1,902:			
Grade 2. Range \$1,440 to \$1,770:			
Total permanent, departmental	285.3 882,719	336.4 1,304,686	638 2,559,356
Part-time employment, departmental	1.3 3,622	2 11,868	8 32,000
Overtime pay, departmental	139,923	74,700	60,644
All personal services, departmental	286.6 1,026,264	338.4 1,391,254	646 2,652,000
<b>PERSONAL SERVICES, FIELD</b>			
Clerical, administrative, and fiscal service:			
Grade 15. Range \$8,750 to \$9,800:			
Regional expediter	7.2 57,625	7.3 66,159	9 80,853

By objects	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, FIELD—continued</b>			
Clerical, administrative, and fiscal service—Continued	Man-years Amount	Man-years Amount	Man-years Amount
Grade 14. Range \$7,175 to \$8,225:			
Deputy regional expediter	2.4 \$14,933	4.2 \$29,778	9 \$64,575
Assistant regional expediter		2.6 18,776	18 129,150
Grade 13. Range \$6,230 to \$7,070:			
Area housing specialist	6.7 36,721	9.2 55,971	29 181,300
Community organization specialist	0.7 3,733	2 12,359	9 56,280
Materials expediter		1.3 8,048	9 56,070
Labor adviser		1.4 8,566	9 56,070
Construction aids specialist		1.1 7,166	8 49,840
Local housing expediter		1.7 9,813	15 93,450
Information specialist		0.1 779	1 6,230
Grade 12. Range \$5,180 to \$6,020:			
Community organization specialist	3.6 16,549	0.4 1,813	3 15,510
Materials expediter		1.1 5,527	9 46,620
Labor adviser		2.3 11,785	10 51,800
Construction aids specialist		0.5 2,375	4 20,720
Housing representative	44.4 204,224	21.4 115,216	128 671,440
Local housing expediter			130,412 41,440
Information specialist			1.2 5,569 8 41,440
Racial relations adviser			1.3 6,606 9 46,620
Administrative officer	1 4,600		
Grade 11. Range \$4,300 to \$5,180:			
Administrative officer			1.4 6,019 9 38,700
Reports analyst			3.1 12,766 9 38,920
Housing representative	2.6 9,500	0.8 3,225	9 38,920
Local housing expediter			3.9 16,484 21 90,300
Homes use specialist	1 3,483		
Grade 9. Range \$3,640 to \$4,300:			
Information specialist			0.1 303 1 3,640
Research assistant	0.5 1,600	1.3 4,518	4 14,670
Administrative assistant	0.5 1,600	1.5 5,910	6 21,840
Grade 7. Range \$2,980 to \$3,640:			
Grade 6. Range \$2,650 to \$3,310:			
Grade 5. Range \$2,320 to \$2,980:			
Grade 4. Range \$2,100 to \$2,496:			
Grade 3. Range \$1,902 to \$2,298:	49,742	115,399	427,924
Grade 2. Range \$1,704 to \$2,100:	32.5 51,915	25.1 49,209	63 121,370
Professional service:	9.7 13,560	8.3 14,511	28 48,150
Grade 6. Range \$6,230 to \$7,070:			
Site specialist	0.2 933	1 5,867	8 49,840
Housing economist	2.4 12,483	2.1 13,553	9 56,280
Grade 5. Range \$5,180 to \$6,020:			
Site specialist			1.4 7,338 3 15,540
Housing economist	3 13,417	3 15,605	9 47,040
Technical adviser			0.1 648 1 5,180
Attorney			2.7 13,765 9 46,830
Grade 4. Range \$4,300 to \$5,180:			
Housing economist	1.5 5,700	0.6 2,686	1 4,300
Site specialist			2.2 8,958 9 38,700
Grade 3. Range \$3,640 to \$4,300:			
Housing market analyst	0.3 1,067		
Grade 2. Range \$2,980 to \$3,640:			
Economist			0.5 1,615 2 5,960
Grade 1. Range \$2,320 to \$2,980:	0.5 1,000		
Crafts, protective, and custodial service			
Grade 3. Range \$1,572 to \$1,902:	1 1,290	1.1 1,769	2 3,210
Total permanent, field (excluding War Housing Centers)	165.2 539,619	219.8 851,294	728 2,861,782
Part-time employment, field (excluding War Housing Centers)	80,936	48,615	67,518
All personal services, field (excluding War Housing Centers)	165.2 620,555	221 904,221	733 2,949,000
Personal services, War Housing Centers	376.5 663,541	66.8 169,477	
Overtime pay, War Housing Centers	135,364	11,710	
Total permanent, War Housing Centers	376.5 798,905	66.8 181,187	
01 Personal services (net)	828.3 2,445,724	626.2 2,476,662	1,379 5,601,000
<b>OTHER OBLIGATIONS</b>			
02 Travel	111,844	120,050	301,740
03 Transportation of things	4,899	20,917	12,050
04 Communication services	76,398	95,053	237,035
05 Rents and utility services	121,090	157,786	339,200
06 Printing and binding	23,136	81,390	98,000
07 Other contractual services:			
Miscellaneous contractual services	76,926	113,204	124,375
Employment without regard to sec. 3709 of the Revised Statutes	1,644	5,000	80,000
Special priority work	1,261,776		
Special studies	184,337	307,300	862,500
Technical research	70,000		350,000
Newspapers and periodicals	264	500	1,000
Exhibits	224	500	10,000
08 Supplies and materials	8,063	15,251	24,140
09 Equipment	9,022	357,290	43,960
Total, other obligations	1,949,623	1,274,241	2,484,000
Grand total obligations	4,395,347	3,750,903	8,085,000

OFFICE OF THE ADMINISTRATOR AND EXPEDITER—NATIONAL HOUSING AGENCY

By objects	1945, actual	1946, estimated	1947, estimated
Transferred to "Penalty mail costs, National Housing Agency".....	+\$6,938	+\$6,075	+\$15,000
Received by transfer from—			
"National defense housing, Office of Administrator, National Housing Agency".....	-3,263,510	-1,000,869	-2,000,000
"Veterans housing, Office of Administrator, National Housing Agency".....		-1,482,000	-5,375,000
"Operation, maintenance, etc., National defense housing, National Housing Agency, Federal Public Housing Authority".....	-641,824	-821,209	-275,000
Net total obligations (payable from constituents).....	496,951	452,900	450,000
Received by transfer from—			
"Salaries and expenses, National Housing Agency, Federal Home Loan Bank Administration".....	-124,238	-99,992	-67,500
Excess of obligations over authorization due to Public Law 106.....		-13,234	
"Salaries and expenses, National Housing Agency, Federal Housing Administration".....	-146,903	-119,988	-180,000
Excess of obligations over authorization due to Public Law 106.....		-15,881	
"Salaries and expenses, National Housing Agency, Federal Public Housing Authority".....	-225,810	-180,020	-202,500
Excess of obligations over authorization due to Public Law 106.....		-23,785	
Total estimate or appropriation.....			

**National Defense Housing, Office of Administrator, National Housing Agency—**

【War Housing: For an additional amount to carry out the purposes of title I of the Act of October 14, 1940, as amended (42 U. S. C., ch. 9), and subject to the applicable provisions of the joint resolution approved October 14, 1940 (54 Stat. 1115), \$84,373,000, of which amount not to exceed \$1,000,000 shall be available for administrative expenses, to remain available during the continuance of the unlimited national emergency declared by the President on May 27, 1941, but not to be available for obligation for new projects after June 30, 1945: *Provided*, That all obligations of this additional appropriation for projects in which (1) the War Department has a paramount interest, shall first be jointly authorized in writing by the Secretary of War and the Director of the Bureau of the Budget, (2) the Navy Department has a paramount interest, shall first be jointly authorized in writing by the Secretary of the Navy and the Director of the Bureau of the Budget: *Provided further*, That \$18,373,000 of such sum of \$84,373,000 shall not be obligated unless subsequently authorized by other law.】 (Act of Apr. 25, 1945, Public Law 40.)

【War housing: Subject to the other limitations under this head in the First Deficiency Appropriation Act, 1945, the availability of the appropriation "War housing", National Housing Agency, for obligation for new projects is hereby extended to December 31, 1945: *Provided*, That as to any project in which the War Department or the Navy Department does not have a paramount interest, no obligation shall be incurred unless and until the Director of the Bureau of the Budget shall have determined its essentiality to the prosecution of the war.】 (Act of July 5, 1945, Public Law 132.)

By objects	1945, actual	1946, estimated	1947, estimated
Transferred to—			
"Salaries and expenses, Office of Administrator, National Housing Agency".....	+\$3,263,510	+\$1,000,869	+\$2,000,000
"National defense housing, Office of Administrator, National Housing Agency (transfer to Federal Public Housing Authority)".....	+104,411,730		
"Salaries and expenses, National Housing Agency, Federal Housing Administration".....		+975,000	
"National defense housing, Office of Administrator, National Housing Agency (transfer to Navy)".....	+167,613		
"Expediting production of equipment and supplies for national defense," War Department.....		+1,023,497	
"Public works, Bureau of Yards and Docks," Navy Department.....		+2,874,381	
Received by transfer from—			
"National defense housing, Office of Administrator, National Housing Agency (transfer to Federal Public Housing Authority)".....		-31,648,473	
"National defense housing, Office of Administrator, National Housing Agency (transfer to War)".....	-346,000	-43,372	

By objects	1945, actual	1946, estimated	1947, estimated
Received by transfer from—Continued			
"Expediting production of equipment and supplies for national defense," War Department.....	-\$14,052,922		
"Public works, Bureau of Yards and Docks," Navy Department.....	-38,130,000		
"Aviation, Navy".....	-20,000		
"National defense housing, Office of Administrator, National Housing Agency (transfer to Navy)".....		-\$223,285	
1944 balance available in 1945.....	-6,234,548		
1945 balance available in 1946.....	+50,313,617	-50,313,617	
1946 balance available in 1947.....		+2,000,000	-\$2,000,000
Estimated savings, unobligated balance.....		74,355,000	
Total estimate or appropriation.....	99,373,000		

**War Housing in and Near the District of Columbia, Office of Administrator, National Housing Agency—**

By objects	1945, actual	1946, estimated	1947, estimated
Transferred to "War housing in and near the District of Columbia, Federal Public Housing Authority".....	+\$2,324,293		
Received by transfer from—			
"War housing in and near the District of Columbia, Office of Administrator, National Housing Agency (transfer to War)".....	-55,635		
"War housing in and near the District of Columbia, Federal Public Housing Authority".....		-\$2,994,309	
Prior year balance available in 1945.....	-2,646,349		
1945 balance available in 1946.....	+377,691	-377,691	
Estimated savings, unobligated balance.....		3,372,000	
Total estimate or appropriation.....			

**Veterans' Housing, Office of Administrator, National Housing Agency—**

【Veterans' housing: To enable the National Housing Administrator to carry out the purposes of title V of the Act of October 14, 1940, as amended (42 U. S. C. 1501), \$191,900,000, to remain available until expended: *Provided*, That, without regard to the provisions of any other law, but subject to the removal provisions of section 313 of said Act, said Administrator may transfer, for such consideration and subject to such terms and conditions as he deems feasible under the circumstances, any temporary housing (intact or in panels suitable for reuse) under his jurisdiction to any educational institution, State or political subdivision thereof, local public agency, or nonprofit organization, for use or reuse in providing temporary housing for families of servicemen and for veterans and their families, or, in the discretion of the Administrator, for single veterans attending educational institutions.】 (Act of Dec. 28, 1945, Public Law 269.)

**Appropriated 1946, \$191,900,000**

By objects	1945, actual	1946, estimated	1947, estimated
Transferred to—			
"Salaries and expenses, Office of Administrator, National Housing Agency".....		+\$1,482,000	+\$5,375,000
"Veterans housing, Office of Administrator, National Housing Agency (transfer to Federal Public Housing Authority)".....		+432,715,000	
"Salaries and expenses, National Housing Agency, Federal Housing Administration".....			+2,435,000
"Veterans housing, Office of Administrator, National Housing Agency (transfer to Civilian Production Administration)".....		+3,320,000	
"Veterans housing, Office of Administrator, National Housing Agency (transfer to Department of Labor)".....		+300,000	
1946 balance available in 1947.....		+7,810,000	-7,810,000
Excess of obligations over appropriation due to H. J. Res. 328.....		-253,727,000	
Total estimate or appropriation.....		191,900,000	

**OFFICE OF THE ADMINISTRATOR—Continued**

**National Defense Housing, Temporary Housing, Office of Administrator, National Housing Agency—**

By objects	1945, actual	1946, estimated	1947, estimated
Transferred to "National defense housing, temporary housing, Office of Administrator, National Housing Agency (transfer to Federal Public Housing Authority)"	+ \$7,500,000		
Reappropriation of prior year balance in 1945	- 7,500,000		
Total estimate or appropriation			

**Emergency Fund for the President, National Defense Housing (Allotment to National Housing Agency)—**

By objects	1945, actual	1946, estimated	1947, estimated
Transferred to "Emergency fund for the President, national defense housing (transfer to Federal Public Housing Authority)"	+ \$64,250		
Prior year balance available in 1945	- 64,250		
Total estimate or appropriation			

**Cooperation With the American Republics (Transfer to National Housing Agency, Office of Administrator)—**

By objects	1945, actual	1946, estimated	1947, estimated
02 Travel		\$1,500	
Received by transfer from "Cooperation with the American Republics"		- 1,500	
Total estimate or appropriation			

**Cultural Relations With China and the Neighboring Countries and Countries of the Near East and Africa (Transfer to National Housing Agency, Office of Administrator)—**

By objects	1945, actual	1946, estimated	1947, estimated
07 Other contractual services		\$11,500	

By objects	1945, actual	1946, estimated	1947, estimated
Transferred to "Cultural relations with China and the neighboring countries and countries of the Near East and Africa (transfer to Department of Agriculture, Bureau of Agricultural Economics, working fund)"		+ \$4,500	
Received by transfer from "Cultural relations with China and the neighboring countries and countries of the Near East and Africa"		- 16,000	
Total estimate or appropriation			

**Penalty Mail Costs, National Housing Agency—**

Penalty mail costs: For deposit in the general fund of the Treasury for costs of penalty mail of the National Housing Agency as required by the Act of June 28, 1944 (Public Law 364), [\$241,905] not to exceed \$295,600, said sum to be derived by transfer of the unobligated balances, as of July 1, 1946, of the funds made available for penalty mail costs by the First Supplemental Appropriation Act, 1945, and the Independent Offices Appropriation Act, 1946, and by transfer, from the funds of the constituent units of said Agency available for administrative expenses [as follows], in not to exceed the following amounts: Office of the Administrator, [\$6,075] \$15,000; Federal Home Loan Bank Administration, [\$124,410] \$111,000; Federal Housing Administration, [\$49,500] \$130,000; and Federal Public Housing Authority, [\$61,920] \$39,600: Provided, That in no event shall any moneys in excess of the costs of penalty mail allocable, respectively, to said Office of the Administrator and each of the aforesaid constituent units of the National Housing Agency be transferred hereunder. (Act of May 3, 1945, Public Law 49.)

By objects	1945, actual	1946, estimated	1947, estimated
04 Penalty mail costs	+ \$221,097	+ \$241,905	+ \$295,600
Received by transfer from—			
"Salaries and expenses, Office of Administrator, National Housing Agency"	- 6,938	- 6,075	- 15,000
"Salaries and expenses, National Housing Agency, Federal Home Loan Bank Administration"	- 150,247	- 124,410	- 111,000
"Salaries and expenses, National Housing Agency, Federal Housing Administration"	- 37,000	- 49,500	- 130,000
"Salaries and expenses, National Housing Agency, Federal Public Housing Authority"	- 22,015	- 21,420	- 27,600
"Operation, maintenance, etc., National defense housing, National Housing Agency, Federal Public Housing Authority"	- 83,250	- 40,500	- 12,000
Estimated savings, unobligated balance	78,353		
Total estimate or appropriation			

Statement of proposed expenditures for purchase, maintenance, repair, and operation of passenger-carrying vehicles for the fiscal year ending June 30, 1947

**OFFICE OF THE ADMINISTRATOR, NATIONAL HOUSING AGENCY**

Appropriation	Vehicles (motor unless otherwise indicated) to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Total maintenance, repair, and operation, all vehicles	Public purpose and users
	Number	Gross cost	Number	Allowances (estimated)				
Administrative expenses, Office of the Administrator, National Housing Agency.	2	\$2,850	2	\$1,100	\$1,750	1	\$770	For use of the Administrator-Expediter, his immediate staff, and other supervisory officials in the central office, in maintaining necessary contact with officials of constituent and other Federal agencies concerned with the emergency housing problem and for transportation of special interoffice mail. The Office of the Administrator-Expediter and the constituent agencies are located in 7 widely scattered buildings. For use of regional expeditors and other members of the field staff, in facilitating contacts with community officials and representatives of the building industry and the constituent agencies. The emergency housing program will require constant liaison between the Agency's representatives and public officials and industry groups in the field as in Washington.
Do	14	14,700	1	500	14,200	4	4,490	
Total	16	17,550	3	1,600	15,950	5	5,260	

## FEDERAL HOME LOAN BANK ADMINISTRATION

### INTRODUCTORY STATEMENT

The Federal Home Loan Bank Administration was created by Executive Order 9070 to administer the functions, powers, and duties of: (1) the Federal Home Loan Bank Board, created by the Federal Home Loan Bank Act of 1932 (12 U. S. C. 1421-1449), and of its members; (2) the board of trustees of the Federal Savings and Loan Insurance Corporation; (3) the board of directors of the Home Owners' Loan Corporation; and (4) certain functions, powers and duties with respect to the United States Housing Corporation which was established to provide housing in World War I, and which is now fully liquidated.

By reorganization plan No. 1 which became effective July 1, 1939, the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation and the Home Owners' Loan Corporation were grouped with other agencies in the Federal Loan Agency where they remained until the issuance of Executive Order 9070.

The Federal Home Loan Bank Administration is administered by the Federal Home Loan Bank Commissioner. Under the commissioner, the operations of the Federal Home Loan Bank System are directed by a governor and those of the Federal Savings and Loan Insurance Corporation and the Home Owners' Loan Corporation are each directed by a general manager.

Heretofore, a consolidated estimate of administrative expenses has been submitted for the units comprising the Federal Home Loan Bank Administration. For the fiscal year 1947, budget estimates are being submitted separately for the following units of the Federal Home Loan Bank Administration:

Administrative Department.  
Federal Home Loan Bank System.  
Federal Savings and Loan Insurance Corporation.  
Home Owners' Loan Corporation.

The estimates for the Federal Savings and Loan Insurance Corporation and the Home Owners' Loan Corporation are being submitted in the form of corporation budget programs, in accordance with the provisions of the Government Corporation Control Act (Public Law 248, 79th Congress).

#### LANGUAGE

#### FEDERAL HOME LOAN BANK ADMINISTRATION

##### **Salaries and Expenses, National Housing Agency, Federal Home Loan Bank Administration—**

Salaries and expenses: Not to exceed a total of **[\$7,490,127]** **\$1,602,000**, to be derived from the **[same sources as the funds made available for administrative expenses of the Federal Home Loan Bank Administration, including the Federal Savings and Loan Insurance Corporation and the Home Owners' Loan Corporation, by the Independent Offices Appropriation Act, 1945]** *special deposit account established under the provisions under the head "Federal Home Loan Bank Administration" in the Independent Offices Appropriation Act, 1944, and from receipts of the Federal Home Loan Bank Adminis-*

*tration or the Federal Home Loan Bank Board for the fiscal year 1947 and prior fiscal years, shall be available during the fiscal year [1946] 1947 for administrative expenses of the Federal Home Loan Bank Administration (Executive Order 9070 of February 24, 1942), [which term and the term Administration, wherever used herein, shall unless otherwise qualified include and apply to said corporations but shall be exclusive of any corporation organized in pursuance of authority contained in the Act of May 16, 1918 (40 Stat. 550), and any amendments thereof,] and said Administration may transfer to a separate authorization (which is hereby authorized to be established), for expenditure by the Administration thereunder, not to exceed such amounts, from funds available for administrative expenses of the Federal Home Loan Bank Administration, the Federal Savings and Loan Insurance Corporation, and the Home Owners' Loan Corporation, as said Administration may deem necessary or advisable to be so transferred for administrative expenses of or relating to any department or unit of said Administration providing services or facilities also to the Federal Savings and Loan Insurance Corporation and the Home Owners' Loan Corporation; all the foregoing including personal services in the District of Columbia and elsewhere; travel expenses, in accordance with the Standardized Government Travel Regulations and the Act of June 3, 1926, as amended (5 U. S. C. 821-833) and the act of February 14, 1931, as amended (5 U. S. C. 73a); printing and binding; law-books, books of reference, [and not to exceed \$1,250 for] periodicals, and newspapers; rent in the District of Columbia; maintenance, repair, and operation of [motor-propelled] passenger[-carrying vehicles] automobiles; and use of [the] services and facilities of the Federal home-loan banks, Federal Reserve banks, Federal Savings and Loan Insurance Corporation and the Home Owners' Loan Corporation and other agencies of the Government, [including the use of serv. s and facilities within the Administration,] the amounts so derived to be credited upon the books of the Treasurer of the United States in such account or accounts as [the] said Administration may determine, and the Administration in its discretion may utilize the facilities of the Division of Disbursement of the Treasury Department for the disbursement of funds in or derived from such account or accounts relating to said corporations: Provided, That [(1)] all necessary expenses in connection with the [liquidation] conservatorship of [insured] institutions; [(2)] all necessary expenses (including services performed on a force account, contract or fee basis, but not including other personal services) in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to the Home Owners' Loan Corporation or in which it has an interest; [insured by the Federal Savings and Loan Insurance Corporation and [(3)] all necessary expenses (including services performed on a contract or fee basis, but not including other personal services) in connection with the handling, including the purchase, sale, and exchange, of securities on behalf of Federal home-loan banks, and the sale, issuance, and retirement of, or payment of interest on, debentures or bonds, under the Federal Home Loan Bank Act, as amended, shall be considered as nonadministrative expenses for the purposes hereof: Provided further, That [except as herein otherwise provided] notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of the Administration shall be incurred, allowed, and paid in accordance with the provisions of the Federal Home Loan Bank Act of July 22, 1932, as amended (12 U. S. C. 1421-1449) [the Home Owners' Loan Act of 1933, as amended (12 U. S. C. 1461-1468), and title IV of the National Housing Act of June 27, 1934, as amended (12 U. S. C. 1724-1730)].*

**[Salaries and expenses: In addition to the funds made available to the Federal Home Loan Bank Administration by the Independent Offices Appropriation Act, 1946, for "Salaries and expenses", there is hereby made available to said Administration not to exceed \$150,000 from the sources specified under said head.] (Act of May 3, 1945, Public Law 49; Act of Dec. 28, 1945, Public Law 269.)**



ADMINISTRATIVE DEPARTMENT, FEDERAL HOME LOAN BANK ADMINISTRATION

Prior to July 1, 1944, personnel rendering services to more than one unit of the Federal Home Loan Bank Administration were carried on the pay rolls of the several units, their salaries being apportioned among said units. On July 1, 1944, the Commissioner transferred the major portion of such personnel to an Administrative Department of the Federal Home Loan Bank Administration. The amount which each unit of the Federal Home Loan Bank Administration contributes toward defraying the expenses of the Administrative Department is based upon a calculation of the time rendered by each of the employees of the Administrative Department to each of said units.

By objects	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL</b>	<b>Man-years Amount</b>	<b>Man-years Amount</b>	<b>Man-years Amount</b>
Statutory:			
Commissioner.....	1 \$10,000	1 \$10,000	1 \$10,000
Clerical, administrative, and fiscal service:			
Grade 15. Range \$8,750 to \$9,800:			
Executive assistant to the Commissioner.....	1.8 16,481	1 9,800	1 9,800
Assistant to the Commissioner.....		1 8,750	1 8,750
Grade 14. Range \$7,175 to \$8,225:			
Secretary to the Federal Home Loan Bank Administration.....	0.1 78	1 7,700	1 7,700
Director of personnel.....	0.1 906	1 8,225	1 8,225
Assistant to the Commissioner.....	0.1 83		
Grade 13. Range \$6,230 to \$7,070:			
Assistant director of personnel.....	0.1 67	1 6,755	1 6,860
Assistant budget officer.....			1 6,230
Grade 12. Range \$5,180 to \$6,020:			
Assistant secretary, Federal Home Loan Bank Administration.....	0.1 58	1 6,020	1 6,020
Assistant to director of personnel.....	0.1 111	2 11,305	2 11,410
Administrative assistant.....		1 5,390	1 5,390
Supervisor, classification section.....	0.9 4,801	1 5,600	1 5,600
Assistant to executive assistant to the Commissioner.....	1 4,600		
Grade 11. Range \$4,300 to \$5,180:			
Budget analyst.....			2 8,600
Training assistant.....	0.1 44	1 4,740	1 5,180
Assistant budget officer.....	1 3,800	1 4,520	
Personnel assistant.....		0.3 1,290	
Administrative analyst.....	0.8 3,008		
Classification review examiner.....	0.5 2,383		
Grade 10. Range \$3,970 to \$4,630:			
Administrative analyst.....		0.1 331	
Grade 9. Range \$3,640 to \$4,300:			
Personnel assistant.....		0.8 2,912	
Administrative analyst.....	0.2 667	2 7,610	
Budget analyst.....	2 6,725	2 7,727	
Associate administrative analyst.....	1.3 4,069		
Assistant secretary to Federal Home Loan Bank Administration.....	0.1 559		
Grade 8. Range \$3,310 to \$3,970:			
Grade 7. Range \$2,980 to \$3,640:			
Grade 6. Range \$2,650 to \$3,310:			
Grade 5. Range \$2,320 to \$2,980:			
Grade 4. Range \$2,100 to \$2,496:			
Grade 3. Range \$1,902 to \$2,298:			
Grade 2. Range \$1,704 to \$2,100:			
Professional service:			
Grade 9. In excess of \$9,800:			
General counsel.....	0.1 111	1 10,000	1 10,000
Grade 7. Range \$7,175 to \$8,225:			
Assistant general counsel.....	0.1 147	2 14,875	2 14,875
Grade 6. Range \$6,230 to \$7,070:			
Principal attorney.....	0.1 62	1 6,230	1 6,230
Grade 5. Range \$5,180 to \$6,020:			
Senior economic analyst.....	1 4,600	1 5,390	1 5,390
Grade 4. Range \$4,300 to \$5,180:			
Attorney.....	0.3 1,225		1 4,740
Economic analyst.....			1 3,640
Associate attorney.....		0.8 2,912	1 3,640
Grade 2. Range \$2,980 to \$3,640:			
Subprofessional service:			
Grade 6. Range \$2,320 to \$2,980.....	0.1 200	1 2,331	1 2,430
Grade 5. Range \$2,100 to \$2,496.....	0.5 1,008	1.5 3,216	1 2,166
Grade 4. Range \$1,902 to \$2,298.....	0.6 990		
Crafts, protective, and custodial service:			
Grade 3. Range \$1,572 to \$1,902.....	1.3 1,732	1 1,572	
Grade 2. Range \$1,440 to \$1,770.....	0.9 1,019	1 1,506	1 1,506

By objects	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL—CON.</b>			
Executive order grades:	<b>Man-years Amount</b>	<b>Man-years Amount</b>	<b>Man-years Amount</b>
Grade 19. Rate over \$8,000:			
Assistant to the Commissioner.....	0.9 \$8,900		
General counsel.....	0.9 9,889		
Grade 18. Rate of \$8,000:			
Director of personnel.....	0.9 6,344		
Secretary to the Federal Home Loan Bank Administration.....	0.1 19		
Grade 17. Rate of \$6,800:			
Assistant general counsel.....	1.9 12,908		
Assistant director of personnel.....	0.9 5,933		
Secretary to the Federal Home Loan Bank Administration.....	0.8 6,410		
Grade 16. Rate of \$6,000:			
Head attorney.....	0.9 5,340		
Assistant to director of personnel.....	0.9 5,538		
Grade 15. Rate of \$5,200:			
Acting supervisor of classification.....	0.1 625		
Assistant to director of personnel.....	0.9 4,549		
Assistant secretary to Federal Home Loan Bank Administration.....	0.9 5,142		
Grade 14. Rate of \$4,500:			
Senior attorney.....	0.3 1,313		
Grade 13. Rate of \$4,000:			
Personnel assistant.....	0.9 3,956		
Grade 12. Rate of \$3,600:			
Secretary to commissioner.....	1 3,568		
Associate attorney.....	0.3 933		
Personnel assistant.....	0.7 2,000		
Grade 10. Rate of \$2,900.....	1.4 3,960		
Grade 9. Rate of \$2,600.....	3.4 8,583		
Grade 8. Rate of \$2,300.....	4 8,611		
Grade 7. Rate of \$2,000.....	8.1 17,570		
Grade 6. Rate of \$1,800.....	5.8 10,128		
Grade 5. Rate of \$1,620.....	0.7 1,197		
Grade 4. Rate of \$1,440.....	1.1 1,540		
Total permanent, departmental.....	106.9 305,395	114.7 \$360,695	112 \$357,928
Overtime pay, departmental.....		49,384 5,439	
01 Personal services (net).....	106.9 354,779	114.7 366,134	112 357,928
<b>OTHER OBLIGATIONS</b>			
07 Other contractual services.....	1,928	6,001	4,000
08 Supplies and materials.....	1,146	2,285	2,072
Total other obligations.....	3,074	8,286	6,072
Grand total obligations.....	357,853	374,420	364,000
Received by transfer from—			
Home Owners' Loan Corporation.....	-34,206	-33,337	
Federal Home Loan Bank System.....	-6,505		
Transferred to—			
Home Owners' Loan Corporation.....	+17,108	+18,064	
Federal Home Loan Bank System.....	+14,668	+16,461	
Federal Savings and Loan Insurance Corporation.....	+10,900	+11,325	
Net total obligations.....	359,818	386,933	364,000
Unobligated balance of authorization.....	3,125		
Total.....	362,943	386,933	364,000
Advanced from—			
Home Owners' Loan Corporation.....	-145,504	-153,911	-142,688
Federal Home Loan Bank System.....	-124,744	-138,923	-136,136
Federal Savings and Loan Insurance Corporation.....	-92,695	-94,099	-85,176
Total, Administrative Department, Federal Home Loan Bank Administration.....			
<b>BY PROJECTS OR FUNCTIONS</b>			
1. Administration.....	\$74,879	\$73,500	\$73,042
2. Legal.....	65,854	64,407	65,753
3. Personnel.....	79,916	82,750	73,043
4. Budget.....	14,900	15,292	17,150
5. Secretary.....	119,230	130,185	128,940
6. Other obligations.....	3,074	8,286	6,072
Grand total obligations.....	357,853	374,420	364,000
Adjustments (see objects schedule for detail).....	-357,853	-374,420	-364,000
Total, Administrative Department, Federal Home Loan Bank Administration.....			



FEDERAL HOME LOAN BANK SYSTEM

Under the provisions of the Federal Home Loan Bank Act approved July 22, 1932 (47 Stat. 725), Congress created a reservoir of credit from which home-financing institutions might secure funds to meet the reasonable withdrawal requests of their investors and supplement the savings ordinarily received from individual citizens to meet the home-financing needs of their communities. The 12 Federal Home Loan Banks, which were created under the act, and the building and loan associations, savings and loan associations, cooperative banks, homestead associations, insurance companies, and savings banks, which are members of these banks, constitute the Federal Home Loan Bank System. It was designed to stabilize and strengthen the agencies promoting private thrift and individual home ownership. It performs substantially the same function in the field of home mortgage credit which the Federal Reserve System performs as a credit reserve for commercial banks, and the Federal land banks perform in the field of farm finance.

The 12 Federal Home Loan Banks, defined as mixed-ownership corporations, obtain their funds chiefly from subscriptions to capital stock, the issuance of their own obligations, and deposits of member institutions. The capital stock of the banks consists of subscriptions of the United States Government and of member institutions. The Secretary of the Treasury was authorized by the Federal Home Loan Bank Act to subscribe to the capital stock of the 12 banks up to the total amount of \$125,000,000. The amount thus subscribed and paid in full aggregated \$124,741,000, of which \$231,100 was retired during the fiscal year 1945. The Government stock is now held by the Reconstruction Finance Corporation under the provisions of the act of June 25, 1940 (54 Stat. 572). As of June 30, 1945, total paid-in capital stock of the banks amounted to \$193,712,400, of which \$124,509,900 was held by the Reconstruction Finance Corporation and \$69,202,500 was held by member institutions. It is estimated that during the fiscal year 1946 approximately \$1,000,000 will be repaid by the banks to the Reconstruction Finance Corporation and \$500,000 during the fiscal year 1947.

By objects	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL</b>			
Clerical, administrative, and fiscal service:	Man-years	Man-years	Man-years
Grade 16. In excess of \$9,800:	Amount	Amount	Amount
Governor	0.1 \$111	1 \$10,000	1 \$10,000
Grade 15. Range \$8,750 to \$9,800:			
Assistant governor	0.2 189	2 18,550	3 27,300
Associate general counsel	0.1 89		
Grade 14. Range \$7,175 to \$8,225:			
Chief supervisor	1 7,312	1 8,225	1 8,225
Comptroller	0.1 83	1 8,225	1 8,225
Chief examiner	1 7,500	1 8,225	1 8,225
Assistant governor	0.9 7,292		
Grade 13. Range \$6,230 to \$7,070:			
Deputy comptroller	0.1 71	1 7,070	1 7,070
Chief, review and analysis	1 6,400	1 7,070	1 7,070
Special representative	0.1 67	1 6,860	1 6,860
Assistant chief supervisor	1 5,600	1 6,440	1 6,440
Assistant chief examiner	1 5,600	1 6,440	1 6,440
Assistant supervisor	0.2 1,400	1.7 10,591	2 12,460
Chief, division of operating statistics	0.2 933		
Director, operating statistics	0.2 933		
Head attorney	0.1 62		
Grade 12. Range \$5,180 to \$6,020:			
Chief, bank operations section	1 5,200	1 5,810	1 5,810
Chief bank examiner	1 5,200	1 5,810	1 5,810
Principal review examiner	4.7 22,866	5 25,900	6 31,290
Chief, division of operating statistics	0.3 1,342		
Senior economic analyst	0.5 2,492		

By objects	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL—CON.</b>			
Clerical, administrative, and fiscal service—Continued	Man-years	Man-years	Man-years
Grade 11. Range \$4,300 to \$5,180:	Amount	Amount	Amount
Assistant to comptroller, fiscal officer	1 \$4,600	1 \$5,180	1 \$5,180
Principal accountant	1 4,600	1 5,180	1 5,180
Senior review examiner	6.8 26,956	4.9 22,390	6 27,120
Investment and statistical analyst	0.5 2,200	1 4,960	1 4,960
Bank examiner	0.5 2,125	0.9 4,244	1 4,740
Senior bank examiner	0.4 2,070	0.7 3,010	1 4,300
Senior investment and statistical analyst	0.5 2,100		
Economic analyst	0.3 1,108		
Attorney	0.2 96		
Grade 9. Range \$3,640 to \$4,300:			
Accountant	1 3,250	0.2 750	
Bank examiner	0.5 1,696		1 3,640
Assistant fiscal officer		0.8 2,912	1 3,640
Economic analyst	1.7 5,200		
Associate economic analyst	0.5 1,733		
Associate statistical analyst	0.5 1,733		
Associate attorney	0.1 154		
Grade 8. Range \$3,310 to \$3,970:			
Attorney	1 3,100	0.9 3,045	
Grade 7. Range \$2,980 to \$3,640:			
Attorney	7.1 18,248	4.1 12,350	5 15,010
Grade 6. Range \$2,650 to \$3,310:			
Attorney	5.6 13,490	5 13,910	5 13,910
Grade 5. Range \$2,320 to \$2,980:			
Attorney	10.8 23,227	15.4 36,828	18 43,740
Grade 4. Range \$2,100 to \$2,496:			
Attorney	24.9 45,787	26.9 57,928	28 60,252
Grade 3. Range \$1,902 to \$2,298:			
Attorney	13.6 22,404	14.5 27,830	17 32,598
Grade 2. Range \$1,704 to \$2,100:			
Attorney	4.8 6,874	1.5 2,556	5 9,048
<b>Professional service:</b>			
Grade 8. Range \$8,750 to \$9,800:			
Associate general counsel		1 8,750	1 8,750
Grade 6. Range \$6,230 to \$7,070:			
Head attorney		1 6,398	1 6,440
Chief, division of operating statistics		1 6,230	1 6,230
Grade 5. Range \$5,180 to \$6,020:			
Economic analyst			1 5,390
Grade 4. Range \$4,300 to \$5,180:			
Economic analyst		1 4,300	1 4,300
Attorney		1 4,520	1 4,520
Grade 3. Range \$3,640 to \$4,300:			
Associate attorney		1 4,201	1 4,300
Economic analyst		2 7,500	3 11,470
Grade 2. Range \$2,980 to \$3,640:			
Attorney		6 18,100	6 18,100
<b>Executive order grades:</b>			
Grade 19. Rate over \$8,000:			
Governor	0.9 9,889		
Assistant governor	0.9 8,900		
Grade 18. Rate of \$8,000:			
Comptroller	0.9 7,911		
Associate general counsel	0.9 6,982		
Grade 17. Rate of \$6,800:			
Deputy comptroller	0.9 6,675		
Grade 16. Rate of \$6,000:			
Special representative	0.9 5,933		
Head attorney	0.9 5,538		
Grade 14. Rate of \$4,500:			
Senior attorney	0.6 3,137		
Grade 13. Rate of \$4,000:			
Attorney	0.9 3,955		
Grade 11. Rate of \$3,200:			
Attorney	0.2 933		
Grade 8. Rate of \$2,300:			
Attorney	0.5 1,497		
Grade 6. Rate of \$1,800:			
Attorney	1.8 3,024		
<b>Total permanent, departmental</b>	108.4 337,867	112.5 398,288	129 454,043
<b>Temporary employment, departmental</b>		2.2 4,184	3 5,706
<b>Overtime pay, departmental</b>	54,183	6,901	
<b>All personal services, departmental</b>	108.4 392,050	114.7 409,373	132 459,749
<b>PERSONAL SERVICES, FIELD</b>			
Clerical, administrative, and fiscal service:			
Grade 13. Range \$6,230 to \$7,070:			
District examiner	12 67,199	12 74,760	12 74,760
Grade 12. Range \$5,180 to \$6,020:			
Appraisal examiner	0.1 639	1.3 7,637	1 6,020
Assistant district examiner	1.8 8,433	2.6 13,972	2 10,360
Head appraisal examiner	2.9 10,914		
Head appraisal adviser	0.1 67		
Appraisal adviser	0.9 2,941		
Grade 11. Range \$4,300 to \$5,180:			
Examiner	20.1 78,455	22.1 98,264	23.5 104,680
Grade 10. Range \$3,970 to \$4,630:			
Examiner	15.9 55,221	17.7 71,127	22 88,660
Grade 9. Range \$3,640 to \$4,300:			
Examiner	36.5 116,588	41.7 155,451	50 186,840
Appraisal examiner	0.3 1,067		
Grade 7. Range \$2,980 to \$3,640:			
Examiner	46 122,980	43.8 134,704	48.5 150,349
Grade 5. Range \$2,320 to \$2,980:			
Examiner	25.8 55,167	27.9 71,273	29 74,870
Grade 4. Range \$2,100 to \$2,496:			
Examiner	11.5 20,949	10.9 23,286	11 23,496

## THE BUDGET FOR FISCAL YEAR 1947—CORPORATION SUPPLEMENT

By objects	1945, actual	1946, estimated	1947, estimated	By objects	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, FIELD—continued</b>							
Clerical, administrative, and fiscal service—Continued	Man-years Amount	Man-years Amount	Man-years Amount	Transferred to—Continued	Man-years Amount	Man-years Amount	Man-years Amount
Grade 3. Range \$1,902 to \$2,298	13.2 \$22,045	15.7 \$30,522	16 \$30,993	"Penalty mail costs, National Housing Agency"	+ \$9,701	+ \$10,163	+ \$10,100
Grade 2. Range \$1,704 to \$2,100	20.5 30,363	19.5 34,020	19 33,168	"Administrative Department, Federal Home Loan Bank Administration"	+6,505		
Executive order grade:				Received by transfer from Administrative Department, Federal Home Loan Bank Administration	-14,668	-16,461	
Grade 14. Rate of \$4,500:				Advanced to Administrative Department, Federal Home Loan Bank Administration	+124,744	+138,923	+136,136
Assistant district examiner	0.2 683			Net total obligations	1,431,428	1,455,132	1,602,000
Total permanent, field	207.8	215.2	234	Unobligated balance of authorization	121,046		
	593,711	715,016	784,196	Excess of obligations over authorization due to Public Law 106		-21,700	
Temporary employment, field	0.5 664			Total, Federal Home Loan Bank System	1,552,474	1,433,432	1,602,000
Overtime pay, field	110,668	12,549					
All personal services, field	208.3	215.2	234				
	705,043	727,565	784,196				
01 Personal services (net)	316.7	329.9	366				
	1,097,093	1,136,938	1,243,945				
<b>OTHER OBLIGATIONS</b>				<b>BY PROJECTS OR FUNCTIONS</b>			
02 Travel	192,152	200,277	204,500	1. Administration	\$241,767	\$237,539	\$284,237
03 Transportation of things	442	811	810	2. Supervision	94,414	106,745	114,495
04 Communication services	12,157	14,265	14,000	3. Examination	731,506	758,262	811,263
05 Rents and utility services	75,689	75,044	82,200	4. Legal	29,406	34,392	33,950
06 Printing and binding	379	1,225	1,225	5. Travel	192,152	200,277	204,500
07 Other contractual services	28,995	20,015	17,800	6. Other obligations	126,908	129,275	131,035
08 Supplies and materials	8,084	13,000	10,000	Grand total obligations	1,416,153	1,466,490	1,579,480
09 Equipment	1,159	4,915	5,000	Adjustments (see objects schedule for detail)	+136,321	-33,058	+22,520
Total other obligations	319,060	329,552	335,535	Total, Federal Home Loan Bank System	1,552,474	1,433,432	1,602,000
Grand total obligations	1,416,153	1,466,490	1,579,480				
Reimbursements for services performed	-129,644	-163,231	-138,947				
Transferred to—							
"Salaries and expenses, Office of Administrator, National Housing Agency"	+18,637	+16,998	+15,231				
Excess of obligations over authorization due to Public Law 106		+2,250					

## FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

### CREATION AND PURPOSE

The Federal Savings and Loan Insurance Corporation was established under title IV of the National Housing Act of June 27, 1934 (48 Stat. 1246), as a means of restoring and maintaining confidence in the thrift and home-financing institutions of the savings and loan type. Recognizing the importance of available credit for purposes of stimulating recovery from heavy depression and of providing a permanent and reliable source of funds for economical home financing, the Congress provided the safety of insurance up to \$5,000 for each account of investors in approved institutions.

Like any insurance operation, the Corporation is engaged in the business of safeguarding and absorbing the inevitable losses resulting from risk. By its very nature risk is the result of hazards and uncertainties which are not subject to accurate prediction. A severe drought may seriously upset financial institutions which are dependent upon business and agricultural conditions. Similarly the ups and downs of business generally, or of more limited conditions such as industrial inactivity, may greatly affect the stability of financial institutions. Prior to the early thirties, the resulting losses of innocent small savers were heavy and burdensome but today, they have available to them the protection of insurance.

Because of the uncertainties both as to time and scope, it is important that the Federal Savings and Loan Insurance Corporation have a high degree of flexibility in its operations to meet any possible demand. Failure to respond quickly would not only weaken the public respect for insurance but it could also serve to unsettle business conditions by destroying confidence in financial institutions. Recognizing such potentialities, the Corporation was given additional powers in 1935 (49 Stat. 298), including authority to prevent default or to restore an insured institution in default to normal operations by means of a loan, purchase of assets, or a contribution. In conjunction with these broad powers for use in times of emergency the Corporation was authorized to determine its necessary expenditures and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds.

Originally the Corporation was under the direction of a board of trustees whose membership was identical to that of the Federal Home Loan Bank Board. As a result of reorganization plan No. 1, which took effect on July 1, 1939, the Corporation was grouped with other organizations under the Federal Loan Agency. On February 24, 1942, the Board was vacated under the terms of Executive Order 9070 and all of its duties and powers were transferred to the Federal Home Loan Bank Administration, which was made one of the three constituent units of the National Housing Agency. In this reorganization the corporate entity remained intact and its functions and purposes continued without change.

### FINANCIAL ORGANIZATION

The authorized and paid-in capital stock of the Corporation amounts to \$100,000,000 and is held by the Home

Owners' Loan Corporation in accordance with an act of Congress (48 Stat. 1246). The Home Owners' Loan Corporation is entitled to dividends on this stock at a rate equal to the interest rate on the bonds received in payment therefor, such dividends to be cumulative. Dividends were paid from June 27, 1934, to June 30, 1935, since which time they have been accumulated at the rate of \$3,000,000 per year. Deferment of dividend payments was for the purpose of accelerating the building of loss reserves with resulting strengthening of the insurance program. Because of the dividend obligation as well as the basic insurance liability of \$4,817,285,000 on 2,471 insured savings and loan associations as of June 30, 1945, the Corporation does not contemplate the return of any Government capital during 1947.

For the purpose of carrying out the provisions of title IV of the National Housing Act, the Corporation has authority to borrow money, and to issue notes, bonds, debentures, or other such obligations upon such terms and conditions as the board of trustees may determine. As of June 30, 1945, there were no securities of the Corporation of these types outstanding.

Section 404a of the National Housing Act requires the Corporation to accumulate a reserve fund equivalent to 5 percent of all insured accounts and creditor obligations of all insured institutions. As of June 30, 1945, this reserve was equal to 0.57 percent of the insured accounts and creditor obligations as of that date. A statement of condition of the Corporation is shown in exhibit C.

### ANALYSIS OF BUDGET PROGRAM BY MAJOR ACTIVITIES

In considering the budgetary requirements of the Corporation for the fiscal year 1947, recognition must be given to the hazards and economic conditions which produce emergencies requiring prompt and effective action in order to limit losses and maintain public confidence. As discussed previously, business fluctuations cannot be accurately predicted and indicate a need for a high degree of flexibility in the organization and operation of the Corporation. Fluctuations in the housing and real-estate market also affect the programs of the Corporation through their effect on the financial condition of insured institutions which are engaged primarily in the financing of small homes.

As a part of its responsibility of encouraging economical home financing, the Corporation insures accounts up to \$5,000 in Federal savings and loan associations, State-chartered building and loan associations, savings and loan associations, homestead associations, and cooperative banks. Insurance is compulsory for all Federal savings and loan associations and optional for other institutions.

If an insured savings and loan association is in default the Corporation may be appointed as conservator or receiver and as such may:

1. Take over the assets and operate the institution.
2. Take action necessary to place it in a sound and solvent condition.
3. Merge it with another insured institution.
4. Organize a new Federal savings and loan association.
5. Liquidate the assets.

Although the Corporation must, in accordance with title IV of the National Housing Act, be appointed as receiver in the event a Federal savings and loan association is placed in liquidation, appointment as receiver of State-chartered associations rests with the State authorities. If the Corporation should not be appointed receiver, it may:

1. Bid for the assets of the association.
2. Negotiate for a merger with another insured association.
3. Make any other disposition deemed advisable.

In order to prevent a default, the Corporation is authorized to make loans to, purchase the assets of, or make contributions to an insured institution.

In the event an insured institution is liquidated, the Corporation must pay insurance up to \$5,000 on each account as provided by title IV of the National Housing Act.

Since the major activities of the Corporation in the past have been in the fields of granting insurance of accounts to eligible institutions, the payment of insurance, the liquidation of Federal associations declared in default, and the rehabilitation of insured institutions through contributions to prevent a default, the estimates for 1947 as reflected in the statement of sources and application of funds (exhibit A) have been restricted to these fields. The assumptions upon which these estimates are based are discussed in the following description of insurance operations.

#### INSURANCE OPERATIONS

1. *Payment of insurance to institutions in liquidation.*—In the event of default of an insured institution, each insured investor has the option under title IV of the National Housing Act, as amended, of either (1) a new account in an insured institution not in default, or (2) 10 percent of his insured account in cash and the balance of 90 percent in negotiable noninterest-bearing debentures, one-half due within 1 year and one-half within 3 years from the date of default.

Since its organization the Corporation has made payment of insurance on seven institutions with 7,705 investors' accounts amounting to \$7,557,214, after eliminating those accounts of investors which were offset against obligations to the institutions. 7,646 of these accounts (or 99.23 percent) with balances of \$6,411,842 (84.84 percent) were fully covered by insurance. The other 59 accounts were partially covered by insurance to the amount of \$295,000. Thus, the total insurance payable on the 7,705 accounts amounted to \$6,706,842 (88.75 percent) of which 7,161 accounts in the amount of \$6,688,424 had been presented and paid, leaving 544 claims of \$18,418 not yet presented as of June 30, 1945.

During 1945, the Corporation paid out \$1,557 on accounts of investors in the seven institutions presented for payment, as reflected in the statement of sources and application of funds (exhibit A). The Corporation was also in the process of liquidating four of these institutions, for which it was receiver, with assets aggregating approximately \$8,668,000 at the time they were placed in liquidation. This function produced liquidating dividends during 1945 on the shares assigned to the Corporation in connection with the payment of insurance in the amount of \$1,002,066, as shown in exhibit A. Although the losses on liquidations are not yet finally determined, it is estimated they will amount to approximately \$643,000 of which \$25,000 has been absorbed, \$615,520 appears as an allowance for losses on subrogated shares in exhibit C as of June 30, 1945, and over \$2,000 in loss will be incurred

if outstanding shares in these institutions are presented for payment of insurance. The fact that no insured institutions were placed in liquidation during 1945 may be primarily attributed to the war period which increased the incomes of a majority of the population.

As the insurance losses of the Corporation depend largely upon the course of economic conditions and the existence of potential hazards, neither of which can be accurately predicted, it is reasonable to assume that some trouble cases will make their appearance during the fiscal year 1947. The Corporation believes that with flexibility of operations the resulting losses can be absorbed without any difficulty and would expect to meet the resulting problems with vigor and dispatch. Delay in meeting these problems promptly could be the cause of a rupture of public confidence by allowing isolated cases of failure to gather momentum of a full depression.

Although it is impossible to predict accurately the number of loss cases to be received during the fiscal years 1946 and 1947, and the manner in which they will be handled, estimates have been made based on certain assumptions. For the purpose of making these assumptions the Corporation used as a basis the losses experienced during the 3 years prior to the war, 1939 to 1941, inclusive. During this period the Corporation was required to assist an average of seven insured institutions a year. Therefore, it was assumed that it might be called upon to handle this number in 1947. Believing that the high incomes of the war period would carry over to some extent in 1946, only five cases were assumed for the current fiscal year. The estimate of seven cases for 1947 was divided into three contributions and four liquidations and the five cases in 1946 into three contributions and two liquidations.

Using the average size of approximately \$2,250,000 of insured institutions as of June 30, 1945, as a base, and assuming that the insured share liability will aggregate approximately 85 percent of the average assets, it is assumed that based upon past experience the Corporation will disburse \$3,418,000 in the payment of insurance on two liquidations in 1946 and \$7,179,000 on four liquidations in 1947. If such disbursements should be made, the Corporation could expect to receive liquidating dividends on shares subrogated to it in the process of paying insurance of \$1,082,000 in 1946 and \$1,440,000 in 1947. The effect of this function may be observed in the statement of sources and application of funds (exhibit A). It is estimated that the assets involved in the institutions placed in liquidation would aggregate in excess of \$15,000,000.

2. *Rehabilitation of insured institutions.*—Of the 38 insured institutions experiencing some difficulty up to June 30, 1945, 7 were placed in liquidation, 3 required no financial assistance and 28 were made whole by contributions under section 406f of the National Housing Act. These 28 institutions required disbursements by the Corporation of \$5,374,125 of which \$183,862 has been recovered, leaving a net loss of \$5,190,263, all of which has been charged against the reserve fund as provided by law. Outstanding commitments for additional payments to these institutions totaled \$54,148 as of June 30, 1945, and are reflected as a liability in exhibit C.

During the fiscal year 1945, the Corporation received one new insurance case which required a contribution of \$50,909, made additional contributions and payments on contingent commitments of \$72,196, or a total of \$123,105. It obtained recoveries aggregating \$41,845 on previous contributions to seven institutions, all of which appear in

the statement of sources and application of funds (exhibit A).

Based upon the assumptions set forth above under payment of insurance, the Corporation may make contributions to three insured institutions in 1946 and three in 1947. Based upon past experience which indicates an average loss of 10 percent on the assets of each insurance case, the Corporation would be required to disburse \$728,000 in 1946, which includes the outstanding commitments of approximately \$54,000 on June 30, 1945, and \$674,000 in 1947. These amounts are reflected as expenditures in exhibit A and as charges to the reserve fund as provided by law in the analysis of surplus reserves in exhibit B.

Although the Corporation is prepared to meet the challenge of the postwar period and is in a position to absorb anticipated losses, it must be recognized that losses are minimized through the ability to move rapidly and select the most advantageous course of action.

Attention should also be called to the fact that there are over 75 insured institutions, each of which has assets in excess of \$10,000,000. The failure of any one of these larger associations would seriously affect the estimates presented in the statement of sources and application of funds (exhibit A). Another factor which may cause the estimates to vary is the use of a 10-percent loss ratio. It should be recognized that the Corporation received the benefit of a rising market during the war period which probably reduced anticipated losses.

Although the experience of the Corporation in handling insured institutions in difficulty has been entirely with liquidations and contributions, it is conceivable that the loss cases assumed for the fiscal year 1947 may be settled through a loan or purchase of assets, if circumstances should warrant.

3. *Income from insurance operations.*—During the war period the Corporation limited its program in keeping with the needs of the emergency period. As a result the growth in membership has not been large during the last 4 years although resources of the insured members have increased substantially. As of June 30, 1945, there were 2,471 insured institutions with assets of approximately \$5,500,000,000, an increase of 21 percent since the beginning of the fiscal year.

Mostly of a mutual type, insured savings and loan associations are developing in stature and now occupy a recognized place in the financial economy. These institutions have increased from an average size of \$520,000 in 1935 to approximately \$2,250,000 as of June 30, 1945. By comparison, commercial banks had an average size of slightly less than \$3,900,000 as of December 31, 1944, if the 288 banks having deposits in excess of \$50,000,000 are omitted from the approximately 13,000 banks insured by the Federal Deposit Insurance Corporation.

The postwar period will present a distinct challenge. New homes should provide much in the way of employment and strengthen the roots of our national stability. To indicate the part which insured savings and loan associations can play in the development of these objectives, more than 1,300,000 families are presently financed through this source representing an amount of more than \$3,400,000,000. Of significance also, approximately 4,250,000 investors have savings in insured associations, with a gross investment of almost \$4,800,000,000.

The continued growth in the size and number of insured institutions has produced a constant increase in the amount of premiums received by the Corporation since 1934. The present annual rate of one-eighth of 1 percent of insured

accounts and creditor obligations has furnished the Corporation with a total income from premiums since organization of over \$29,000,000. Income from invested capital and earnings and other sources has produced an additional income of approximately \$40,000,000. After deduction of operating expenses, earnings have been credited to a reserve for the purpose of absorbing losses as required by title IV of the National Housing Act.

In the fiscal year 1945, income from insurance premiums and admission fees totaled \$5,087,324 and interest earned on investments totaled \$3,549,465. Estimating that the growth in savings in insured institutions during 1946 would be approximately 60 percent of the growth during 1945, the premium income of the Corporation will aggregate around \$5,510,000. Excess funds above the amount needed for projected losses and the payment of insurance will be invested in United States Government obligations or obligations guaranteed as to principal and interest by the United States and will produce an income of approximately \$3,718,000. (See exhibit B.)

For 1947, vigorous effort needs to be resumed in further development of the important savings-and-loan field. Almost 1,200 institutions, which are members of the Federal Home Loan Bank System, have assets of approximately \$1,475,000,000 and still remain uninsured. Insurance among this group should add much to the stability of the financial system, afford expected protection to small investors and accelerate the further development of adequate and economical home financing.

Assuming that the rate of growth of savings in insured institutions would slacken in 1947 but that the aggregate outstanding insured accounts would be increased by the entrance of presently uninsured institutions into membership, the Corporation estimates a premium income of \$5,770,000 in 1947. It is expected that the investment of excess cash, assuming that estimated losses will not be exceeded, should increase the annual interest earned by the Corporation to \$3,810,000. The effect of these estimates on the condition of the Corporation may be observed in exhibits A and B.

#### OPERATING RESULTS

During the fiscal year 1945, the operations of the Corporation resulted in a net income before provisions for reserves of \$8,181,997. In accordance with section 404a of the National Housing Act, all of this income was transferred to reserves. However, since adjustments to reserves because of recoveries on contributions and reductions in previously estimated losses of \$142,015 exceeded actual and estimated losses of \$110,838 incurred during the year, reserves increased \$8,213,174. For the fiscal year 1946, it is estimated that net income will aggregate \$8,661,540, but because of estimated losses, reserves will increase by \$7,650,760. For the fiscal year 1947, net income before provision for losses is estimated at \$8,995,540. Allowing for estimated charges against reserves of \$674,000 for contributions to insured institutions and \$718,000 in estimated losses on subrogated shares, less adjustments of previously estimated losses, the net increase in reserves would amount to \$7,648,000. (See exhibits B and C.)

Legislation pending before the Congress would provide for a reduction in the premium rate from one-eighth of 1 percent to one-twelfth of 1 percent of accounts of insured members and creditor obligations of each insured institution. Should this legislation become law, the Corporation's premium income would be reduced approximately one-third. It is obvious that under such circumstances the estimates for the fiscal year 1947 would be materially altered.

## FINANCIAL CONDITION

*Assets.*—As of June 30, 1945, the assets of the Corporation totaled \$160,262,497, as reflected in exhibit C. The reported value of these assets was determined on an accrual basis with specific reserves for any asset with an actual value below that recorded on the books. Because of the nature of its operations, the assets of the Corporation must be held in a liquid condition. The cash and Government bonds owned by the Corporation amount to 3.6 percent of its potential liability on the insured accounts and creditor obligations of 2,471 member institutions. Relating these conditions to the estimates of possible difficulty, it is obvious that the Corporation should have no trouble in meeting its obligations in the postwar era.

*Investments.*—All funds of the Corporation not necessary for current expenditures are invested in obligations of the United States, or in obligations guaranteed as to interest and principal by the United States, in accordance with section 402d of the National Housing Act. As of June 30, 1945, the Corporation held Government obligations of \$155,483,101 (exhibit C), representing approximately 97 percent of total assets. This not only provides a source of income but makes funds available in a safe and comparatively liquid form for use in the event of emergencies. The market value of these securities as of June 30, 1945, was \$157,915,047. Based upon the assumptions previously made, it is anticipated that the total investments will increase approximately \$6,000,000 in 1946, and \$3,137,000 in 1947.

*Accounts receivable.*—The accounts receivable consist principally of insurance premiums and admission fees due from insured institutions. (See exhibit C.) Annual insurance premiums at the rate of one-eighth of 1 percent of insured accounts and creditor obligations are paid in semiannual installments, one-half at the beginning of each insurance year, and the remaining half 6 months later. As of June 30, 1945, this receivable consisted of \$14,712 in premiums due and payable as of that date and \$1,391,002 which became due during the 6 months' period ending December 31, 1945, plus admission fees of \$129. In accordance with section 403d of the National Housing Act, each institution approved for insurance after the first year of operation of the Corporation pays an admission fee consistent with the reserve fund of the Corporation. The present rate is 4 cents per \$100 of the total amount of all accounts of the insured members plus creditor obligations.

*Subrogated accounts.*—Title IV of the National Housing Act provides that the surrender and transfer to the Corporation through payment of insurance of an insured account in an association in default shall subrogate the Corporation with respect to such account. To June 30, 1945, the Corporation has been subrogated to accounts aggregating \$6,688,424, of which \$25,040 has been charged off and \$4,494,335 received in liquidating dividends, leaving a balance of \$2,169,049 as reflected by exhibit C. The allowance for losses on subrogated accounts in the amount of \$615,520 as of June 30, 1945, represents an estimate of the ultimate loss on subrogated accounts still on the books, based upon the total estimated capital losses at the time of default plus or minus any estimated profit or loss.

*Liabilities.*—The Corporation has no outstanding obligations except current liabilities. The undisbursed commitments for contributions to insured institutions reported in exhibit C as of June 30, 1945, were charged

against reserves at the time a contribution was approved and will be disbursed upon the establishment of losses and expenses incurred by an insured institution in connection with the disposition of certain slow assets.

*Deferred income.*—Premiums billed to insured institutions are credited to a deferred income account and are taken into earnings over the insurance year of each institution.

*Reserve fund as provided by law.*—As of June 30, 1945, the legal reserve of the Corporation amounted to \$27,492,780, while the 5-percent reserve of all insured accounts and creditor obligations of all insured institutions, as specified by section 404a of title IV of the National Housing Act, amounted to \$240,864,250. The amount of this potential liability on 2,471 insured institutions is \$4,817,285,000. Therefore, for each dollar of capital and total reserves the Corporation has a potential liability of \$30.58.

In considering these facts relating to the liability of the Insurance Corporation, it is important to make reference to the financial position of insured members. With cash and Government bonds equal to approximately 40 percent of their savings accounts and creditor obligations, and combined reserves and undivided profits of 10.4 percent of all their mortgage loans, it is clear that the over-all picture gives evidence of being basically sound. (See exhibit C.)

On the negative side, there is probably larger risk in the mortgage loan portfolios of insured institutions today as compared with that of the prewar period. While it is difficult to measure the risk, the Corporation recognizes that there are some associations which have financial positions of less than average strength. Therefore, a policy of preparedness and a condition of flexibility are essential if the Corporation is to fulfill its function of helping to stabilize the financial economy.

*Special reserve for contingencies.*—This reserve which amounted to \$30,000,000 on June 30, 1945, is equivalent to the unpaid cumulative dividends on the capital stock of the Corporation since June 30, 1935, which stock is held by the Home Owners' Loan Corporation. Legislation is now pending before the Congress which would provide for a reduction in the present 3 percent dividend rate after June 30, 1945, to the average interest rate on the bonds of the Home Owners' Loan Corporation outstanding during the period with respect to which the dividends are paid or accumulate. If no dividends are paid, this reserve would amount to \$36,000,000 as of June 30, 1947 (exhibit C).

## BOND AUTHORIZATION

Although the Corporation has authority to borrow money as previously described, the projected program for 1947, as presented in exhibit A, does not include the issuance of any obligations. However, in the event an economic crisis of sufficient magnitude should develop in the future, the Corporation may find it necessary to issue obligations for the purpose of providing sufficient funds to meet its insurance liability. Under present authority securities must be sold in the private market which, in a period of stress, may not offer favorable opportunities for the sale of such obligations. Considering these long-term contingencies and recognizing the importance of the public interest, it would seem that the Corporation should have the right to sell debentures to the Treasury in times of emergency. Legislation is now pending before the Congress which would provide this authority.

## ADMINISTRATIVE EXPENSES

This expense covers the general supervisory staff engaged in over-all supervision of the programs carried on by the Corporation. It does not include expenses in connection with liquidation of insured institutions, liquidation or handling of assets of or derived from insured institutions, payment of insurance, and action for or toward avoidance, termination, or minimizing of losses. During the war period the Corporation necessarily and quite properly operated on a minimum basis. During the fiscal year 1945, the administrative staff expended 42.8 man-years of personal service, which, with other related costs of administration, resulted in a total expenditure of \$418,357. Now there is need for the Corporation to discharge its full public trust by developing its functions for the promotion of thrift and encouragement of economical home financing, both of which are of major importance in our present economy. In 1946 much headway is being made in catching up the slack of the war period.

For the fiscal year 1946, the Corporation estimates expenditures of \$531,000 for administrative expenses. The

authorizing language implementing the Corporation's budget for the fiscal year 1947 includes a limitation of \$532,000 for administrative expenses.

## LANGUAGE

*The types of programs set forth in the 1947 budget of the Federal Savings and Loan Insurance Corporation, within the funds available to it, are approved, including the use of services and facilities of the Federal home-loan banks, Federal Reserve banks, and agencies of the Government, including the Federal Home Loan Bank Administration and the Home Owners' Loan Corporation: Provided, That not to exceed \$532,000 of such funds shall be available for administrative expenses (as shown in its statement of income and expenses), which shall be on an accrual basis and shall be exclusive of interest paid, depreciation, properly capitalized expenditures, and expenses in connection with liquidation of insured institutions, liquidation or handling of assets of or derived from insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of specific insured institutions: Provided further, That notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of said Corporation shall be incurred, allowed, and paid in accordance with title IV of the Act of June 27, 1934, as amended (12 U. S. C. 1724-1730). (Act of Dec. 6, 1945, Public Law 248.)*

## EXHIBIT A

## COMPARATIVE STATEMENT OF SOURCES AND APPLICATION OF FUNDS

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>FUNDS APPLIED</b>			
<b>To insurance operations:</b>			
Payment of insurance claims.....	\$1,557	\$3,418,000	\$7,179,000
Rehabilitation of insured institutions.....	123,105	728,000	674,000
	\$124,662	\$4,146,000	\$7,853,000
<b>To purchase of investments: Government securities.....</b>	10,300,693	7,500,000	9,000,000
<b>To operating expenses:<sup>1</sup></b>			
Administrative expenses.....	418,357	531,000	532,000
Liquidation and other expenses.....	32,010	35,400	51,000
	450,367	566,400	583,000
<b>To purchase furniture, fixtures, and equipment.....</b>		600	2,000
<b>To increase (or decrease*) working capital (see schedule A-1).....</b>	420,553	*402,460	*554,460
<b>Total funds applied.....</b>	11,301,623	11,810,540	16,883,540
<b>FUNDS PROVIDED</b>			
<b>By recoveries on insurance operations:</b>			
Liquidating dividends on subrogated shares.....	1,002,066	1,082,000	1,440,000
Recoveries on contributions to insured institutions.....	41,845		
	1,043,911	1,082,000	1,440,000
<b>By sale of investments: Government securities.....</b>	1,620,000	1,500,000	5,863,000
<b>By operating income:</b>			
Insurance premiums and admission fees earned.....	5,087,324	5,510,000	5,770,000
Interest earned on U. S. Government securities.....	3,549,465	3,718,000	3,810,000
Miscellaneous income.....	251	40	40
	8,637,040	9,228,040	9,580,040
<b>By nonoperating income: Adjustment of net income for prior years.....</b>	672	500	500
<b>Total funds provided.....</b>	11,301,623	11,810,540	16,883,540

\*Deduct.

<sup>1</sup> Excludes expenses which do not require funds during current year (see exhibit B).

## FEDERAL HOME LOAN BANK ADMINISTRATION

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**EXHIBIT B**  
**COMPARATIVE STATEMENT OF INCOME AND EXPENSES**

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>Operating income:</b>			
Insurance premiums and admission fees earned.....	\$5,087,324	\$5,510,000	\$5,770,000
Interest earned on investments.....	3,549,465	3,718,000	3,810,000
Miscellaneous income.....	251	40	40
Total operating income.....	8,637,040	9,228,040	9,580,040
<b>Operating expenses:</b>			
Administrative expenses (see schedule B-1).....	418,357	531,000	532,000
Liquidation and other expenses.....	32,010	35,400	51,000
Depreciation of furniture, fixtures, and equipment.....	5,348	600	2,000
Total operating expenses.....	455,715	567,000	585,000
Net operating income.....	8,181,325	8,661,040	8,995,040
<b>Nonoperating income (and expenses*): Adjustment of net income for prior years.....</b>	672	500	500
Net income before provisions for reserves.....	8,181,997	8,661,540	8,995,540

**ANALYSIS OF SURPLUS RESERVES**

<b>RESERVE FUND AS PROVIDED BY LAW</b>			
Balance at beginning of fiscal year.....	\$22,279,606	\$27,493,000	\$32,144,000
Add:			
Recoveries on contributions to insured institutions.....	41,845		
Allocation of net income for fiscal year.....	5,181,997	5,661,540	5,995,540
Adjustment of allowance for losses on subrogated shares.....	86,607	5,000	44,000
Adjustment of undisbursed commitments for contributions.....	13,563		
	27,603,618	33,159,540	38,183,540
Deduct:			
Approved contributions to insured institutions.....	110,550	674,000	674,000
Allowance for losses on subrogated shares.....	288	342,000	718,000
Balance at close of fiscal year.....	27,492,780	32,143,540	36,791,540
<b>SPECIAL RESERVE FOR CONTINGENCIES</b>			
Balance at beginning of fiscal year.....	27,000,000	30,000,000	33,000,000
Add: Allocation of net income for fiscal year.....	3,000,000	3,000,000	3,000,000
Balance at close of fiscal year.....	30,000,000	33,000,000	36,000,000
Total surplus reserves at close of fiscal year.....	57,492,780	65,143,540	72,791,540

\*Deduct.

**EXHIBIT C**  
**COMPARATIVE STATEMENT OF FINANCIAL CONDITION**

[As of June 30, 1944, 1945, 1946, and 1947]

	June 30, 1944, actual	June 30, 1945, actual	June 30, 1946, estimated	June 30, 1947, estimated
<b>ASSETS</b>				
<b>Cash:</b> With U. S. Treasury.....	\$1,000,372	\$1,643,643	\$1,444,539	\$1,097,039
<b>Investments:</b> U. S. Government obligations and securities fully guaranteed by United States.....	146,802,408	155,483,101	161,482,500	164,619,500
<b>Accounts receivable:</b>				
Insurance premiums and admission fees.....	1,177,035	1,405,843	1,667,500	2,188,500
Due from receiver for institutions in liquidation.....	1,652	1,771	500	1,500
Miscellaneous.....	346	11,574	10,000	10,000
Total accounts receivable.....	1,179,033	1,419,188	1,678,000	2,200,000
<b>Accrued interest receivable:</b> Accrued interest on investments.....	181,978	163,035	162,500	162,500
<b>Acquired security:</b>				
Subrogated accounts in institutions in liquidation.....	3,169,558	2,169,049	4,500,000	10,130,000
Less: Allowance for losses (see schedule C-1).....	701,839	615,520	946,000	1,511,000
2,467,719	1,553,529	3,554,000	8,619,000	
<b>Furniture, fixtures, and equipment:</b>				
Furniture, fixtures, and equipment.....	11,506	16,854	17,454	19,454
Less: Reserve for depreciation.....	11,505	16,853	17,453	19,453
1	1	1	1	
Total assets.....	151,631,511	160,262,497	168,321,540	176,698,040
<b>LIABILITIES</b>				
<b>Accounts payable:</b> .....	21,694	10,775	10,000	10,000
<b>Accrued liabilities:</b> Salaries and current expenses.....		34,536	30,000	29,500
<b>Funds held in trust for employees:</b> .....	9,742	8,096	8,000	10,000
<b>Undisbursed commitments for contributions to insured institutions:</b> .....	80,266	54,148		
<b>Deferred income:</b> Unearned insurance premiums.....	2,240,203	2,662,162	3,130,000	3,857,000
Total liabilities.....	2,351,905	2,769,717	3,178,000	3,906,500
<b>CAPITAL</b>				
<b>Capital stock:</b> .....	100,000,000	100,000,000	100,000,000	100,000,000
<b>Surplus Reserves:</b>				
Reserve fund as provided by law.....	22,279,606	27,492,780	32,143,540	36,791,540
Special reserve for contingencies.....	27,000,000	30,000,000	33,000,000	36,000,000
Total surplus reserves.....	49,279,606	57,492,780	65,143,540	72,791,540
Total liabilities and capital.....	151,631,511	160,262,497	168,321,540	176,698,040

**SCHEDULE A-1**

**CHANGES IN WORKING CAPITAL**

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>Current assets (increase or decrease*):</b>			
Cash: With U. S. Treasury.....	\$643,271	*\$199,000	*\$347,500
<b>Accounts receivable:</b>			
Insurance premiums and admission fees.....	228,808	262,000	521,000
Due from receiver for institutions in liquidation.....	119	*1,000	540
Miscellaneous.....	11,228	*1,600	
Accrued interest receivable: Accrued interest on investments.....	*18,943	*500	
<b>Current liabilities (increase* or decrease):</b>			
Accounts payable.....	10,919	540	
Accrued liabilities.....	*34,536	5,000	500
Funds held in trust for employees.....	1,646	100	*2,000
Deferred income.....	*421,959	*468,000	*727,000
Increase in working capital.....	420,553		
Decrease in working capital.....		402,460	554,460

\*Deduct.

FEDERAL HOME LOAN BANK ADMINISTRATION

SCHEDULE B-1

ADMINISTRATIVE EXPENSES

[Fiscal years ending June 30, 1945, 1946, and 1947]

By accounts	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES</b>	<b>Man-years Amount</b>	<b>Man-years Amount</b>	<b>Man-years Amount</b>
General manager	1.2 \$9,505	1 \$10,000	1 \$10,000
Acting general manager	0.1 185		
Deputy general manager	0.7 4,896	1 9,275	1 9,275
Assistant general managers	2 14,000	2 15,925	3 23,100
Comptroller	1 6,200	1 7,175	1 7,175
Associate general counsel	1 7,169	1 8,750	1 8,750
General manager's office	4 7,425	6 16,714	6 17,132
Division of underwriting and rehabilitation:			
Home office	6.6 21,508	10 34,925	10 35,226
Field	1.3 2,963	1 1,902	3 10,244
Division of claims and adjustments	2 4,115	3 6,762	4 9,083
Division of liquidations and recoveries	4.3 15,082	8 32,624	8 32,576
Division of analysis and reporting	2.8 6,073	5 12,691	5 16,044
Comptroller's division	10.1 26,141	15 47,752	16 49,742
Legal department	5.7 12,921	7 21,202	7 22,114
Total	42.8 138,183	61 225,697	66 250,441
Overtime pay	21,282	2,650	
Total (see schedule B-2)	42.8 159,465	61 228,347	66 250,441
<b>OTHER EXPENSES</b>			
Travel	2,536	6,000	10,000
Transportation of things	3	705	500
Communication services	4,197	4,552	4,600
Penalty mail	1,102	1,072	900
Rents and utility services	23,682	26,285	28,060
Printing and binding	685	2,500	2,500
Miscellaneous expenses	3,575	5,576	6,338
Supplies and materials	742	850	850
Payment for services received:			
General Accounting Office: For audit of accounts		5,000	5,000
Federal Home Loan Bank System: For supervision of insured institutions	129,644	155,255	132,388
Administrative Department, Federal Home Loan Bank Administration: For services of administrative staff	81,795	82,774	85,176
Home Owners' Loan Corporation: For personnel services	4,682	4,099	
Office of the Administrator, National Housing Agency: For administrative and supervisory services	16,249	7,925	5,307
Total administrative expenses	418,357	531,000	532,000

<sup>1</sup> Adjusted to \$6,211; refund of \$38, received by the corporation during fiscal year 1946, has been credited to its reserve fund as provided by law.

SCHEDULE B-2

PERSONAL SERVICES

[Fiscal years ending June 30, 1945, 1946, and 1947]

By grades	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL</b>	<b>Man-years Amount</b>	<b>Man-years Amount</b>	<b>Man-years Amount</b>
Clerical, administrative, and fiscal service:			
Grade 16. In excess of \$9,800:			
General manager	0.1 \$111	1 \$10,000	1 \$10,000
Grade 15. Range \$8,750 to \$9,800:			
Deputy general manager	0.1 94	1 9,275	1 9,275
Grade 14. Range \$7,175 to \$8,225:			
Assistant general manager	2 14,000	2 15,926	2 15,926
Comptroller	0.6 4,333	1 7,175	1 7,175
Grade 13. Range \$6,230 to \$7,070:			
Assistant general manager	0.1 70	1.9 12,821	2 13,300
Principal field representative		1.2 7,476	1 6,230
Special representative		1 6,230	2 12,460
Deputy comptroller, disbursing officer	0.6 3,733	1 6,230	1 6,230
Comptroller	0.4 1,867		
Acting assistant general manager		0.9 5,751	

By grades	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL—CON.</b>	<b>Man-years Amount</b>	<b>Man-years Amount</b>	<b>Man-years Amount</b>
Clerical, administrative, and fiscal service—Continued			
Grade 12. Range \$5,180 to \$6,020:			
Administrative assistant		1 \$5,180	2 \$10,360
Principal examiner, field representative		1 5,180	1 5,180
Liquidator at large		1 5,180	1 5,180
Real estate adviser	0.3 \$1,458	0.1 447	
Special representative	1 5,150	0.1 447	
Senior field representative	0.4 1,996		
Principal field representative	0.4 1,917		
Assistant comptroller, disbursing officer	0.4 1,533		
Grade 11. Range \$4,300 to \$5,180:			
Chief, receivership accounting and share settlement section		1 4,520	1 4,520
Assistant to the comptroller		1 4,300	1 4,300
Chief, accounting and fiscal operations and deputy fiscal officer	0.2 792	1 4,300	1 4,300
Liquidator at large	1.1 4,633		
Administrative assistant	0.6 2,217		
Grade 10. Range \$3,970 to \$4,630:			
Associate administrative analyst			1 3,970
Chief, administrative accounts section and deputy disbursing officer	0.3 1,021		
Acting chief, administrative accounts section and deputy disbursing officer	0.5 1,750		
Grade 9. Range \$3,640 to \$4,300:			
Assistant chief, receivership accounting and share settlement section		1 3,750	1 3,750
Assistant chief, accounting and fiscal operations section	0.7 2,267	1 3,640	1 3,640
Examiner			1 3,640
Associate administrative analyst	0.6 1,947	1 3,640	
Grade 8. Range \$3,310 to \$3,970	0.3 846		
Grade 7. Range \$2,980 to \$3,640	1 2,789	3 9,160	3 8,940
Grade 6. Range \$2,650 to \$3,310	3.4 7,767	4 10,963	6 16,230
Grade 5. Range \$2,320 to \$2,980	4.8 10,125	9 21,430	8 18,890
Grade 4. Range \$2,100 to \$2,360	8 14,650	11.4 24,804	13 27,696
Grade 3. Range \$1,902 to \$2,298	3.5 6,283	9 17,472	7 13,380
Grade 2. Range \$1,704 to \$2,100	0.6 940		
Professional service:			
Grade 8. Range \$8,750 to \$9,800:			
Associate general counsel	0.1 89	1 8,750	1 8,750
Grade 4. Range \$4,300 to \$5,180:			
Attorney		1.6 7,892	2 9,700
Grade 1. Range \$2,320 to \$2,980:			
Executive order grades:		0.8 1,856	
Grade 19. Rate over \$8,000:			
General manager	1.1 9,394		
Acting general manager	0.1 185		
Deputy general manager	0.2 1,676		
Grade 18. Rate of \$8,000:			
Deputy general manager	0.4 3,125		
Associate general counsel	1 7,169		
Grade 17. Rate of \$6,800:			
Assistant to the general manager	1 6,550		
Grade 13. Rate of \$4,000:			
Attorney	0.6 2,461		
Grade 11. Rate of \$3,200	0.1 267		
Grade 8. Rate of \$2,300	2 4,600		
Grade 7. Rate of \$2,600	2.3 4,405		
Grade 6. Rate of \$1,800	0.6 1,010		
Total permanent, departmental	41.5 135,220	60 223,795	63 240,197
Overtime pay, departmental	20,696	2,650	
All personal services, departmental	41.5 155,916	60 226,445	63 240,197
<b>PERSONAL SERVICES, FIELD</b>			
Clerical, administrative, and fiscal service:			
Grade 13. Range \$6,230 to \$7,070:			
Principal field representative			1 6,440
Grade 9. Range \$3,640 to \$4,300:			
Associate field representative	0.5 1,748		
Grade 3. Range \$1,902 to \$2,298	0.8 1,215	1 1,902	2 3,804
Total permanent, field	1.3 2,963	1 1,902	3 10,244
Overtime pay, field	586		
All personal services, field	1.3 3,549	1 1,902	3 10,244
Personal services (net)	42.8 159,465	61 228,347	66 250,441

## SCHEDULE C-1

## ALLOWANCE FOR LOSSES ON SUBROGATED SHARES

[Fiscal years 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
At beginning of fiscal year.....	\$701,839	\$615,500	\$946,000
Reductions:			
Transferred to reserve fund as provided by law.....	86,607	5,000	44,000
Subrogated shares written off.....		6,500	109,000
Addition: Estimated losses on shares subrogated during the year.....	288	342,000	718,000
At close of fiscal year.....	615,520	946,000	1,511,000

## HOME OWNERS' LOAN CORPORATION

## CREATION AND PURPOSE

The Home Owners' Loan Corporation was established under the act of June 13, 1933 (48 Stat. 128), as an emergency instrumentality of the Federal Government for the purpose of refinancing the mortgages of distressed urban home owners and to stem the flood of foreclosures resulting from the unprecedented economic collapse of the early thirties. In 1933, hundreds of thousands of home mortgages were in default. Home owners throughout the country had already lost their properties through foreclosure, or were in imminent danger of doing so. Financial institutions were threatened with irreparable losses and deflation was rapidly destroying all property values. As a result, Congress created the Home Owners' Loan Corporation and charged it with the responsibility of taking over mortgages on small nonfarm homes, the owners of which were in actual default and who could not otherwise escape foreclosure.

The authority of the Corporation to acquire mortgages of distressed home owners and other obligations and liens secured by real estate in exchange for cash or bonds of the Corporation expired June 12, 1936. Since that time the principal function of the Corporation has been to service the loans and to take over properties where necessary and dispose of them to the best interests of the Corporation. Through this process the Corporation is and has been proceeding with a rapid and orderly liquidation of its assets. Its objectives are to assist as many borrowers as possible to preserve and ultimately own their homes free and clear of debt and to conclude its operations, if possible, without loss to the Federal Government and the taxpayers.

Originally the Corporation was under the direction of a board of directors, the membership of which was identical to the Federal Home Loan Bank Board. As a result of reorganization plan No. 1, which took effect on July 1, 1939, the Corporation was grouped with other organizations under the Federal Loan Agency. On February 24, 1942, under terms of Executive Order 9070, the Board was vacated and all of its duties, powers, and functions were transferred to the Federal Home Loan Bank Administration under the direction of a single commissioner and was made one of the three constituent units of the National Housing Agency. In this reorganization the corporate entity remained intact and its functions and purposes continued without change.

## FINANCIAL ORGANIZATION

All activities of the Corporation from its inception to date have been financed from funds received from the following sources: (a) Sale of capital stock, (b) issuance of bonds, and (c) income received from its operations.

The Corporation's authorized capital, as provided for in section 4b of the Home Owners' Loan Act of 1933, amounted to \$200,000,000. The total amount was subscribed and paid for by the Secretary of the Treasury. Under the terms of the original act, bonds, guaranteed as to interest only by the Federal Government, were authorized for issue in an aggregate amount of \$2,000,000,000. By an amendment approved April 27, 1934

(48 Stat. 643), bonds of the Corporation were guaranteed by the Federal Government both as to principal and interest. A subsequent amendment contained in title V of the National Housing Act, approved June 27, 1934 (48 Stat. 1246), increased the authorized issue of bonds to \$3,000,000,000, exclusive of certain bonds issued for refunding purposes. By a further amendment in the act of May 28, 1935 (49 Stat. 293), the authorized issue was further increased to \$4,750,000,000, exclusive of certain bonds issued for refunding purposes.

Of the total amount authorized, \$2,688,215,850 was exchanged for mortgages, \$100,000,000 was invested in the capital stock of the Federal Savings and Loan Insurance Corporation under authority of an act of Congress (48 Stat. 1246), and \$701,237,700 was sold to provide capital, making a total of \$3,489,453,550 of bonds issued for value. As of June 30, 1945, there remained a balance of \$1,260,546,450 available for issue.

## ANALYSIS OF BUDGET PROGRAM BY MAJOR ACTIVITIES

In appraising the budgetary requirements of the Corporation for the fiscal year 1947, it is necessary to recognize that the level of its activities depends largely upon economic conditions and the extent to which changes which may occur will affect the Corporation's activities presently restricted to realization and liquidation. For this reason, it is necessary to make certain assumptions with respect to conditions during the fiscal year 1947 as a basis of projecting the activities for this period. These assumptions are discussed below in connection with the respective programs.

The level at which these activities were carried on during the fiscal year 1945 and the projected level for the fiscal years 1946 and 1947 are shown in the statement of sources and application of funds in the financial statement immediately following the narrative. (See exhibit A.)

*Mortgage loans and vendee accounts.*—Mortgage loans are original loans made by the Corporation during its lending period from June 13, 1933, through June 12, 1936. Vendee accounts are represented by sale of the Corporation-owned properties acquired through foreclosure.

The Corporation has taken full advantage of the improved economic conditions prevailing by encouraging its borrowers:

1. To pay off their indebtedness to the Corporation in full and become the owners of their homes free of debt.
2. To pay more each month on their loan accounts than is called for under their contractual obligations and thus build up in good times a substantial equity to serve as a bulwark against subsequent periods of unemployment or depression.

During the fiscal year 1945, a total of 93,378 original loans and 19,166 vendee accounts amounting to \$325,208,287 were paid in full. Based on the experience of prior years, it is estimated that during the fiscal year 1946, 93,695 loans, both original and vendee, will be paid in full. During the year 1947, it is estimated that 90,000 loans, both original and vendee, will be paid in full. During the fiscal year 1945, \$45,004,797 was collected from borrowers in excess of their contractual obligations, exclusive of loans paid in full.

It is essentially the duty and responsibility of the Corporation's borrowers to pay their own taxes, insurance, and the cost of repairs. The establishment of the tax and insurance account for the convenience of many of its borrowers whereby they include with their monthly payments an amount equal to  $\frac{1}{12}$  of their annual taxes and  $\frac{1}{36}$  of a 3-year insurance premium has materially assisted them in discharging this obligation without undue burden. In order to protect its interest the Corporation must pay the taxes and insurance for those borrowers who have not availed themselves of the advantages of establishing a tax and insurance account and are financially unable to meet such payments when due. It is also required to make necessary repairs for those borrowers who are financially unable to do so themselves. During the fiscal year 1945, \$1,477,065 was paid and charged to the borrowers' accounts as advances. Based on the record of past experience and predicated upon the continuation of the same conditions, it is estimated that during the fiscal year 1946 it will be required to pay \$1,310,000. During the fiscal year 1947, it is estimated that it will be required to advance \$1,210,000. (See exhibit A.)

After acquisition of property by the Corporation, it is generally necessary to make certain expenditures to put the property in condition for sale. Such expenditures are capitalized. During the fiscal year 1946, the number of properties owned will be materially reduced and it is estimated that \$37,000 will be required for property expenditures. During the fiscal year 1947, based on a further reduction of the number of properties owned, it is estimated that \$30,000 will be required. (See exhibit A.)

Foreclosure costs which, like property expenditures, are capitalized amounted to \$158,707 during the fiscal year 1945. For the fiscal year 1946, it is estimated that \$135,000 will be required and for the fiscal year 1947, \$115,000 will be required. The estimates here presented are calculated on the basis of the reduced number of loans outstanding. Consideration has also been given to the increasing equity of the borrowers in their homes. (See exhibit A.)

Section 4k of the act, as amended, provides that all payments upon the principal of the loans made by the Corporation shall under regulations made by the Corporation be applied to the retirement of bonds of the Corporation. Certain other receipts, such as amounts received by the Corporation from the repurchase of shares purchased by the Corporation in savings and loan associations, are also applied to the retirement of bonds of the Corporation.

During fiscal year 1945, \$324,018,000 was applied to the retirement of bonds held by the United States Treasury, and \$803,045,975 was applied to the retirement of bonds held by the public. During the fiscal year 1946, it is estimated that \$247,982,000 will be applied to the retirement of bonds held by the Treasury, and \$9,000,000 will be applied against the bonds held by the public. During the fiscal year 1947, it is estimated that the sum of \$180,000,000 will be applied against the retirement of bonds held by the United States Treasury, and \$1,000,000 will be applied against bonds held by the public. The bonds of the Corporation now held by the public represent issues which have matured and which it is anticipated will be presented for payment during the fiscal years stated. (See exhibit A.)

Repayments of principal of loans outstanding, both mortgage loans and vendee accounts, during the fiscal year 1945, amounted to \$272,530,818. For the fiscal year 1946, it is estimated that such repayments will amount to \$209,485,000. For the fiscal year 1947, it is

estimated that repayments of principal of loans outstanding, both mortgage loans and vendee accounts, will amount to \$155,815,000. (See exhibit A.)

*Properties.*—During the past fiscal year the Corporation disposed of 4,991 properties for which it received \$19,871,703, of which \$17,463,930 was represented by purchase money obligations acquired and \$2,407,773 was represented by cash. These properties were carried on the books of the Corporation at a capitalized value of \$33,680,652. The number of properties remaining on hand totaled 901. During the fiscal year 1946 it is estimated that the number of properties on hand and in process of acquiring title will increase by 120 new acquisitions and decrease by an estimated 781 sales, leaving on hand and in process as of June 30, 1946, 240 properties. It is estimated that the Corporation will receive \$2,274,000 for the estimated 781 sales, of which \$1,650,000 will be represented by purchase money obligations acquired and \$624,000 will be represented by cash. During the fiscal year 1947 it is estimated that the 240 properties on hand and in process at the beginning of the year will increase by 100 new acquisitions and decrease by an estimated 250 sales, leaving on hand and in process as of June 30, 1947, 90 properties. It is estimated that the Corporation will receive \$640,000 for the estimated 250 sales, of which \$485,000 will be represented by purchase money obligations acquired and \$155,000 will be represented by cash. (See exhibit A.)

These estimates, as previously stated, have been predicated upon a continuance of favorable economic conditions. It is obvious that any adverse change in the general economic level will materially affect the estimates now submitted for the fiscal year 1947.

#### OPERATING RESULTS

During the fiscal year 1945, the operations of the Corporation resulted in a net income of \$27,997,750, after provision for all losses and adjustment of reserves. Due to the normal liquidation of the Corporation's assets, it is but natural to anticipate that its net income will be proportionately less each year. For the fiscal year 1946, it is estimated that the net income will amount to \$23,940,000. For the fiscal year 1947, it is estimated that the operations of the Corporation will result in a net income of \$17,760,000. The anticipated net income for the fiscal years 1946 and 1947 will decrease the Corporation's deficit from \$106,088,580 as of June 30, 1945, to \$64,389,000 as of June 30, 1947. (See exhibits B and C.)

#### FINANCIAL CONDITION

As previously stated, the establishment of the tax and insurance account is for the convenience of the Corporation's borrowers. Amounts paid in by borrowers are credited to their respective tax and insurance accounts and allowed to accumulate until payments therefrom become due. As of June 30, 1945, the sum of \$23,195,169 was on deposit by borrowers for this purpose. As of June 30, 1946, it is estimated that the sum of \$22,000,000 will be on deposit. As of June 30, 1947, it is estimated that the sum of \$20,000,000 will be on deposit for the payment of taxes and insurance. A portion of these funds which would otherwise remain idle pending the payment of taxes and/or insurance have been utilized by purchasing short-term investments in United States Government securities. On June 30, 1945, this investment amounted to \$15,000,000. It is estimated that the same amount will

remain invested at the end of the fiscal years 1946 and 1947. (See exhibit C.)

Section 4n of the Home Owners' Loan Act of 1933, as added by the act of May 28, 1935 (49 Stat. 293), authorizes the Home Owners' Loan Corporation to make certain investments, including investments in both Federal and State-chartered savings and loan associations. On June 30, 1945, investments in these associations amounted to \$26,232,950. During the fiscal year 1946, it is estimated that repurchases of shares by these associations will reduce the amount of this investment to \$18,233,000. During the fiscal year 1947, it is estimated that further repurchases by these associations will reduce the amount of this investment at June 30, 1947, to \$14,333,000. (See exhibit C.)

*Mortgage loans and vendee accounts.*—On June 30, 1945, there were 532,495 mortgage loans and vendee accounts outstanding, amounting to \$964,615,333. Of this number, 11,405 were delinquent in their payments to the extent of 3 months or more. As of June 30, 1946, it is estimated that the number of outstanding accounts will be reduced to 432,990, amounting to \$757,698,000. At the end of the fiscal year 1947, it is estimated that the number of outstanding accounts will aggregate 343,090, amounting to \$603,263,000. The above figures represent the value of the outstanding accounts before the application of reserve for losses. (See exhibit C.)

*Acquired security.*—As of June 30, 1945, there were 901 properties owned and in process of acquiring title having a capitalized value of \$4,611,883. Depending largely upon a continuation of favorable economic conditions during the fiscal years 1946 and 1947, it is estimated that there will be as of June 30, 1946, a total of 240 properties having a capitalized value of \$1,136,000. On June 30, 1947, it is estimated that there will be 90 properties owned and in process of acquisition having a capitalized value of \$391,000. (See exhibit C.)

*Interagency proprietary interests.*—Section 402b of the National Housing Act, approved June 27, 1934 (48 Stat. 1246), authorized and directed the Corporation to subscribe for the total amount of the capital stock of the Federal Savings and Loan Insurance Corporation. Pursuant thereto, the Corporation invested the sum of \$100,000,000. It is anticipated that there will be no change in this proprietary interest in 1946 or 1947. (See exhibit C.)

*Bonds outstanding.*—Of the total amount of bonds issued for value, there remained outstanding as of June 30, 1945, \$1,026,239,700 of which \$1,009,982,000 was held by the United States Treasury, and \$16,257,700, representing matured issues not yet presented for retirement, was held by the public. Because of the liquidating operation of the Corporation, it is not contemplated that it will increase its outstanding bonds during the fiscal years 1946 or 1947. On the contrary, it is estimated that as of June

30, 1946, the total amount of bonds outstanding will be \$769,258,000. As of June 30, 1947, it is estimated that a total of \$588,258,000 will be outstanding. (See exhibit C.)

*Return of capital funds to the Treasury.*—On June 30, 1945, the Corporation's deficit amounted to \$106,088,580. By the application of net income after provision for losses, it is estimated that this deficit will be reduced to \$82,149,000 as of June 30, 1946. It is estimated that this deficit will be further reduced to \$64,389,000 as of June 30, 1947. Under the above stated circumstances, the Corporation does not contemplate the return of any capital in 1946 or 1947. Moreover, since practically all of its acquired properties have now been disposed of, the major portion of its net income will continue to be applied against its deficit. For this reason, it does not recommend that its actual or estimated impairment of capital be restored by the use of Treasury funds. (See exhibit C.)

#### ADMINISTRATIVE EXPENSES

This expense covers the general supervisory staff engaged in over-all supervision of the programs carried on by the Corporation. It does not include expenses (including services performed on a force account, contract, or fee basis, but not including other personal services) in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to the Corporation, or in which it has an interest, or legal fees and expenses.

During the fiscal year 1945, the administrative staff expended 2,021.5 man-years of personal service which with other related costs of administration resulted in the total expenditure of \$6,944,556. The liquidation of the Corporation's assets permits a reduction in its supervisory staff during the fiscal year 1946 to an estimated 1,565.7 man-years, and a further reduction to an estimated 1,390 man-years for the fiscal year 1947 which with other related costs of administration will amount to \$5,179,000. For further details see statement of income and expenses (exhibit B).

#### LANGUAGE

*The types of programs set forth in the 1947 budget of the Home Owners' Loan Corporation, within the funds available to it, are approved, including the use of services and facilities of the Federal home loan banks, Federal Reserve banks, and agencies of the Government, including the Federal Home Loan Bank Administration and the Federal Savings and Loan Insurance Corporation: Provided, That not to exceed \$5,179,000 of such funds shall be available for administrative expenses (as shown in its statement of income and expenses) which shall be classified as such in a manner consistent with prior years and shall be on an accrual basis, and shall be exclusive of interest paid, depreciation, and properly capitalized expenditures: Provided further, That notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of said Corporation shall be incurred, allowed, and paid in accordance with the Home Owners' Loan Act of 1933, as amended (12 U. S. C. 1461-1468). (Act of Dec. 6, 1945, Public Law 248.)*

**EXHIBIT A**  
**COMPARATIVE STATEMENT OF SOURCES AND APPLICATION OF FUNDS**

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>FUNDS APPLIED</b>			
To protect Corporation's interest in loans and vendee accounts: Advances for taxes, insurance, repairs, etc.....	\$1,477,065	\$1,310,000	\$1,210,000
To protect Corporation's interest in acquired security: Property expenditures capitalized.....	117,272	37,000	30,000
To acquire property securing defaulted loans: Foreclosure costs capitalized.....	158,707	135,000	115,000
To retire outstanding bonds payable:			
Held by U. S. Treasury.....	\$324,018,000	\$247,982,000	\$180,000,000
Held by public.....	803,045,975	9,000,000	1,000,000
	1,127,063,975	256,982,000	181,000,000
To operating expenses: <sup>1</sup>			
Bond interest.....	14,511,637	8,892,000	6,835,000
Administrative expenses (see schedule B-2).....	6,944,556	5,754,000	5,179,000
Fee service.....	63,990	119,000	67,000
Maintenance and operation of acquired property.....	956,104	117,000	55,000
	22,476,287	14,882,000	12,136,000
To nonoperating expenses and losses:			
Fidelity and casualty losses.....	22,099	25,000	15,000
Losses from fire and other hazards.....	21,499	4,000	-----
	43,598	29,000	15,000
To purchase furniture, fixtures and equipment.....	24,188	4,000	15,000
To increase (or decrease*) working capital.....	*51,110,658	*15,218,000	*2,906,000
<b>Total funds applied.....</b>	<b>1,100,250,434</b>	<b>258,161,000</b>	<b>191,615,000</b>
<b>FUNDS PROVIDED</b>			
By repayments of principal of loans:			
Mortgage loans.....	199,565,287	146,640,000	105,000,000
Vendee accounts.....	72,965,531	62,845,000	50,815,000
	272,530,818	209,485,000	155,815,000
By sale of security acquired on defaulted loans:			
Property at book value.....	33,680,652	4,084,000	1,240,000
Less:			
Loss on sale (gross).....	*13,808,949	*1,810,000	*600,000
Purchase money obligations acquired.....	*17,463,930	*1,650,000	*485,000
Proceeds of sales (cash).....	2,407,773	624,000	155,000
Less: Commissions and selling expenses.....	*1,394,038	*150,000	45,000
	1,013,735	474,000	110,000
By sale of investments: Repurchases of shares by savings and loan associations.....	20,296,100	8,000,000	3,900,000
By borrowings: From U. S. Treasury.....	754,000,000	-----	-----
By operating income:			
Interest on loans.....	49,136,010	38,485,000	30,525,000
Interest on special investments.....	131,332	130,000	130,000
Dividends on investments in savings and loan associations.....	988,871	543,000	385,000
Rental of acquired property.....	938,446	114,000	50,000
Miscellaneous.....	840,363	640,000	650,000
	52,035,022	39,912,000	31,740,000
By sale of furniture, fixtures, and equipment: Profit on sale of fully depreciated items.....	374,759	290,000	50,000
<b>Total funds provided.....</b>	<b>1,100,250,434</b>	<b>258,161,000</b>	<b>191,615,000</b>

\*Deduct.

<sup>1</sup> Excludes expenses which do not require funds during current year (see exhibit B).

## FEDERAL HOME LOAN BANK ADMINISTRATION

**EXHIBIT B**  
**COMPARATIVE STATEMENT OF INCOME AND EXPENSES**

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>Operating income:</b>			
Interest on loans.....	\$49,136,010	\$38,485,000	\$30,525,000
Interest on special investment.....	131,332	130,000	130,000
Dividends on investments in savings and loan associations.....	988,871	543,000	385,000
Rents.....	938,446	114,000	50,000
Miscellaneous (see schedule B-1).....	840,363	640,000	650,000
Total operating income.....	52,035,022	39,912,000	31,740,000
<b>Operating expenses:</b>			
Interest on bonded indebtedness.....	\$14,511,637	\$8,892,000	\$6,835,000
Administrative expenses (see schedule B-2).....	6,944,556	5,754,000	5,179,000
Fee service.....	63,990	119,000	67,000
Depreciation on building and equipment.....	77,897	58,000	69,000
Maintenance and operation of acquired property (see schedule B-4).....	956,104	117,000	55,000
Total operating expenses.....	22,554,184	14,940,000	12,205,000
Net operating income.....	29,480,838	24,972,000	19,535,000
<b>Nonoperating income (or loss)*:</b>			
Loans receivable charged off.....	*37,528	*11,000	*10,000
Loss on acquired security.....	*13,808,949	*1,810,000	*600,000
Commission and selling expenses.....	*1,394,038	*150,000	*45,000
Losses--Fidelity and casualty.....	*22,099	*25,000	*15,000
Fire and other hazards.....	*21,499	*4,000	-----
Sale of furniture, fixtures and equipment.....	374,759	290,000	50,000
Net nonoperating income (or loss*).....	*14,909,354	*1,710,000	*620,000
Net income before adjustment of valuation reserves.....	14,571,484	23,262,000	18,915,000
<b>Adjustments of reserves:</b>			
Reserve for losses on loans, interest and property.....	13,440,515	171,000	*1,145,000
Reserve for losses, fire and other hazards.....	7,740	517,000	-----
Reserve for losses, accounts receivable.....	*21,989	*10,000	*10,000
Net adjustments.....	13,426,266	678,000	*1,155,000
<b>Net income</b> .....	<b>27,997,750</b>	<b>23,940,000</b>	<b>17,760,000</b>

**ANALYSIS OF DEFICIT ACCOUNT**

Balance at beginning of fiscal year.....	\$134,086,330	\$106,088,580	\$82,149,000
Net income for year (above).....	27,997,750	23,940,000	17,760,000
Adjustments (net).....	-----	420	-----
Balance at end of fiscal year.....	106,088,580	82,149,000	64,389,000

\*Deduct.

**EXHIBIT C**  
**COMPARATIVE STATEMENT OF FINANCIAL CONDITION**

[As of June 30, 1944, 1945, 1946, and 1947]

	June 30, 1944, actual	June 30, 1945, actual	June 30, 1946, estimated	June 30, 1947, estimated
<b>ASSETS</b>				
<b>Cash:</b>				
On hand and in banks.....	\$724,620	\$747,290	\$700,000	\$650,000
With U. S. Treasury.....	99,637,058	43,376,543	26,395,000	21,415,000
	\$100,361,678	\$44,123,833	\$27,095,000	\$22,065,000
<b>Appropriated funds:</b> Allotments from emergency fund, defense housing.....	32,905			
<b>Investments:</b>				
Public Debt obligations of the United States.....	15,000,000	15,000,000	15,000,000	15,000,000
Savings and loan associations.....	46,529,250	26,232,950	18,233,000	14,333,000
Securities issued by Government agencies, guaranteed.....		200		
	61,529,250	41,233,150	33,233,000	29,333,000
<b>Loans receivable:</b>				
Loans to aid home owners:				
Mortgage loans and advances.....	847,179,749	647,023,619	501,028,000	396,672,000
Vendee accounts and advances.....	372,926,075	317,591,714	256,670,000	206,591,000
Total.....	1,220,105,824	964,615,333	757,698,000	603,263,000
Less: Reserve for losses (see note).....	26,431,419	12,990,904	12,820,000	13,965,000
	1,193,674,405	951,624,429	744,878,000	589,298,000
<b>Accounts receivable:</b>				
Government agencies.....	155,970	142,507	120,000	115,000
Others.....	53,712	66,280	65,000	80,000
Total.....	209,682	208,787	185,000	195,000
Less: Reserve for losses.....	31,231	53,220	63,000	73,000
	178,451	155,567	122,000	122,000
<b>Accrued interest receivable:</b>				
Interest on public debt obligations.....	50,679	50,760	51,000	50,000
Interest on loans (see note).....	3,206,584	2,495,456	2,390,000	2,270,000
	3,257,263	2,546,216	2,441,000	2,320,000
<b>Land, structures, and equipment:</b>				
Home office land and building, at cost.....	2,987,820	2,987,820	2,988,000	2,988,000
Furniture, fixtures, and equipment, at cost.....	1,800,304	1,423,528	1,052,000	997,000
Total.....	4,788,124	4,411,348	4,040,000	3,985,000
Less: Reserve for depreciation.....	2,225,880	1,902,813	1,586,000	1,585,000
	2,562,244	2,508,535	2,454,000	2,400,000
<b>Acquired security:</b> Properties owned and in process of acquiring title (see note).....	36,063,492	4,611,883	1,136,000	391,000
<b>Deferred and unapplied charges</b> .....	50,850	26,399	10,000	10,000
<b>Interagency proprietary interests:</b> Capital stock, Federal Savings and Loan Insurance Corporation.....	100,000,000	100,000,000	100,000,000	100,000,000
<b>Total assets</b> .....	1,497,710,538	1,146,830,012	911,369,000	745,939,000
<b>LIABILITIES</b>				
<b>Accounts payable:</b>				
Interest on bonds.....	1,360,708	713,091	485,000	400,000
Other.....	456,070	149,070	131,000	126,000
	1,816,778	862,161	616,000	526,000
<b>Accrued liabilities:</b>				
Interest on bonds.....	943,630			
Other.....	165,863	322,419	267,000	250,000
	1,109,493	322,419	267,000	250,000
<b>Trust and deposit liabilities:</b>				
Federal tax withheld.....	288,838	159,653	90,000	80,000
Funds held for borrowers.....	24,782,052	23,195,169	22,000,000	20,000,000
National Housing Agency, homes conversion program.....	1,218,000	677		
Other.....	766,418	196,692	123,000	100,000
	27,055,308	23,552,191	22,213,000	20,180,000
<b>Bonds payable:</b>				
Held by U. S. Treasury.....	580,000,000	1,009,982,000	762,000,000	582,000,000
Held by others.....	819,303,675	16,257,700	7,258,000	6,258,000
	1,399,303,675	1,026,239,700	769,258,000	588,258,000
<b>Deferred and unapplied credits:</b>				
Prepayments by borrowers on installment accounts not due.....	913,319	750,811	500,000	500,000
Other.....	789,921	423,581	414,000	364,000
	1,703,240	1,174,392	914,000	864,000
<b>Total liabilities</b> .....	1,430,988,494	1,052,150,863	793,268,000	610,078,000

NOTE.—Reserve is applicable to losses on loans, interest, and property.

## FEDERAL HOME LOAN BANK ADMINISTRATION

EXHIBIT C—Continued  
COMPARATIVE STATEMENT OF FINANCIAL CONDITION—Continued

	June 30, 1944, actual	June 30, 1945, actual	June 30, 1946, estimated	June 30, 1947, estimated
<b>CAPITAL</b>				
Paid-in capital: Capital stock .....	\$200,000,000	\$200,000,000	\$200,000,000	\$200,000,000
<b>Earned surplus:</b>				
Reserve for losses, fidelity and casualties .....	\$250,000	\$250,000	\$250,000	\$250,000
Reserve for losses, fire and other hazards .....	525,469	517,729		
	775,469	767,729	250,000	250,000
Deficit* .....	*134,086,330	*106,088,580	*82,149,000	*64,389,000
	*133,310,861	*105,320,851	*81,899,000	*64,139,000
<b>Total capital</b> .....	66,689,139	94,679,149	118,101,000	135,861,000
<b>UNEXPENDED APPROPRIATIONS</b>				
Unobligated appropriations .....	32,905			
Total liabilities, capital, and unexpended appropriations .....	1,497,710,538	1,146,830,012	911,369,000	745,939,000

\*Deduct.

SCHEDULE A-1  
CHANGES IN WORKING CAPITAL

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>Current assets (increase or decrease*):</b>			
Cash .....	*\$56,270,750	*\$17,029,000	*\$5,030,000
Appropriated funds .....	32,905		
Accounts receivable .....	*895	*24,000	10,000
Accrued interest receivable .....	*621,123	*50,000	*76,000
Deferred and unapplied charges .....	*24,451	*16,000	
<b>Current liabilities (increase* or decrease):</b>			
Accounts payable .....	954,617	246,000	90,000
Accrued liabilities .....	787,074	50,000	17,000
Trust and deposit liabilities .....	3,503,117	1,339,000	2,033,000
Deferred and undistributed credits .....	528,848	260,000	50,000
Decrease in working capital .....	*51,110,658	15,218,000	2,906,000

\*Deduct.

SCHEDULE B-1  
OPERATING INCOME—MISCELLANEOUS

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>Miscellaneous income:</b>			
Rental income, Federal Home Loan Bank Administration Building .....	\$364,359	\$363,000	\$363,000
Rental income—leaseholds .....	183,926	172,000	190,000
Stock Company Association .....	215,527	70,000	64,000
Forfeited deposits, etc. ....	76,551	35,000	33,000
<b>Total</b> .....	840,363	640,000	650,000

SCHEDULE B-2

ADMINISTRATIVE EXPENSES

[Fiscal years ending June 30, 1945, 1946, and 1947]

By accounts	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES</b>			
	Man-years Amount	Man-years Amount	Man-years Amount
General manager.....	1 \$10,000	1 \$10,000	1 \$10,000
Home office:			
Administrative Section.....	57.6 151,811	42.8 123,639	41 117,263
Comptroller's Division.....	58.4 137,027	49 144,347	44 132,271
Treasurer's Division.....	24.3 63,987	17.2 47,584	16 45,394
Auditing Department.....	117.2 314,077	86.3 274,928	82 263,892
Personnel Department.....	30.7 63,807	29.5 71,031	18.2 47,904
Legal Department.....	77.6 204,232	55.4 185,452	34.9 116,582
Secretary's Office.....	25.3 45,780	23.4 50,394	23.2 50,396
Field:			
Administrative Section.....	63.2 161,711	44.8 145,029	41 137,423
Loans and Properties Division.....	668.9 1,508,254	493.1 1,286,782	448.6 1,173,054
Regional Comptroller's Division.....	806.1 1,406,746	651.6 1,358,141	594.1 1,245,234
Personnel Department.....	26.3 58,579	18.3 44,812	11 29,612
Legal Department.....	64.9 188,478	55.3 182,689	35 132,260
Overtime pay.....	862,974	93,400	
Total (see schedule B-3).....	2,021.5 5,167,463	1,565.7 4,018,228	1,390 3,501,085
<b>OTHER EXPENSES</b>			
Travel expenses.....	132,765	144,254	130,000
Freight and express.....	6,577	16,000	6,000
Communication:			
Penalty mail.....	139,444	113,175	100,000
Other.....	58,666	52,347	50,000
Rents and utility services.....	756,277	740,750	710,027
Repairs and alterations.....	52,353	36,000	41,000
Supplies and materials.....	48,891	45,000	43,000
Printing and binding.....	76,136	68,400	65,000
Transportation within official station.....	25,861	19,000	18,000
Newspapers and periodicals.....	14	500	500
Miscellaneous expenses.....	44,457	31,643	27,738
Payments for services received:			
U. S. Treasury:			
For handling retirement of existing securities.....	31,608	26,309	28,000
For handling of checks and bond coupons.....	15,960	8,691	6,919
Public Buildings Administration:			
For maintenance and operation of Federal Home Loan Bank Administration Building.....	196,574	218,300	234,000
Fiscal agents (Federal Reserve banks):			
Authorized depository.....	43,624	36,000	28,500
Office of the Administrator, National Housing Agency: For administrative and supervisory services.....	99,390	86,053	46,962
Administrative Department, Federal Home Loan Bank Administration: For services of administrative staff.....	162,602	169,184	142,688
General Accounting Office: For audit of accounts.....			50,000
	1,891,199	1,811,606	1,728,334
	7,058,662	5,829,834	5,229,419
Less reimbursements received: Various Government agencies for services rendered.....	114,106	75,834	50,419
Total administrative expenses.....	6,944,556	5,754,000	5,179,000

SCHEDULE B-3

PERSONAL SERVICES

[Fiscal years ending June 30, 1945, 1946, and 1947]

By grades	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL</b>			
	Man-years Amount	Man-years Amount	Man-years Amount
Clerical, administrative, and fiscal service:			
Grade 16. In excess of \$9,800:			
General manager.....	0.1 \$394	1 \$10,000	1 \$10,000
Grade 15. Range \$8,750 to \$9,800:			
Deputy general manager.....	0.1 719	2 18,812	2 18,812
Grade 14. Range \$7,175 to \$8,225:			
Comptroller.....	0.1 329	1 8,225	1 8,225
Auditor.....	0.1 583	1 7,700	1 7,700
Chief, home office property committee.....	0.2 1,198		

By grades	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL—CON.</b>			
Clerical, administrative, and fiscal service—Continued	Man-years Amount	Man-years Amount	Man-years Amount
Grade 13. Range \$6,230 to \$7,070:			
Assistant to the general manager.....	1.1 \$6,917	1 \$7,070	1 \$7,070
Treasurer.....	0.1 280	1 7,070	1 7,070
Deputy comptroller.....	0.2 933	1 6,398	1 6,230
Assistant auditor.....		1 6,230	1 6,230
Member, home office property committee.....	1.2 7,573		
Appraisal assistant to the general manager and member home office property committee.....	0.2 1,260		
Principal administrative analyst.....	0.1 533		
Assistant comptroller.....	0.1 262		
Assistant auditor.....	1 6,075		
Grade 12. Range \$5,180 to \$6,020:			
Principal administrative assistant.....	0.6 2,875	0.5 2,590	
Assistant treasurer.....	0.1 225	1 6,020	1 6,020
Chief, home office audit division.....	1 4,650	1 5,390	1 5,390
Financial analyst.....	1 4,600	1 5,180	1 5,180
Chief accountant.....		1.8 10,164	2 11,200
Chief, field audit division.....	0.6 2,773		
Supervising auditor.....	0.8 4,067		
Assistant to deputy general manager.....	0.1 575		
Chief accountant.....	0.1 225		
Principal administrative officer.....	0.9 4,275		
Senior appraisal supervisor.....	0.1 191		
Assistant to deputy general manager in charge property management.....	0.1 383		
Grade 11. Range \$4,300 to \$5,180:			
Supervising auditor.....	7.4 32,791	6.5 32,856	6 30,420
Accountant and auditor.....	0.4 1,667	1.2 5,600	1 4,740
Administrative assistant.....	1.1 3,642	1 4,520	1 4,520
Classification review examiner.....	1.2 4,568	1 4,410	1 4,520
Field audit supervisor.....	1.1 3,897	1 4,366	1 4,520
Principal accountant.....	0.9 3,068	1.2 5,204	1 4,300
Supervisor, purchase and supply.....		1 4,300	1 4,300
Chief, preaudit division.....	0.2 792	1 4,300	1 4,300
Special agent.....	0.1 180	0.5 2,480	
Supervisor, administrative section.....	1 3,800	0.3 1,356	
Accountant.....	0.1 475		
Principal examiner.....	0.1 511		
Assistant supervisor, sales and management section.....	0.1 475		
Administrative analyst.....	0.4 1,575		
Principal accountant and auditor.....	0.9 3,225		
Grade 10. Range \$3,970 to \$4,630:			
Administrative assistant.....	0.1 153	1 4,300	1 4,300
Senior accountant.....	1.6 5,600	1 4,300	1 4,300
Administrative officer.....	0.2 750	1 4,135	1 4,190
Assistant field audit supervisor.....	0.1 3,354	1 4,047	1 4,080
Accountant and auditor.....		0.8 3,176	1 3,970
Accountant.....	0.1 317		
Senior administrative audit assistant.....	0.7 2,642		
Assistant regional personnel supervisor.....	0.2 618		
Assistant supervising auditor.....	0.8 2,904		
Grade 9. Range \$3,640 to \$4,300:			
Field auditor.....	2.9 9,180	1.1 4,092	2 7,390
Administrative assistant.....	1.1 3,330	1 3,673	1 3,750
Accountant.....	1.9 5,467	1 3,640	1 3,640
Associate financial analyst.....	0.9 2,800	1 3,640	1 3,640
Classification examiner.....			1 3,640
Accountant and auditor.....	8.5 28,135	10.7 41,071	10 38,710
Claims investigator.....	0.1 158	0.1 430	
Supervisor, expense account audit section.....	0.8 2,562		
Supervisor, procedure and forms unit.....	0.9 2,800		
Supervisor, general ledger audit.....	0.8 2,562		
Grade 8. Range \$3,310 to \$3,970:			
Grade 7. Range \$2,980 to \$3,640:			
Grade 6. Range \$2,650 to \$3,310:			
Grade 5. Range \$2,320 to \$2,980:			
	71,274	101,891	91,550
Grade 4. Range \$2,100 to \$2,496:	57.2 108,794	63.5 141,513	53.2 118,346
Grade 3. Range \$1,902 to \$2,298:	53.4 91,360	52.6 104,895	43.1 86,899
Grade 2. Range \$1,704 to \$2,100:	40.5 60,868	19.8 35,837	15 27,408
Grade 1. Range \$1,506 to \$1,902:	3.1 4,212	2 3,012	2 3,012
Professional service:			
Grade 8. Range \$8,750 to \$9,800:			
Associate general counsel.....	0.1 310	1 8,750	1 8,750
Grade 7. Range \$7,175 to \$8,225:			
Assistant general counsel.....	0.1 286	1 7,963	1 7,963
Assistant to the general counsel.....		1 8,225	1 8,225
Reconditioning assistant to the general counsel.....	0.1 320		
Grade 6. Range \$6,230 to \$7,070:			
Principal attorney.....	0.1 719	1.5 9,618	1 6,230
Assistant director of reconditioning section.....	0.1 607		
Grade 5. Range \$5,180 to \$6,020:			
Senior attorney.....	0.3 1,281	6.2 35,791	4 23,240
Principal attorney.....		0.5 3,010	
Grade 4. Range \$4,300 to \$5,180:			
Attorney.....	0.1 377	2 10,250	1 4,960
Statistician.....	0.3 1,045		
Senior technical assistant.....	0.5 1,818		
Grade 3. Range \$3,640 to \$4,300:			
Associate attorney.....	0.2 633	4.8 20,464	1 4,300
Grade 1. Range \$2,320 to \$2,980:			
Subprofessional service:			
Grade 6. Range \$2,320 to \$2,980:			
Grade 5. Range \$2,100 to \$2,496:			
Grade 4. Range \$1,902 to \$2,298:			
	0.7 1,480	1 2,485	1 2,540
		1 2,166	1 2,166
	0.2 614	1 2,232	1 2,232

FEDERAL HOME LOAN BANK ADMINISTRATION

By grades	1945, actual	1946, estimated	1947, estimated	By grades	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL—CON.</b>				<b>PERSONAL SERVICES, FIELD—continued</b>			
Crafts, protective, and custodial service—Continued	Man-years Amount	Man-years Amount	Man-years Amount	Clerical, administrative, and fiscal service—Continued	Man-years Amount	Man-years Amount	Man-years Amount
Grade 6. Range \$2,166 to \$2,562	2 \$3,736	2 \$4,332	2 \$4,332	Grade 11. Range \$4,300 to 5,180—Con.			
Grade 3. Range \$1,572 to \$1,902	0.1 261	5 9,180	5 9,180	Assistant regional treasurer and cashier	1 \$4,300	1 4,300	1 4,300
Grade 2. Range \$1,440 to \$1,770	3.3 4,295	3 4,782	3 4,782	Supervisor, accounting section	0.8 2,850	1 4,300	1 4,300
<b>Executive order grades:</b>				Regional personnel supervisor	0.8 2,789	0.2 346	
Grade 19. Rate over \$8,000:				Regional cashier and assistant regional treasurer	0.8 2,850		
General manager	1 8,864			Property management zone supervisor	3.2 12,486		
Deputy general manager in charge property management	0.2 1,771			Insurance supervisor	0.3 1,533		
Deputy general manager in charge loan service	0.2 1,823			Supervisor, sales section	0.1 251		
Deputy general manager	1.5 12,937			Supervisor, management section	0.6 2,498		
Grade 18. Rate of \$8,000:				Appraisal supervisor	0.3 1,458		
Comptroller	1 7,667			Deputy assistant regional manager in charge loan service	0.4 1,425		
Financial adviser	0.1 356			Deputy assistant regional manager	0.7 3,086		
Reconditioning assistant to the general manager	0.8 5,802			Appraisal assistant	0.1 350		
Director of reconditioning section	0.2 1,563			Assistant manager, loans and properties	1 3,850		
Auditor	0.9 7,208			Assistant regional appraiser	0.7 2,834		
Associate general counsel	1 6,948			Regional treasurer	0.4 1,736		
Grade 17. Rate of \$6,800:				Manager, loans and properties	0.5 2,061		
Treasurer	1 6,517			Administrative assistant and assistant regional treasurer	0.5 2,192		
Deputy financial adviser	0.1 451			Grade 10. Range \$3,970 to \$4,630:			
Assistant to general manager	0.1 690			Supervisor, control and field sections		1 3,970	1 3,970
Assistant comptroller	0.9 4,948			Assistant real estate supervisor	0.8 3,167	1 4,190	1 4,190
Assistant general counsel	1 6,517			Analyst	2 8,600	1 4,520	1 4,520
Grade 16. Rate of \$6,000:				Loan service analyst	1.6 6,924	1 4,410	1 4,410
Administrative assistant	0.1 450			Loans and properties analyst	2 8,270	2 8,270	2 8,270
Manager, insurance section	0.5 3,000			Accountant	6.2 22,458	3 12,790	3 12,790
Head attorney	3.6 20,200			Supervisor, treasury section		1 4,630	1 4,630
Chief accountant	1 4,725			Accountant and assistant regional treasurer		3.3 13,794	3 12,570
Assistant treasurer	1 5,175			Regional cashier and regional treasurer	1.1 4,146		
Grade 15. Rate of \$5,200:				Supervisor, control section	0.7 2,333		
Chief accountant	0.1 433			Regional cashier and assistant regional treasurer	0.1 146		
Principal attorney	4.8 23,941			Supervisor, analysis section	0.2 749		
Grade 14. Rate of \$4,500:				Assistant property management zone supervisor	1.5 5,581		
Special agent	0.9 3,404			Assistant regional accountant	0.5 2,043		
Special attorney	1 4,212			Real estate supervisor	0.8 3,083		
Senior attorney	2.2 9,508			Property management supervisor	0.2 754		
Grade 13. Rate of \$4,000:				Analyst, loans and properties	6.9 24,641		
Special agent	0.2 667			Administrative assistant	1.1 3,904		
Attorney	4.9 18,589			Accountant and assistant regional treasurer	0.4 1,350		
Head claims investigator	0.1 3,483			Supervisor, maintenance operating division	0.2 596		
Grade 12. Rate of \$3,600:				Assistant regional accountant and supervisor, control and reports section	0.1 350		
Placement officer	0.7 2,400			Grade 9. Range \$3,640 to \$4,300:			
Superintendent, Federal Home Loan Bank Board Building	1 3,450			Assistant supervisor, control and field sections		1 3,640	1 3,640
Principal claims investigator	0.1 142			Loan service analyst	9.1 31,374	6.5 26,025	6 23,930
Grade 11. Rate of \$3,200:	1.3 3,808			Supervisor, tax section	6.2 21,170	4 16,100	4 16,100
Grade 10. Rate of \$2,900:	1.8 4,833			Tax supervisor	1.3 4,831	1 3,640	1 3,640
Grade 9. Rate of \$2,600:	3.5 8,276			Sales supervisor	0.9 2,609	0.4 1,544	
Grade 8. Rate of \$2,300:	3.5 7,153			Zone management supervisor	1.9 6,256	0.6 2,316	
Grade 7. Rate of \$2,000:	21.1 40,131			General field representative	1 3,970	1 3,970	1 3,970
Grade 6. Rate of \$1,800:	17.2 29,994			General field representative and administrative assistant	0.8 2,667	0.3 1,092	
Grade 5. Rate of \$1,620:	11.2 17,692			General field supervisor in charge	0.4 1,988	0.4 1,988	
Grade 4. Rate of \$1,440:	2.5 3,545			Control and tax supervisor	0.9 2,800	1 3,750	1 3,750
Grade 3. Rate of \$1,260:	0.2 364			Assistant cashier	1 3,640	1 3,640	1 3,640
Total permanent, departmental	392.1 980,721	304.6 907,375	260.3 783,502	Supervisor, control and reports section	0.6 1,875	1 3,640	1 3,640
Overtime pay, departmental	185,065	20,220		Supervisor, tabulating service section	1.1 3,294	1 3,640	1 3,640
All personal services, departmental	392.1 1,165,786	304.6 927,595	260.3 783,502	Cashier	0.1 353	1 4,300	1 4,300
<b>PERSONAL SERVICES, FIELD</b>				Cashier and assistant regional treasurer		1 4,300	1 4,300
Clerical, administrative, and fiscal service:				Accountant	2.1 6,677	1 3,750	1 3,750
Grade 14. Range \$7,175 to \$8,225:				Regional cashier and assistant regional treasurer	3.8 13,004	3.3 12,551	3 11,360
Regional manager	0.2 1,233	5.4 42,473	5 39,288	Personnel assistant	0.4 1,280	0.6 2,184	1 3,640
Regional manager and regional comptroller	0.1 583	1 7,700	1 7,700	Deputy supervisor, maintenance operating division	0.1 150		
Grade 13. Range \$6,230 to \$7,070:				Zone sales supervisor	1.9 6,308		
Manager, loans and properties	1.5 9,033	2 13,300	2 13,300	Supervisor, property and miscellaneous section	0.4 1,298		
Assistant regional manager	0.4 2,572			Field supervisor	0.7 2,308		
Assistant regional manager in charge of property management	0.4 2,232			Special representative	0.6 2,227		
Assistant regional manager in charge loan service	0.5 2,621			Examiner	0.8 2,465		
Grade 12. Range \$5,180 to \$6,020:				Property appraiser and property management representative	0.8 2,611		
Administrative assistant		2.9 15,400	3 15,960	Property appraiser	8 27,793		
Administrative assistant to the regional manager		0.8 4,816	1 6,020	Senior examiner	0.4 1,467		
Assistant manager, loans and properties	0.2 958	1 5,180	1 5,180	Senior appraisal assistant	0.6 1,940		
Real estate supervisor	0.1 575	1 5,180	1 5,180	Assistant regional cashier	0.5 1,600		
Appraisal supervisor	0.2 958	1 5,180	1 5,180	Supervisor, control section	0.2 745		
Manager		1.1 5,782	1 5,180	Analyst	1 3,524		
Manager, loans and properties	5.3 25,575	1 5,411		Assistant regional treasurer and cashier	1.7 5,830		
Regional comptroller	6.3 31,893	3 17,409	2 11,620	Regional cashier and regional treasurer	0.9 2,767		
Insurance supervisor	0.2 1,117			General field supervisor	1 4,344		
Regional accountant	0.5 2,369			Appraisal assistant	0.1 308		
Administrative assistant and assistant regional treasurer	0.1 161			Assistant regional cashier and regional treasurer	0.1 417		
Regional appraiser	0.7 3,592			Supervisor, insurance section	1 3,300		
Regional comptroller, acting regional manager and assistant regional treasurer	0.1 450			Senior service representative and administrative assistant	0.2 633		
Grade 11. Range \$4,300 to \$5,180:							
Assistant to the regional manager and personnel assistant		0.5 2,215	1 4,520				
Assistant to the regional manager	1.5 6,899	1.1 2,883	4 17,420				
Administrative assistant	2.6 10,216	4.5 19,570	1 4,520				
Property appraiser	1.1 4,097	1 4,520	4 17,860				
Real estate supervisor and receiver	0.8 3,268						
Real estate supervisor	4.5 17,348	4.3 19,150					

SCHEDULE B-3—Continued PERSONAL SERVICES—Continued				By grades	1945, actual	1946, estimated	1947, estimated
PERSONAL SERVICES, FIELD—continued				PERSONAL SERVICES, FIELD—continued			
By grades	1945, actual	1946, estimated	1947, estimated	Man- years Amount	Man- years Amount	Man- years Amount	Man- years Amount
Clerical, administrative, and fiscal service—Continued							
Grade 9. Range \$3,640 to \$4,300—Con. Supervisor, account maintenance section	0.2 \$533						
Assistant property management supervisor	0.2 750						
Regional cashier	0.2 492						
Assistant regional cashier and assistant regional treasurer	0.1 437						
Senior personnel assistant	0.5 1,422						
Grade 8. Range \$3,310 to \$3,970	115.2 352,940	127.1 \$448,817	119.5 \$421,120				
Grade 7. Range \$2,980 to \$3,640	40.8 115,081	27.9 87,531	26 82,100				
Grade 6. Range \$2,650 to \$3,310	62.2 167,141	26.3 78,648	25 75,490				
Grade 5. Range \$2,320 to \$2,980	69.9 148,157	69.1 169,976	66 162,690				
Grade 4. Range \$2,100 to \$2,496	191.8 353,625	182.3 394,495	169 366,516				
Grade 3. Range \$1,902 to \$2,298	469.3 791,525	389.7 769,450	341 674,190				
Grade 2. Range \$1,704 to \$2,100	445.2 664,005	316.4 558,160	277.7 490,302				
Grade 1. Range \$1,506 to \$1,902	62.2 79,640	19.8 30,743	16.5 25,707				
Professional service:							
Grade 6. Range \$6,230 to \$7,070: Regional counsel	0.3 1,906	6.7 47,369	6 42,420				
Regional reconditioning supervisor	0.1 233						
Grade 5. Range \$5,180 to \$6,020: Assistant regional counsel	1.3 6,540	0.5 3,010					
Senior attorney	7 32,493	7.6 40,964	7 38,360				
Regional reconditioning supervisor	0.1 45						
Attorney	0.2 1,733						
Grade 4. Range \$4,300 to \$5,180: Reconditioning supervisor	0.1 317	1 4,300	1 4,300				
Attorney	6.3 26,192	3.7 17,880	1 4,960				
Assistant regional reconditioning supervisor	0.2 328						
Professional service—Continued							
Grade 3. Range \$3,640 to \$4,300: Reconditioning field supervisor	0.6 \$2,537						
Reconditioning assistant	0.7 2,272						
Associate attorney	0.4 1,315						
Subprofessional service:							
Grade 8. Range \$2,980 to \$3,640	1.9 5,355						
Grade 5. Range \$2,100 to \$2,496	3.3 5,975	1 \$2,232	1 \$2,232				
Crafts, protective, and custodial service:							
Grade 8. Range \$2,540 to \$3,200	5.2 15,415						
Grade 7. Range \$2,364 to \$2,870	0.3 579						
Grade 5. Range \$1,968 to \$2,364	1.3 2,260	1 2,034	1 2,034				
Grade 4. Range \$1,770 to \$2,166	1.6 2,640						
Grade 3. Range \$1,572 to \$1,902	4.1 5,359	2.4 3,773	2 3,144				
Grade 2. Range \$1,440 to \$1,770	12.1 14,669	3.5 5,535	3 4,848				
Executive order grades:							
Grade 18. Rate of \$8,000: Regional manager	6.7 49,712						
Regional manager and regional controller	0.4 2,917						
Grade 17. Rate of \$6,800: Regional counsel	6.4 41,845						
Grade 16. Rate of \$6,000: Head attorney	0.3 1,800						
Grade 15. Rate of \$5,200: Assistant to regional manager	0.1 320						
Regional treasurer	0.1 650						
Regional personnel supervisor	0.9 4,340						
Grade 14. Rate of \$4,500: Administrative assistant and assistant regional treasurer	0.3 1,196						
Head appraisal assistant	0.5 2,000						
Grade 13. Rate of \$4,000: Field representative	0.6 2,383						
Total permanent, field	1,629.4	1,261.1	1,129.7				
Overtime pay, field	3,323,768	3,016,461	2,716,591				
Additional pay for foreign service	677,909	73,180	992				
All personal services, field	1,629.4	1,261.1	1,129.7				
Personal services (net)	4,001,677	3,090,633	2,717,583				

SCHEDULE B-4

OPERATING EXPENSE—MAINTENANCE AND OPERATION OF ACQUIRED PROPERTY

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
Property expense:			
Taxes	\$421,985	\$15,000	\$7,000
Insurance		10,000	5,000
Maintenance	170,793	32,000	15,000
Fuel, light, water, etc.	200,583	50,000	23,000
Management commissions	72,743	10,000	5,000
Total	956,104	117,000	55,000

MEMORANDA

Reconciliation of Federal Home Loan Bank Administration budget estimates (corporate basis) with authorization for salaries and expenses, fiscal year 1946<sup>1</sup>

Authorizations:

Authorization, Independent Offices Appropriation Act, 1946	\$7,490,127
Supplemental authorization, First Deficiency Appropriation Act, 1946	150,000
Budget estimate contained in pending Second Deficiency Appropriation Act, 1946, covering costs due to Public Law 106	128,000
Total	\$7,766,127

Budget estimates:

Federal Home Loan Bank System (see schedule of obligations, p. 190)	1,455,132
Federal Savings and Loan Insurance Corporation (corporate basis—see schedule B-1, p. 199)	\$531,000
Add:	
Capitalized expenditures (equipment)	600
Expenses in connection with liquidation of insured institutions, etc.	5,395
Home Owners' Loan Corporation (corporate basis—see schedule B-2, p. 208)	5,754,000
Add: Capitalized expenditures (equipment)	20,000
Total	7,766,127

<sup>1</sup> The authorization for fiscal year 1946 represents an over-all limitation on the amount of corporate or other available funds which may be used for salaries and expenses.

**UNITED STATES HOUSING CORPORATION**

The United States Housing Corporation was organized under the laws of the State of New York in 1918 as a result of an Act of Congress approved May 16, 1918 (40 Stat. 550), as amended and supplemented by the Act of June 4, 1918 (40 Stat. 594), in order to provide housing and community utilities for war workers of World War I.

Liquidation of the Corporation was provided for by the Act of July 19, 1919 (41 Stat. 163), and later enactments. Powers and duties vested in the President by the above-cited acts of 1918 were assigned first to the Secretary of Labor and subsequently transferred successively to the Secretary of the Treasury and the Federal Works Administrator. Executive Order 9070 transferred these powers and duties to the Federal Home Loan Bank Administration.

When the Federal Home Loan Bank Administration undertook, in 1942, to wind up the affairs of the Corporation, one of the major tasks which remained was the disposition of the litigation and other legal complications which existed with respect to the Corporation's property interests. The bulk of the properties were located in Philadelphia, Pennsylvania, and New Brunswick, New Jersey, and had been the subject of legal controversy between the Corporation, local taxing authorities, and

contract vendees of the various properties for approximately twenty years. Through the efforts of the Federal Home Loan Bank Administration and the Department of Justice, which handled the litigation, these legal matters, representing controversies which had existed for many years, were brought to a conclusion, and the disposition of all properties was completed in May 1945.

The residual funds of the Corporation have been covered into the Treasury as miscellaneous receipts. The Federal Home Loan Bank Administration will take the necessary steps to effect the formal dissolution of the Corporation.

**EXPENSES OF LIQUIDATION, UNITED STATES HOUSING CORPORATION**

By objects	Obligations		
	1945, actual	1946, estimated	1947, estimated
Grand total obligations.....	\$48,369	-----	-----
Prior year balance available in 1945.....	-138,396	-----	-----
Unobligated balance of authorization.....	90,027	-----	-----
Total estimate or appropriation.....	-----	-----	-----



## FEDERAL HOUSING ADMINISTRATION

### INTRODUCTORY STATEMENT

The Federal Housing Administration was established June 27, 1934 under provisions of the National Housing Act (12 U. S. C. 1701), to encourage improvement in housing standards and conditions and to promote a stable mortgage market through a system of mutual mortgage insurance for private mortgage loan institutions. Under this Act, title I provides principally for insurance of loans for repair and modernization of existing residential properties. These as a general rule are short term unsecured character loans. Title II provides insurance for long term mortgage loans on residential construction. The legal authorization for insurance of mortgages on existing structures expires June 30, 1946, and from that date all insurance under title II will apply to new construction. On March 28, 1941, title VI was added to provide authority for insuring mortgages on privately financed war housing. As of June 30, 1945, the Administration had insured loans and mortgages under all three titles in a face amount of 8,597 million dollars, of which 4,569 million dollars were still outstanding.

Provision has been made in 1947 for the insurance of 850,000 loans for renovation and repair of existing structures under title I, an increase of 375,000 over the estimate for fiscal year 1946. The volume of activity estimated for 1947 under this title is higher than the prewar level, the accumulated need for long-delayed repairs and improvements being greater than at any previous time. Defaulted title I notes have been paid off in recent years at a favorable rate and the volume of new defaults is not large; however, the number and value of defaulted notes held for collection are expected to increase slightly based upon the increased volume. Premium receipts and cash recoveries under this title are expected again to exceed the amount of claims paid plus administrative expenses. A request for authorization of 3 million dollars for payment of losses has been included in the budget, such payments to be made from the title I revolving fund, the net worth of which, as of June 30, 1945, amounted to nearly 8.2 million dollars.

Fiscal year 1947 estimates assume (1) FHA insured loans will cover 210,000 privately financed urban dwelling units started in that year and (2) foreclosure of 20,000 mortgages due to defaults of title VI war housing. This level of activity will require sales and management operations on the foreclosed property and processing of 314,500 applications for title II insurance in addition to the maintenance workload for all outstanding accounts—including premium collections and accounting as well as audits of large rental projects. The basis for these estimated levels of activity is the general assumption that without the enactment of legislation now pending, fiscal year 1947 will see 600,000 privately financed non-farm dwelling units started and that 35 percent of these (the average for immediate prewar years) will be financed with mortgages insured by FHA. These figures compare with assumptions of 175,000 private housing starts, 60 percent insured by Federal Housing Administration, involving 125,000 applications, upon which the authorization of

funds for fiscal year 1946 was predicated, or a workload increase for 1947 exceeding 150 percent.

On March 31, 1945, the Congress increased the title VI authorization by 100 million dollars to its present total of 1.8 billion dollars, and extended authorization to insure under this title to June 30, 1946. The authorized amount was nearly all used or committed at the time of the Japanese surrender and acceptance of new applications was discontinued as of September 10, 1945. Legislation is now pending to extend title VI and to authorize an additional \$2,000,000,000 of insurance.

Because of the greatly increased workload for fiscal year 1947, based on the expected Nation-wide expansion of the private building industry, the budget estimate for administrative expenses of the Federal Housing Administration for fiscal year 1947 provides for a total of \$17,624,000, an increase of approximately 50 percent over fiscal year 1946, financed out of receipts of the various insurance funds.

This estimate has been prepared on the basis of existing authorized functions and activities and gives no effect to pending legislation, enactment of which would materially affect the estimate, both as to title VI resumption, and as to increased total new residential construction volume, which would affect title II and the reimbursable activity for processing of priorities for veterans seeking to build homes.

### LANGUAGE

#### FEDERAL HOUSING ADMINISTRATION

##### Salaries and Expenses, National Housing Agency, Federal Housing Administration—

Salaries and expenses: In addition to the amounts available by or pursuant to law (which shall be transferred to this authorization) for the administrative expenses of the Federal Housing Administration in carrying out duties imposed by or pursuant to law, not to exceed **[\$10,250,000]** \$17,624,000 of the various funds of the Federal Housing Administration as follows, (1) the mutual mortgage insurance fund, (2) the housing insurance fund, (3) the account in the Treasury comprised of funds derived from premiums collected under authority of section 2 (f), title I of the National Housing Act, as amended (12 U. S. C. 1701), and (4) the war housing insurance fund shall be available for expenditure, in accordance with the provisions of said Act for the administrative expenses of the Federal Housing Administration, including: Personal services in the District of Columbia; travel expenses, in accordance with the Standardized Government Travel Regulations and the Act of June 3, 1926, as amended (5 U. S. C. 821-833), but there may be allowed, in addition to mileage at a rate not to exceed 4 cents per mile for travel by motor vehicle, reimbursement for the actual cost of ferry fares and bridge, road, and tunnel tolls, and employees engaged in the inspection of property, servicing of loans, or the liquidation of delinquent accounts, may be paid an allowance not to exceed 4 cents per mile for all travel performed in privately owned automobiles within the limits of their official posts of duty when such travel is performed in connection with such inspection, servicing, or liquidation; printing and binding; lawbooks, books of reference, and not to exceed \$1,500 for periodicals and newspapers; not to exceed \$1,500 for contract actuarial services; maintenance, repair, and operation of two **[motor-propelled]** passenger**[-**carrying vehicles**]** automobiles; and rent in the District of Columbia: *Provided*, That all necessary expenses of the Administration (including services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, protection, completion, operation, maintenance, improvement, or disposition of real or personal property of the Administration acquired under authority of titles I, II, and VI of said National Housing Act, shall be considered as

nonadministrative expenses for the purposes hereof: *Provided further, That, except as herein otherwise provided, the administrative expenses and other obligations, including nonadministrative expenses, of the Administration shall be incurred, allowed, and paid in accordance with the provisions of said Act of June 27, 1934, as amended (12 U. S. C. 1701).*

**[Salaries and expenses: In addition to the funds made available to the Federal Housing Administration by the Independent Offices Appropriation Act, 1946, for "Salaries and expenses", there is hereby made available to said Administration not to exceed \$1,000,000 from the sources specified under said head.] (Act of May 3, 1945, Public Law 49; Act of Dec. 28, 1945, Public Law 269.)**

By objects	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL</b>			
Clerical, administrative, and fiscal service: Grade 16. In excess of \$9,800:			
Federal housing commissioner	1.3 \$15,600	1 \$12,000	1 \$12,000
Deputy commissioner and first assistant commissioner	1 10,000	1 10,000	1 10,000
Comptroller	1 9,000	1 9,800	1 9,800
Grade 15. Range \$8,750 to \$9,800:			
Assistant to commissioner	1 9,000	1 9,800	1 9,800
Zone commissioner	3.9 33,112	4 37,100	4 37,100
Assistant deputy commissioner	1 8,000	1 8,750	1 9,013
Assistant commissioner, title I	1 9,000	1 9,800	1 8,750
Assistant to commissioner, rental housing	1 9,000	1 9,800	1 9,800
Assistant commissioner, underwriting	1 9,000	1 9,800	1 9,800
Assistant to assistant commissioner, underwriting	1 8,000	1 8,750	1 8,750
Assistant commissioner, administrative services	1 8,000	1 8,750	1 9,276
Grade 14. Range \$7,175 to \$8,225:			
Assistant to assistant commissioner	1 7,250	1 7,700	1 8,225
Budget officer	1 6,500	1 7,175	1 7,175
Assistant to comptroller	1 6,500	1 7,175	1 7,175
Director, finance and industry	0.2 1,300		1 7,175
Assistant to assistant commissioner, title I	1 6,750	1 7,438	1 7,700
Property manager	1.6 10,697	1 7,438	1 7,438
Urban planning adviser	0.8 5,425	1 8,225	1 8,225
Assistant zone commissioner	1 6,500	1 8,225	4 29,226
Assistant to deputy commissioner	0.2 1,335		
Rental property manager		1 7,175	
Director of personnel			1 7,175
Grade 13. Range \$6,230 to \$7,070:			
Underwriting supervisor	14.5 86,455	17 116,620	17 111,160
Investigator	0.5 2,886		1 6,230
Property manager	1 6,200	2 13,300	2 13,510
Director of personnel	1 5,800	1 6,230	
Office manager	0.5 3,000	1 6,650	
Accountant	0.7 3,979		1 6,440
Assistant director, finance and industry			1 6,230
Assistant to assistant commissioner, title I	1 6,000	1 6,650	1 8,860
Urban planning adviser	2.3 13,152		1 6,650
Assistant zone commissioner	1.7 9,660	3 18,690	
Organizational and procedural analyst		1 6,230	
Assistant to deputy commissioner		1 6,440	
Land use planner		2 12,880	
Grade 12. Range \$5,180 to \$6,020:			
Director of finance and industry	0.8 3,680		
Underwriting supervisor	12 56,760	20 109,900	24 127,680
Construction supervisor	1 4,600		
Investigator	0.9 4,434	1 5,390	1 5,180
Organizational and procedural analyst	0.4 1,840		1 5,180
Executive secretary	1 5,400	1 6,020	1 6,020
Chief budget analyst	1 4,900	1 5,600	1 5,600
Administrative analyst			1 5,180
Cost accountant	0.1 460	1 5,180	1 5,180
Office manager	0.1 540		1 5,180
Accountant	2.8 13,250	2 10,360	3 16,170
Audit supervisor	0.1 540		1 5,180
Chief of title I, liquidation section	1 5,400	1 6,020	1 6,020
Chief of title I, operations section	1 4,800	1 5,180	1 5,600
Assistant to zone commissioner	4.8 22,268	4 21,140	4 21,140
Field examiner	0.2 944	1 5,390	1 5,390
Property manager	3 14,250	3.5 18,093	7 37,100
Reconditioning inspector		1 5,180	1 5,180
Mortgage service representative		0.5 2,590	
Chief of industry section		1 5,180	
Assistant to assistant deputy commissioner		1 5,180	
Chief copy section			1 5,180
Chief, radio and motion-picture section			1 5,180
Chief, newspaper advertising section			1 5,180
Chief, exhibits section			1 5,180
Grade 11. Range \$4,300 to \$5,180:			
Underwriting supervisor	1.2 5,280	2 10,140	
Construction supervisor	0.1 460		
Investigator	1 3,800	1 4,300	2 8,600
Procedural analyst	1 3,800	1 4,300	1 4,520
Purchasing officer	2.5 9,537		
Placement officer	0.1 380		1 4,520
Cost accountant	0.9 3,529		
Assistant office manager	0.2 800		1 4,300
Purchasing property officer	0.2 760		
Assistant to chief, title I liquidation section	1 3,800	1 4,300	1 4,300

By objects	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL—CON.</b>			
Clerical, administrative, and fiscal service—Continued			
Grade 11. Range \$4,300 to \$5,180—Con.			
Chief of tabulating section	1 \$3,900		1 \$4,740
Accountant	2.4 9,319	3 \$13,120	3 15,080
Audit supervisor	1.9 7,343	4 17,420	1 4,520
Title I representative	1 3,800	1 4,300	1 4,520
Copywriter			1 4,300
Assistant to chief, exhibits section			1 4,300
Title I financial representative	3.8 15,195	6 25,800	6 27,780
Assistant to commissioner	0.6 2,387		1 4,300
Field examiner	1 4,200	2 9,040	1 4,960
Insurance examiner	1 4,000	1 4,520	1 4,740
Property manager	1.9 7,712	5.5 24,255	1 4,300
Mortgage service representative	1 3,800	1 4,520	2 8,820
Property management representative	1.6 6,389		1 4,300
Rental project supervisor, corporate relations	0.4 1,608		4 18,300
Rental project supervisor	1.2 5,000		
Reconditioning inspector	1.5 5,813	2.5 11,025	1 4,520
Construction supervisor	0.4 1,708		2 9,700
Personnel officer		3 12,900	2 8,820
Chief, classification section			1 4,520
Budget analyst		1 4,300	
Special accounts assistant		1 4,300	
Field relations representative			2 8,600
Assistant chief, newspaper advertising section			1 4,300
Grade 10. Range \$3,970 to \$4,630:			
Valuator	0.1 373		
Personnel officer	0.8 2,860		
Accountant	0.8 2,936		1 3,970
Audit supervisor	1 3,700		2 8,270
Field examiner	4 14,320		7 28,670
Executive secretary to deputy commissioner		1 4,080	
Mortgage service representative		4 15,880	
Grade 9. Range \$3,640 to \$4,300:			
Assistant to director, research and statistics	1 3,400	1 3,860	
Assistant to chief of operations section			1 3,750
Underwriting examiner	1 3,500	1 4,080	3 11,910
Valuator	1 3,500	1 3,970	1 4,080
Cost estimator	0.8 2,560		
Assistant to commissioner	1 3,250	1 3,750	1 3,860
Investigator	1.6 5,201	4 14,780	3 11,030
Personnel officer	1.4 4,780	3 10,920	4 14,780
Position classifier	0.1 320		3 11,030
Assistant placement officer	0.1 320		
Chief of duplicating section	1 3,400	1 4,080	1 4,190
Purchasing property officer	0.6 2,000	1 3,640	1 3,640
Printing and binding officer	0.7 2,391		1 3,640
Supervisor, machine operator tabulating	0.8 2,830		1 3,750
Mortgage service representative			1 3,640
Procurement officer			1 3,640
Copywriter			1 3,640
Accountant	7.7 25,408	10 37,940	11 40,920
Audit supervisor	1.2 4,105	4 14,560	2 7,610
Chief of current collection unit	1 3,200	1 3,640	1 3,750
Chief of field supervision unit	0.1 353		1 3,750
Chief of correspondence unit	1 3,200	1 3,640	1 3,640
Examiner, credit	1 3,200	1 3,750	1 3,750
Mortgage examiner	0.2 649		1 3,640
Property manager	1.1 3,719	4 14,670	1 3,750
Construction examiner	0.3 1,001		1 3,640
Actuary assistant		1 3,640	
Chief of credit unit		1 3,640	
Engineer, structural		1 3,750	
Accountant, budget			1 3,640
Chief of secured accounts unit			1 3,750
Employee relations officer			1 3,640
Title I representative			1 3,640
Grade 8. Range \$3,310 to \$3,970:	10.7 32,454	12 40,380	12 40,820
Grade 7. Range \$2,980 to \$3,640:	45 120,985	47.5 146,178	51.3 158,500
Grade 6. Range \$2,650 to \$3,310:	45.8 108,026	39 105,784	63 174,100
Grade 5. Range \$2,320 to \$2,980:	102.6 211,604	114 274,492	155 374,670
Grade 4. Range \$2,100 to \$2,496:	225.4 413,098	269 579,485	322 694,636
Grade 3. Range \$1,902 to \$2,298:	235.5 385,954	288.5 557,993	359 699,318
Grade 2. Range \$1,704 to \$2,100:	205.9 300,112	276.5 480,225	257.3 445,805
Grade 1. Range \$1,506 to \$1,902:	5.6 7,246	7 10,676	5 7,728
Professional service:			
Grade 9. In excess of \$9,800:			
General counsel	1 9,000	1 9,800	1 9,800
Grade 8. Range \$8,750 to \$9,800:			
Attorney	1 8,000	1 9,013	1 9,013
Grade 7. Range \$7,175 to \$8,225:			
Technical director	0.4 3,000	1 8,225	
Land planning director	0.2 1,500		
Attorney	1 6,750	1 7,438	
Director, research and statistics	1 6,750	1 7,438	
Assistant general counsel			1 7,700
Grade 6. Range \$6,230 to \$7,070:			
Architect	2 11,450	2 12,880	2 13,090
Engineer, cost	1 5,800	1 6,440	1 6,650
Engineer, land planning	0.9 5,400	1 6,440	1 6,230
Engineer, mechanical	1 5,800	2 12,460	1 6,440
Attorney	2 12,000	2 13,300	3 19,950
Economist, housing	2 11,800	2 13,090	2 13,510
Grade 5. Range \$5,180 to \$6,020:			
Architect	3 15,200	5 26,950	3 17,010
Engineer, architectural	3.2 16,265	3 16,590	6 32,760

FEDERAL HOUSING ADMINISTRATION

By objects	1945, actual	1946, estimated	1947, estimated	By objects	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL—CON.</b>				<b>PERSONAL SERVICES, FIELD—continued</b>			
Professional service—Continued	Man-years Amount	Man-years Amount	Man-years Amount	Clerical, administrative, and fiscal service—Continued	Man-years Amount	Man-years Amount	Man-years Amount
Grade 5. Range \$5,180 to \$6,020—Con.				Grade 10. Range \$3,970 to \$4,630:			
Engineer, cost	5 \$24,650	1 \$5,810	1 \$5,810	State director	0.4 \$1,560	1 \$4,190	-----
Engineer, structural	1 4,600	-----	1 5,390	Valuator	36.5 135,250	123.7 491,639	79.3 \$325,821
Engineer, land planning	2.2 10,639	4 20,720	3 15,750	Mortgage risk examiner	3.7 13,918	-----	-----
Engineer, mechanical	0.4 1,920	1 5,180	5 25,500	Mortgage credit examiner	4 15,834	34 136,520	1 127,169
Engineer, valuating	1 5,400	1 6,020	1 6,020	Cost estimator	6.3 24,009	1 3,970	4 16,100
Attorney	2.8 12,950	3 15,750	3 16,590	Construction cost examiner	9 33,493	-----	32 130,120
Economist, housing	1.8 8,640	2 10,360	3 15,750	Construction examiner	29.9 109,403	104.6 415,812	105 424,000
Engineer, construction	-----	5 27,160	4 22,820	Underwriter	2.9 11,100	6 25,800	4 16,540
Underwriting supervisor	-----	1 5,600	-----	Property manager	0.7 2,616	-----	21 83,500
Chief, arts section	-----	-----	1 5,180	Property management representative	0.1 410	-----	-----
Grade 4. Range \$4,300 to \$5,180:				Assistant to district director	0.4 1,471	1 4,520	1 4,080
Architect	0.1 380	-----	-----	Assistant to State director	0.9 3,374	1 4,630	1 3,970
Engineer, architectural	2.8 11,200	3 13,340	-----	Architect	-----	1 4,080	-----
Engineer, structural	1 4,000	1 4,520	1 4,740	Office manager	-----	-----	-----
Engineer, land planning	3.7 14,800	3 13,340	3 13,560	Grade 9. Range \$3,640 to \$4,300:			
Engineer, mechanical	0.7 3,029	1 4,520	-----	Underwriter	2.2 7,847	5 19,190	2 7,280
Attorney	4.9 19,842	5 22,160	6 27,120	Cost examiner	17.1 58,638	14 55,140	1 3,640
Statistician	1 3,800	1 4,300	2 8,820	Office manager	20.3 70,803	-----	14 54,040
Engineer, construction	1 4,000	1 4,520	1 4,740	Mortgage risk examiner	6.2 21,115	-----	7 25,810
Engineer, sanitary	1 4,000	1 4,740	-----	Construction inspector	141.9 476,564	252.8 920,192	699 2,565,842
Illustrator	-----	-----	1 4,300	Valuator	7.7 27,410	26 99,700	84.5 312,860
Grade 3. Range \$3,640 to \$4,300:				Mortgage credit examiner	21.3 71,747	68.2 248,248	81.8 305,012
Architect	0.1 320	-----	-----	Property management representative	16.8 57,969	-----	1 3,640
Engineer, architectural	1 3,300	1 3,750	1 3,860	Mortgage service representative	0.2 668	-----	1 3,860
Engineer, cost	1 3,300	1 3,750	1 3,860	Construction cost estimator	0.4 1,280	242.8 883,792	502 1,845,896
Engineer, land planning	1.2 4,200	2 7,280	-----	Construction examiner	71.4 236,369	36 138,190	12 44,230
Engineer, valuating	1 3,500	1 3,970	1 4,080	Cost estimator	17 59,710	1 3,640	25 93,860
Attorney	1.9 6,235	3 11,140	1 3,750	Title representative	9.7 33,855	-----	1 3,640
Economist, housing	0.5 1,600	1 3,640	2 7,280	Assistant territorial director	1.6 5,428	-----	3 11,140
Illustrator	1 3,400	1 3,860	1 3,640	Reconditioning inspector	0.3 975	-----	1 3,750
Mathematician, financial	0.2 667	-----	1 3,750	Rental project supervisor	4.4 15,288	-----	15 57,020
Grade 2. Range \$2,980 to \$3,640	4 11,341	4 12,800	5 16,220	Construction cost examiner	0.6 2,151	-----	-----
Grade 1. Range \$2,320 to \$2,980	0.9 2,046	2 4,640	2 4,640	Construction supervisor	0.4 1,330	5 19,190	4 14,230
Subprofessional service:				Assistant to State director	2.4 7,888	4 14,230	1 3,420
Grade 6. Range \$2,320 to \$2,980	0.1 240	-----	1 2,430	Grade 8. Range \$3,310 to \$3,970	188.4 546,359	69.6 228,957	28 704,222
Grade 5. Range \$2,100 to \$2,496	2.6 5,020	2 4,398	2 4,376	Grade 7. Range \$2,980 to \$3,640:	12.9 32,945	12 36,044	28 75,850
Grade 4. Range \$1,902 to \$2,298	3 5,100	4 8,204	3 5,838	Grade 6. Range \$2,650 to \$3,310	53.9 115,189	47 117,492	77.1 192,523
Crafts, protective, and custodial service:				Grade 5. Range \$2,320 to \$2,980:	67.8 126,752	64 138,624	168 359,928
Grade 8. Range \$2,540 to \$3,200	1 2,660	1 2,980	1 3,200	Grade 4. Range \$2,100 to \$2,496:	323.4 547,952	323 635,664	591 1,156,375
Grade 7. Range \$2,364 to \$2,870	9.7 20,640	9 22,002	9 22,640	Grade 3. Range \$1,902 to \$2,298:	285.1 431,745	379.8 675,506	503.5 872,422
Grade 6. Range \$2,166 to \$2,562	2 4,031	1 2,232	2 4,838	Grade 2. Range \$1,704 to \$2,100:	34.7 46,627	52 82,940	15.7 25,096
Grade 5. Range \$1,968 to \$2,364	0.9 1,836	2 4,332	-----	Grade 1. Range \$1,506 to \$1,902:	-----	-----	-----
Grade 4. Range \$1,770 to \$2,166	10.9 17,464	12 22,362	11 21,252	Professional service:			
Grade 3. Range \$1,572 to \$1,902	13.8 19,417	15 24,636	17 28,572	Grade 6. Range \$6,230 to \$7,070:			
Grade 2. Range \$1,440 to \$1,770	34.7 42,481	35 51,070	43 64,692	Engineer, land planning	0.2 1,160	-----	1 6,230
Total permanent, departmental	1,153.8	1,376.5	1,587.6	Consultant architect	-----	-----	-----
Temporary employment, departmental	2,672.125	3,632.168	4,199.589	Grade 5. Range \$5,180 to \$6,020:			
Part-time employment, departmental	16.4 25,184	18.6 32,251	16.4 29,028	Engineer, land planning	5.1 23,505	5 26,740	5 27,790
Overtime pay, departmental	4.3 6,145	2.5 4,260	4.3 7,327	Architectural examiner	5.5 27,855	9 49,560	7 36,260
	520,815	61,788	-----	Economist, housing	-----	-----	-----
All personal services, departmental	1,174.5	1,397.6	1,608.3	Grade 4. Range \$4,300 to \$5,180:			
	3,224,269	3,730,467	4,235,944	Architectural examiner	23 96,092	35 162,050	-----
				Attorney	4.4 17,280	5 22,160	4 18,300
				Engineer, construction	0.4 1,522	-----	-----
				Engineer, land planning	11.2 42,935	13 56,670	19 83,680
				Economist, housing	-----	8 34,400	-----
				Grade 3. Range \$3,640 to \$4,300:			
				Architectural examiner	57.5 194,231	-----	-----
				Engineer, land planning	4.2 14,308	5 19,080	2 7,720
				Grade 2. Range \$2,980 to \$3,640:	95.7 267,861	-----	-----
				Subprofessional service:			
				Grade 6. Range \$2,320 to \$2,980	0.4 800	1 2,430	-----
				Crafts, protective, and custodial service:			
				Grade 3. Range \$1,572 to \$1,902	2 2,707	2 3,276	2 3,276
				Total permanent, field	1,910	2,162.5	3,786.2
				Temporary employment, field	5,447,728	6,905,265	12,156,619
				Part-time employment, field	2.2 3,835	1 1,704	2.2 4,475
				W. A. E. employment, field	0.4 598	-----	0.4 708
				Overtime pay, field	27.3 73,521	26.9 80,222	168.6 505,858
				Additional pay for foreign service, field	1,011,238	95,499	-----
					5,036	4,507	9,533
				All personal services, field	1,939.9	2,190.4	3,957.4
					6,541,956	7,087,197	12,677,613
				01 Personal services (net)	3,114.4	3,588	5,565.7
					9,766,225	10,817,664	16,913,557
				OTHER OBLIGATIONS			
				02 Travel	483,431	682,068	1,099,559
				03 Transportation of things	10,091	15,697	17,000
				04 Communication services	247,874	223,725	313,000
				05 Rents and utility services	649,228	641,352	860,900
				06 Printing and binding	72,474	96,559	173,000
				07 Other contractual services	121,129	131,799	196,000

**FEDERAL HOUSING ADMINISTRATION—Continued**  
**Salaries and Expenses, National Housing Agency, Federal Housing Administration—Continued**

By objects	1945, actual	1946, estimated	1947, estimated
<b>OTHER OBLIGATIONS—Continued</b>			
08 Supplies and materials.....	\$93,040	\$70,032	\$120,000
09 Equipment.....	33,784	26,000	125,000
Total other obligations.....	1,711,051	1,887,232	2,904,459
Grand total obligations.....	11,477,276	12,704,896	19,818,016
Reimbursements for services performed.....	-1,494,739	-404,063	-132,014
Transferred to—			
"Salaries and expenses, Division of Disbursement, Treasury Department". Excess of obligations over authorization due to Public Law 106.....	+24,275	+38,433	+55,897
"Printing and binding, Division of Disbursement, Treasury Department". Excess of obligations over authorization due to Public Law 106.....	+1,565	+1,624	+2,006
"Salaries and expenses, Office of Treasurer of United States". Excess of obligations over authorization due to Public Law 106.....	+3,400	+3,400	+4,895
"Printing and binding, Office of Treasurer of United States".....	+100	+125	+200
"Contingent expenses, Office of Treasurer of United States".....	+400		
"Salaries and expenses, Office of Administrator, National Housing Agency". Excess of obligations over authorization due to Public Law 106.....	+146,903	+119,988	+180,000
"Penalty mail costs, National Housing Agency".....	+37,000	+49,500	+130,000
Received by transfer from—			
"National defense housing, Office of Administrator, National Housing Agency".....		-975,000	
"Veterans housing, Office of Administrator, National Housing Agency".....			-2,435,000
Net total obligations.....	10,196,180	11,564,800	17,624,000
Excess of obligations over authorization due to Public Law 106.....		-314,800	
Unobligated balance of authorization.....	288,455		
Total authorization.....	10,484,635	11,250,000	17,624,000
Allotted from—			
"Title I insurance fund, Federal Housing Administration revolving fund".....	-863,503	-730,009	-1,222,361
"Mutual mortgage insurance fund, Federal Housing Administration revolving fund".....	-4,326,695	-7,988,423	-11,927,277
"Housing insurance fund, Federal Housing Administration revolving fund".....	-113,743	-442,830	-612,074
"War housing insurance fund".....	-5,180,694	-2,088,738	-3,862,288
Total estimate or appropriation.....			
<b>BY PROJECTS OR FUNCTIONS</b>			
1. Commissioner's office.....	\$40,712	\$34,559	\$37,148
2. Executive secretary and correspondence.....	23,082	20,039	26,911
3. Legal division.....	159,517	185,968	209,234
4. Office of assistant commissioner, administrative services.....	32,310	38,620	52,181
5. Personnel division.....	130,107	139,911	182,939
6. Budget division.....	37,166	45,794	45,501
7. Washington office management division.....	789,107	788,677	911,840
8. Comptroller's division.....	1,074,099	1,271,313	1,557,742
9. Research and statistics division.....	127,975	152,033	179,909
10. Finance and industry division.....	15,889		134,829
11. Title I division.....	357,623	414,048	434,596
12. Office of the deputy commissioner.....	488,063	578,499	690,077
13. Underwriting division.....	449,938	586,894	575,738
14. Rent, departmental.....	256,779	245,183	357,519
15. Field insuring offices.....	7,106,326	8,017,180	14,143,870
16. Field land planners.....	126,352	136,810	152,902
17. Field construction supervisors.....	227,847	23,368	
18. Equipment.....	33,784	26,000	125,000
Grand total obligations.....	11,477,276	12,704,896	19,818,016
Adjustments (see objects schedule for detail).....	-992,641	-1,454,896	-2,194,016
Total authorization.....	10,484,635	11,250,000	17,624,000
Allotted from (see objects schedule for detail).....	-10,484,635	-11,250,000	-17,624,000
Total estimate or appropriation.....			

**Renovation and Modernization Insurance, Title I, Premiums, National Housing Agency, Federal Housing Administration—**

Payment of losses: Not to exceed **[\$2,500,000]** \$3,000,000 of the funds (after allowance for salaries and expenses as authorized under the heading, "Salaries and expenses, National Housing Agency, Federal Housing Administration") in the account in the Treasury comprised of premiums collected under authority of section 2 (f), title I, of said Act, shall be available for the payment of losses under insurance granted under section 2 and section 6, title I, of said Act. (*Act of May 3, 1945, Public Law 49.*)

By objects	1945, actual	1946, estimated	1947, estimated
12 Pensions, annuities, and insurance losses.....	\$1,702,286	\$2,500,000	\$3,000,000
Allotted from title I insurance, Federal Housing Administration, revolving fund.....	-5,000,000	-2,500,000	-3,000,000
Unobligated balance of authorization.....	3,297,714		
Total estimate or appropriation.....			

**Trust accounts:**

**Unearned Collections, Title I, National Housing Act, as Amended—**

Represents funds collected by the Federal Housing Administration in error or in excess of amounts due; available for the refunding thereof. (*48 Stat. 1232.*)

Appropriated 1946, **\$15,000** Estimate 1947, **\$12,000**  
 Revised 1946, **\$4,000**

By objects	1945, actual	1946, estimated	1947, estimated
13 Refunds, awards, and indemnities.....	\$618	\$10,768	\$12,000
Prior year funds available in 1945.....	-4,386		
1945 funds available in 1946.....	+11,768	-11,768	
1946 funds available in 1947.....		+5,000	-5,000
1947 funds available in 1948.....			+5,000
Total estimate or appropriation.....	8,000	4,000	12,000

**Expenses on Real Properties Acquired Under Insurance Granted Prior to July 1, 1939, Title I, National Housing Act—**

Represents funds collected by the Federal Housing Administration for the payment of taxes, hazard insurance, etc., on real properties acquired and subsequently sold under title I of the National Housing Act.

Appropriated 1946, **\$10,000** Estimate 1947, **\$10,000**

By objects	1945, actual	1946, estimated	1947, estimated
07 Other contractual services.....	\$5,606	\$10,975	\$10,000
Prior year funds available in 1945.....	-5,581		
1945 funds available in 1946.....	+5,975	-5,975	
1946 funds available in 1947.....		+5,000	-5,000
1947 funds available in 1948.....			+5,000
Total estimate or appropriation.....	6,000	10,000	10,000

Total, Federal Housing Administration, trust accounts:

Appropriated 1946, **\$25,000** Estimate 1947, **\$22,000**  
 Revised 1946, **\$14,000**

**STATEMENT OF PROPOSED EXPENDITURES FOR PURCHASE, MAINTENANCE, REPAIR, AND OPERATION OF PASSENGER-CARRYING VEHICLES FOR THE FISCAL YEAR ENDING JUNE 30, 1947**

Appropriation	Vehicles (motor unless otherwise indicated) to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Total maintenance, repair, and operation, all vehicles	Public purpose and users
	Number	Gross cost	Number	Allowance (estimated)				
Salaries and expenses, National Housing Agency, Federal Housing Administration.						2	\$800	1 car for use of the Commissioner, and 1 car for use of officers of the Federal Housing Administration.

## FEDERAL PUBLIC HOUSING AUTHORITY

### INTRODUCTORY STATEMENT

The Federal Public Housing Authority is one of the three constituent units of the National Housing Agency provided for by Executive Order 9070, issued February 24, 1942, under authority contained in title I of the First War Powers Act, 1941. Under the Executive order, the functions of a number of agencies concerned with defense and low-rent housing were consolidated into the Federal Public Housing Authority, with responsibility for the development and management of housing built with public funds.

The agencies and activities included in the consolidation were—

- The United States Housing Authority.
- The division of defense housing of the Federal Works Agency.
- The division of mutual ownership of the Federal Works Agency.
- The defense housing program of the Public Buildings Administration.
- The housing of the War and Navy Departments (except projects on military and naval reservations).
- The nonfarm housing of the Farm Security Administration.
- The Defense Homes Corporation.

The creation and purpose of each of these components may be briefly outlined as follows:

*The United States Housing Authority.*—The nucleus of this concentration of public housing activities was the low-rent program of the United States Housing Authority established pursuant to the United States Housing Act of 1937 (42 U. S. C. 1401). Under this act the assistance of the Federal Government was pledged to local housing agencies to enable them to build and operate large scale housing projects to house families in the lowest income groups.

*The division of defense housing of the Federal Works Agency.*—The Federal Works Agency originally administered through its own organization and allotments to other agencies, defense housing activities under the authorizations contained in the basic defense housing act, the Lanham Act (42 U. S. C. 1521) and the Temporary Shelter Acts (55 Stat. 14, 197, 810).

*The division of mutual ownership of the Federal Works Agency.*—Projects were developed under the Lanham Act by the Mutual Ownership Defense Housing Division of the Federal Works Agency. It was contemplated that these projects would be sold to nonprofit corporations organized by the residents of the project in accordance with the provisions of the Lanham Act relating to the disposition of housing.

*The defense housing program of the Public Buildings Administration.*—Defense housing projects were initiated by the Public Buildings Administration from Lanham Act funds (42 U. S. C. 1521). These projects consisted of dormitories for the District of Columbia and family dwelling projects in various States.

*The housing of the War and Navy Departments (except projects on military and naval reservations).*—The Second Supplemental National Defense Appropriation Act, 1941 (54 Stat. 872, 883, 884), appropriated funds for war housing to the War and Navy Departments. The Lanham Act provided that these funds could be transferred for

expenditure in accordance with the provisions of that act. The defense housing transferred to Federal Public Housing Authority excluded units located on military or naval reservations, posts or bases.

*The nonfarm housing of the Farm Security Administration.*—These projects were developed out of funds appropriated by the National Recovery Act of 1933 (40 U. S. C. 401-414) and the Emergency Relief Appropriation Act of 1935 (49 Stat. 115). Projects consist of (1) subsistence homesteads, or groups of homes with garden plots for urban families of low income; and (2) green towns, or model suburban developments for lower-salaried office workers.

*The Defense Homes Corporation.*—The Defense Homes Corporation was organized in October 1940, as a Maryland corporation, by direction of the President contained in a letter dated October 18, 1940. The Corporation provided permanent housing in centers of war activity where private capital was unable to provide sufficient housing and where there would be a continuing need for such housing after the war. This housing consisted of large-scale housing projects, dormitories, and groups of individual houses. Under Executive Order 9070 the functions, powers, and duties of the Corporation are administered by the commissioner of the Federal Public Housing Authority. The Corporation has been in liquidation since January 1, 1945.

In addition to the above activities, mention should be made of several important supplemental programs which were either included in the original consolidation or were added subsequently. These are:

The original slum-clearance projects developed by the Public Works Administration under the National Industrial Recovery Act and transferred to the United States Housing Authority at the time of its formation.

In June 1940, Congress passed the defense amendment to the United States Housing Act which authorized the use of United States Housing Authority low-rent and slum-clearance funds to provide housing for defense workers (42 U. S. C. 1501).

There was transferred from the Farm Security Administration, in addition to the subsistence homesteads and green towns projects, defense housing developed under the Lanham Act (42 U. S. C. 1521) and the Temporary Shelter Acts (55 Stat. 14, 197, 810) in outlying areas. Stopgap housing (trailers) made up a large part of this housing.

Federal Public Housing Authority received additional allocations of funds, after the consolidation, authorized by the basic public defense housing legislation known as the Lanham Act (42 U. S. C. 1521) adopted October 14, 1940. This act called for the provision of housing for persons engaged in national defense activities in those localities in which an acute shortage of housing existed, or impended, which would impede national defense activities and where private capital could not provide such housing.

Federal Public Housing Authority also received additional allocations authorized by the Temporary Shelter Acts enacted in 1941 to provide temporary and immediate stopgap shelter for defense workers (55 Stat. 14, 197, 810).

The United States Maritime Commission constructed with its own funds dormitory and family dwelling unit projects to further the defense activities of commercial shipbuilding concerns engaged in Government work. Most of these projects were transferred to Federal Public Housing Authority on June 30, 1944.

In October 1942, the homes conversion program was inaugurated by the Home Owners' Loan Corporation, under the provisions of the Lanham Act, whereby the Government leased existing structures and remodeled them into apartments to house war workers, thus assuring that maximum use would be made of the existing building supply at the same time every effort was being made to construct new war housing. Management of this program was transferred to the Federal Public Housing Authority on August 1, 1944.

Title V was added June 23, 1945 to the Lanham Act (59 Stat. 260), authorizing the use of war housing and war housing funds to provide housing for veterans and for families of servicemen. This title was amended December 31, 1945 (59 Stat. 674) and March 28, 1946 (Public Law 336, 79th Cong.), and appropriations of \$445,627,000 were made available for the relocation or conversion of approximately 200,000 units of surplus war housing and other facilities for transfer to universities and local bodies for housing veterans.

On August 18, 1945, the War Relocation Authority transferred to the Federal Public Housing Authority the responsibility for rehousing approximately 10,000 Japanese-Americans prior to their reabsorption into normal civilian life.

The National Housing Agency has designated the Federal Public Housing Authority to act in the disposition of surplus housing property of other agencies in accordance with the Surplus Property Act of 1944 (58 Stat. 765). The activities under this authorization and the cost thereof are not included in this budget presentation but are reported separately to the War Assets Administration for inclusion in its budget.

On December 28, 1944, the Foreign Economic Administration assigned to Federal Public Housing Authority the program of producing 30,000 houses for the United Kingdom and 4,500 barracks for France. On VJ-day the United Kingdom cancelled the remainder of its program including 8,110 partially-completed units which were then declared surplus and later sold to the French Government.

#### PENDING LEGISLATION

No allowances for pending legislation have been included in this budget presentation. At the time of its preparation Senate Bill 1592, which contains broad provisions for aid to urban and rural localities in slum-clearance and low-rent housing, was pending in the Congress, which, if enacted, will have a marked effect on the operations of the Federal Public Housing Authority.

#### 1947 BUDGET PROGRAMS

Under the provisions of the Government Corporation Control Act, budget programs for the fiscal year 1947 are required to be submitted to the Congress by the Defense

Homes Corporation and by the "Federal Public Housing Authority (or United States Housing Authority) and including public housing projects financed from appropriated funds and operations thereof."

The various Federal Public Housing Authority activities have been classified for purposes of budgeting, accounting, and reporting into seven major groups based on the purpose of the program and the methods of financing, development, and management, as follows:

1. *Public war housing program.*—This program includes all the housing under Federal Public Housing Administration developed under the basic Defense Housing Act (the Lanham Act), the Temporary Shelter Acts, and the War and Navy Department Second Supplemental National Defense Appropriation Act of 1941, and the United States Maritime Commission projects. It excludes war housing administered under the homes conversion program and the veterans housing program.

2. *Homes conversion program.*—This program covers buildings and homes leased by the Federal Government as authorized by the Lanham Act and converted into dwelling units.

3. *Veterans housing program.*—The operations included under this program are limited to those covered by title V of the Lanham Act. It should be noted that much of the housing originally constructed for war workers has been opened to veterans and their families but where it continues in use at its original site and is administered by Federal Public Housing Authority, rather than by local bodies and educational institutions, it is reported under the war housing program.

4. *Defense Homes Corporation.*—This program includes all the housing developed and operated by this corporation.

5. *Corporate program.*—This program includes the low-rent housing program under the United States Housing Act, the war housing developed as a result of the defense amendment, and the slum-clearance projects developed by the Public Works Administration. There is included in the budget submission for this program the annual appropriation request to Congress to cover subsidy payments which the Federal Government has contracted to pay to local authorities. These payments, in the form of annual contributions, assist in financing the operations of locally owned low-rent projects.

6. *Farm Security Administration Program.*—This program covers the subsistence homestead and green town projects constructed by the Farm Security Administration.

7. *Administrative expense.*—This presentation covers the total administrative expense requirements of the Federal Public Housing Authority, with the exception of the Defense Homes Corporation, and distributes these expenses to the various programs on the basis of workload. Much of the effectiveness of the Federal Public Housing Authority arises from the fact that it is operated as a single homogeneous organization, instead of being subdivided into separate organizations to administer each program. The authority for the establishment of a single administrative expense account was contained in the Independent Offices Appropriation Acts of fiscal years 1944, 1945, and 1946.

## PUBLIC WAR HOUSING PROGRAM

### CREATION AND PURPOSE

In order to sustain the defense production program, the Congress during 1940 enacted the following legislation authorizing the provision of housing for defense workers: The Second Supplemental National Defense Appropriation Act, 1941, Public Law 781, approved September 9, 1940 (54 Stat. 872, 883, 884); and the Lanham Act, Public Law 849, approved October 14, 1940 (42 USC. 1521). Subsequently, authorization and appropriations for temporary shelter for defense workers and immigrant war workers were provided by Public Laws 9, 140, 375, 73, and 353 (55 Stat. 14, 197, 810). These acts provided for financing the required emergency housing entirely from Federal funds, in those localities in which an acute shortage of housing existed or impended, which might impede the war program and where such housing would not be provided by private capital when needed because of the investment risk involved.

Executive Order 9070 of February 24, 1942, transferred to the National Housing Agency for administration by the Federal Public Housing Authority nearly all war housing functions previously administered by other Federal agencies except those of the War and Navy Departments with respect to housing located on military or naval reservations. Since this Executive order, the Federal Public Housing Authority has been responsible for development and management of practically the entire public war housing program of the Federal Government.

### FINANCIAL ORGANIZATION

Titles I and IV of the Lanham Act, as amended, authorized \$1,530,000,000 in appropriations for the development of war housing, and additional authorizations of \$320,000,000 were made under Public Law 9 as amended. As of June 30, 1945, allotments amounting to \$1,644,000,000 had been made to the Federal Public Housing Authority from appropriations under these authorizations. Section 303 of the Lanham Act, as amended, authorized the use of income derived from project operations to pay expenses for project operation and maintenance. It also provided for the establishment of a 25 million dollar reserve for expenses of disposition, to be set up from the net income from project operations and sales proceeds from the disposition of terminated war housing. Of this reserve 20 million dollars is applicable to this program and 5 million dollars to the Homes Conversion Program.

### ANALYSIS OF BUDGET PROGRAM BY MAJOR ACTIVITIES

The war housing program is divided into three major activities: development, management, and disposition.

#### DEVELOPMENT

The National Housing Administrator, after considering local war housing needs and taking steps to have these needs met in so far as possible through privately financed construction and the utilization of existing housing, assigned public war-housing projects for development to

the Federal Public Housing Authority. A series of standard plans for war housing construction were developed, to provide economies and save time in planning and obtaining materials and equipment. Most of the projects are of temporary construction built on leased land, and consist of family dwelling units and dormitories. Some trailers and trailer parks were also provided as stopgap housing.

After the surrender of Japan construction of all war housing was stopped immediately. Projects not under construction, as well as those which had not reached an advanced stage of construction, were cancelled. Therefore, the present development operations are confined, largely, to the clean-up of construction on those projects programed for completion. As shown in exhibit A, \$67,126,182 will be expended for this purpose in fiscal year 1946, and \$5,713,774 in 1947 as final claims are settled.

#### MANAGEMENT OPERATIONS

The war housing program is managed under Federal Public Housing Authority supervision as a consolidated program as provided for under section 303 of the Lanham Act as amended which reads as follows:

"Moneys derived from rental or operation of property shall be available for expense of operation and maintenance \* \* \*: *Provided*, That moneys derived by the Administrator \* \* \* from the rental or operation of any such property may be deposited in a common fund account or accounts in the Treasury: *And provided further*, That except for necessary reserves authorized by this Act \* \* \* the unobligated balance of the moneys deposited into the Treasury from the rental or operation of such property shall be covered at the end of each fiscal year into miscellaneous receipts."

Section 304 of the Lanham Act permits the Federal Public Housing Authority to operate war housing projects directly or through qualified public or private agencies on a rental, lease, or other basis.

With a few exceptions, projects not directly operated by Federal Public Housing Authority are managed by local housing authorities under lease. The lease provides for payment to Federal Public Housing Authority of the excess of income over expense for the period, or payment by Federal Public Housing Authority of any operating deficit. The lessee deposits receipts in its own bank account, pays all expenses, and returns the net revenue for each quarter to the Federal Public Housing Authority. Approximately 60 percent of all war housing under management is now being managed by local agencies under lease.

Annual project operating budgets are prepared for both directly managed and locally managed projects. They include provision for both projects in active operation and projects in inactive status (i. e., deactivated following the surrender of Japan and now held in custody pending either reuse or final disposition). These budgets are submitted by the project manager to the regional office where they are consolidated and forwarded to the central office. They are reviewed and approved in sufficient time for the

project to receive an allotment of operating funds prior to the beginning of each fiscal year.

The 1946 and 1947 estimates were based on the following assumptions and qualifications:

1. Lanham Act housing, as vacated by war workers, will be made available to returning war veterans and their families, thereby increasing the occupancy ratio and at the same time bringing about some reduction in average rental income as a result of prospective rent adjustments in hardship cases.

2. Operating expenses for 1946 and 1947 are predicated upon a continuation of the 1945 level for the cost of wages, materials, and equipment.

3. All dwelling units required for veterans will be kept in repair, and maintenance standards will be at approximately the same level as during the war fiscal year of 1944 and the first months of fiscal year 1945.

4. Operating improvements will be limited to those essential to the health and safety of the tenants and those effecting a net saving.

5. Vacancy loss will fall to approximately 5 percent on family dwelling units in 1947 and 15 percent on dormitory and stopgap accommodations.

6. Temporary war housing, wherever available, will be transferred to the veterans program for reutilization under title V of the Lanham Act.

The extent of management activity during the 3 fiscal years under consideration is shown in the following table in terms of the average number of dwelling units in active management.

	1945, actual	1946, estimated	1947, estimated
Directly operated:			
Family dwelling units.....	141, 210	132, 860	108, 466
Dormitory.....	28, 780	22, 804	20, 660
Stopgap.....	16, 275	11, 254	8, 005
Total.....	186, 265	166, 918	137, 131
Leased:			
Family dwelling units.....	233, 367	216, 772	176, 972
Dormitories.....	33, 335	26, 770	24, 253
Stopgap.....	11, 317	7, 821	5, 562
Total.....	278, 019	251, 363	206, 787
All projects:			
Family dwelling units.....	374, 577	349, 632	285, 438
Dormitory.....	62, 115	49, 574	44, 913
Stopgap.....	27, 592	19, 075	13, 567
Total.....	464, 284	418, 281	343, 918

On the basis of past experience and the assumptions stated above, the income and expense factors used in developing the estimates for fiscal years 1946 and 1947 are shown in the following table. These factors are expressed in terms of income and expense per dwelling unit per month, for units in active management.

	1945, actual	1946, estimated	1947, estimated
Directly operated projects:			
Family dwelling units:			
Income.....	\$29. 35	\$28. 75	\$29. 75
Expense.....	15. 69	17. 65	17. 65
Net income.....	13. 66	11. 10	12. 10
Dormitory units:			
Income.....	13. 58	13. 50	16. 65
Expense.....	14. 98	16. 40	16. 40
Net income.....	-1. 40	-2. 90	.25
Stopgap units:			
Income.....	18. 16	20. 20	22. 45
Expense.....	18. 18	20. 00	20. 00
Net income.....	-. 02	.20	2. 45

	1945, actual	1946, estimated	1947, estimated
Leased projects:			
Family dwelling units:			
Income.....	\$32. 63	\$31. 75	\$32. 60
Expense.....	18. 76	20. 55	20. 55
Net income.....	13. 87	11. 20	12. 05
Dormitory units:			
Income.....	12. 71	12. 65	15. 15
Expense.....	15. 73	18. 75	18. 75
Net income.....	-3. 02	-6. 10	-3. 60
Stopgap units:			
Income.....	19. 09	23. 30	24. 80
Expense.....	17. 20	19. 80	19. 80
Net income.....	1. 89	3. 50	5. 00

The increased expense per dwelling unit per month noted in the above table is attributable largely to the fact that many projects previously scheduled for early demolition or disposition are now to be maintained for continued occupancy during the present critical housing shortage and therefore will require rehabilitation.

The estimated financial results of the projected management activity and unit costs shown in the foregoing tables, plus the cost of custodial management of inactive units, are reflected in exhibit A. Operating income of \$72,783,-100 is shown for fiscal year 1946, and \$63,468,400 for 1947. Operating expenses are estimated at \$46,241,526 for 1946, and \$38,528,106 for 1947. These figures represent the combined results of directly operated and leased projects, the separate results for each category being shown in exhibit B. It is anticipated that all management operations will result in an estimated net operating income of \$26,541,574 in fiscal year 1946, and \$24,940,294 in fiscal year 1947.

DISPOSITION

All temporary housing, whether constructed under the Lanham Act, Public Law 9, or Public Law 781, must be removed not later than 2 years after the emergency is over with the exception only of such housing as is found, after consultation with local communities, to be still needed in the interest of orderly demobilization. Permanent projects constructed under the Lanham Act must also be disposed of as expeditiously as possible but subject to the following proviso in title I, section 4 of the Lanham Act, as amended:

“That in disposing of said housing consideration shall be given to its full market value and said housing or any part thereof shall not, unless specifically authorized by Congress, be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low income.”

Upon determination by the National Housing Administrator that a project can be terminated, the Federal Public Housing Authority undertakes to dispose of it by transfer to other Government agencies, by sale, or by demolition. Leased land is returned to the owner and FPHA-owned land is declared surplus to the War Assets Administration for disposal pursuant to its regulations. Surplus personal property, supplies, equipment, scrap, and salvage are likewise transferred to the War Assets Administration for disposal.

At the present time, all terminated temporary housing is being made available for transfer to the veterans housing program under title V of the Lanham Act. Because of this reuse of housing, no estimates are included in this Budget for disposal of temporary housing during fiscal year 1946 and 1947.

Permanent war housing facilities, however, will be sold or transferred, as required by the Lanham Act. It is estimated that 11,122 dwelling units will be sold in fiscal year 1946, and 44,488 in fiscal year 1947, having an asset value of \$48,936,800 and \$195,747,200, respectively (exhibit B). Expenses in connection with the sale of this property are estimated at an average of \$600 per unit which would result in expenses of \$6,673,200 for fiscal year 1946 and \$26,692,800 for fiscal year 1947. (See exhibits A and B.) The \$600 per unit estimate covers costs of reconditioning projects prior to sale including alterations to comply with local building codes, fee appraisals and surveys, and advertising and selling expenses. No Federal Public Housing Authority administrative expenses are included. Based on conformity with applicable provisions of the Lanham and surplus property acts, it is estimated that the average gross proceeds per unit through sale to private investors will be \$3,000. On this basis it is estimated that gross proceeds (cash) from the disposition of permanent war housing will be \$33,366,000 in fiscal year 1946, and \$133,464,000 in fiscal year 1947.

The disposition program as projected in the Budget anticipates a recapture of original wartime investment for permanent war housing at approximately 68 percent of expenditures for that purpose. After application of expenses in connection with the disposition program, the net recapture is estimated at 60 percent.

It is estimated that 55,000 dwelling units, in addition to 15,000 trailers from the war housing program, will be reused in connection with title V veterans' housing during fiscal year 1946 and 41,830 units in 1947. The asset value to be written off by this program with this transaction is \$88,200,000 in fiscal year 1946 and \$41,928,600 in 1947 (exhibit B).

The difference between the asset values written off through sales and transfers, and the proceeds of sale, represents the estimated net disposition cost of \$110,444,000 and \$130,904,600 for fiscal years 1946 and 1947, respectively. With respect to both expenses and proceeds, experience to date is inadequate for evaluating the average unit estimates.

Two other types of disposition action scheduled during fiscal years 1946 and 1947 are not reflected in the statement of income and expense since they involve merely the transfer of assets from this program at their full development cost and thus do not occasion any loss to this program:

1. In those cases where local governing bodies determine that a Federal Public Housing Authority permanent war housing project would best be disposed of by transferring title to a local agency for the purpose of housing low-income families, the request will be submitted to the Congress for approval pursuant to the provisions of title I, section 4 of the Lanham Act. The asset value of the units involved in this conveyance will be transferred to the low-rent program and so will effect a reduction in assets and capital in the war housing program. It is estimated that 2,780 units, valued at \$12,232,000, and 11,120 units, valued at \$48,928,000, will be so transferred in fiscal years 1946 and 1947, respectively.

2. In the removal of the 55,000 dwelling units in 1946 for the veterans program, some 3,925 acres of FPHA-owned land will become vacant. The removal of 41,830 units in 1947 will vacate approximately 789 acres. The declaration of this land as surplus, and its transfer to the War Assets Administration for disposal in accordance with the Surplus Property Act of 1945, will occur in fiscal year 1947. The asset value of this land, \$2,376,500, is shown in exhibit C as a reduction of paid-in capital.

## OPERATING RESULTS

For the fiscal year 1946, it is estimated that war housing will show operating net income of \$26,541,574 (exhibit B). This figure reflects a loss in occupancy due to cessation of hostilities and closing of plants engaged in war work. In many instances, these factories were built in communities where employment is normally small. With the closing of these plants, the immigrant workers for whom the war housing was constructed tend to return to their home communities. Where this has occurred, many temporary war housing projects have been completely vacated or show very low occupancy. The current critical housing shortage, and the economic uncertainties and difficulties attending reconversion, operate to mitigate the loss in occupancy.

The total net operating income for fiscal year 1947 will be \$24,940,294. The lowered net income is accounted for by the relatively smaller number of units in the latter year.

## FINANCIAL CONDITION

Reference to the comparative statement of financial condition (exhibit C) discloses a continual decrease in assets projected from June 30, 1945. Similarly, capital declines in amount over the same period. These declines reflect the programmed reduction in the inventory of war housing through disposition and transfer to other programs for reuse.

*Appropriated funds.*—Appropriated funds decrease as of June 30, 1946, and then increase from that base. Reductions in appropriated funds result from expenditures for completing development, and from return of funds to the Treasury. Pursuant to amendment of the Lanham Act contained in Public Law 301, approved February 18, 1946, \$50,000,000 of accumulated management net income, which had been reserved for disposition purposes, is to be deposited to miscellaneous receipts of the Treasury during fiscal year 1946 (exhibit A). Also the termination of war housing construction makes it possible to return \$39,582,685 of allocated funds to the National Housing Administrator. Increases are derived from the realization of management net income and the proceeds of disposition. The net effect of these transactions is to reduce the balance of appropriated funds at the close of 1946 to \$100,449,953 (exhibit C), of which it is anticipated that \$55,365,421 will be returned to the Treasury in 1947 (exhibit A). Similarly the balance as of June 30, 1947, of \$167,644,409 (exhibit C) would include approximately 130 million dollars for return to the Treasury in 1948, based on present assumptions.

*Fixed assets.*—The disposals and transfers discussed above under Disposition account for the decrease of fixed assets shown in exhibit C. A net decrease of \$82,242,618 is budgeted for 1946 and \$283,266,526 for 1947, making the balance at the end of those years \$1,405,570,102 and \$1,122,303,576, respectively.

*Revenue receipts and general fund receipts.*—Revenue receipts act to reduce the degree to which the program is capitalized from expended appropriations. Hence, the gross collections from management and disposition operations are shown on exhibit C under the caption Revenue receipts as offsets to expended appropriations which represent gross expenditures for development, management and disposition operations. By June 30, 1946, these funds are expected to total 14.5 percent of the amount expended and a year later they would equal 21.7 percent.

The funds budgeted for transfer to miscellaneous receipts of the Treasury are reflected in general fund receipts

in the cumulative amounts of \$60,109,714 and \$115,475,135 at the end of fiscal years 1946 and 1947, respectively.

*Earned surplus (or net cost of program).*—The earned surplus of \$99,476,923, as of June 30, 1945, decreases in fiscal year 1946 and becomes a deficit of \$91,560,309, as of June 30, 1947 (exhibit C).

*Total capital.*—The capital investment of the Government in this program, amounting to \$1,489,125,306, as of June 30, 1945, is expected to decline to \$1,123,280,586 by June 30, 1947, as a result of the programmed development, management, and disposition operations.

#### ADMINISTRATIVE EXPENSES

Estimated administrative expenses in fiscal year 1946 consist of \$9,038,826 for management and disposition operations and \$2,000,000 for development operations, the latter being derived from appropriated funds and capitalized as a part of development costs. Likewise, \$9,329,406 is estimated for management and disposition operations and \$100,000 for development operations in fiscal year 1947. The basis for distributing these costs is explained in the consolidated estimate of Federal Public Housing Authority administrative expenses.

## FEDERAL PUBLIC HOUSING AUTHORITY

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## EXHIBIT A

## COMPARATIVE STATEMENT OF SOURCES AND APPLICATION OF FUNDS

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual <sup>1</sup>	1946, estimated	1947, estimated
<b>FUNDS APPLIED</b>			
To completing payment of development costs.....		\$67,126,182	\$5,713,774
To operating expenses: <sup>2</sup>			
Projects.....		\$37,037,100	\$29,027,600
Leased cafeterias (including loss).....		30,600	21,100
Administrative expenses.....		9,038,826	9,329,406
Excess property warehouse expense.....		135,000	150,000
Total operating expenses.....		46,241,526	38,528,106
To nonoperating expenses:			
Projects.....		676,600	493,900
Disposition expenses, P. L. 849 projects.....		6,673,200	26,692,800
Total nonoperating expenses.....		7,349,800	27,186,700
To increase (or decrease*) working capital (see schedule A-1).....		*1,281,019	945,443
<b>Total funds applied</b> .....		119,436,489	72,374,023
<b>FUNDS PROVIDED</b>			
By sale of land, structures, equipment: P. L. 849 permanent projects.....		33,366,000	133,464,000
By operating income: Projects.....		72,783,100	63,468,400
By appropriations (net):			
Expenditures.....		120,147,738	71,553,523
Revenue receipts.....		*56,860,349	*140,746,479
General fund receipts.....		*50,000,000	*55,365,421
Net appropriations.....		13,287,389	*124,558,377
<b>Total funds provided</b> .....		119,436,489	72,374,023

\*Deduct.

<sup>1</sup> The basic accounting system maintained prior to July 1, 1945, for this program was prescribed by the Comptroller General. The primary emphasis in this system of accounting is to provide fund accountability. It did not contain the accounts necessary to reflect the financial condition and results of operations on a corporate basis. For this reason it was impossible to prepare a statement of financial condition as of June 30, 1944, and statements of application of funds and changes in working capital for the fiscal year 1945.

<sup>2</sup> Excludes expenses which do not require funds during the current year (see exhibit B).

**EXHIBIT B**  
**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual <sup>1</sup>	1946, estimated	1947, estimated
<b>Operating income:</b>			
Projects directly operated:			
Family dwelling.....	\$49,833,947	\$45,836,800	\$38,722,500
Dormitory.....	4,650,775	3,694,200	4,127,900
Stopgap.....	3,566,143	2,728,000	2,156,400
Total directly operated.....	\$58,050,865	\$52,259,000	\$45,006,800
Leased--net:			
Family dwelling.....	37,249,184	22,115,900	19,013,400
Dormitory.....	*1,412,157	*2,086,500	*1,066,500
Stopgap.....	195,705	*60,200	327,900
Total leased.....	36,032,732	19,969,200	18,274,800
Contract managed.....		12,100	12,100
Rented projects and project property.....		542,800	174,700
Total operating income.....	94,083,597	72,783,100	63,468,400
<b>Operating expenses:</b>			
Projects directly operated:			
Family dwelling.....	26,658,879	28,904,000	22,973,300
Dormitory.....	5,148,888	4,850,400	4,065,700
Stopgap.....	3,386,223	3,201,000	1,921,000
Total directly operated.....	35,193,990	36,955,400	28,960,000
Contract-managed.....		11,500	11,500
Rented projects and project property.....		70,200	56,100
Total projects.....	35,193,990	37,037,100	29,027,600
Cafeteria leases--net loss.....		30,600	21,100
Administrative expense.....	5,918,649	9,038,826	9,329,406
Excess property warehouse expense.....		135,000	150,000
Total operating expenses.....	41,112,639	46,241,526	38,528,106
Net operating income.....	52,970,958	26,541,574	24,940,294
<b>Nonoperating income and expenses:*</b>			
Projects directly operated:			
Family dwelling.....	986,626	*566,200	*441,500
Dormitory.....	227,445	*36,200	*24,900
Stopgap.....	369,092	*74,200	*27,500
Total (nonoperating income (or expenses*)).....	1,583,163	*676,600	*493,900
<b>Disposition cost to program:*</b>			
Development cost:			
Property reused for veterans' housing program.....		*88,200,000	*41,928,600
Property sold.....	*613,250	*48,936,800	*195,747,200
Total development cost.....	*613,250	*137,136,800	*237,675,800
Disposition expenses.....	*49,475	*6,673,200	*26,692,800
Proceeds of sale.....	29,851	33,366,000	133,464,000
Net disposition cost to program*.....	*632,874	*110,444,000	*130,904,600
<b>Net income (or cost of program*) for the year.....</b>	<b>53,921,247</b>	<b>*84,579,026</b>	<b>*106,458,206</b>

**ANALYSIS OF EARNED SURPLUS (OR NET COST OF PROGRAM\*)**

	(1)	\$99,476,923	\$14,897,897
Balance at beginning of fiscal year.....	(1)	*84,579,026	*106,458,206
Net income (or cost of program*) for year (above).....		\$99,476,923	*106,458,206
Balance at end of fiscal year.....		\$14,897,897	*106,458,206

\*Deduct.

<sup>1</sup> The figures shown in the actual 1945 column represent data available (including estimates), which was taken from records maintained separately from general books of account and not coordinated therewith. See footnote on exhibit A.

## FEDERAL PUBLIC HOUSING AUTHORITY

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EXHIBIT C  
COMPARATIVE STATEMENT OF FINANCIAL CONDITION

[As of June 30, 1945, 1946, and 1947]

	1945, actual <sup>1</sup>	1946, estimated	1947, estimated
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash.....	\$2,564,338	\$1,946,017	\$1,556,017
Appropriated funds.....	204,431,736	100,449,953	167,644,409
Accounts receivable, due from Government agencies.....	33,543		
Due from veterans' housing program.....		616,741	2,634,884
Local housing authorities:			
Rents.....	5,939,280	4,992,300	4,568,700
Other.....	459,332	400,000	350,000
Cafeteria operators.....	1,724		
Others.....	25,594	25,000	25,000
Tenants' accounts receivable:			
Currently collectible.....	(?)	475,000	425,000
Uncollectible.....	189,243	316,643	423,743
Reserve for uncollectible.....	*189,243	*316,643	*423,743
Unbilled.....	2,194	2,000	2,000
Miscellaneous.....	203,123	125,000	75,000
Advances:			
Local housing authorities.....	3,615,001	3,300,000	3,000,000
Cafeteria operators.....	80,144	49,544	28,444
Stores inventories.....	375,874	300,000	275,000
<b>Total current assets.....</b>	<b>\$217,731,883</b>	<b>\$112,681,555</b>	<b>\$180,584,454</b>
<b>Fixed assets:</b>			
Land, structures and equipment.....	1,487,812,720	1,405,570,102	1,122,303,576
<b>Deferred charges:</b>			
Prepaid expenses:			
Payments in lieu of taxes.....	1,574,788	1,425,000	1,375,000
Land rental.....	16,483	15,000	12,000
Undistributed debits.....	399,736	399,736	399,736
<b>Total deferred charges.....</b>	<b>1,991,007</b>	<b>1,839,736</b>	<b>1,786,736</b>
<b>Total assets.....</b>	<b>1,707,535,610</b>	<b>1,520,091,393</b>	<b>1,304,674,766</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable.....	14,685,421	15,000,000	15,000,000
Trust and deposit liabilities:			
Tenants' security deposits.....	940,940	940,000	900,000
Miscellaneous.....	1,033,792	500,000	250,000
Deferred credits:			
Prepaid rents.....	*18,644	300,000	300,000
Undistributed credits.....	295,931	295,931	295,931
<b>Total liabilities.....</b>	<b>16,974,728</b>	<b>17,035,931</b>	<b>16,745,931</b>
<b>CAPITAL</b>			
<b>Paid-in-capital:</b>			
Expended appropriations:			
Expenditures.....	1,589,998,295	1,710,146,033	1,781,699,556
Revenue receipts.....	*190,240,198	*247,100,547	*387,847,028
General fund receipts.....	*10,109,714	*60,109,714	*115,475,135
Assets transferred to corporate program.....		*12,232,000	*61,160,000
Assets transferred to other Federal agencies for disposition.....			*2,376,500
<b>Total paid-in capital.....</b>	<b>1,389,648,383</b>	<b>1,390,703,772</b>	<b>1,214,840,895</b>
<b>Earned surplus (or net cost of program*).....</b>	<b>99,476,923</b>	<b>14,897,897</b>	<b>*91,560,309</b>
<b>Total capital.....</b>	<b>1,489,125,306</b>	<b>1,405,601,669</b>	<b>1,123,280,586</b>
<b>UNEXPENDED APPROPRIATIONS</b>			
<b>Unexpended appropriations.....</b>	<b>201,543,576</b>	<b>97,453,793</b>	<b>164,648,249</b>
<b>Total liabilities, capital and unexpended appropriations.....</b>	<b>1,707,535,610</b>	<b>1,520,091,393</b>	<b>1,304,674,766</b>

\*Deduct.

<sup>1</sup> The figures shown in the actual 1945 column represent data available (including estimates) which was taken from records maintained separately from the general books of account and not coordinated therewith. See footnote on exhibit A.

<sup>2</sup> Tenants' accounts receivable and repaid rent were not shown separately on regional trial balances as of June 30, 1945.

## SCHEDULE A-1

## COMPARATIVE STATEMENT OF CHANGES IN WORKING CAPITAL

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual <sup>1</sup>	1946, estimated	1947, estimated
<b>Current assets (increase or decrease)*:</b>			
Cash.....		*\$618,321	*\$390,000
Appropriated funds.....		*103,981,783	67,194,456
Accounts receivable:			
Due from Government agencies.....		*33,543	
Due from veterans' housing program.....		616,741	2,018,143
Receivables from lessees and contractors:			
Rents receivable from LHA.....		*946,980	*423,600
Other receivables from LHA.....		*59,332	*50,000
Cafeteria operators.....		*1,724	
Others.....		*594	
Tenants' accounts receivable:			
Currently collectible.....		475,000	*50,000
Unbilled accounts receivable.....		*194	
Miscellaneous.....		*78,123	*50,000
Advances:			
Local housing authorities.....		*315,001	*300,000
Cafeteria operators.....		*30,600	*21,100
Stores inventory.....		*75,874	*25,000
<b>Deferred charges:</b>			
Prepaid expense:			
Payments in lieu of taxes.....		*149,788	*50,000
Land rentals.....		*1,483	*3,000
<b>Current liabilities (increase* or decrease):</b>			
Accounts payable:			
Management.....		*314,579	
Trust and deposit liabilities:			
Security deposits.....		940	40,000
Other.....		533,792	250,000
<b>Deferred credits:</b>			
Prepaid rents.....		*281,356	
<b>Unexpended appropriations</b> .....		103,981,783	*67,194,456
Increase in working capital.....			945,443
Decrease in working capital.....		1,281,019	

\* Deduct.

<sup>1</sup> Absence of 1945 actual data explained in footnote in exhibit A.

## HOMES CONVERSION PROGRAM

### CREATION AND PURPOSE

The homes conversion program was originated in calendar year 1942, under the provisions of the Lanham Act (42 U. S. C. 1521), and initiated by the Home Owners' Loan Corporation.

Development activities were largely completed prior to the transfer of this program to the Federal Public Housing Authority. Management responsibility was so transferred on August 1, 1944, and concluding development responsibility on July 1, 1945.

The purpose of the program was to provide urgently needed additional housing for war workers by remodeling existing structures, such as large single-family residences, warehouses, factory buildings, and similar structures, into multiple-unit family dwellings, with a minimum expenditure of critical war materials and manpower.

### FINANCIAL ORGANIZATION

The program was financed in the development stage entirely from war housing appropriations, at a cost of approximately 90 million dollars. Since physical development activities have been completed, there will be no further use of war housing appropriations except to settle existing obligations. Section 303 of the Lanham Act, as amended, authorizes the use of operating income to meet all operating expenses and to establish a reserve for disposition. Of the total reserve of 25 million dollars so authorized, 5 million dollars has been apportioned to this program. Operating income is adequate to meet all operating expenses and to return to the Treasury a substantial portion of the Government's initial outlay.

### ANALYSIS OF BUDGET PROGRAM BY MAJOR ACTIVITIES

The budget program falls naturally into three categories—development (improvement of leaseholds), management, and disposition—which are separately described below.

*Development.*—Development activities consisted of negotiating leases on suitable structures and remodeling them into apartments. The leases generally run for 7 years, with the right on the part of the Government to cancel on 30 days' notice. Approximately 50,000 dwelling units were provided. Initial development costs aggregated \$90,154,460, or an average of \$1,822 per unit provided. These costs include not only the contract costs of remodeling (\$1,538), but also overdue taxes and mortgage payments, and rent, taxes, and administrative overhead expenses during the construction period. As shown in exhibit A, \$6,616,400 was applied in fiscal year 1945 to acquisition of leaseholds, improvements, and equipment. Of this amount, \$6,422,423 came from development funds, and \$193,977 for operating improvements came from management funds. No further obligations will be incurred from development funds. It is estimated, however, that \$400,000 per year will be required for operating improvements in 1946 and 1947. Operating improvements are major physical improvements such as new heating systems.

*Management.*—Management of the properties is conducted through 353 contract managers (rental agents). The agent manages and maintains the property, collects rents, and pays operating and maintenance costs. Payments to lessors and mortgagees, and for taxes and insurance, are made directly by the Federal Public Housing Authority. The agent is required to render monthly statements of account and to remit the rents collected less expenses and commissions.

As explained in greater detail under, "Disposition," it is assumed that a number of leases will be cancelled. Realization of current estimates would result in the reduction of units under management from 49,485 at the beginning of fiscal year 1946 to 44,468 at the end of that fiscal year, and to 34,580 at the end of fiscal year 1947. It is further assumed that rental income and all other income and expenses will continue through fiscal year 1947 at approximately the present rates per unit, and that the percentage of occupied units to the total units available will remain at the present level of 96.5 percent. These assumptions indicate that net income from rental agents and operating expenses, as shown in exhibit A, will result in the following net operating income:

	Fiscal year 1946	Fiscal year 1947
Net income from rental agents.....	\$13,487,100	\$11,123,400
Operating expenses.....	8,046,100	6,656,400
Net operating income available for amortization of investment.....	5,441,000	4,467,000

*Disposition.*—It is the policy of the Federal Public Housing Authority to negotiate cancellations of leases on properties no longer needed to house veterans or war workers, when—

(1) The property cannot be made to produce a net profit before charges for amortization of capitalized cost; or

(2) The owner desires to obtain cancellation and is willing to purchase the unexpired lease term at a price satisfactory to the Government.

Wherever cancellations are negotiated, a stipulation is made which requires continued occupancy preference for veterans.

This budget assumes, on the basis of present limited experience, that leases on properties containing 5,017 units will be cancelled in fiscal year 1946, and on 9,888 units in 1947. Cancellations to date have been quite satisfactory considering the type of property involved. The proceeds from lease cancellations have averaged approximately 33 percent of the original contract costs of remodeling and are expected to continue on this basis for cancellations effected during fiscal years 1946 and 1947. Exhibit A, therefore, shows \$2,171,759 in proceeds from cancellation of leases in the 1946 fiscal year, and \$4,280,317 in 1947.

The lease requires, upon expiration, that the Government redecorate the vacant portions of the property, and the 5-million-dollar reserve apportioned to the program will be used for this purpose.

## OPERATING RESULTS

During the fiscal year 1945, the net operating income before provision for amortization and depreciation amounted to \$9.58 per unit per month or \$5,254,698 (exhibit B). In 1946, it is estimated that net operating income will amount to approximately \$5,441,000, or \$9.53 per unit per month. The reduction is due largely to reductions of rent ceilings by the Office of Price Administration, which became effective in December 1945. In 1947, the estimate of \$4,467,000 will produce approximately \$9.72 per unit per month, or an increase of 19 cents. The increase is estimated on the basis of current efforts to dispose of unprofitable properties. (See exhibit B.)

Development costs are amortized by a charge to operations over the lease period of 7 years and the unamortized balances of costs of cancelled leases are charged off during the year in which cancellation occurs. Accordingly, the derivation of the net cost of program (exhibit B) is as shown in the following table:

	Fiscal year 1946	Fiscal year 1947
Net loss on leaseholds cancelled.....	\$3,589,429	\$5,146,243
Provision for amortization and depreciation.....	12,625,228	10,415,300
Subtotal.....	16,214,657	15,561,543
Less: Net operating income.....	5,441,000	4,467,000
Net cost of converted housing allocable to the fiscal year.....	10,773,657	11,094,543

## FINANCIAL CONDITION

The large decline in balances of cash and appropriated funds (exhibit C) between June 30, 1944, and June 30, 1945, was occasioned chiefly by expenditures on develop-

ment contracts. The estimated balances of 13 million dollars on June 30, 1946, are entirely composed of management and disposition funds. These funds, under section 303 of the Lanham Act, must be returned at the end of the fiscal year to the Treasury, with the exception of operating balances and the \$5,000,000 reconditioning reserve previously mentioned. In fiscal year 1947, accordingly, \$7,233,817 is estimated to be returned to the Treasury as a partial return of appropriated funds invested in this program. Similarly, \$8,447,671 will be returned in fiscal year 1948, if present estimates are realized.

Fixed assets are estimated at a total cost of \$91,148,437 at June 30, 1947. This amount consists of the \$90,154,460 of initial development costs, plus \$993,977 which is estimated to be expended to that date for operating improvements to properties. Cost of these improvements will be paid from operating income and capitalized.

Amortization and depreciation applicable to operations to June 30, 1947, will aggregate \$58,955,229 at that date, leaving a net value for fixed assets of \$32,193,208 per exhibit C. Cumulative net operating income to June 30, 1947, from the program will amount to \$22,685,891, leaving a cumulative net cost of program per exhibit C of \$36,377,964. This amount represents the estimated cost to June 30, 1947, of providing nearly 50,000 units of housing for in-migrant war workers under this program.

## ADMINISTRATIVE EXPENSES

The administrative expenses as set forth in the income and expense statement are payable from rental income. The justification of the amounts charged to this program and an explanation of the basis of cost distribution are contained in the consolidated estimate of Federal Public Housing Authority administrative expenses.

## FEDERAL PUBLIC HOUSING AUTHORITY

EXHIBIT A  
COMPARATIVE STATEMENT OF SOURCES AND APPLICATION OF FUNDS

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>FUNDS APPLIED</b>			
<b>To acquisition of leaseholds, improvements, and equipment:</b>			
Leasehold improvement.....	\$6,146,890		
Operating improvement.....	193,977	\$400,000	\$400,000
Equipment.....	108,442		
Furniture.....	167,091		
Total acquisition.....	\$6,616,400	\$400,000	\$400,000
<b>To operating expenses:</b>			
Fixed expenses.....	6,441,887	6,836,300	5,501,800
Administrative expenses.....	<sup>1</sup> 1,202,764	1,160,000	1,114,500
Miscellaneous.....	52,815	49,800	40,100
Total operating expenses.....	7,697,466	8,046,100	6,656,400
<b>To nonoperating expenses:</b> <sup>2</sup> Property damage.....	6,174		
<b>To increase (or decrease*) working capital (see schedule A-1).....</b>	18,527,043	695,353	*100,354
<b>Total funds applied.....</b>	<b>32,847,083</b>	<b>9,141,453</b>	<b>6,956,046</b>
<b>FUNDS PROVIDED</b>			
<b>By proceeds from leaseholds settlements.....</b>		2,171,759	4,280,317
<b>By net income from contract managers:</b>			
Operating income.....	22,496,562	23,712,800	19,431,300
Less contract managers operating expense.....	9,544,398	10,225,700	8,307,900
Net income contract managers.....	12,952,164	13,487,100	11,123,400
<b>By appropriations (net):</b>			
Appropriation expenditures.....	31,864,749	9,162,264	7,016,300
Revenue receipts.....	*11,969,830	*15,679,670	*8,230,154
General fund receipts.....			*7,233,817
Net appropriations.....	19,894,919	*6,517,406	*8,447,671
<b>Total funds provided.....</b>	<b>32,847,083</b>	<b>9,141,453</b>	<b>6,956,046</b>

\*Deduct.

<sup>1</sup> Administrative expenses adjusted to \$1,311,390 by redistribution subsequent to June 30, 1945. Difference of \$108,626 included in fiscal year 1946 adjustments to surplus.<sup>2</sup> Excludes expenses which do not require funds during current year (see exhibit B).

**EXHIBIT B**  
**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>Operating income:</b>			
Dwelling rent schedule.....	\$24,380,620	\$24,485,200	\$20,053,100
Less: Dwelling vacancy loss.....	1,927,964	857,000	702,000
Dwelling rents.....	22,452,656	23,628,200	19,351,100
Furniture rentals.....	40,728	63,700	60,400
Other income.....	3,178	20,900	19,800
Total operating income.....	22,496,562	23,712,800	19,431,300
<b>Contract managers operating expenses:</b>			
Legal, fiscal and other fees.....		800	600
Management fees.....	1,853,768	1,775,400	1,428,900
Janitorial services.....		2,102,700	1,692,300
Heating.....		1,248,500	1,004,800
Other utilities.....	6,266,156	3,219,700	2,591,300
Repairs, maintenance and replacement.....	1,424,474	1,878,600	1,590,000
Total contract managers operating expenses.....	9,544,398	10,225,700	8,307,900
<b>Net income from contract managers.....</b>	<b>12,952,164</b>	<b>13,487,100</b>	<b>11,123,400</b>
<b>Fixed operating expenses:</b>			
Insurance.....	32,500	31,300	25,200
Rental payments to lessors.....	3,765,007	3,807,800	3,064,600
Payment to mortgages.....	1,220,504	1,216,000	978,600
Taxes.....	1,423,876	1,781,200	1,433,400
Total fixed operating expenses.....	6,441,887	6,836,300	5,501,800
<b>Net income directly allocated to properties.....</b>	<b>6,510,277</b>	<b>6,650,800</b>	<b>5,621,600</b>
<b>Indirect operating expenses:</b>			
Administrative expenses.....	1,202,764	1,160,000	1,114,500
Liability and personal injury insurance.....	21,393	16,400	13,200
Collection losses.....	31,422	33,400	26,900
Total indirect operating expenses.....	1,255,579	1,209,800	1,154,600
<b>Net operating income before provisions for amortization and depreciation.....</b>	<b>5,254,698</b>	<b>5,441,000</b>	<b>4,467,000</b>
<b>Nonoperating expenses:</b>			
Property damage:			
Losses and replacements.....	52,874		
Less insurance recoveries.....	46,700		
Net property damage.....	6,174		
Loss on leaseholds cancelled:			
Development costs.....	78,022	9,130,940	17,996,160
Less allowance for prior amortization.....	19,505	3,369,752	8,569,600
Unamortized value.....	58,517	5,761,188	9,426,560
Less proceeds from lease settlements.....		2,171,759	4,280,317
Net loss on leaseholds cancelled.....	58,517	3,589,429	5,146,243
Total nonoperating expenses.....	64,691	3,589,429	5,146,243
<b>Net income or (cost of program*) before provisions for amortization and depreciation.....</b>	<b>5,190,007</b>	<b>1,851,571</b>	<b>*679,243</b>
<b>Provision for amortization and depreciation:</b>			
Leaseholds and improvements.....	12,966,263	12,541,201	10,334,600
Equipment.....	29,039	20,327	20,300
Furniture.....	40,728	63,700	60,400
Total provision for amortization and depreciation.....	13,036,030	12,625,228	10,415,300
<b>Net cost of program* for the year.....</b>	<b>*7,846,023</b>	<b>*10,773,657</b>	<b>*11,094,543</b>

**ANALYSIS OF COST OF PROGRAM**

Balance at beginning of fiscal year.....	*\$6,532,104	*\$14,399,528	*\$25,283,421
Adjustment to beginning balance.....	*21,401	*110,236	
Net cost of program* for year above.....	*7,846,023	*10,773,657	*11,094,543
Balance at end of fiscal year.....	*\$14,399,528	*\$25,283,421	*\$36,377,964

\*Deduct.

† Administrative expenses adjusted to \$1,311,390 by redistribution subsequent to June 30, 1945. Difference of \$108,626 included in fiscal year 1946 adjustments to surplus.

## FEDERAL PUBLIC HOUSING AUTHORITY

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EXHIBIT C  
COMPARATIVE STATEMENT OF FINANCIAL CONDITION

[June 30, 1944, 1945, 1946, and 1947]

	June 30, 1944, actual	June 30, 1945, actual	June 30, 1946, estimated	June 30, 1947, estimated
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash.....	\$58,691	\$770,461	\$750,000	\$750,000
Appropriated funds.....	18,650,742	5,838,158	12,240,817	13,454,671
Accounts receivable:				
Tenants accounts:				
Collectible.....	59,177	135,177	137,723	130,560
Uncollectible.....	2,203	33,625	67,025	93,925
Allowance for uncollectible.....	*2,203	*33,625	*67,025	*93,925
Due from contract managers.....	<sup>1</sup> 1,323,231	420,056	377,491	293,600
Total current assets.....	20,091,841	7,163,852	13,506,031	14,628,831
<b>Fixed assets:</b>				
Cost:				
Leasehold improvements.....	83,608,302	89,755,191	89,755,191	89,755,191
Operating improvements.....		193,977	593,977	993,977
Equipment.....	94,830	203,272	203,272	203,272
Furniture.....	17,741	195,997	195,997	195,997
Total cost.....	83,720,873	90,348,437	90,748,437	91,148,437
Allowance for amortization:				
Active leaseholds and indirect costs.....	*7,609,838	*20,556,595	*29,728,044	*31,493,044
Leaseholds cancelled.....		*78,022	*9,208,962	*27,205,122
Allowance for depreciation.....	*790	*92,336	*176,363	*257,063
Net fixed assets.....	76,110,245	69,621,484	51,635,068	32,193,208
<b>Deferred charges:</b>				
Prepaid insurance.....		24,305	35,600	22,400
Undistributed debits.....		16,699	16,699	16,699
Total deferred charges.....		41,004	52,299	39,099
Total assets.....	96,202,086	76,826,340	65,193,398	46,861,138
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable.....	19,249,803	624,338	7,000	7,000
Accrued insurance.....		10,695		
Deferred credits:				
Prepaid rents.....	72,319	80,869	74,600	70,700
Undistributed credits.....		7,041	7,041	7,041
Total liabilities.....	19,322,122	722,943	88,641	84,741
<b>CAPITAL</b>				
<b>Paid-in capital:</b>				
Expended appropriations:				
Expenditures.....	69,013,181	100,877,930	110,040,194	117,056,494
Less receipts:				
Revenue receipts.....	*4,254,498	*16,224,328	*31,903,998	*40,134,152
Deposits to general funds receipts.....				*7,233,817
Net appropriation expenditures.....	64,758,683	84,653,602	78,136,196	69,688,525
Paid-in surplus (transfers from other programs).....		11,165	11,165	11,165
Total paid-in capital.....	64,758,683	84,664,767	78,147,361	69,699,690
Net cost of program*.....	*6,532,104	*14,399,528	*25,283,421	*36,377,964
Total capital.....	58,226,579	70,265,239	52,863,940	33,321,726
<b>UNEXPENDED APPROPRIATIONS</b>				
Unexpended appropriations.....	18,653,385	5,838,158	12,240,817	13,454,671
Total liabilities, capital and unexpended appropriations.....	96,202,086	76,826,340	65,193,398	46,861,138

\*Deduct.

<sup>1</sup> Includes amounts due from debtors other than contract managers. Segregation was not maintained as of June 30, 1944.

SCHEDULE A-1  
COMPARATIVE STATEMENT OF CHANGES IN WORKING CAPITAL

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>Current assets (increase or decrease*):</b>			
Cash.....	\$711, 770	*\$20, 461	
Appropriated funds.....	*12, 812, 584	6, 402, 659	\$1, 213, 854
Accounts receivable:			
Tenants accounts.....	76, 000	2, 546	*7, 163
Contract managers.....	<sup>1</sup> *903, 175	*42, 565	*83, 891
<b>Deferred charges:</b>			
Prepaid insurance.....	24, 305	11, 295	*13, 200
Undistributed debits.....	16, 699		
<b>Current liabilities (increase* or decrease):</b>			
Accounts payable.....	18, 625, 087	617, 338	
Accrued insurance.....	*10, 695	12, 305	
Accrued administrative expense.....		108, 626	
<b>Deferred credits:</b>			
Prepaid rents.....	*8, 550	6, 269	3, 900
Undistributed credits.....	*7, 041		
<b>Unexpended appropriations.....</b>	<b>12, 815, 227</b>	<b>*6, 402, 659</b>	<b>*1, 213, 854</b>
Increase in working capital.....	18, 527, 043	695, 353	
Decrease in working capital.....			100, 354

\*Deduct.

<sup>1</sup> Includes changes in amounts due from debtors other than contract managers. Segregation was not maintained as of June 30, 1945.

**VETERANS' HOUSING PROGRAM**

**CREATION AND PURPOSE**

The acute housing shortage, which became a grave national emergency with the return of millions of men from the armed forces, is creating severe hardship for veterans and their families unable to obtain shelter. It is also causing distress to families of servicemen, and to veterans unable to secure the educational benefits provided by law because of the lack of housing at schools and colleges. The Congress therefore added title V to the Lanham Act on June 23, 1945 (59 Stat. 260), and amended that title December 31, 1945 (59 Stat. 674). An additional authorization to provide temporary housing for veterans was granted in Public Law 336, approved March 28, 1946. Under the authority contained in title V, the Federal Public Housing Authority is providing temporary housing for veterans and servicemen to local governments, educational institutions, local public agencies, and nonprofit organizations. This is accomplished by relocation or conversion of existing federally owned structures, including Federal Public Housing Authority temporary war housing and surplus facilities, such as barracks and quonset huts obtained from other Federal agencies without reimbursement. Reuse makes temporary housing available quickly and at a minimum cost, and conserves new building materials for permanent residential construction. Reimbursement is made under title V to local bodies that had incurred relocation expenses in providing temporary housing for veterans' reuse prior to the act of December 31, 1945.

**FINANCIAL ORGANIZATION**

To carry out the purposes of title V, the Congress appropriated \$191,900,000 on December 28, 1945 (59 Stat. 632) to the Administrator of the National Housing Agency. Of this appropriation, \$188,900,000 has been transferred to Federal Public Housing Authority to provide approximately 100,000 dwelling units for veterans. An additional 100,000 units was provided by a further appropriation of \$253,727,000, authorized by Public Law 336. Of the latter amount, \$243,815,000 has been transferred to the Federal Public Housing Authority making a total of \$432,715,000 available in order to provide approximately 200,000 temporary dwelling units. This amount is reflected in the comparative statement of financial condition (exhibit C) as net expended appropriations as of June 30, 1947.

**ANALYSIS OF BUDGET PROGRAM BY MAJOR ACTIVITIES**

The activities under this program may be divided into two major categories: development operations and management operations.

**DEVELOPMENT OPERATIONS**

The Federal Public Housing Authority accepts applications from eligible local bodies and, based on the quotas established regionally by the National Housing Agency,

enters into contracts to provide such housing as may be available. In applying the separate regional quotas for educational institutions and local public agencies the National Housing Agency regional representative, in collaboration with the Federal Public Housing Authority regional director, establishes more refined geographic quotas by States, counties, and cities. In this way an equitable distribution of available housing is attempted. It is expected that about two-fifths of the units will be located at educational institutions.

The contracts generally provide that Federal Public Housing Authority will obtain, move, and re-erect the structures, connect the dwellings to offsite utilities, make available surplus equipment, pay all related costs including transportation, and transfer title to the local body. Local bodies agree to provide without cost to the Federal Government, the site, streets, and offsite utilities, to manage the properties, and to pay to the Federal Public Housing Authority the net income earned from the operation of the property. However, where the local body prefers and can demonstrate economy of both time and funds it may undertake the entire operation on a reimbursable basis. The contract also provides that the local body will remove the structures, in strict adherence to section 313 of the Lanham Act and regulations thereunder, after they have served their temporary purpose.

As of March 29, 1946, more than 1,900 local bodies had requested allocations for title V housing. Of these, 1,443 specified a need for almost 400,000 accommodations. The remaining 467 did not specify the number of accommodations. Requests were received from every State in the Nation. The goal is to provide, within the available funds, approximately 200,000 units through the reuse of federally owned structures. The exact number of units to be provided will depend upon the types of structures released from other needs and their relative reutilization cost. Some 15,000 units of this program had been provided, prior to the appropriation of funds for this program, to local bodies that undertook removal and reuse of structures at their own expense. It is estimated that reimbursement for these expenses, amounting to approximately \$10,000,000 will be made in fiscal year 1946. The balance of the program is so scheduled that most of the first 100,000 units should be ready for occupancy, by the end of fiscal year 1946 and 100,000 additional units by January 1947. However, final cleanup, inspection, and settlements with contractors will probably not be concluded until the close of fiscal year 1947.

In addition to the units provided under this program, approximately 200,000 families of veterans and servicemen are being accommodated in other projects under Federal Public Housing Authority jurisdiction.

The progress of the reuse program during fiscal years 1946 and 1947 is indicated by the obligations and expenditures listed in the table directly below. The rate of obligation and expenditure for direct reutilization costs is indicative of the urgency of this program.

	Obligations		Expenditures		Total fiscal years 1946 and 1947
	Fiscal year 1946	Fiscal year 1947	Fiscal year 1946	Fiscal year 1947	
Direct reutilization costs.....	\$313,894,000	\$106,327,452	\$97,049,400	\$323,172,052	\$420,221,452
Field supervision and inspection.....	6,406,000	2,169,948	6,050,000	2,525,948	8,575,948
Administrative expenses.....	1,717,700	2,199,900	1,622,000	2,295,600	3,917,600
<b>Total.....</b>	<b>322,017,700</b>	<b>110,697,300</b>	<b>104,721,400</b>	<b>327,993,600</b>	<b>432,715,000</b>

## MANAGEMENT OPERATIONS

Title V housing is to be managed by participating local bodies. The management functions of Federal Public Housing Authority will be of an advisory nature. In the planning of the project and prior to the signing of the contract, Federal Public Housing Authority works out with the eligible participant a project management plan covering tenant eligibility, rentals, allowable charges to expense, and methods for determining net operating income. The project management plan is incorporated into the contract. Standards for housing accommodations are also established jointly between the Federal Public Housing Authority and the local body. Rent schedules are reviewed by Federal Public Housing Authority to determine conformance with contract provisions and to establish a basis for evaluating project income. Upon request the Federal Public Housing Authority will provide consultative services to the local bodies and institutions to give them the benefit of its broad experience in the management of temporary housing.

According to the terms of the contract the participating local body pays Federal Public Housing Authority the net proceeds from operation of the properties. No other provision is made for the repayment to the Federal Government of the original and reutilization costs of the structures. The Federal Public Housing Authority will receive annual statements of income and expense from the local bodies. These statements will be audited by the Federal Public Housing Authority in order to verify the net operating income remitted in accordance with contract terms. Net income from project operation is considered as purchase price and represents proceeds to the Federal Government from disposition of its properties. Such funds are governed by section 303 of the Lanham Act, as amended. On the basis of present estimates, income from this program will be available for return to the Treasury beginning in fiscal year 1948, since projected financial operations under the war housing and homes conversion programs will suffice to maintain the disposition reserve at the maximum level of 25 million dollars.

Estimates of net income payable to Federal Public Housing Authority in fiscal years 1946 and 1947 are based on the assumption that net operating income on family dwelling units will approximate \$8 per unit month but that net income from the management of dormitories and from trailers and other stopgap units will be negligible. This assumption is derived from a comparative analysis of income from operation of war housing which is expected to range from \$11 to \$12 per unit month for family dwelling units. Expenses of project operation in this program will be higher since it consists of many small projects, whereas the war housing program consisted of comparatively large projects. Also it is anticipated that rental levels will be lower on account of prospective rental adjustments in hardship cases.

It is estimated that of the total of 88,000 units that will be occupied by the end of fiscal year 1946, 65,700 family units will be occupied for an average of approximately 1.96 months each making 129,150 unit months yielding net income for the year. At \$8 per unit month project net income is estimated to be \$1,033,200 (exhibit A). Of the total of 200,000 units that will be occupied by the second quarter of fiscal year 1947, 166,500 will be family units occupied for an average of over 10.6 months each, making 1,733,400 unit months. The resulting net income is estimated at \$13,867,200 (exhibit A).

## OPERATING RESULTS

The financial results of operations during fiscal years 1946 and 1947 are shown in exhibit B. Projected operations will result in a net program cost of \$19,409,241 during fiscal year 1946 and \$402,073,443 in fiscal year 1947, after giving effect to anticipated project net income from local bodies. Most of the program costs fall in fiscal year 1947, because reutilization costs are carried on the records as an asset until title is transferred, at which time these costs are charged to cost of program. As title transfer will not take place until all contract costs are liquidated, the cost of housing completed and available for occupancy in 1946 will not be charged to cost of program until sometime in 1947.

## FINANCIAL CONDITION

The financial condition of the program as of June 30, 1946, and June 30, 1947, is shown in exhibit C. Brief comments with respect to items of major importance follow:

*Reutilization costs of housing not transferred.*—This asset item represents housing in various stages of preparation for reuse and title to which has not been transferred to local bodies. It is valued at the amount of expenditures for direct costs of reutilization and is exclusive of the original cost of the structures, since they were transferred from other programs or agencies without reimbursement. The amount of \$84,991,400, shown on exhibit C as of June 30, 1946, represents such housing still in the possession of the Federal Public Housing Authority at that date; as of June 30, 1947, all of this housing will have been transferred to local bodies.

*Accounts receivable from local bodies.*—The terms of contracts with local bodies specify that net income is payable to the Federal Public Housing Authority after the close of each Federal fiscal year. Therefore \$1,033,200 and \$13,867,200 are shown as accounts receivable in exhibit C at the close of fiscal years 1946 and 1947, respectively.

*Expended appropriations (net).*—This item consists of the total expenditures less cash receipts from project operation remitted to Federal Public Housing Authority by local bodies. The appropriation expenditures of \$104,817,100 shown as of June 30, 1946 (exhibit C) are not offset by any receipts from project operations since such revenues are not payable until the ensuing fiscal year. As of June 30, 1947, net expended appropriations will total \$432,715,000, consisting of accumulated expenditures of \$433,748,200 less the receipts of \$1,033,200 attributable to fiscal year 1946 operations.

## ADMINISTRATIVE EXPENSES

There is no separate and distinct organization for the administration of this program within the Federal Public Housing Authority. The administrative expenses shown in exhibit B are the proportionate share of total Federal Public Housing Authority administration costs attributable to the development and management operations under this program. The basis for this distribution is explained in the consolidated estimate of Federal Public Housing Authority administrative expenses.

It is estimated that the administration of this program during fiscal year 1947 will require \$2,199,900 from development funds and \$3,051,343 from management funds.

## FEDERAL PUBLIC HOUSING AUTHORITY

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EXHIBIT A  
COMPARATIVE STATEMENT OF SOURCES AND APPLICATION OF FUNDS

[Fiscal years ending June 30, 1946, and 1947]

	1946, estimated	1947, estimated
<b>FUNDS APPLIED</b>		
<b>To preparation of housing for reuse:</b>		
Reutilization costs.....	\$104,817,100	\$327,897,900
<b>To operating expenses:</b>		
Administrative expenses (management).....	616,741	3,051,343
<b>To increase working capital (see schedule A-1).....</b>	<b>416,459</b>	<b>10,815,857</b>
Total funds applied.....	105,850,300	341,765,100
<b>FUNDS PROVIDED</b>		
<b>By operating income:</b>		
Project net income from local bodies.....	1,033,200	13,867,200
<b>By appropriations (net):</b>		
Appropriation expenditures.....	104,817,100	328,931,100
Less: Revenue receipts.....		*1,033,200
Net appropriations.....	104,817,100	327,897,900
Total funds provided.....	105,850,300	341,765,100

\* Deduct.

EXHIBIT B  
COMPARATIVE STATEMENT OF INCOME AND EXPENSE

[Fiscal years ending June 30, 1946, and 1947]

	1946, estimated	1947, estimated
<b>Operating income:</b>		
Project net income from local bodies.....	\$1,033,200	\$13,867,200
<b>Operating expenses:</b>		
Administrative expenses (management).....	616,741	3,051,343
Net operating income.....	416,459	10,815,857
<b>Nonoperating expenses:</b>		
Reutilization costs of housing transferred:		
Indirect costs:		
Administrative expenses.....	1,717,700	2,199,900
Field supervision and inspection.....	6,050,000	2,525,948
Direct reutilization costs.....	12,058,000	408,163,452
Total.....	19,825,700	412,889,300
<b>Net cost of program.....</b>	<b>19,409,241</b>	<b>402,073,443</b>
<b>CUMULATIVE NET COST OF PROGRAM</b>		
For the fiscal year 1946.....		\$19,409,241
For the fiscal year 1947.....		402,073,443
Cumulative net cost of program.....		421,482,684

**EXHIBIT C**  
**COMPARATIVE STATEMENT OF FINANCIAL CONDITION**

[As of June 30, 1946, and 1947]

	1946, estimated	1947, estimated
<b>ASSETS</b>		
Reutilization costs of housing.....	\$104,817,100	\$432,715,000
Reutilization costs of housing transferred (see exhibit B).....	19,825,700	432,715,000
Reutilization costs of housing not transferred.....	84,991,400	-----
Accounts receivable from local bodies.....	1,033,200	13,867,200
Appropriated funds.....	327,897,900	-----
Total assets.....	413,922,500	13,867,200
<b>LIABILITIES</b>		
Account payable to war housing program.....	616,741	2,634,884
<b>CAPITAL</b>		
Expended appropriations (net):		
Expenditures.....	104,817,100	433,748,200
Less: Revenue receipts.....	-----	1,033,200
Net expended appropriations.....	104,817,100	432,715,000
Less: Net cost of program (see exhibit B).....	19,409,241	421,482,684
Total capital.....	85,407,859	11,232,316
<b>UNEXPENDED APPROPRIATIONS</b>		
Unexpended appropriations.....	327,897,900	-----
Total liabilities, capital, and unexpended appropriations.....	413,922,500	13,867,200

**SCHEDULE A-1**  
**COMPARATIVE STATEMENTS OF CHANGES IN WORKING CAPITAL**

[Fiscal years ending June 30, 1946, and 1947]

	1946, estimated	1947, estimated
<b>Current assets (increase or decrease)*:</b>		
Appropriated funds.....	\$327,897,900	*\$327,897,900
Accounts receivable from local bodies.....	1,033,200	12,834,000
<b>Current liabilities (increase* or decrease):</b> Account payable to war housing program.....	*616,741	*2,018,143
<b>Unexpended appropriations (increase* or decrease).....</b>	*327,897,900	327,897,900
Increase in working capital.....	416,459	10,815,857

\*Deduct.

## DEFENSE HOMES CORPORATION

## CREATION AND PURPOSE

The Defense Homes Corporation was incorporated under the laws of the State of Maryland on October 23, 1940, by direction of the President contained in a letter dated October 18, 1940. Executive Order 9070 transferred the Corporation and its capital stock to the National Housing Agency to be administered by the Federal Public Housing Authority. The purpose of this organization was to provide housing accommodations of a permanent nature in defense areas for use by defense workers during the emergency, such housing to be disposed of subsequent to the emergency at prevailing market prices.

## FINANCIAL ORGANIZATION

The Corporation has an authorized capital stock of 10 million dollars all of which was issued and remains outstanding. Allocations to the Federal Loan Administrator from the emergency fund for the President were originally used to purchase the capital stock, but these funds were subsequently reimbursed from Lanham Act appropriations authorized to be used for that purpose (42 U. S. C. 1523). The Corporation was authorized to borrow not to exceed \$65,750,000 from the Reconstruction Finance Corporation. Such borrowings are to be repaid from the net income from operation of the properties during the preceding quarter after provision of adequate reserves for depreciation, vacancy losses, and the payment of all expenses, and from proceeds of disposition.

## ANALYSIS OF BUDGET PROGRAM BY MAJOR ACTIVITIES

*Development.*—The construction program was completed by June 30, 1945. However, correction of construction deficiencies due to wartime conditions will require \$358,000 during fiscal year 1946, as shown in exhibit A.

*Management.*—Management activities are carried out on a fixed-fee basis through contract managers using their own employees. At the beginning of the fiscal year 1946, a total of 24 properties containing 9,760 units were being operated. It is estimated that the number of units will be reduced to 5,273 at the end of fiscal year 1946, and that all units will be disposed of by June 30, 1947. Operating income and expenses as shown in exhibit A are expected to result in the following net income from operations:

	Fiscal year 1946	Fiscal year 1947
Operating income.....	\$6,996,000	\$3,420,000
Operating expenses.....	5,141,391	2,668,400
Net operating income before provision for depreciation.....	1,854,609	751,600

*Disposition.*—Present plans contemplate the disposition of 4,487 housing units in fiscal year 1946, and 5,273 units in fiscal year 1947, which, if achieved, will result in the complete liquidation of the properties by June 1947. Indications are that the sale prices will result in a profit

on all properties with the exception of two. It is believed that these two properties can be sold at a price that will result in the Corporation being able to liquidate without loss to the Government. Funds provided by the disposition of properties are estimated as follows:

	Fiscal year 1946	Fiscal year 1947
Real property at cost less depreciation (exhibit A).....	\$17,863,000	\$46,912,879
Add: Profit on sales of properties.....	2,400,000	
Less: Loss on sales of properties.....		4,466,433
Funds provided by disposition.....	20,263,000	42,446,446

These funds, together with net operating income, will be available for retirement of debt and capital stock. Estimates of recoveries are based on current market levels and do not take into consideration legislation pending before Congress, particularly legislation which would require sale of certain projects at prices lower than could otherwise be obtained.

## OPERATING RESULTS

Operating income, before provision for depreciation, has been discussed under the heading of management. These results can be related to the net income (or loss\*) per exhibit B, as follows:

	Fiscal year 1946	Fiscal year 1947
Net operating income before provision for depreciation.....	\$1,854,609	\$751,600
Less: Depreciation and other reserves.....	1,690,000	750,000
Net operating income (exhibit B).....	164,609	1,600

## FINANCIAL CONDITION

*Loans receivable.*—The Corporation is authorized by its charter to make loans secured by mortgages or deeds of trust. Loans receivable, as shown in exhibit C, aggregated \$918,878 at June 30, 1945, and are estimated at \$882,878 and \$845,878 at June 30, 1946 and 1947, respectively. These receivables are considered fully collectible.

*Land, structures, and equipment.*—The cost value of land, structures, and equipment totaled \$70,168,583 at June 30, 1945. The program of disposition previously mentioned is expected to reduce this amount to \$49,843,379 at June 30, 1946, and to complete liquidation of these properties by June 30, 1947. Exhibit C, in which these amounts are presented, also shows the actual or estimated balances at book value of the properties at those dates.

*Notes payable to Reconstruction Finance Corporation.*—Notes payable to the Reconstruction Finance Corporation at June 30, 1945, are shown in exhibit C at \$56,564,360. Exhibit A presents estimates of borrowings in fiscal year 1946 of \$358,000, and repayments of \$21,829,000, which will result in a balance payable at June 30, 1946, of \$35,093,360. This amount is estimated to be fully repaid in fiscal year 1947.

The disposition of real estate and liquidation of notes payable as forecast will reduce the assets to \$9,154,122 of cash and \$845,878 of loans receivable, a total of \$10,000,000 as of June 30, 1947. Provided these loans can thereafter be sold at face value, as anticipated, the stock can be retired and the entire \$10,000,000 returned to the Treasury.

#### ADMINISTRATIVE EXPENSES

These expenses cover the general supervisory and supporting staff engaged in over-all administration of the program carried on by the Corporation. They do not include interest on borrowed funds, property operating expenses and cost of incidental commodities and services sold, provision for depreciation and other reserves, disposition expenses, and properly capitalized expenditures. During the fiscal year 1945, the staff included in schedule B-1 performing the functions set forth in this budget amounted to 21 man-years of personal service. Salaries and other related costs of administration amounted to a net expenditure of \$117,629. During fiscal year 1946, the administrative expenses are estimated at a slightly lower level due to elimination of the position and salary of the executive vice president and other minor adjustments.

It will be noted from schedule B-1 that the personal services are estimated for 1947 at the 1946 level in spite of the proposed disposition program. The disposition

program has, since its inception, resulted in a heavy additional workload on the staff, especially in fiscal and accounting work. To avoid a temporary increase in the accounting staff, memorandum records are being maintained on disposition, and it will be necessary to formalize these records. The personnel now engaged in accounting for operations will be shifted to this work as sales of operating properties are consummated. Adjustments in other items of expense result in an estimate of \$98,400 for fiscal year 1947 as shown in exhibit B.

#### LANGUAGE

*The types of programs set forth in the 1947 budget of the Defense Homes Corporation, within the funds available to it, are approved: Provided, That not to exceed \$98,400 of such funds shall be available for administrative expenses (as shown in its statement of income and expenses), which shall be on an accrual basis and classified in a manner consistent with prior years, which expenses may include temporary employment of persons or organizations, by contract or otherwise, for legal or other special services, without regard to section 3709 of the Revised Statutes and the civil-service and classification laws; reimbursement for the cost of ferry fares and bridge, road, and tunnel tolls; an allowance of not to exceed 3 cents per mile for official travel in privately owned automobiles by employees within the limits of their official stations; and reimbursement at not to exceed 5 cents per mile to personnel serving without compensation from the United States for expenses of travel performed by them in privately owned automobiles away from their official stations: Provided further, That such administrative expenses shall be exclusive of interest paid, depreciation, and properly capitalized expenditures. (Act of Dec. 6, 1945, Public Law 248.)*

## FEDERAL PUBLIC HOUSING AUTHORITY

**EXHIBIT A**  
**COMPARATIVE STATEMENT OF SOURCES AND APPLICATION OF FUNDS**

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>FUNDS APPLIED</b>			
<b>To repayment of borrowings:</b>			
To Reconstruction Finance Corporation on repayment of loans .....	\$3,379,474	\$21,829,000	\$35,093,360*
<b>To complete construction program</b> .....	2,578,947	358,000	-----
<b>To operating expenses:<sup>1</sup></b>			
Property operating expenses .....	3,547,211	3,214,000	1,645,000
Cost of sales of commodities and services .....	480,620	322,000	-----
Interest on Reconstruction Finance Corporation loan .....	1,672,496	1,500,000	925,000
Administrative expenses .....	117,629	105,391	98,400
<b>To prior year operating expenses:</b>			
Paid and charged to surplus .....	67,418	60,000	10,000
Paid and charged to operating reserves .....	16,708	25,000	2,500
<b>To increase (or decrease*) working capital</b> .....	*658,401	240,000	8,129,595
Total funds applied .....	11,202,102	27,653,391	45,903,855
<b>FUNDS PROVIDED</b>			
<b>By borrowing:</b>			
Loans from Reconstruction Finance Corporation .....	2,295,000	358,000	-----
<b>By operating income:</b>			
Rentals .....	6,900,548	6,396,000	3,385,000
Sales of commodities and services .....	893,445	564,000	-----
Interest on mortgage loans .....	37,780	36,000	35,000
<b>By nonoperating income</b> .....	472	391	409
<b>By disposition of property:</b>			
Real property at cost less depreciation .....	915,696	17,863,000	46,912,879
Profit (or loss*) on sales of property .....	124,768	2,400,000	*4,466,433
<b>By repayments on principal of loans</b> .....	34,393	36,000	37,000
Total funds provided.....	11,202,102	27,653,391	45,903,855

\* Deduct.

<sup>1</sup> Excludes expenses which do not require funds during current year (see exhibit B).

**EXHIBIT B**  
**COMPARATIVE STATEMENT OF INCOME AND EXPENSES**

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>Operating income:</b>			
Interest on loans.....	\$37,780	\$36,000	\$35,000
• Sales of commodities and services.....	893,445	564,000	-----
Rents.....	6,900,548	6,396,000	3,385,000
Total operating income.....	7,831,773	6,996,000	3,420,000
<b>Operating expenses:</b>			
Interest on borrowed funds.....	1,672,496	1,500,000	925,000
Cost of sales of commodities and services.....	480,620	322,000	-----
Administrative expenses.....	117,629	105,391	98,400
Property operating expenses.....	3,547,211	3,214,000	1,645,000
Depreciation and reserved for replacement.....	1,764,149	1,630,000	750,000
Reserved for vacancy losses.....	228,527	60,000	-----
Total operating expenses.....	7,810,632	6,831,391	3,418,400
Net operating income.....	21,141	164,609	1,600
<b>Nonoperating income and expenses:</b>			
Profit (or loss*) on sales of property.....	124,768	2,400,000	*4,466,433
Miscellaneous receipts.....	472	391	409
Net income (or loss*).....	146,381	2,565,000	*4,464,424

**ANALYSIS OF EARNED SURPLUS**

Balance at beginning of fiscal year.....	\$1,890,461	\$1,969,424	\$4,474,424
Net income (or loss*) for the year (above).....	146,381	2,565,000	*4,464,424
Adjustments (prior year expenses).....	*67,418	*60,000	*10,000
Balance at end of fiscal year.....	1,969,424	4,474,424	-----

\*Deduct.

## FEDERAL PUBLIC HOUSING AUTHORITY

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EXHIBIT C  
COMPARATIVE STATEMENT OF FINANCIAL CONDITION

[As of June 30, 1944, 1945, 1946, and 1947]

	1944, actual	1945, actual	1946, estimated	1947, estimated
<b>ASSETS</b>				
<b>Cash:</b>				
On hand and in banks.....	\$89,034	\$200,949	\$200,000	
With Treasurer of the United States.....	1,197,720	346,249	300,000	\$9,154,122
With Reconstruction Finance Corporation.....	591,771	999,400	1,000,000	
Total cash.....	1,878,525	1,546,598	1,500,000	9,154,122
<b>Receivables:</b>				
Loans receivable.....	953,271	918,878	882,878	845,878
Accounts receivable.....	36,484	28,014	14,000	
Total receivables.....	989,755	946,892	896,878	845,878
<b>Accrued assets:</b>				
Due from Government agencies.....	3,492	5,914	7,000	
Due from others.....	11,349	16,181	15,000	
Total accrued assets.....	14,841	22,095	22,000	
<b>Commodities, supplies and materials:</b>				
Held for sale.....	35,362	32,889		
Held for use.....	13,826	13,826	15,000	
Total commodities, supplies, and materials.....	49,188	46,715	15,000	
<b>Land, structures, and equipment.....</b>	68,609,070	70,168,583	49,843,379	
Less: Reserves for depreciation and replacement.....	1,131,687	2,801,323	1,800,000	
Land, structures, and equipment.....	67,477,383	67,367,260	48,043,379	
<b>Deferred charges.....</b>	220,598	183,146	100,000	
Total assets.....	70,630,290	70,112,706	50,577,257	10,000,000
<b>LIABILITIES</b>				
<b>Accounts payable:</b>				
Due Government agencies.....	50,509	7,000	15,000	
Due others.....	90,861	320,844	111,473	
Total accounts payable.....	141,370	327,844	126,473	
<b>Accrued liabilities.....</b>	536,556	597,522	350,000	
<b>Trust and deposit liabilities.....</b>	2,000	56,303	100,000	
<b>Notes payable to Reconstruction Finance Corporation.....</b>	57,648,834	56,564,360	35,093,360	
<b>Deferred credits.....</b>	76,782	60,372	50,000	
<b>Reserves for operations.....</b>	334,287	536,881	383,000	
Total liabilities.....	58,739,829	58,143,282	36,102,833	
<b>CAPITAL</b>				
<b>Paid-in capital stock.....</b>	10,000,000	10,000,000	10,000,000	10,000,000
<b>Earned surplus.....</b>	1,890,461	1,969,424	4,474,424	
Total capital.....	11,890,461	11,969,424	14,474,424	10,000,000

## SCHEDULE A-1

## CHANGES IN WORKING CAPITAL

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>Current assets (increase or decrease*)</b>			
Cash.....	*\$331,927	*\$46,598	\$7,654,122
Accounts receivable.....	*8,470	*14,014	*14,000
Accrued assets.....	7,254	*95	*22,000
Inventories.....	*2,473	*31,715	*15,000
Deferred charges.....	*37,452	*83,146	*100,000
<b>Current liabilities (increase* or decrease)</b>			
Accounts payable.....	*186,474	201,371	126,473
Accrued liabilities.....	*60,966	247,522	350,000
Trust and deposit liabilities.....	*54,303	*43,697	100,000
Deferred credits.....	16,410	10,372	50,000
Increase in working capital.....		240,000	8,129,595
Decrease in working capital.....	658,401		

\*Deduct.

## SCHEDULE B-1

## ADMINISTRATIVE EXPENSES

[Fiscal years ending June 30, 1945, 1946, and 1947]

By accounts	1945, actual	1946, estimated	1947, estimated	By accounts	1945, actual	1946, estimated	1947, estimated
	Man-years Amount	Man-years Amount	Man-years Amount				
<b>Personal services:</b>				<b>Other expenses—Continued</b>			
<b>Officers:</b>				Printing and binding.....	\$500	\$300	\$300
President <sup>1</sup> .....				Supplies and materials.....	350	150	150
Executive vice president <sup>2</sup> .....				Equipment.....	99		
General manager.....		1 \$8,750	1 \$8,750	Payments for services received:			
Corporation counsel.....	1 \$6,464	1 6,650	1 6,650	General Accounting Office:			
Treasurer <sup>3</sup> .....				For audit of accounts.....			2,500
Assistant treasurer.....	1 5,275	1 6,230	1 6,230	Federal Public Housing Authority:			
<b>Employees:</b>				For space, heat, light, payroll, etc....	15,771	15,000	15,000
Management.....	5 18,223	4 11,370	4 11,370	Harris, Kerr, Forster & Co.:			
Finance and accounts.....	10 26,039	11 30,705	11 28,644	For audit of accounts, fiscal year			
Development and maintenance <sup>4</sup> .....	3 9,814	3 12,340	3 12,340	1944.....	7,400		
Legal.....	1 2,257	1 2,232	1 2,232	Reconstruction Finance Corporation:			
Total personal services (see schedule B-2).....	21 68,072	22 78,277	22 76,216	For salary of executive vice president and disposition expense.....	22,439	9,439	
<b>Other expenses:</b>				Miscellaneous services.....	1,378	1,000	1,000
Travel.....	3,532	3,600	3,000	Total administrative expenses.....	119,755	107,991	98,400
Transportation of things.....	75	25	34	Less: Expense capitalized.....	2,126	2,600	
Communication services.....	139	200	200	Net administrative expenses.....	117,629	\$ 105,391	98,400

<sup>1</sup> Commissioner of Federal Public Housing Authority (no compensation by Defense Homes Corporation).<sup>2</sup> Reconstruction Finance Corporation employee on reimbursable basis. Included in Reconstruction Finance Corporation services received.<sup>3</sup> Director of finance, Federal Public Housing Authority (no compensation by Defense Homes Corporation).<sup>4</sup> Salary of 1 landscape architect capitalized as cost of project.<sup>5</sup> The authorization of \$96,200 for fiscal year 1946 excludes costs due to Public Law 106 amounting to \$9,200.

FEDERAL PUBLIC HOUSING AUTHORITY

SCHEDULE B-2

PERSONAL SERVICES

[Fiscal years ending June 30, 1945, 1946, and 1947]

By grades	1945, actual	1946, estimated	1947, estimated	By grades	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES</b>				<b>PERSONAL SERVICES—continued</b>			
Clerical, administrative, and fiscal service:	Man-years Amount	Man-years Amount	Man-years Amount	Clerical, administrative, and fiscal service—Continued	Man-years Amount	Man-years Amount	Man-years Amount
Grade 15. Range \$8,750 to \$9,800:				Grade 3. Range \$1,902 to \$2,298.....	2.7 \$4,312	4 \$7,692	4 \$7,692
General manager.....		1 \$8,750	1 \$8,750	Grade 2. Range \$1,704 to \$2,100.....	0.8 1,142	1 1,836	1 1,836
Grade 14. Range \$7,175 to \$8,225:				Professional service:			
Management supervisor.....	1 \$6,536			Grade 6. Range \$6,230 to \$7,070:			
Grade 13. Range \$6,230 to \$7,070:				Assistant treasurer.....	1 5,832	1 6,650	1 6,650
Assistant treasurer.....		1 6,230	1 6,230	Corporation counsel.....	0.9 5,146	1 6,230	1 6,230
Grade 12. Range \$5,180 to \$6,020:				Development supervisor.....			
Assistant treasurer.....	1 4,625			Grade 3. Range \$3,640 to \$4,300:			
Grade 11. Range \$4,300 to \$5,180:				Maintenance engineer.....		1 4,190	1 4,190
Housing management adviser.....	0.6 2,300	1 4,300	1 4,300	Personal services.....	19.8 58,064	22 76,216	22 76,216
Grade 9. Range \$3,640 to \$4,300:				Overtime pay.....	10,008	2,061	
Accountant.....	2.3 7,315	2 7,390	2 7,390	All personal services.....	19.8 68,072	22 78,277	22 76,216
Grade 7. Range \$2,980 to \$3,640:	2 5,544	2 6,180	2 6,180				
Grade 6. Range \$2,650 to \$3,310:	1.8 4,197	2 5,300	2 5,300				
Grade 5. Range \$2,320 to \$2,980:	1.9 3,929	2 4,970	2 4,970				
Grade 4. Range \$2,100 to \$2,496:	3.8 7,166	3 6,498	3 6,498				

STATEMENT OF PROPOSED EXPENDITURES FOR PURCHASE, MAINTENANCE, REPAIR, AND OPERATION OF PASSENGER-CARRYING VEHICLES, FOR THE FISCAL YEAR ENDING JUNE 30, 1947

Appropriation	Vehicles (motor unless otherwise indicated) to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Total maintenance, repair, and operation, all vehicles	Public purpose and users
	Number	Gross cost	Number	Allowance (estimated)				
Administrative expenses, National Housing Agency, Federal Public Housing Authority.						1	\$400	For use by top ranking officials and management and maintenance advisers in central office for purposes of transacting public business and visiting local projects being managed by Defense Homes Corporation.



## CORPORATE PROGRAM

## CREATION AND PURPOSE

The United States Housing Authority, which was transferred to the Federal Public Housing Authority under Executive Order 9070, was created on September 1, 1937, by Public Law 412, to provide low-rent housing for families of low income who could not otherwise afford decent, safe, and sanitary dwellings. This basic act, known as the United States Housing Act of 1937 (42 U. S. C. 1401), authorized the Authority to make loans to local public housing agencies to aid in financing the development of slum-clearance and low-rent housing projects. To bring rents in the completed dwellings within financial reach of families in the lowest income groups, the Authority was authorized to make limited annual contributions, provided that contributions are also made by the community.

An important amendment was added by Public Law 671, approved June 28, 1940 (42 U. S. C. 1501). This amendment made the unused portion of the borrowing authorization under the United States Housing Act of 1937 available to construct permanent housing to be used for the duration primarily for housing war workers. In accordance with this purpose, the projects initiated under Public Law 671 have been occupied chiefly by war workers who pay rents sufficient to meet all capital and operating costs. The projects are required to be converted to low-rent use on a Presidential finding that the war need has ended. Conversion will be completed as rapidly as other housing becomes available for present occupants able to pay normal rents. When these occupants are replaced by low income families, the principal distinction between projects initiated under Public Law 412 and the Public Law 671 war amendment will disappear.

Public Law 412 also authorized the President to transfer to the Authority the public housing projects and functions of the Public Works Administration housing division, and this was done in October 1937, by Executive Order 7732. Unlike the United States Housing Authority projects, which were constructed by local agencies with the aid of loans, the Public Works Administration projects were built by the Federal Government with appropriated funds. Public Works Administration mortgage loans to private limited dividend housing corporations were transferred under the same order.

## FINANCIAL ORGANIZATION

The Authority was created as a "body corporate of perpetual duration," with 1 million dollars in capital stock subscribed by the Treasury. The basic act as amended provides a borrowing and a lending power amounting to 800 million dollars. Funds borrowed under Public Law 412 were to be used for loans to local housing agencies covering not more than 90 percent of the development cost of individual housing projects. The Public Law 671 war amendment permitted loans to cover 100 percent of development cost, or direct construction by the Federal Government. By June 30, 1945, the Authority had borrowed 398 million dollars, of which 15 million dollars had been repaid, leaving 383 million dollars outstanding.

Long-term loans of \$346,893,000 had been made to local housing agencies, of which \$64,031,000 had been repaid by refunding operations. Another \$5,197,944 was outstanding on short-term advance loan notes. Thus, the outstanding balance of loans receivable from local housing authorities, as of June 30, 1945, amounted to \$288,059,944, as shown in exhibit C. \$32,460,226 had been used for direct Federal Public Housing Authority construction of war housing projects under Public Law 671. From private sources local authorities had obtained \$371,033,000. This amount is made up of \$226,769,000 in temporary loan notes, secured by a Federal Public Housing Authority pledge to redeem them at maturity, if necessary, and \$144,264,000 in bonds. The total paid-in capital of \$185,154,529 shown in exhibit C, as of June 30, 1945, consists of \$1,000,000 in capital stock, funds, and property amounting to \$140,746,283 transferred from the Public Works Administration housing division, and cumulative appropriations for the payment of annual contributions on low-rent projects of \$43,408,246. The maximum amount of annual contributions which may be contracted for by the Federal Public Housing Authority may not exceed \$28,000,000.

## ANALYSIS OF BUDGET PROGRAM BY MAJOR ACTIVITIES

The major activities under the corporate program may be divided into two groups: (1) those connected with the development and capital financing of low-rent projects; and (2) those concerned with the management of projects and the payment of subsidies in the form of annual contributions. Within each group of activities, locally owned and federally owned projects present different types of problems, which are separately discussed below.

## DEVELOPMENT AND CAPITAL FINANCING OPERATIONS

*Locally owned projects—United States Housing Act.*—The United States Housing Act is based on the principle that low-rent housing activities are primarily a subject for local determination and control, and that the role of the Federal Government should be limited to technical and financial assistance. Title and responsibility rests with local housing authorities established under the laws of the political subdivision in which they are located.

Federal assistance can be provided only under conditions prescribed by the United States Housing Act. The local authority is required to establish that the locality needs public low-rent housing; ascertain that at least 10 percent of the development cost can be financed from private capital; provide a local subsidy, usually by tax exemption, equal to at least one-fifth of the annual contribution to be provided by the Federal Public Housing Authority; assure the elimination of one slum unit for every new dwelling unit built; observe statutory dwelling cost limitations; and provide for an economical system of management operations. The local authority must also select and acquire a suitable site, secure proper zoning, prepare site and architectural plans, award the construction contract to the lowest responsible bidder, and supervise and inspect construction. The Federal Public

Housing Authority reviews and inspects the performance of the local authority to insure compliance with the act. It contracts with the local authority to provide loans bearing an interest rate  $\frac{1}{2}$  of 1 percent above the going Federal rate. It also agrees to pay an annual contribution which may not exceed a percentage (determined by adding 1 percent to the going Federal rate of interest on long-term bonds at the time of the contract) of the development cost of the project.

Although the entire loan and annual contribution authorizations have been committed, construction of a number of projects was deferred because of the war. Of the deferred program, 5,800 units are scheduled to be reactivated in fiscal year 1946, and 17,600 units in 1947.

During the early development phases, financial aid is made available to local housing authorities through short-term loans. Permanent financing is accomplished by two types of bonds—A bonds for sale to private investors on the basis of competitive bids and B bonds sold to the Federal Public Housing Authority for the balance of the development cost. As a general rule, projects are not permanently financed until construction is approximately 75 percent complete. Approximately 90 percent of the short-term financing requirements during fiscal years 1946 and 1947 will be supplied by private investors, at lower interest rates than that which the Federal Public Housing Authority is required by law to charge. The Authority's participation in short-term financing is estimated to be \$3,099,236 in fiscal year 1946, and \$7,480,000 in 1947, as shown in exhibit A.

Permanent financing of reactivated projects is scheduled to result in the purchase of \$6,012,000 of B bonds in fiscal year 1947. All other transactions in B bonds refer to the refunding of projects which had already been permanently financed and the permanent financing of locally owned Public Law 671 projects held in temporary status during the war. The net effect of the transactions in B bonds, shown in exhibit A, is an increase of \$6,660,000 in fiscal year 1946 and a decrease of \$13,512,000 in fiscal year 1947, the decline being due to refunding of B bonds with the proceeds of bond sales to private investors.

*Locally owned projects—Transferred permanent war housing.*—This budget assumes the transfer of 53 permanent war housing projects (13,900 units) to the low-rent program. This is about one-half the number of units which local authorities have indicated a definite interest in acquiring. The Lanham Act permits such transfers for low-rent use only when specifically authorized by Congress. For such transfers congressional authorization will be requested in those cases where a local housing authority desires to take over a project suitable to meet low-rent housing needs and the local governing body has given its approval. Proposed transfers of title to local governments would take place under a contract providing, as purchase price, that the net operating income be paid to the Federal Government for a term of years representing the useful life of the project. In recording this transaction on the Federal Public Housing Authority books the asset value of the transferred projects would be shown as a loan receivable to be liquidated at least in part by the net operating income received under the contract.

*Federally owned projects.*—No new direct development by Federal Public Housing Authority is contemplated, but there will be a considerable outlay of funds to complete construction on projects begun during the war under Public Law 671. Some further expenditures are required to settle contracts and to correct construction deficiencies due to wartime material shortages. In comparison with

more than 29 million dollars in development expenditures during the 1945 fiscal year, exhibit A shows an estimated decline to \$12,674,690 in fiscal year 1946, and a further drop to \$2,393,240 in fiscal year 1947 as final settlements occur.

## MANAGEMENT OPERATIONS

### LOCALLY OWNED PROJECTS

*Under the United States Housing Act of 1937.*—Rental income of the projects depends upon the rent-paying ability of the tenants, and a system of graded rents varying according to family income is used. In normal low-rent operation, the rental income is not sufficient to meet project expenses, including operating costs, payment of interest, and amortization of capital costs. The Federal Government contracts with the local housing authorities to pay a portion of this deficit, with limitations on the maximum payment that can be made.

As in the case of development operations, the local housing authority is required in the management of these projects to observe certain rules established under the basic act. These rules are concerned with the eligibility of tenants, with standards of physical operation and maintenance, and with accounting practices. The Federal Public Housing Authority reviews management operations of the local housing authority and audits its books to assure compliance with these rules. There will be 496 developments containing 144,682 dwelling units under management in this program at the close of the 1946 fiscal year, and the projected reactivation of war-deferred projects will raise the total to 530 developments with 151,439 units at the end of the following year. Annual contribution requirements as shown in exhibit A, but subdivided according to the three types of contributions which must be explained in this budget, are as follows:

	1945, actual	1946, estimated	1947, estimated
First contributions.....		\$8,890	\$5,287,026
Supplemental contributions.....	\$64,359	62,392	62,264
Operating contributions.....	8,656,861	7,970,472	9,650,710
Total.....	8,721,220	8,041,754	15,000,000

The requested annual contribution appropriation for fiscal year 1947 is \$12,600,000 reflecting an estimated \$2,400,000 carry-over of unexpended balances from the appropriation for the preceding year.

The first contribution paid after the permanent financing of a project is equal to the maximum contribution established by the contract with the local housing authority. It is an amount, as has been previously stated, equal to the yield at the going Federal rate of interest at the time the contract is made, plus 1 percent, upon the total development cost of the project. The first contribution is paid in that amount since the local authority must have funds available to meet the deficit as it is incurred, and the exact amount of the deficit which will be incurred is not known at the time the first contribution is paid. At the end of the first and subsequent years of operation, the contribution is equal to the operating deficit of the project. In fiscal year 1945, no first contributions were paid; in 1946 only one project, for which permanent financing was delayed, is expected to require such a contribution amounting to \$8,890. The greatly increased 1947 estimate of \$5,287,026 includes 1 million dollars for several of the reactivated projects, and the balance is for projects on which permanent financing was delayed until the projects could go into low-rent status.

## FEDERAL PUBLIC HOUSING AUTHORITY

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Supplemental contributions are made when there are approved increases in the development costs of projects due to such supplemental work as the correction of construction deficiencies caused by wartime material shortages. They are relatively small and are estimated to run at about the same level.

An operating contribution equals the operating deficit of a project, after giving effect to the local subsidy. The operating deficit is determined by adding operating expenses, the amounts reserved in the period for repairs, maintenance, and replacements and for vacancy and collection losses, debt service, and payments in lieu of taxes, and deducting the total project operating income from the sum thus derived. The contribution is paid in the first or second quarter following the close of the project fiscal year in which the deficit was incurred, and a project fiscal year may close at the end of any quarter of the year. It should be emphasized that annual contribution requirements in a particular Federal fiscal year are determined by the local operating experience in varied project fiscal years. For example, the annual contribution requirements in the Federal fiscal year 1947 are determined by the operating experience of projects with fiscal years ending either March 31, June 30, September 30, December 31, 1946, or March 31, 1947, depending on the annual contribution date of the particular project. This means that local project operating income and expense 3 to 15 months before the beginning of a Federal fiscal year largely determine the annual contribution requirement for that year.

In comparison with the actual experience in fiscal year 1945 it is estimated that operating contributions will decrease by \$686,389 in fiscal year 1946 and then rise by \$1,680,238 in fiscal year 1947. The low level of operating contribution requirements in fiscal year 1946 reflects the peak period of high wartime income of project tenants. The estimated contribution requirements in fiscal year 1947, on the other hand, reflect the anticipated postwar readjustment of tenant incomes. Now that active hostilities have ended, the Federal Public Housing Authority has a definite obligation to restore the program to exclusive use of low-income families, even though the present shortage of housing may delay somewhat the removal of ineligible tenants in many localities.

The estimates in this submission are based on approved budgets for each development eligible for operating contributions. In order to eliminate the effect of differences in the number of units in projects eligible for operating contributions, these budgets can best be summarized in terms of average income and expense per dwelling unit per month of operation. Tabulated averages indicate clearly the basic differences in the operations of locally owned Public Law 412 and Public Law 671 projects. In the case of Public Law 412 projects the operating income reflects the definite low-income nature of tenants and because of the low operating income of these projects their operations result in the requirement of operating contributions. In the case of Public Law 671 projects, however, operating income reflects the high level of wartime earnings of tenants in fiscal years 1945 and 1946. Because of this it was possible to operate those projects during these years with few operating contributions and in many cases with an operating gain. With the restoration of this part of the program to exclusive use of low-income families in fiscal year 1947 operating income will drop substantially and the operations of these projects will require operating contributions as well. A detailed tabulation of average income and expense per dwelling unit per month follows:

	1945, actual	1946, estimated	1947, estimated
<b>PUBLIC LAW 412 LOCALLY OWNED PROJECTS</b>			
Operating income (including utility charges).....	\$24.74	\$25.41	\$23.33
Operating expense:			
Excluding reserves.....	12.63	14.55	14.55
Provision for reserves:			
Repairs, maintenance, and replacement.....	2.13	.48	.68
Vacancy and collection losses.....	2.02	1.39	.40
Debt service.....	12.86	12.96	12.96
Payments in lieu of taxes.....	1.70	1.88	1.75
Nonoperating expense, accounting adjustments, etc.....	.48	.67	.66
Total expense.....	31.82	31.93	30.90
Operating contributions.....	7.08	6.52	7.57
<b>PUBLIC LAW 671 LOCALLY OWNED PROJECTS</b>			
Operating income (including utility charges).....	32.99	33.62	25.76
Operating expense:			
Excluding reserves.....	14.46	16.48	16.48
Provision for reserves:			
Repairs, maintenance, and replacement.....	2.36	.99	1.03
Vacancy and collection losses.....	2.12	1.91	1.02
Debt service.....	5.92	5.75	5.69
Payments in lieu of taxes.....	4.31	4.41	1.93
Nonoperating expense, accounting adjustments, etc.....	.21	.65	.65
Total expense.....	29.38	30.19	26.80
Operating gain.....	3.68	3.57	
Operating contributions.....	.07	.14	1.04

*Transferred permanent war housing.*—The discussion of development and financing operations mentioned the projected transfer to local authorities of a number of permanent war housing projects. Consideration for the transfer would be a contract to return the net operating income that would result even under low-rent operation without charges for debt service. The first income, estimated at \$890,720 and shown on exhibit A, would be received in fiscal year 1947. The estimate is based upon the forecast operating income and expense for leased permanent family dwelling units under the war housing program, with an appropriate downward adjustment in income as low-income tenants replace war workers.

## FEDERALLY OWNED PROJECTS

The number of federally owned projects under management as of June 30, 1945, 1946, and 1947, is shown in the following table:

	Fiscal year 1945, actual	Fiscal year 1946, estimated	Fiscal year 1947, estimated
All projects:			
Projects.....	96	98	104
Dwelling units.....	37,998	40,330	42,487
Public Works Administration:			
Projects.....	50	50	50
Dwelling units.....	21,612	21,612	21,612
Public Law 671:			
Projects.....	14	16	22
Dwelling units.....	4,532	6,864	9,021
Public Law 412:			
Projects.....	32	32	32
Dwelling units.....	11,854	11,854	11,854

The 32 Public Law 412 projects are located in Ohio, where the Federal Government was forced to take title to projects developed by local housing authorities when a decision by the Ohio Supreme Court denying tax exemption to these projects prevented the local contributions required under the United States Housing Act. Sale of

the Public Law 671 projects to local housing authorities is planned, but a number of them may have to be retained because prior commitments on the 28 million-dollar annual contribution limitation will prevent financing.

Local housing authorities were operating 86 out of the 96 federally owned projects as of June 30, 1945, under lease agreements, and plans call for local operation of the 8 projects under construction. Only the net operating income before reserve charges actually is received by Federal Public Housing Authority under this type of management, since rents are collected and regular expenses are paid by the local housing authority.

The average operating income per unit month received by Federal Public Housing Authority on the federally owned projects declines each year as over-income families are replaced with low-income families, although there is an increase in gross rentals paid by occupants in 1946, due to recently completed projects. In this connection it should be noted that the fiscal years of federally owned projects correspond to the Federal fiscal year, so the impact of the ending of the war is felt in fiscal year 1946, whereas, in the case of the locally owned projects, annual contributions are not affected until fiscal year 1947. Trends in expenses of the federally owned projects are similar to those of the locally owned, with the primary difference being in debt service. When it became apparent that the Ohio projects and a number of the Public Law 671 projects might remain in Federal ownership for an extended period, the Federal Public Housing Authority adopted the policy of instituting debt service charges. Beginning with the 1946 fiscal year, interest is charged on the unamortized cost at the 1 percent rate currently paid by Federal Public Housing Authority, and amortization on the total development cost of the project is charged at the rate of 0.84 percent per year. The project budgets are summarized below in terms of average income and expense per dwelling unit per month:

	Fiscal year 1945, actual	Fiscal year 1946, esti- mated	Fiscal year 1947, esti- mated
Operating income (including utility charges).....	\$29.61	\$28.49	\$25.73
Operating expense:			
Excluding reserves.....	16.15	17.59	17.70
Provision for reserves.....	3.17	1.79	1.54
Debt service.....		3.44	3.79
Payments in lieu of taxes.....	1.82	2.32	2.39
Nonoperating expense.....	.33	.46	.43
Total expense.....	21.47	25.60	25.85
Net income (or loss)*.....	8.14	2.89	*.12

\*Deduct.

#### OPERATING RESULTS

The net income for the corporate program is estimated at \$1,116,094 in fiscal year 1947, as compared with an estimated \$4,196,558 in fiscal year 1946 and an actual \$4,983,861 in fiscal year 1945 (exhibit B). This represents an estimated decline from fiscal year 1945 to fiscal year 1947 of nearly 4 million dollars in net income. The major factors contributing to this decline are as follows:

(a) The net operating income (before reserves and debt service) received from leased operations declines from \$3,470,448 in fiscal year 1945 to \$1,627,890 in fiscal year 1947. This is principally due to the estimated decline in project income as over-income families are replaced with low-income families.

(b) Debt service charges not set up in fiscal year 1945 are made in fiscal year 1947 in the amount of \$1,884,632 for leased Public Law 671 and Public Law 412 projects, and \$31,428 for directly operated Public Law 671 projects (included in project expenses). \$1,041,337 of this amount also appears under operating income, however, as interest charged to federally owned projects.

(c) Administrative expenses applicable to the Public Law 412 and Public Law 671 projects increase from \$2,430,200 in fiscal year 1945 to \$3,767,400 in fiscal year 1947. The bulk of this increase is attributable to administrative costs in connection with the reactivated Public Law 412 program.

#### FINANCIAL CONDITION

Reference to the comparative statement of financial condition (exhibit C) discloses a continual increase in assets accompanied by a decline in liabilities. The increase in assets is caused primarily by assets transferred from the war housing program. These are reflected under loans and rents receivable for Public Law 849 projects. Paid-in capital is also increased by the cost of assets transferred. The decrease in liabilities is caused primarily by the projected repayment to the Treasury in fiscal year 1947 of \$20,000,000. Brief comments on significant items shown in exhibit C follow:

*Receivable from leases.*—This is an item representing rents due from local authorities for leased projects at the close of the fiscal year. The sharp decrease in this item between fiscal year 1945 and fiscal year 1946 is due to a change in policy which places rent collections generally on a quarterly rather than on an annual basis.

*Investments.*—Additional United States Government securities of \$636,000 and \$777,000 will be purchased in fiscal years 1946 and 1947, respectively, in line with the projected increase in project-operating reserves (see exhibit A). The practice of Federal Public Housing Authority is to invest in these securities in an amount approximately equivalent to cumulative project-operating reserves.

*Loans receivable.*—The changes in local housing authority obligations have been discussed under development and capital financing operations. Loans receivable for Public Law 849 projects, amounting to \$60,269,280 as of June 30, 1947, arise from the transfer of permanent war housing units to local housing authorities. The projects which will be transferred are valued at \$61,160,000 and anticipated rent income of \$890,720 (see accounts receivable) from the operations of these projects is applied to reduce the loan. Should rental income in subsequent years prove less than the amount required to repay the loan during the useful life of the property, the difference will be written off as loss. The asset value of the properties transferred from the war housing program is reflected in paid-in surplus.

*Deficit.*—Although a continually increasing deficit is shown throughout fiscal years 1944 to 1947, cumulative undivided profits continually increase. The rate of profit, however, decreases after fiscal year 1945 due to (1) decreases in rental income on projects which are gradually being converted from high-income war worker occupancy to tenancy by families of low income, (2) increases in project operating expenses and (3) decreases in interest earnings on local housing authority obligations due to the increasing availability to the local housing authorities of private financing at lower interest rates.

The major factor contributing to the increasing deficit is the cumulative increase in subsidies through annual contribution payments.

#### ADMINISTRATIVE EXPENSES

Of the total administrative expenses of the Federal Public Housing Authority in fiscal year 1947, the amount of \$3,882,400 is estimated as chargeable to the corporate program. This compares with an estimated \$2,187,100 in fiscal year 1946 and an actual \$2,340,453 in fiscal year 1945. The limitation imposed by the Congress for fiscal year 1946 applied only to operations under the United States Housing Act of 1937, and excluded the expenses in connection with Public Works Administration projects. For 1947, it is proposed that the limitation be applicable to all administrative expenses of the program. The basis for distributing these expenses is explained in the consolidated estimate of Federal Public Housing Authority administrative expenses.

#### LANGUAGE

##### Annual Contributions, National Housing Agency, Federal Public Housing Authority—

Annual contributions: For the payment of annual contributions to public housing agencies in accordance with section 10 of the United States Housing Act of 1937, as amended (42 U. S. C. 1410), [~~\$7,600,000~~] \$12,600,000, together with the unexpended balance of the appropriation for this purpose for the fiscal year [1945] 1946: *Provided*, That except for payments required on contracts entered into prior to April 18, 1940, no part of this appropriation shall be available for payment to any public housing agency for expenditure in connection with any low-rent housing project, unless the public housing agency shall have adopted regulations prohibiting as a tenant of any such project by rental or occupancy any person other than a citizen of the United States, *but such prohibition shall not be applicable in the case of a family of any serviceman or the family of any veteran who has been discharged (other than dishonorably) from, or the family of any serviceman who died in, the armed forces of the United States within four years prior to the date of application for admission to such housing. (Act of May 3, 1945, Public Law 49.)*

Annual appropriation, general account:

Estimate 1947, <b>\$12,600,000</b>	Appropriated 1946, <b>\$7,600,000</b>
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**EXHIBIT A**  
**COMPARATIVE STATEMENT OF SOURCES AND APPLICATION OF FUNDS**

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated.
<b>FUNDS APPLIED</b>			
<b>To make loans to local housing authorities:</b>			
"B" bonds.....	\$727,000	\$8,138,000	\$64,382,000
Advance loan notes.....	631,561	3,099,236	7,480,000
Total loans to local housing authorities.....	\$1,358,561	\$11,237,236	\$71,862,000
<b>To development of federally owned projects:</b>			
Development costs.....	29,417,512	12,674,690	2,393,240
<b>To operating expenses:<sup>1</sup></b>			
Projects.....	\$553,058	1,523,958	1,678,987
Interest on notes payable to U. S. Treasury.....	3,980,000	3,830,000	3,730,000
Administrative expenses.....	* 2,621,800	2,187,100	3,882,400
Total operating expenses.....	7,154,858	7,541,058	9,291,387
<b>To nonoperating expenses:</b>			
Projects.....	28,286	6,013	2,890
Annual contributions.....	8,721,220	8,041,754	15,000,000
Total nonoperating expenses.....	8,749,506	8,047,767	15,002,890
<b>To purchase of investments:</b>			
U. S. Government bonds.....	3,000,000	636,000	777,000
<b>To retire outstanding notes payable:</b>			
Held by U. S. Treasury.....	15,000,000		20,000,000
<b>To decrease* working capital (see schedule A-1).....</b>	*18,441,865	*12,505,145	*8,778,818
<b>Total funds applied.....</b>	<u>46,238,572</u>	<u>27,631,606</u>	<u>110,547,699</u>
<b>FUNDS PROVIDED</b>			
<b>By repayments of principal of loans:</b>			
Local housing authority obligations:			
"B" bonds.....	5,519,000	1,478,000	77,894,000
Advance loan notes.....	16,125,044	4,754,688	4,682,688
Total local housing authority obligations.....	21,644,044	6,232,688	82,576,688
Mortgage loan notes—PWA limited dividend corporations.....	37,737	17,666	17,666
Public Law 849 project loans.....			890,720
Total repayments.....	21,681,781	6,250,354	83,485,074
<b>By appropriations:</b>			
Expenditures.....	8,721,220	8,041,754	15,000,000
<b>By operating income:</b>			
Interest.....	7,926,907	8,831,736	8,774,820
Project income.....	4,448,897	3,732,175	2,564,686
Add: Leased project reserve funds deposited with FPHA.....	916,055	775,125	722,657
Amortization of premium on investments.....		462	462
Total operating income.....	13,291,859	13,339,498	12,062,625
<b>By sale of investments:</b>			
U. S. Government bonds.....	2,277,734		
<b>By nonoperating income:</b>			
Profit on sale of U. S. Government bonds.....	265,978		
<b>Total funds provided.....</b>	<u>46,238,572</u>	<u>27,631,606</u>	<u>110,547,699</u>

\*Deduct.

<sup>1</sup> Excludes expenses which do not require funds during current year (see exhibit B).<sup>2</sup> Administrative expenses adjusted to \$2,340,453 by redistribution subsequent to June 30, 1945. Difference of \$281,347 included in fiscal year 1946 adjustments to surplus.

## FEDERAL PUBLIC HOUSING AUTHORITY

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**EXHIBIT B**  
**COMPARATIVE STATEMENT OF INCOME AND EXPENSES**

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>Operating Income:</b>			
Interest:			
U. S. Government bonds.....	\$162,734	\$194,925	\$207,645
Obligations of local housing authorities.....	7,707,042	7,584,003	7,441,182
PWA limited dividend corporations.....	57,131	86,471	84,656
Charged to federally owned projects.....		966,337	1,041,337
Total interest.....	\$7,926,907	\$8,831,736	\$8,774,820
Project income:			
Directly operated:			
PWA.....	930,691	889,648	801,360
Public Law 671.....	34,458	135,731	122,136
Total directly operated.....	965,149	1,025,379	923,496
Leased (net income):			
PWA.....	1,898,994	1,410,716	799,107
Public Law 671 (before debt service).....	323,433	259,817	87,403
Public Law 412 (before debt service).....	1,248,021	1,022,963	741,380
Total leased.....	3,470,448	2,693,496	1,627,890
Rented—PWA.....	13,300	13,300	13,300
Total project income.....	4,448,897	3,732,175	2,564,686
Total operating income.....	12,375,804	12,563,911	11,339,506
<b>Operating Expenses:</b>			
Project expenses:			
Directly operated:			
PWA (exclusive of reserves).....	536,007	563,757	560,542
Public Law 671 (exclusive of reserves).....	17,051	92,394	94,188
PWA provision for reserves.....	78,594	48,332	27,574
Public Law 671 provision for reserves including amortization.....	17,407	42,992	41,186
Total directly operated.....	649,059	747,475	723,490
Leased:			
Public Law 671 debt service (interest).....		289,072	445,522
Public Law 412 debt service (interest).....		578,735	578,735
Public Law 671 provision for amortization.....		242,821	374,238
Public Law 412 provision for amortization.....		486,137	486,137
Public Law 671 provision for general reserve.....	323,433		
Total leased.....	323,433	1,596,765	1,884,632
Total project operating expenses.....	972,492	2,344,240	2,608,122
Interest on notes payable to U. S. Treasury.....	3,980,000	3,830,000	3,730,000
Administrative expenses:			
USHA.....	1 2,430,200	2,072,200	3,767,400
PWA.....	1 191,600	114,900	115,000
Depreciation—furniture and fixtures.....	55,343		
Total operating expenses.....	7,629,635	8,361,340	10,220,522
Net operating income.....	4,746,169	4,202,571	1,118,984
<b>Nonoperating income and expenses*:</b>			
Expenses:			
Directly operated projects—PWA.....	*28,286	*6,013	*2,890
Annual contributions.....	*8,721,220	*8,041,754	*15,000,000
Total expenses.....	*8,749,506	*8,047,767	*15,002,890
Income:			
Gain on sales of U. S. Government Bonds.....	265,978		
Net nonoperating expenses.....	*8,483,528	*8,047,767	*15,002,890
<b>Net income (or loss*) including contributions.....</b>	<b>*3,737,359</b>	<b>*3,845,196</b>	<b>*13,883,960</b>
Annual contributions.....	8,721,220	8,041,754	15,000,000
<b>Net income carried to undivided profits.....</b>	<b>4,983,861</b>	<b>4,196,558</b>	<b>1,116,094</b>

\*Deduct.

<sup>1</sup> Administrative expenses adjusted to \$2,225,311, United States Housing Authority, and \$115,142, Public Works Administration, by redistribution subsequent to June 30, 1945. Difference of \$281,347 included in fiscal year 1946 adjustments to surplus.

## EXHIBIT B—Continued

## COMPARATIVE STATEMENT OF INCOME AND EXPENSES—Continued

## ANALYSIS OF UNRESERVED SURPLUS OR DEFICIT

	1945, actual	1946, estimated	1947, estimated
<b>Cumulative grants, subsidies and contributions:</b>			
Balance at beginning of period.....	*\$34,687,026	*\$43,408,246	*\$51,450,000
Net income (or loss*) for period (above).....	*8,721,220	*8,041,754	*15,000,000
Balance at end of period.....	*43,408,246	*51,450,000	*66,450,000
<b>Undivided profits:</b>			
Balance at beginning of period.....	8,549,895	14,056,476	17,828,502
Adjustment to beginning balance.....	522,720	*424,532	.....
Net income (or loss*) for period (above).....	4,983,861	4,196,558	1,116,094
Balance at end of period.....	14,056,476	17,828,502	18,944,596

\*Deduct.

## FEDERAL PUBLIC HOUSING AUTHORITY

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**EXHIBIT C**  
**COMPARATIVE STATEMENT OF FINANCIAL CONDITION**

[As of June 30, 1944, 1945, 1946, and 1947]

	1944, actual	1945, actual	1946, estimated	1947, estimated
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash.....	\$42,080,911	\$22,654,546	\$13,660,544	\$4,389,511
Appropriated funds.....	2,064,054	2,841,764	2,400,000	
Accounts receivable:				
Due from other Government agencies.....	1,712	31,424		
Receivables from leases:				
Rents from local housing authorities:				
Public Law 849 projects.....				890,720
P. W. A. projects.....	2,566,043	2,221,468	430,993	247,452
Public Law 412 projects.....	1,686,802	1,453,271	272,883	184,888
Public Law 671 projects.....		195,833	163,279	155,297
Other.....			6,760	6,760
Other receivables from local housing authorities.....	309,619	301,811	16,500	1,500
Tenants accounts receivable:				
Collectible.....	20,226	3,017	3,000	3,000
Uncollectible.....			10,253	19,487
Allowance for uncollectible.....			*10,253	*19,487
Miscellaneous.....		13		
Advances to local authorities.....	58,156			
Inventories.....	12,300	14,126	15,000	15,000
Accrued interest receivable:				
U. S. Government bonds.....	26,041	68,629	68,629	68,629
Local housing authority obligations.....	3,602,161	3,635,995	3,779,393	3,676,172
Mortgage loan notes P. W. A. limited dividend corporations.....	30,807	24,936	24,721	
Mortgage loan notes.....				23,635
Investments:				
U. S. Government bonds.....	7,153,068	7,875,334	8,510,872	9,287,410
Stock in P. W. A. limited dividend corporations.....	210	210	210	210
Loans receivable:				
Local housing authority obligations.....	308,345,427	288,059,944	293,064,492	282,349,804
Mortgage loan notes P. W. A. limited dividend corporations.....	1,586,431	1,548,694	1,531,023	1,513,362
Public Law 849 projects.....			12,232,000	60,269,280
<b>Total current assets.....</b>	<b>369,543,968</b>	<b>330,931,005</b>	<b>336,180,304</b>	<b>363,082,630</b>
<b>Fixed assets:</b>				
Development costs:				
Projects.....	188,284,092	217,701,604	280,644,270	233,037,510
Furniture and fixtures.....	632,784	632,784	632,784	632,784
Total development costs.....	188,916,876	218,334,388	281,277,054	233,670,294
Allowance for debt amortization.....			*1,939,827	*2,814,550
Allowance for depreciation of furniture and fixtures.....	*577,441	*632,784	*632,784	*632,784
<b>Total fixed assets.....</b>	<b>188,339,435</b>	<b>217,701,604</b>	<b>283,709,645</b>	<b>236,487,628</b>
<b>Deferred charges:</b>				
Prepaid insurance.....	82,588	90,021	7,965	6,285
Returnable premium.....	122,534	120,836	135,030	135,030
Prepaid payment in lieu of taxes.....		218,140	220,000	220,000
Deferred operating improvement.....	20,000	3,969		
Undistributed debits.....	288,703	769,885	769,885	769,885
<b>Total deferred charges.....</b>	<b>513,825</b>	<b>1,202,851</b>	<b>1,132,880</b>	<b>1,131,200</b>
<b>Total assets.....</b>	<b>558,397,228</b>	<b>549,835,460</b>	<b>566,017,627</b>	<b>594,436,790</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable.....	\$111,047	\$169,902	\$150,000	\$150,000
Accrued payment in lieu of taxes.....	774,935	135,868	140,000	140,000
Tenants security deposits.....	12,972	14,198	12,000	10,000
Bonds, debentures, and notes payable—U. S. Treasury series.....	398,000,000	383,000,000	383,000,000	363,000,000
Deferred credits:				
Prepaid rents.....	10,700	13,332	15,000	15,000
<b>Total liabilities.....</b>	<b>398,909,654</b>	<b>383,333,300</b>	<b>383,317,000</b>	<b>363,315,000</b>

\*Deduct.

EXHIBIT C—Continued  
COMPARATIVE STATEMENT OF FINANCIAL CONDITION—Continued

	1944, actual	1945, actual	1946, estimated	1947, estimated
<b>CAPITAL</b>				
Paid in capital:				
Capital stock.....	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Paid-in surplus:				
Assets transferred from other Federal agencies.....	114,830,708	114,830,708	114,830,708	114,830,708
Assets transferred from public war housing program.....			12,232,000	61,160,000
Expended appropriations.....	60,602,601	69,323,821	77,365,575	92,365,575
<b>Total paid in capital.....</b>	<b>176,433,309</b>	<b>185,154,529</b>	<b>205,428,283</b>	<b>269,356,283</b>
Earned surplus or deficit:				
Reserves:				
Repairs, maintenance and replacements.....	4,621,890	4,331,518	4,932,980	5,399,146
Operating improvements.....	242,132	280,765	327,765	374,765
Vacancy and collection losses.....	1,519,967	2,146,095	2,549,066	2,809,369
Fire and other hazards.....	1,600	2,500	2,800	3,400
General.....	77,398	418,238		
Contingency.....	664,355	678,231	681,231	684,231
Unreserved:				
Grants and subsidies (annual contributions).....	*34,687,026	*43,408,246	*51,450,000	*66,450,000
Undivided profits.....	8,549,895	14,056,476	17,828,502	18,944,596
Deficit.....	*19,009,789	*21,494,123	*25,127,656	*38,234,493
<b>UNEXPENDED APPROPRIATIONS</b>				
Unexpended appropriations.....	2,064,054	2,841,754	2,400,000	
<b>Total liabilities, capital, and unexpended appropriations.....</b>	<b>558,397,228</b>	<b>549,835,460</b>	<b>566,017,627</b>	<b>594,436,790</b>

\*Deduct.

## FEDERAL PUBLIC HOUSING AUTHORITY

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SCHEDULE A-1  
COMPARATIVE STATEMENT OF CHANGES IN WORKING CAPITAL

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>Current assets (increase or decrease*):</b>			
Cash.....	*\$19,426,365	*\$8,994,002	*\$9,271,033
Appropriated funds.....	777,700	*441,754	*2,400,000
Accounts receivable:			
Tenants accounts.....	*17,209	*17	
Rents due from local housing authorities.....	*299,809	*3,003,417	611,202
Other local housing authority receivables.....	*7,808	*285,311	*15,000
Due from other Government agencies.....	29,712	*31,424	
Miscellaneous.....	13	*281,360	
Advances to local housing authorities.....	*58,156		
Inventories.....	1,826	874	
<b>Accruals:</b>			
Interest.....	70,551	143,183	*104,307
<b>Deferred charges:</b>			
Prepaid insurance.....	7,433	*82,056	*1,680
Returnable insurance premium.....	*1,698	14,194	
Prepaid payments in lieu of taxes.....	218,140	1,860	
Deferred operating improvements.....	*16,031	*3,969	
<b>Undistributed debits.....</b>	<b>481,182</b>		
<b>Current liabilities (increase* or decrease):</b>			
Accounts payable.....	*58,855 <sup>1</sup>	19,902	
Accrued payments in lieu of taxes.....	639,067	*4,132	
Tenants security deposits.....	*1,226	2,198	2,000
<b>Deferred credits:</b>			
Prepaid rents.....	*2,632	*1,668	
<b>Unexpended appropriations.....</b>	<b>*777,700</b>	<b>441,754</b>	<b>2,400,000</b>
Decrease in working capital.....	18,441,865	12,505,145	8,778,818

\*Deduct.



## FARM SECURITY ADMINISTRATION PROGRAM

### CREATION AND PURPOSE

Executive Order 9070 of February 24, 1942, transferred to the National Housing Agency (Federal Public Housing Authority) "all functions, powers and duties of the Farm Security Administration relating to such housing projects as the Administration determines are for families not deriving their principal income from operating or working on a farm." The Farm Security Administration projects were developed out of funds appropriated by section 208 of the National Industrial Recovery Act of 1933 (40 U. S. C. 408) and the Emergency Relief Appropriation Act of 1935 (49 Stat. 115). The original purpose of these projects was threefold (1) to rehabilitate families in distress by providing them with a homestead on which they could supplement income received by seasonal industrial work, (2) to demonstrate a method of redistributing what was considered an overbalance of population in industrial centers by constructing small suburban communities insulated from encroachment by a greenbelt of farms and forests, and (3) to provide work relief and to increase employment by providing useful projects.

Thirty-one subsistence homestead, three greentown, and eight undeveloped projects were transferred to the Federal Public Housing Authority under Executive Order 9070. In addition a number of loans to cooperative business enterprises connected with these projects, were transferred from the Farm Security Administration. The eight undeveloped projects were immediately declared surplus and turned over to Public Buildings Administration for disposal. The interest of the Federal Public Housing Authority in 16 of the subsistence homestead projects sold to tenant associations prior to the transfer of these projects pursuant to Executive Order 9070 is represented by mortgage holdings. As of July 1, 1945 14 homestead projects and 3 greentowns were under direct operation by the Federal Public Housing Authority, 1 project having been declared surplus by the Federal Public Housing Authority during fiscal year 1945.

### FINANCIAL ORGANIZATION

Development of this program was financed from appropriated funds, and assets representing \$65,906,689 of such funds were transferred to the FPHA. Administration of these projects is carried on under the terms of the Bankhead-Black Act of 1936 (40 U. S. C. 431), which provide that operating income may be used for operation and maintenance. These funds have also been used to cover disposition expenses, in accordance with annual acts appropriating these operating revenues under the title, "Liquidation and management of resettlement projects".

### ANALYSIS OF BUDGET PROGRAM BY MAJOR ACTIVITIES DEVELOPMENT OPERATIONS

The Federal Public Housing Authority incurred no expenses under funds appropriated by the National Industrial Recovery and the Emergency Relief Appropriation Acts inasmuch as all development activities were concluded prior to the issuance of Executive Order 9070. The Emergency Relief Appropriation Act had stipulated that the funds therein appropriated were to remain available only until June 30, 1937.

### MANAGEMENT OPERATIONS

Projects which have not been sold to tenant homestead associations are operated directly by the Federal Public Housing Authority. Community managers and operating staffs, appointed through appropriate Civil Service procedures, are directly responsible to the Federal Public Housing Authority. Likewise, purchasing and contracting for service and supplies for the projects are conducted in accordance with generally applicable statutes and administrative orders.

Housing operations consist of the management of 3 greentown and 14 subsistence homestead projects comprising the active Farm Security Administration program as of June 30, 1945, containing a total of 4,227 units. The value of this property as of June 30, 1945, was \$58,092,553 (exhibit C). Included, in addition to the dwelling units, are roads, schools, utility systems, and other necessary facilities which cost \$22,122,499.

The greentown projects, consisting of 2,267 units, will represent a management program during fiscal years 1946 and 1947. However, the program covering the subsistence homestead projects of 1,960 units is transitional. These projects are being disposed of as quickly as feasible. In fiscal year 1946 it is anticipated that 1 project consisting of 249 units will be sold to a homestead association and 55 units will be sold to individuals. In fiscal year 1947 it is estimated that 4 projects of 776 units will be sold to homestead associations, 67 units will be sold to individuals, and 6 units will be declared surplus. In addition to these disposition actions, it is estimated that 125 units will be placed under lease-purchase contracts in fiscal year 1946 and 117 units in fiscal year 1947.

Funds provided by operating income from housing management activity during fiscal year 1946 will amount to \$1,767,046, as shown in exhibit A. The decline to \$1,478,551 forecast for fiscal year 1947 is based on the anticipated reductions in rental receipts from the greentowns and the disposition of subsistence homestead units. It is anticipated that operating income from greentown projects will continue to increase during fiscal year 1946 in accordance with trends established during the war years due to a disproportion of tenants paying maximum rents. A 12 percent decline in operating income is estimated in fiscal year 1947 as a result of replacement of high-income tenants as the projects are reconverted to the original purpose of providing suburban housing for moderate income families. In fiscal year 1945, net income from subsistence homestead projects was \$76,237. During 1946 and 1947 it is expected to decline to \$52,526 and \$3,812, respectively. This trend reflects accelerated disposition activities.

Additional management operations are concerned with the continuance of financing of existing cooperative enterprises and subsistence homestead associations. Interest payments on loans due from cooperative enterprises will provide \$129,100 during 1946 and \$59,700 during 1947. Repayment of principal will provide \$690,900 in 1946 and \$464,700 in 1947 (exhibits A and B). No new loans to cooperative enterprises are anticipated.

Interest payments on loans due from homestead associations will provide \$56,100 in 1946 and \$58,500 in 1947.

Repayment of principal will provide \$86,900 in 1946 and \$47,400 in 1947.

#### DISPOSITION OPERATIONS

Subsistence homestead projects are being sold either as units to individual tenants or in their entirety to tenant homestead associations depending on whether the maintenance and operation of community facilities are involved. Sales prices are being determined in conformity with commitments made by any agency of the Federal Government which had jurisdiction over these projects, or in the absence of such commitments, are being based on the fair market value of the property. The terms of sale provide for payment of purchase price in not to exceed 40 years with interest at 3 percent. Advance amortization is being encouraged. New loans will be made to homestead associations in the amount of \$1,968,200 representing 75 percent of the sales price of housing properties sold to these associations.

Schools, streets and other public ways will be dedicated where necessary. Contracts for disposal of utility installations and community, commercial, and service facilities owned by the Government will provide for continuing operation. Additional notes of \$250,000 will be accepted in connection with sales of nondwelling facilities to homestead associations. Unused land and certain other properties will be declared surplus to the War Assets Administration. Dedication of community facilities and public ways should be completed by the end of fiscal year 1947 as will be the disposition of other community facilities.

In the disposition of mortgage interests in cooperative enterprises, every effort will be made to provide for continued operation of enterprises essential to the economic life of homestead communities. Consumer cooperatives

in default will be disposed of to the highest responsible bidder in the light of approved appraisals.

#### OPERATING RESULTS

As shown in exhibit B, income from project operations and interest earnings is estimated at \$1,952,246 in fiscal year 1946 and \$1,596,751 in fiscal year 1947. Operating expenses decrease from \$1,475,313 in fiscal year 1946 to \$1,273,827 in fiscal year 1947, with resulting net operating income of \$476,933 and \$322,924 in fiscal years 1946 and 1947, respectively. This net income is more than offset by the cost of assets to be disposed of by sale and dedication. As a result, net cost of the program is estimated at \$3,435,267 in fiscal year 1946 and \$7,423,376 in 1947.

#### FINANCIAL CONDITION

The total paid-in capital (exhibit C) decreases from \$65,201,557 as of June 30, 1945, to an estimated \$60,262,290 as of June 30, 1947, reflecting primarily proceeds from disposition of subsistence homesteads and community facilities. Proceeds to be returned to the Treasury are estimated to reach \$2,387,346 by June 30, 1946, and \$4,441,246 by June 30, 1947. The cumulative net cost of the program is expected to increase from \$965,387 as of June 30, 1945, to \$4,400,654 by June 30, 1946, and \$11,829,030 by June 30, 1947 (see exhibit B).

#### ADMINISTRATIVE EXPENSES

The amount of \$163,700 is estimated as the portion of total Federal Public Housing Authority administrative expenses chargeable to the Farm Security Administration Program in fiscal year 1947. This amount is estimated at \$163,500 in fiscal year 1946, and compares with an actual charge in fiscal year 1945 of \$162,594. The basis for this distribution is explained in the consolidated estimate of FPHA administrative expenses.

## FEDERAL PUBLIC HOUSING AUTHORITY

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**EXHIBIT A**  
**COMPARATIVE STATEMENT OF SOURCES AND APPLICATION OF FUNDS**

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual <sup>1</sup>	1946, estimated	1947, estimated
<b>FUNDS APPLIED</b>			
<b>To operating expenses:</b>			
Project expenses.....		\$1,311,813	\$1,110,127
Administrative expenses.....		163,500	163,700
Total operating expenses.....		\$1,475,313	\$1,273,827
<b>To nonoperating expenses:<sup>2</sup></b>			
Projects.....		57,000	
Selling expense industrial cooperatives.....		3,800	3,500
Total nonoperating expenses.....		60,800	3,500
<b>To decrease* working capital (see schedule A-1)</b> .....		*825,510	*504,300
<b>Total funds applied</b> .....		710,603	773,027
<b>FUNDS PROVIDED</b>			
<b>By sale of property</b> .....		665,800	891,300
<b>By repayments of principal of loans:</b>			
Subsistence homestead association obligations:			
Mortgage notes.....		86,400	46,900
Moratorium notes.....		500	500
Industrial cooperative association notes.....		690,900	464,700
Total repayments of loans.....		777,800	512,100
<b>By operating income:</b>			
Interest.....		185,200	118,200
Projects.....		1,767,046	1,478,551
Total operating income.....		1,952,246	1,596,751
<b>By appropriations (net):</b>			
Expenditures.....		1,470,835	1,298,796
Revenue receipts.....		*1,768,732	*1,472,020
Deposits to general fund receipts.....		*2,387,346	*2,053,900
Net appropriations.....		*2,685,243	*2,227,124
<b>Total funds provided</b> .....		710,603	773,027

\*Deduct.

<sup>1</sup> The basic accounting system maintained prior to July 1, 1945, for this program was prescribed by the Comptroller General. The primary emphasis in this system of accounting is to provide fund accountability. It did not contain the accounts necessary to reflect the financial condition and results of operations on a corporate basis. For this reason it was impossible to prepare a statement of financial condition as of June 30, 1944, and statements of application of funds and changes in working capital for the fiscal year 1945.

<sup>2</sup> Excludes expenses which do not require funds during current year (see exhibit B).

## EXHIBIT B

## COMPARATIVE STATEMENT OF INCOME AND NET COST OF PROGRAM

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual <sup>1</sup>	1946, estimated	1947, estimated
<b>Operating income:</b>			
Interest:			
Subsistence homestead associations.....	\$61,282	\$56,100	\$58,500
Cooperative associations.....	141,074	129,100	59,700
Total interest.....	\$202,356	\$185,200	\$118,200
Project income.....	1,712,515	1,767,046	1,478,551
Total operating income.....	1,914,871	1,952,246	1,596,751
<b>Operating expenses:</b>			
Project expenses.....	1,306,612	1,311,813	1,110,127
Administrative expense.....	162,594	163,500	163,700
Total operating expense.....	1,469,206	1,475,313	1,273,827
Net operating income.....	445,665	476,933	322,924
<b>Nonoperating income and net disposition cost*:</b>			
Projects.....	2,593	*57,000	-----
Disposition cost to program*:			
Dwelling facilities:			
Development costs.....		*1,517,200	*4,715,200
Proceeds of sale.....		615,800	2,759,600
Net disposition cost.....		*901,400	*1,955,700
Nondwelling facilities:			
Development costs.....		*3,100,000	*6,142,100
Proceeds of sale.....		150,000	350,000
Net disposition cost.....		*2,950,000	*5,792,100
Selling expense—industrial cooperatives.....		*3,800	*3,500
Net disposition cost to program.....		*3,855,200	*7,751,300
Nonoperating income and expenses* and net disposition cost*.....	2,593	*3,912,200	*7,751,300
<b>Net income (or net cost of program*) for the year.....</b>	<b>448,258</b>	<b>*3,435,267</b>	<b>*7,428,376</b>

## ANALYSIS OF EARNED SURPLUS (OR NET COST OF PROGRAM\*)

Balance at beginning of year.....	(1)	*\$965,387	*\$4,400,654
Net income (or cost of program*) for year (above).....	(1)	*3,435,267	*7,428,376
Balance at end of year.....	*\$965,387	*4,400,654	*11,829,030

\*Deduct.

<sup>1</sup> The figures shown in the actual 1945 column represent data available which was taken from records maintained separately from the general books of account and not coordinated therewith (see footnote on exhibit A).

## FEDERAL PUBLIC HOUSING AUTHORITY

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EXHIBIT C  
COMPARATIVE STATEMENT OF FINANCIAL CONDITION

[As of June 30, 1945, 1946, and 1947]

	1945, actual <sup>1</sup>	1946, estimated	1947, estimated
<b>CURRENT ASSETS</b>			
Cash.....	\$1,022,965	\$189,592	\$171,092
Appropriated funds.....	836,421	1,134,318	1,307,542
Accounts receivable:			
Due from Government agencies.....	34,629		
Miscellaneous accounts receivable.....	10,100	10,000	10,000
Tenants accounts receivable:			
Collectible.....	134,554	130,000	130,000
Uncollectible.....	2,958	5,826	12,357
Allowance for uncollectible.....	*2,958	*5,826	*12,357
Loans receivable:			
Subsistence homestead association mortgage notes.....	1,982,698	1,996,298	4,167,598
Subsistence homestead association moratorium interest notes.....	10,675	10,175	9,675
Other mortgage loan notes.....		900,000	900,000
Cooperative association notes.....	4,689,810	3,061,310	2,596,610
Reserve for losses.....	*2,000,000	*2,000,000	*2,000,000
Stores inventory.....	93,663	90,000	90,000
<b>Total current assets.....</b>	<b>\$6,815,515</b>	<b>\$5,521,693</b>	<b>\$7,382,517</b>
<b>ACCRUED ASSETS</b>			
Interest on subsistence homestead mortgage notes.....	9,523	9,523	9,523
Interest on cooperative association notes.....	533,401	594,001	61,701
<b>Total accrued assets.....</b>	<b>542,924</b>	<b>603,524</b>	<b>71,224</b>
<b>FIXED ASSETS</b>			
Subsistence homesteads:			
Acquisition by transfer.....	22,203,515	22,241,115	22,241,115
Disposition by transfer.....	*283,924	*283,924	*310,824
Disposition by sale.....		*4,617,200	*15,474,500
Greentown projects:			
Development cost.....	698,671	698,671	698,671
Acquisition by transfer.....	35,476,720	35,476,720	35,476,720
Allowance for depreciation.....	*2,429	*2,429	*2,429
<b>Total fixed assets.....</b>	<b>58,092,553</b>	<b>53,512,953</b>	<b>42,628,763</b>
<b>DEFERRED CHARGES</b>			
Prepaid expense.....	85,584	50,000	38,000
Undistributed debits.....	819,146		
<b>Total deferred charges.....</b>	<b>904,730</b>	<b>50,000</b>	<b>38,000</b>
<b>Total assets.....</b>	<b>66,355,722</b>	<b>59,688,170</b>	<b>50,120,494</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Management accounts payable.....	226,566	215,000	175,000
Trust and deposit liabilities:			
Deposits on lease and purchase agreements.....	196,846	185,046	167,146
Deposits for maintenance and repairs.....	9,433	9,233	8,633
Miscellaneous.....	846,373	25,000	25,000
Undistributed credits.....	4,064	4,064	4,064
<b>Total liabilities.....</b>	<b>1,283,282</b>	<b>438,343</b>	<b>379,843</b>
<b>CAPITAL</b>			
<b>Paid-in capital:</b>			
Expended appropriations.....	4,178,208	5,649,043	6,947,839
Revenue receipts.....	*4,599,416	*6,368,148	*7,840,168
Assets transferred from other Federal agencies.....	65,906,689	65,906,689	65,906,689
Assets transferred to other agencies for disposition.....	*283,924	*283,924	*310,824
Deposits to general fund receipts.....		*2,387,346	*4,441,246
<b>Total paid-in capital.....</b>	<b>65,201,557</b>	<b>62,516,314</b>	<b>60,262,290</b>
Net cost of program.....	*965,387	*4,400,654	*11,829,030
<b>Total capital.....</b>	<b>64,236,170</b>	<b>58,115,660</b>	<b>48,433,260</b>
<b>UNEXPENDED APPROPRIATIONS</b>			
Unexpended appropriations.....	836,270	1,134,167	1,307,391
<b>Total liabilities, capital, and unexpended appropriations.....</b>	<b>66,355,722</b>	<b>59,688,170</b>	<b>50,120,494</b>

\*Deduct.

<sup>1</sup> Absence of 1944 actual data explained in footnote on exhibit A.

## SCHEDULE A-1

## COMPARATIVE STATEMENT OF CHANGE IN WORKING CAPITAL

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual <sup>1</sup>	1946, estimated	1947, estimated
<b>Current assets (increase or decrease*):</b>			
Cash.....		*\$833,373	*\$18,500
Appropriated funds.....		292,427	173,224
Accounts receivable:			
Tenants accounts.....		*4,554	
Due from other Government agencies.....		*34,629	
Miscellaneous.....		*100	
Inventories.....		*3,663	
<b>Accruals:</b>			
Interest.....		60,600	*532,300
<b>Deferred charges:</b>			
Prepaid expenses.....		*35,584	*12,000
<b>Undistributed debits.....</b>		<b>*819,146</b>	
<b>Current liabilities (increase* or decrease):</b>			
Management accounts payable.....		11,566	40,000
Deposits on lease and purchase agreements.....		11,800	17,900
Deposits for maintenance.....		200	600
Miscellaneous.....		821,373	
<b>Undistributed credits.....</b>		<b>5,470</b>	
<b>Unexpended appropriations.....</b>		<b>*297,897</b>	<b>*173,224</b>
Decrease in working capital.....		825,510	504,300

\*Deduct.

<sup>1</sup> Absence of 1945 actual data explained in footnote in exhibit A.

### ADMINISTRATIVE EXPENSES—FEDERAL PUBLIC HOUSING AUTHORITY

A single administrative expense budget is prepared for the five groups of programs administered by the Federal Public Housing Authority, namely:

- Public war housing program.
- Homes conversion program.
- Veterans housing program.
- Corporate program (low-rent, including Public Works Administration projects).
- Farm Security Administration program.

Each of these groups has been described in a separate budget program. The Federal Public Housing Authority is operated as a single homogeneous organization designed to cope with all the ramifications of these varied public housing programs. Each program bears its proportionate share of the total administrative expenses. Authority for establishment of the single administrative expense account is contained in the Independent Offices Appropriation Act, 1946, and preceding fiscal years.

#### MAJOR ADMINISTRATIVE ACTIVITIES

The activities of the entire organization of the Federal Public Housing Authority consisting of all staff, service, or operating divisions can be divided functionally into three major categories, i. e., development, management, and disposition.

*Development.*—The development activity involves such matters as analysis of local housing conditions, acquisition of land, site planning, structural planning, awarding contracts, inspections for compliance with contract terms, and the making of final settlements with contractors. The extent to which each of these activities is involved varies from program to program. These development activities require extensive negotiation with local organizations and governing bodies.

During the fiscal year 1945 the Authority was still heavily engaged in construction of war housing and at the end of that year there remained 35,545 units to be completed. Physical completion of these units and the liquidation of all contracts not finally settled constitute a major workload item during fiscal year 1946. Some of this workload will carry over into the first quarter of fiscal 1947. An important item of workload arises from the reutilization of structures to provide housing for veterans which assumed importance early in the fiscal year 1946, and which contemplates making approximately 100,000 units of veterans' housing available for occupancy by the end of that year and 100,000 additional units by January 1947. Completion of construction work and contract settlement will extend through the 1947 fiscal year. The workload is further augmented by the resumption of development of war-deferred low-rent housing projects under the United States Housing Act of 1937.

It is estimated that development of 5,800 units will be started in 1946. In 1947, it is expected that 12,600 units in urban areas and 5,000 units in rural areas will be started.

*Management.*—The management activity consists of directing the operations of housing projects through project housing managers, through local housing authorities, or through contract managers and local bodies participating in the veterans housing program. This activity deals with rental and occupancy, maintenance engineering, commercial facilities, utilities, taxation, insurance, and project services. The management work begins with the inception of the project and ends upon its disposition.

At the end of the fiscal year 1945 there was a total of 791,393 housing units of all kinds under management. This budget estimates that there will be approximately 757,986 at the end of 1946 and 772,814 at the end of 1947.

*Disposition.*—Disposition activity involves development of plans for disposal of war housing, appraisal of properties, and the financing and closing of sales. This budget contemplates that approximately 154,358 dwelling units together with the land will be disposed of or transferred for reuse during the fiscal year 1946 and approximately 113,339 during the fiscal year 1947.

*Distribution by major activity.*—The distribution of administrative costs to these three major activities is shown in the following table:

[Fiscal years ending June 30, 1945, 1946, and 1947]

Activity	1945, actual	1946, estimated	1947, estimated
Project development.....	\$5,908,733	\$4,515,994	\$3,585,714
Project management.....	9,076,166	10,105,033	11,971,860
Project disposition.....	279,380	2,608,373	4,287,826
Total.....	15,264,279	17,229,400	19,845,400

The costs are derived through analyses of work remaining to be done. The number and types of employees required is derived by application to estimated workload of production factors determined by study of past experience. Quarterly estimates of manpower are converted to man-years and salary costs are computed. The other expense items are directly related to man-years by the use of mathematical factors developed over a period of time. Estimates of payments for services received are derived through negotiation with other agencies rendering services to the Federal Public Housing Authority.

*Distribution by program.*—The distribution of costs is based on periodic surveys relating employee time consumption for the various programs to workload. The factors so developed are then applied to the projected workload in future periods. This process results in the

following distribution of costs by program and sources of funds:

[Fiscal years ending June 30, 1945, 1946, and 1947]

Program and source of funds	1945, actual	1946, estimated	1947, estimated
<b>Public war housing program:</b>			
Development funds.....	\$5, 174, 793	\$2, 000, 000	\$100, 000
Management and disposition funds.....	5, 918, 649	9, 038, 826	9, 329, 406
Total.....	11, 093, 442	11, 038, 826	9, 429, 406
<b>Homes conversion program:</b> Management funds.....	1, 311, 390	1, 160, 000	1, 114, 500
<b>Veterans housing program:</b>			
Development funds.....		1, 717, 700	2, 199, 900
Management funds.....		616, 741	3, 051, 343
Total.....		2, 334, 441	5, 251, 243
<b>Corporate program:</b>			
Development funds, United States Housing Authority.....	377, 540	1 452, 761	1, 281, 663
Management funds, United States Housing Authority.....	1, 847, 771	1 1, 619, 439	2, 485, 737
Management funds, Public Works Administration projects.....	115, 142	114, 900	115, 000
Total.....	2, 340, 453	2, 187, 100	3, 882, 400
<b>Farm security program:</b> Management funds.....	162, 594	163, 500	163, 700
<b>Foreign housing (lend-lease)</b> .....	356, 400	345, 533	4, 151
Grand total.....	15, 264, 279	17, 229, 400	19, 845, 400

<sup>1</sup> These amounts are chargeable against the limitation of \$2,200,000 contained in the Independent Offices Appropriation Act, 1946.

No budget program is submitted for the foreign housing (lend-lease) activity, which has been completed except for settlement of contracts and closing of accounting records. This program was assigned to the Federal Public Housing Authority by the Foreign Economic Administration and involved the production of 8,599 houses for Great Britain, and 4,500 barracks and 8,110 houses for France.

*Limitation.*—During the fiscal year 1945, the administrative staff expended 3,518 man-years of personal service, which with other related costs of administration resulted in a total expenditure of \$15,264,279. The administrative organization will be expanded during 1946 to a level of 4,381 man-years for 1947, with total costs of \$19,845,400. Largest factor influencing this increase is expansion of disposition activity, especially in connection with the public war housing program. A smaller increase will occur in management activities incident to (1) assistance to local bodies managing veterans' housing, (2) continued occupancy of war housing, and (3) the reactivation of low-rent projects. For further details see statements of income and expense (exhibit B) for each program and schedules A and A-1, which follow. This estimate makes

no allowance for additional functions and activities which would result from enactment of pending legislation.

In previous years, a limitation has been imposed only on expenditures of the corporate program in connection with work initiated under the United States Housing Act of 1937. For 1947, it is proposed that an over-all limitation of \$19,845,400 be established covering all Federal Public Housing Authority administrative expenses, within which a subsidiary limitation of \$3,882,400 would be placed on administrative expenses of the entire corporate program.

#### LANGUAGE

#### FEDERAL PUBLIC HOUSING AUTHORITY

#### Salaries and Expenses, National Housing Agency, Federal Public Housing Authority—

【Salaries and】 *The types of programs set forth in the 1947 budget of the Federal Public Housing Authority, within the funds available to it, are approved. Administrative expenses:* 【In addition to】 *Of the amounts available by or pursuant to law for the administrative expenses of the Federal Public Housing Authority in carrying out duties imposed by or pursuant to law, [and not to exceed \$96,200 of the funds of the Defense Homes Corporation available for its administrative expenses] (all of which are hereby merged [with this authorization] into a single administrative expense account), not to exceed [ \$2,200,000 ] \$19,845,400 [of the funds of said Authority derived from its operations under the Act of September 1, 1937, as amended (42 U. S. C. 1401),] shall be available for such expenses (including not to exceed \$3,882,400 of the funds available for administrative expenses for the corporate program as shown in its statement of income and expenses) [all necessary administrative expenses of said Authority], including [personal services and rent in the District of Columbia; maintenance, repair, and operation of motor-propelled passenger-carrying vehicles] temporary employment of persons or organizations, by contract or otherwise, for legal or other special services, without regard to section 3709 of the Revised Statutes and the civil-service and classification laws; reimbursement for the actual cost of ferry fares and bridge, road, and tunnel tolls; an allowance of not to exceed 3 cents per mile for official travel in privately owned automobiles by employees within the limits of their official stations; reimbursement at not to exceed 5 cents per mile to personnel serving without compensation from the United States for expenses of travel performed by them in privately owned automobiles away from their designated post of duty; [printing and binding; purchase of law-books, books of reference, and periodicals;] and photographing equipment: *Provided, That all necessary expenses of providing representatives of the Authority at the sites of non-Federal projects in connection with the construction of such non-Federal projects by public housing agencies with the aid of the Authority, shall be reimbursed or paid by such agencies, and expenditures by the Authority for such purpose shall be considered nonadministrative expenses, and funds received from such payments or reimbursements may be used only for the payment of all necessary expenses of providing representatives of the Authority at the sites of non-Federal projects or for administrative expenses of the Authority not in excess of the amount authorized by the Congress. (Act of May 3, 1945, Public Law 49; Act of Dec. 6, 1945, Public Law 248.)**

## FEDERAL PUBLIC HOUSING AUTHORITY

## SCHEDULE A

## ADMINISTRATIVE EXPENSES BY FUNCTIONS AND CATEGORIES

[Fiscal years ending June 30, 1945, 1946, and 1947]

By accounts	1945, actual	1946, estimated	1947, estimated	By accounts	1945, actual	1946, estimated	1947, estimated
<b>SALARIES</b>	<b>Man- years Amount</b>	<b>Man- years Amount</b>	<b>Man- years Amount</b>	<b>OTHER EXPENSES—continued</b>	<b>Man- years Amount</b>	<b>Man- years Amount</b>	<b>Man- years Amount</b>
Staff offices.....	300.2 \$896,811	362.5 \$1,292,124	397.5 \$1,425,082	Rents and utility services.....	\$838,431	\$964,650	\$1,112,000
Legal.....	171.8 559,819	183.5 689,715	211.2 789,561	Printing and binding.....	96,210	111,660	145,600
Office of comptroller.....	1,608.6 3,600,341	1,753.8 4,710,237	1,974 5,438,689	Other contractual services.....	428,891	392,386	345,550
Development and reutilization.....	581.6 2,136,988	538.5 2,382,616	508.8 2,209,542	Supplies and materials.....	163,191	159,680	271,000
Project management.....	579.6 1,923,255	679.7 2,657,687	936.5 3,703,016	Equipment.....	104,464	288,340	127,600
Real estate and disposition.....	163.5 558,726	290 1,162,514	348 1,385,263	Total other expenses.....	3,083,376	3,816,956	4,569,750
Consultants.....	1.4 10,883	4.5 36,000	5 40,000	Subtotal.....	14,961,494	16,956,065	19,560,903
Total, Federal Public Housing Authority.....	3,406.7 9,686,823	3,812.5 12,930,893	4,381 14,991,153	Payment for services received: Office of the Administrator, National Housing Agency: For general supervision.....	225,810	203,805	202,500
Homes conversion: Development (trans- ferred from Home Owners' Loan Cor- poration).....	111.7 336,546			For penalty mail.....	22,015	21,420	27,600
Overtime pay.....	1,854,749	208,216		Office of the Treasurer of the United States: For custody and disbursement of funds.....	70,731	63,110	44,397
Total salaries (see schedule A-1).....	3,518.4 11,878,118	3,812.5 13,139,109	4,381 14,991,153	General Accounting Office: For audit of accounts.....			25,000
<b>OTHER EXPENSES</b>				Total.....	318,556	288,335	299,497
Travel.....	1,035,387	1,407,240	2,094,500	Total administrative expenses be- fore reimbursements.....	15,280,050	17,244,400	19,860,400
Transportation of things.....	61,930	61,760	60,700	Less reimbursements received for admin- istrative services to Defense Homes Corporation.....	15,771	15,000	15,000
Communication services.....	354,872	431,240	412,800	Net total administrative expenses....	15,264,279	17,229,400	19,845,400

SCHEDULE A-1

PERSONAL SERVICES

[Fiscal years ending June 30, 1945, 1946, and 1947]

By grades	1945, actual	1946, estimated	1947, estimated	By grades	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL</b>				<b>PERSONAL SERVICES, DEPARTMENTAL—CON.</b>			
Clerical, administrative, and fiscal service:	Man-years Amount	Man-years Amount	Man-years Amount	Clerical, administrative, and fiscal service—Continued	Man-years Amount	Man-years Amount	Man-years Amount
Grade 16. In excess of \$9,800:				Grade 9. Range \$3,640 to \$4,300—Con.			
Commissioner.....	1 \$10,000	1 \$10,000	1 \$10,000	Chief of section.....	2.1 \$6,703	2 \$7,390	1 \$3,640
Grade 15. Range \$8,750 to \$9,800:				Housing management adviser.....	1.6 5,038		
Comptroller.....	1 7,711	1 8,750	1 8,750	Racial relations adviser.....	1.2 3,951	0.8 2,912	
Assistant commissioner for disposition.....	0.8 5,758	1 8,750	1 8,750	Housing management analyst.....	1.3 4,408	1.7 6,535	1 3,640
Grade 14. Range \$7,175 to \$8,225:				Purchasing officer.....	2 6,535	0.5 1,875	
Director of division.....	9.7 65,547	13.7 100,757	14 102,551	Plant production analyst.....	1 3,200	0.3 1,092	
Deputy assistant commissioner.....	0.5 3,259	2 14,875	2 14,875	Fiscal accountant.....	5.2 16,617	9.3 34,935	9 34,253
Grade 13. Range \$6,230 to \$7,070:				Procedures accountant.....	1 3,200	1 3,640	1 3,640
Executive assistant to commissioner.....	1 5,600	1 6,230	1 6,230	Procedures analyst.....	1.6 5,120	2 7,280	2 7,280
Special assistant to commissioner.....	1 5,600	1 6,440	1 6,440	Communications and record officer.....		0.7 2,548	1 3,640
Assistant director of division.....	7.2 40,547	9 57,960	9 57,960	Grade 8. Range \$3,310 to \$3,970.....	14.5 43,333	11.5 39,908	12 41,590
Budget analyst.....	2.5 14,176	3 19,110	3 19,110	Grade 7. Range \$2,980 to \$3,640.....	36.1 93,816	51.5 153,470	50.7 153,625
Director of division.....	0.6 3,314	1 6,440	1 6,440	Grade 6. Range \$2,650 to \$3,310.....	23.3 55,790	24.7 65,585	22.8 63,369
Purchasing officer.....	1.7 10,453	1 6,280	1 6,230	Grade 5. Range \$2,320 to \$2,980.....	81 167,260	85.6 203,643	85.2 204,159
Cafeteria specialist.....	1 5,631	1 6,440	1 6,440	Grade 4. Range \$2,100 to \$2,496.....	151.8 276,784	178.9 378,353	174.8 378,150
Administrative analyst.....	0.2 1,142	1 6,230	1 6,230	Grade 3. Range \$1,902 to \$2,298.....	164.8 267,172	156.8 308,123	167.3 323,548
Chief accountant.....	1.2 6,409	1 6,230	1 6,230	Grade 2. Range \$1,704 to \$2,100.....	63.1 93,246	60.8 107,224	63 107,810
Housing management analyst.....	2.9 16,594	2 12,400	3 18,690	Grade 1. Range \$1,506 to \$1,902.....	2.4 3,224	4 6,918	2.3 3,587
Special assistant to comptroller.....	0.7 3,920	1 6,650	1 6,650	Professional service:			
Disposition analyst.....	0.7 3,920	3 18,900	5 31,360	Grade 8. Range \$8,750 to \$9,800:			
Conversion management specialist.....	0.8 4,698	1.1 6,441	2 12,670	Special assistant to commissioner.....	0.3 2,400	1 8,750	1 8,750
Labor relations adviser.....	1 6,033	1 6,230	0.5 3,115	Chief economist.....	0.4 3,200	1 9,275	1 9,275
Community facilities adviser.....	1 5,600	1 6,440	1 6,230	General counsel.....	1 8,250	1 9,275	1 9,275
Utilities analyst.....	0.2 1,120	0.5 3,115	1 6,230	Assistant commissioner for development and reutilization.....	1 8,169	1 9,013	1 9,013
Disposition compliance officer.....		1 6,230	3.3 20,560	Assistant commissioner for project management.....		1 9,013	1 9,013
Sales analyst.....		1 6,230	3.3 20,560	Grade 7. Range \$7,175 to \$8,225:			
Grade 12. Range \$5,180 to \$6,020:				Assistant to commissioner for veterans program.....		1 7,175	1 7,175
Special assistant to commissioner.....	0.8 4,533	1 5,180	1 5,180	Assistant general counsel.....	1.6 10,400	1 7,175	1 7,175
Budget analyst.....	1.9 8,574	3 15,750	3 15,750	Associate general counsel.....	1 8,13,200	1 8,225	1 8,225
Administrative analyst.....	4.1 18,839	5.2 27,405	6 31,290	Associate economist.....	0.9 6,075	1 7,175	1 7,175
Fiscal accountant.....	9.2 42,184	3 15,540	3 15,540	Director of division.....	5.7 39,063	6.7 50,646	6 44,888
Housing management analyst.....	2.6 13,463			Chief of development operations.....	1 7,038		
Training specialist.....	1 4,530			Deputy assistant commissioner for development and reutilization.....		1 7,700	1 7,700
Employment technician.....	1 4,600	1 5,180	1 5,180	Attorney.....		1 7,438	1 7,438
Classification technician.....	1 4,600	1 5,180	1 5,180	Grade 6. Range \$6,230 to \$7,070:			
Materials accountant.....	0.4 1,840			Racial relations adviser.....	1 5,800	1 6,650	1 6,650
Fiscal analyst.....		0.8 4,144	1 5,180	Economist.....	1 6,200	4 25,131	4 25,130
Labor relations adviser.....	3 14,854	4 21,980	4 21,980	Tax analyst.....	1 5,800	1 6,440	1 6,440
Procedures analyst.....	0.5 2,058			Architectural engineer.....	0.3 1,740		
Chief of section.....	1.1 5,125	10.7 56,683	10 52,640	Attorney.....	8.9 51,298	9.8 62,423	10 63,980
General service and supply officer.....		0.8 3,885	1 5,180	Maintenance engineer.....	1.2 6,720	1 6,440	1 6,440
Accounting system specialist.....	2.7 12,732	5.8 30,415	5 26,530	Chief of section.....	3.7 20,870	4 25,340	3.5 22,225
Training specialist.....		1 5,390	1 5,390	Project planner.....	2 12,066	2 13,510	2 13,510
Plant production analyst.....	1 4,600			Assistant director of division.....	4.8 30,207	2 14,140	2 14,140
Assistant to director.....		1 5,390	1 5,390	Construction engineer.....	1.9 10,522	6.7 44,100	6 39,270
Purchasing officer.....	1 4,600			Mechanical engineer.....	0.7 4,550	1 6,230	1 6,230
Assistant director of division.....	0.7 3,092			Architect.....	1.7 11,050	1 6,650	2 12,880
Solid fuel specialist.....	0.3 1,342	0.5 2,695		Appraiser.....		0.5 3,115	1 6,230
Insurance examiner.....	1.1 4,813	1 5,600	1 5,600	Materials analyst.....	1 6,000	0.8 4,400	1 6,440
Audit examiner.....	2 9,007			Civil engineer.....	1 5,800	1 6,440	1 6,440
Fiscal examiner.....	0.5 2,300	6 31,460	4 20,680	Site planning architect.....	1 5,600		
Marketing analyst.....		0.7 3,626	1 5,180	Structural engineer.....	1 6,321	1 6,650	1 6,650
Community facilities analyst.....	1.3 6,308	0.3 1,554		Development supervisor.....	0.8 4,374		
Disposition compliance officer.....		1.2 6,216	2 10,360	Construction cost analyst.....	2 11,832	2 13,300	2 13,300
Disposition analyst.....	1.8 8,701	3.5 18,130	6 31,920	Health and sanitation analyst.....	0.3 1,740		
Field operations coordinator.....		1 5,180	1 5,180	Rental and occupancy analyst.....	1 5,600	1 6,440	1 6,440
Mortgage service officer.....		0.5 2,590	1 5,180	Project services analyst.....	0.3 1,890	1 7,070	1 7,070
Utilities analyst.....		1 5,180	1 5,180	Grade 5. Range \$5,180 to \$6,020:			
Sales analyst.....		0.5 2,590	2.7 14,245	Operating statistics analyst.....	3.2 14,351	4 20,720	5 25,900
Grade 11. Range \$4,300 to \$5,180:				Conversion management specialist.....	0.5 2,800		
Administrative assistant.....	1 3,800			Tax analyst.....	1 4,600	1 5,390	1 5,390
Budget analyst.....	6.6 24,744	5 22,160	7 30,760	Attorney.....	5.6 25,760	8.2 44,450	12.5 65,065
Administrative analyst.....	2.3 8,718	2 8,600	3 12,900	Development operations analyst.....	0.3 1,380	4 21,350	3 16,170
Employment technician.....	1 3,916	1 4,300	1 4,300	Leasing and occupancy analyst.....	1 4,600	1 5,390	1 5,390
Classification technician.....	1.6 6,219	1 4,300	2 8,600	Project services analyst.....	1 4,600	2 10,780	2 10,780
Chief of section.....	2.3 8,842	5 23,290	5 23,260	Rental analyst.....	0.8 3,680		
Financial mathematician.....	1 3,871	1 4,520	1 4,520	Electrical engineer.....	0.8 4,480	3 15,540	2 10,360
Purchasing officer.....	2.6 9,412			Landscape architect.....	1 5,028	1 5,810	1 5,810
Insurance examiner.....	1.9 7,257	2 9,020	2 9,020	Mechanical engineer.....	3.8 17,729	4.3 22,225	3 15,750
Labor relations adviser.....	2.4 8,549	1 4,520	1 4,520	Maintenance engineer.....	1 5,200	2 12,040	2 12,040
Fiscal examiner.....	3.2 12,518	1 4,520	1 4,520	Architectural engineer.....	4.2 20,534	3.5 17,871	1 5,390
Assistant director of division.....	0.2 917	1 4,520	1 4,520	Architect.....	4.8 22,035	7.1 38,792	6.5 35,732
Plant production analyst.....	0.5 1,900			Appraiser.....	3.3 16,752	3.5 18,550	4 21,140
Housing management analyst.....	5.4 22,091	2 10,580	5.5 25,740	Fire and safety engineer.....	0.9 4,242	1 5,180	1 5,180
Auditor.....	1.2 4,761	3.3 13,976	3 12,900	Assistant chief of section.....	1 4,600		
Executive secretary.....	0.3 950	1 4,300	1 4,300	Construction engineer.....	7.6 36,943	6.6 33,341	12 63,753
Area property officer.....	2.2 8,488	4 17,420	4 17,420	Historian.....	1 4,600	1 5,180	1 5,180
Fiscal accountant.....	2.2 9,265	2.5 10,833	3 12,900	Project planner.....	2.6 12,905	3.5 19,390	2.2 12,023
Disposition analyst.....		2.4 10,965	2.3 9,890	Material analyst.....	1 4,800	0.5 2,800	
Training specialist.....	0.8 3,338	1.8 7,935	3 13,120	Civil engineer.....	1 5,000	1 5,600	2 10,780
Grade 10. Range \$3,970 to \$4,630:				Construction cost analyst.....	2 9,200	4 21,560	5 26,530
Fiscal examiner.....	8 29,672			Housing facilities analyst.....	2 9,200	1 5,390	1 5,390
Auditor.....	0.2 741	5.5 22,056	5 19,970	Planning architect.....	0.1 560		
Grade 9. Range \$3,640 to \$4,300:				Structural engineer.....	0.3 1,380		
Budget analyst.....	3.8 12,172	6.5 24,210	7 26,030	Senior construction analyst.....	0.8 3,680		
Administrative analyst.....	0.5 1,448	5 18,420	6 22,060	Site cost analyst.....	0.2 920		
Employment technician.....	1.8 5,826	2.5 9,100	3 10,920				
Classification technician.....	2 6,505	1 3,750	2 7,390				
Training specialist.....	2.7 8,942	3 11,140	3 11,140				
Draftsman.....	1 3,268	1 3,750	1 3,750				
Securities examiner.....	1.8 5,856	1 3,750	1 3,750				
Assistant chief of section.....	2 6,408	1 3,750	1 3,750				
Administrative assistant.....	2 6,398						
Property and supply officer.....	2.7 8,828	2.5 9,375	5 18,530				

FEDERAL PUBLIC HOUSING AUTHORITY

By grades	1945, actual	1946, estimated	1947, estimated	By grades	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL—CON.</b>				<b>PERSONAL SERVICES, FIELD—CON.</b>			
<b>Professional service—Continued</b>	<b>Man-years</b>	<b>Amount</b>	<b>Man-years</b>	<b>Man-years</b>	<b>Amount</b>	<b>Man-years</b>	<b>Amount</b>
Grade 4. Range \$4,300 to \$5,180:				Clerical, administrative, and fiscal service—Continued			
Attorney	4.4	\$16,720	4.7	\$20,210	4.8	\$20,640	
Statistician	2.9	11,145	1.8	7,525	2	8,600	
Project planner	1.2	4,667	1	4,520			
Appraiser			1.2	5,375	1.7	7,525	
Material control analyst	0.5	2,000					
Architect	4	15,627	4.7	20,616	5	20,504	
Construction engineer	2	7,843	2.2	9,976	2	7,604	
Site planning architect	1	4,400	1.5	7,110	2	9,260	
Construction cost analyst	1.6	6,202	3.8	16,340	2	8,600	
Mechanical engineer	1	4,200	1	4,300	1	4,300	
Rental analyst	0.1	380					
Project services analyst	2	8,372	4	17,640	3	13,120	
Leasing and occupancy adviser	1	4,000	1	4,520	1	4,520	
Fire and safety engineer	1.9	8,446	1	4,740	0.3	1,290	
Maintenance engineer			1	4,740	1	4,740	
Commercial facilities adviser	1	4,000	1	4,740			
Racial relations adviser	1	4,000	1	4,520	1	4,520	
Economist	1.3	5,097	1	4,300	1	4,300	
Furniture specialist	1.5	5,792	1	4,300	0.2	860	
Grade 3. Range \$3,640 to \$4,300:							
Attorney	2.2	7,385	2.7	10,230	2.3	8,410	
Statistician	2.6	8,320	3.5	12,960	4	14,780	
Project services adviser	1.2	3,883	1.3	4,550	1.7	6,370	
Furniture inspector	0.9	3,176					
Librarian	0.6	1,920	1	3,640	1	3,640	
Architect	1	3,200					
Construction cost analyst	0.9	2,880					
Architectural engineer	0.6	2,100	0.8	2,912			
Home economist	1.3	4,440	1	3,750	1	3,750	
Equipment specialist	1.5	4,995					
Rental and occupancy analyst	0.5	1,600	2	7,280	3	10,920	
Editor			1	3,640	1	3,640	
Appraiser			1.2	4,550	0.7	2,730	
Grade 2. Range \$2,980 to \$3,640:	8.2	20,582	9	29,342	10	31,090	
Grade 1. Range \$2,320 to \$2,980:	8.2	17,701	5.5	15,795	6	14,470	
Subprofessional service:							
Grade 8. Range \$2,980 to \$3,640:	1	2,664	1	3,090	1	3,090	
Grade 6. Range \$2,320 to \$2,980:	0.9	1,727	0.8	1,740	1	2,320	
Grade 5. Range \$2,100 to \$2,496:	3.7	6,725	4	8,532	4	8,532	
Grade 4. Range \$1,902 to \$2,298:	1.9	3,210	2	3,804	1	1,902	
Crafts, protective, and custodial service:							
Grade 7. Range \$2,364 to \$2,870:	0.2	252					
Grade 6. Range \$2,166 to \$2,562:	0.6	1,083	1	2,166	1	2,166	
Grade 5. Range \$1,968 to \$2,364:	2	3,360	2	4,200	2	4,200	
Grade 4. Range \$1,770 to \$2,166:	1.5	2,190	3	5,310	3	5,310	
Grade 3. Range \$1,572 to \$1,902:	18.9	25,142	19.5	30,984	19.2	30,590	
Grade 2. Range \$1,440 to \$1,770:	6.7	8,328	3.5	5,040	3	4,320	
Total permanent, departmental	896.5		980.3		1,004		
W. A. E. employment, departmental	2,533,882		3,267,371		3,373,777		
Overtime pay, departmental	1.3	10,883	4.4	36,000	5	40,000	
All personal services, departmental	441,918		54,609				
	897.8		984.7		1,009		
	2,986,683		3,357,980		3,413,777		
<b>PERSONAL SERVICES, FIELD</b>				<b>PERSONAL SERVICES, FIELD—CON.</b>			
<b>Clerical, administrative, and fiscal service:</b>				<b>Clerical, administrative, and fiscal service—Continued</b>			
Grade 14. Range \$7,175 to \$8,225:				Grade 12. Range \$5,180 to \$6,020—Con.			
Assistant to regional director	0.1	547	1	7,175	1	7,175	
Regional comptroller	7.7	50,597	9.2	66,369	9	65,363	
Deputy regional director	1	6,500	5.8	41,470	7	50,487	
Assistant director for real estate and disposition			2	14,350	2	14,350	
Director special projects	0.2	1,369					
Grade 13. Range \$6,230 to \$7,070:							
Coordinator for veterans' program			0.5	3,115	0.5	3,115	
Assistant regional director for administration	0.4	2,071					
Housing management adviser	19.7		33		61		
Executive assistant to regional director	110,320		207,900		382,340		
Finance officer	1	5,600	7	45,712	8.3	51,578	
Conversion management supervisor	4.9	29,263	7	43,820	7	43,820	
Assistant to the director	3.7	20,937	1	6,230	1	6,230	
Finance and budget officer	2.6	14,836	4	25,550	4	25,550	
Disposition analyst	1	5,600	1	6,440	1	6,440	
Area supervisor	0.1	697					
Budget officer	7.6	42,354	10	62,510	10	62,510	
Deputy assistant director for administration	1.2	7,000	5.5	34,265	6	37,380	
Assistant to regional director	1.3	7,467					
Assistant director, special projects	0.9	5,133	1	6,230	1	6,230	
Chief, rural housing	0.1	309					
Budget planning and statistics officer	1	5,600	1	6,440	1	6,440	
Finance and supply officer	0.3	1,598					
Director of disposition review			3.5	21,805	4	24,920	
Director of sales			2	12,462	4	24,920	
Regional economist			1	6,230	1	6,230	
Budget examiner			0.8	4,673	1	6,230	
Grade 12. Range \$5,180 to \$6,020:							
Assistant to regional director	5.9	26,221	5	26,530	6	31,710	
Housing management adviser	39		48.7		78		
Insurance adviser	180,931		256,309		407,820		
Property and procurement officer	1.7	8,050	7	36,260	7	36,260	
Assistant regional accountant	7.1	33,641	8	42,700	8	42,700	
Personnel officer	0.9	4,242	7	37,520	7	37,520	
Budget officer	3	13,800	1	5,180	1	5,180	
Racial relations adviser	0.9	4,306	1	5,180	1	5,180	
Commercial facilities adviser	2.9	14,022	3	15,750	3	15,750	
Training adviser	0.7	3,348	4.2	22,375	8	41,440	
Accountant	7.7	36,727	2	10,570	2	10,570	
Area conversion management supervisor	3.8	17,840					
Assistant finance officer	3	\$13,800	6	\$31,290	6	\$31,290	
Assistant conversion management supervisor	3.5	16,814	1	5,180	1	5,180	
Budget and planning officer	1	4,536					
Area supervisor	6.3	29,803	9	47,670	9	47,670	
Administrative assistant	0.7	3,067	1.5	7,770	1	5,180	
Deputy assistant director	0.4	2,044					
Assistant statistician	0.3	1,380					
Administrative analyst	1	4,600	1	5,180	1	5,180	
Housing management aide	0.2	1,150					
Budget officer	0.9	4,217	1	5,180	1	5,180	
Supervising field accountant			0.8	3,885	1	5,180	
Finance officer	1.4	6,683	1	5,400	1	5,400	
Operation and controls adviser			1	5,180	1	5,180	
Supervising auditor	13.4	61,748	9	48,300	9	48,300	
Regional supervisor			6	31,920	6	31,920	
Labor relations adviser	8.4	39,616	8.3	44,205	8.7	46,795	
Sales representative			10.5	57,205	15	77,700	
Disposition analyst			0.5	2,590	4	22,920	
Utilities analyst			5	26,110	5	26,110	
Administrative planning officer			1	5,180	1	5,180	
Grade 11. Range \$4,300 to \$5,180:							
Assistant to director	0.8	3,667	0.2	731	1.3	5,375	
Assistant to regional comptroller	0.8	2,930	2	8,600	2	8,600	
Administrative analyst	0.1	338	1.8	7,525	2	8,600	
Housing management adviser	49		63.2		138.2		
Personnel officer	0.2	969					
Assistant personnel officer	3	11,639	5	22,600	5	22,600	
Budget officer	0.4	1,591					
Chief of office service	2.5	9,556					
Assistant regional accountant	3.8	14,419					
Field accountant	10.3		25.7		29		
Budget examiner	1.7	6,270	7.8	33,325	8	34,400	
Utilities analyst			1	4,300	1	4,300	
Assistant property and procurement officer	4.5	17,323	6	26,460	6	26,460	
Insurance adviser	6.2	23,370	1	4,520	1	4,520	
Training adviser	3.9	15,114					
Commercial facilities adviser	1	3,800					
Assistant area conversion management supervisor	0.5	1,900					
Auditor	1.9	7,296	5	21,720	5	21,720	
Field accountant	1	3,800					
Racial relations adviser	2	7,800	1	4,520	1	4,520	
Accountant	7	26,600	8.2	36,475	8	35,060	
Classification technician	0.5	2,000					
Administrative planning and services officer	0.8	2,871	1	4,300	1	4,300	
Disposition analyst			5	21,500	1.2	5,375	
Assistant regional finance officer	1.6	6,080	1	4,300	1	4,300	
Property and procurement officer	1	3,800	2	8,820	2	8,820	
Classification technician	0.4	1,330	2	8,600	2	8,600	
Administrative assistant	2.3	9,129	1	4,300	1	4,300	
Assistant training adviser			4	17,200	8	34,400	
Field representative			13.7	59,125	14	60,200	
Sales representative			5.8	24,725	18.5	79,550	
Assistant supervising auditor			7.5	34,010	9.5	42,610	
Grade 10. Range \$3,970 to \$4,630:							
Auditor at large	12.9		5		54.5		
Resident auditor	51	46,208		19,850		216,365	
Field accountant	28.8	184,809	47	245,341	60.2	276,440	
Accountant			100,908		186,940		241,917
Classification technician	4.9	17,899	3	11,965	2	8,270	
Conversion management supervisor	0.4	1,534	1	3,970	1	3,970	
Housing management adviser	0.5	1,783					
Budget analyst	1.5	5,116	2.8	10,918	1.5	5,955	
Account clerk	0.3	1,155					
Property officer	1.1	3,829	1	3,970	1	3,970	
Grade 9. Range \$3,640 to \$4,300:							
Administrative assistant	0.7	2,885	1.6	5,798	2.5	9,10	

THE BUDGET FOR FISCAL YEAR 1947—CORPORATION SUPPLEMENT

By grades	1945, actual	1946, estimated	1947, estimated	By grades	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, FIELD—continued</b>				<b>PERSONAL SERVICES, FIELD—continued</b>			
Clerical, administrative, and fiscal service—Continued	Man-years Amount	Man-years Amount	Man-years Amount	Professional service—Continued	Man-years Amount	Man-years Amount	Man-years Amount
Grade 3. Range \$1,902 to \$2,298.....	542.2	525.3	611.9	Grade 5. Range \$5,180 to \$6,020—Con.			
Grade 2. Range \$1,704 to \$2,100.....	213.5	153	129.2	Plant inspector.....	0.7 \$3,258	1.5 \$8,400	
Grade 1. Range \$1,506 to \$1,902.....	11	4.8	3	Statistician.....	3.6 16,560	4 21,140	4 \$21,140
Professional service:				Economist.....		1.5 7,770	8 41,440
Grade 8. Range \$8,750 to \$9,800:				Racial relations adviser.....		1 5,180	1 5,180
Regional director.....	8.7 69,855	9 80,326	9 80,326	Utilities adviser.....		1 5,180	2 10,360
Grade 7. Range \$7,175 to \$8,225:				Grade 4. Range \$4,300 to \$5,180:			
Assistant to the regional director.....	2.7 17,788	2 14,350	2 14,350	Attorney.....	14.4 54,924	16 70,110	24 104,080
Assistant regional director for development.....	7.1 47,811	7 51,538	7 51,538	Construction engineer.....	23.4 89,717	14 62,964	16.2 71,678
Assistant regional director for project management.....	6.7 43,548	6.8 49,483	6 43,839	Mechanical engineer.....	8.9 33,820	5.2 23,455	3.5 15,863
Regional counsel.....	8.1 52,818	8 58,713	8 58,713	Maintenance engineer.....	7.3 28,509	35.8	69
Area representative.....	0.7 4,283	1 7,175	1 7,175	Civil engineer.....	10.6 41,140	7.6 33,861	8.8 38,340
Regional director.....	0.1 542			Electrical engineer.....	5.5 21,085	3.8 16,785	0.7 3,500
Economist.....		1 7,438	1 7,438	Structural engineer.....	2.5 9,500	1 4,520	0.5 2,260
Grade 6. Range \$6,230 to \$7,070:				Fire and safety engineer.....	8.4 33,151	13.8 60,225	36 155,240
Deputy assistant director for project management.....	1.1 6,067	1 6,440	1 6,440	Landscape engineer.....	1 3,800		
Management adviser.....	1.1 6,272	1 6,230	1 6,230	Plant production engineer.....	0.7 2,626	1.2 5,650	
Land appraiser.....	9 50,462			Architectural engineer.....	4.3 16,401	1.3 5,650	0.5 2,260
Chief of section.....	2 11,057	2 12,880	2 12,880	Area conversion supervisor.....	16.8 63,840		
Project services adviser.....	1 5,600	1 6,230	1 6,230	Rental adviser.....	3.2 11,991	1 4,520	
Construction engineer.....	9.9 57,939	9.7 64,313	10 65,860	Tax adviser.....	3.6 14,136	3 13,560	3 13,560
Project planner.....	13.4 75,054	11.5 73,220	11.5 73,220	Leasing and occupancy adviser.....	4.3 16,340	20 86,220	55 236,720
Architect.....	6.4 36,470	6 38,220	6 38,220	Area management adviser.....	0.3 1,140		
Insular representative.....	1 6,083	1 6,650	1 6,650	Project services adviser.....	6.4 24,320	8.7 37,955	8 34,400
Attorney.....	7.7 43,570	8 50,680	8 50,680	Regional cafeteria adviser.....	1 3,800		
Economist.....	0.1 811	4.7 29,590	5 31,150	Racial relations adviser.....	1.2 5,009	5.5 23,650	6 25,800
Technical adviser.....	1 5,750	1.8 11,214	2 12,670	Training adviser.....	0.7 2,813		
Maintenance engineer.....	1 5,600	1 6,230	1 6,230	Project planner.....	14 54,783	7.8 34,210	12.2 53,379
Conversion supervisor.....	4.6 25,760			Construction cost analyst.....	7 26,884	4 18,300	2.5 11,410
Statistician and rental analyst.....	1.8 10,304	1 6,440	1 6,440	Tax analyst.....	6.7 27,180	6 26,900	4 19,860
Director, real estate and disposition.....		5 31,150	5 31,150	Priorities analyst.....	1.5 6,065	1 4,740	
Assistant regional director for development.....	0.1 560			Operating statistical analyst.....	2.1 7,980	2 8,600	2 8,600
Director of land and appraisal.....		2.3 14,329	3 18,900	Land appraiser.....	3 11,705	11.5 49,450	5.2 22,575
Grade 5. Range \$5,180 to \$6,020:				Materials and equipment appraiser.....	0.8 3,040	1 4,740	1 4,740
Director.....		1 5,180	0.5 2,590	Plant inspector.....	9.3 36,522	19.8 89,270	
Attorney.....	20.9	24.7	29	Architect.....	2.9 11,020	3 13,120	1.5 6,560
Construction engineer.....	49.8	51.1	57.7	Landscape architect.....	4.9 19,148	4 17,860	4.7 21,195
Civil engineer.....	6 27,703	2.6 13,994	14.3 74,477	Specifications writer.....	0.3 1,140		
Mechanical engineer.....	9.1 42,662	12.5 66,168	9.5 50,428	Development coordinator.....	0.2 760		
Electrical engineer.....	8.4 38,640	10.8 56,525	8 42,280	Trailer maintenance engineer.....	0.4 1,654	2 8,600	1 4,300
Architectural engineer.....	7.9 36,340	10.5 54,863	7.2 37,922	Fund control supervisor.....		0.7 3,325	1 4,300
Structural engineer.....	1.9 8,740			Grade 3. Range \$3,640 to \$4,300:			
Assistant conversion supervisor.....	4.7 21,620			Attorney.....	5.4 17,790	4.3 15,910	5 18,640
Building maintenance engineer.....	9.5 44,722	11 59,290	10 56,710	Project services adviser.....	8.5 28,748	6 22,843	5.2 19,110
Grounds maintenance engineer.....	1.9 8,817	2 10,570	2 10,570	Area management adviser.....	1.8 6,004		
Mechanical and electrical engineer.....	1.1 5,175	1 5,390	1 5,390	Leasing and occupancy adviser.....	7.7 28,077	3.7 13,677	2 7,500
Architectural engineer.....	0.4 2,019	1 5,180	1 5,180	Conversion supervisor.....	40.5		
Fire and safety engineer.....	4 18,471	7 36,470	7 36,470	Tax analyst.....		2 7,280	2 7,280
Maintenance fire and safety engineer.....	0.4 1,862	1 6,020	1 6,020	Statistical analyst.....	3 9,600	8.2 30,360	9 33,090
Site engineer.....	1 4,600	1 5,390	1 5,390	Tax and rental analyst.....	0.8 2,560		
Construction cost engineer.....	5.3 25,576	13.8 72,905	7 37,730	Construction engineer.....	4.4 14,080	1.3 4,605	0.5 1,820
Plant production engineer.....	0.7 3,920	0.7 4,200		Mechanical engineer.....	0.1 320		
Chief, management services section.....	0.6 2,760	1 5,180	1 5,180	Maintenance engineer.....	2.2 7,147	2.8 10,120	2.2 8,300
Priorities analyst.....	2.6 12,051	2 10,780		Grounds maintenance engineer.....	1 3,200	1 3,750	0.5 1,875
Disposition inspector.....			3 16,170	Fire and safety engineer.....	2.7 8,949	3 11,250	1.5 5,737
Operating statistical analyst.....	2.8 12,880	3 15,750	3 15,750	Project planner.....	2.6 8,320	1 3,750	1 3,750
Tax analyst.....	8.7 40,998	8 42,700	8 42,700	Plant inspector.....	2 6,556	4.5 17,370	
Tax and rental analyst.....	1.8 8,280	1 5,390	1 5,390	Landscape architect.....	1 3,316		
Materials control analyst.....	1.8 8,441	1 5,390		Land appraiser.....		2.7 10,010	1.3 4,952
Construction cost analyst.....	2.3 10,776	2 10,780	1.7 9,485	Grade 2. Range \$2,980 to \$3,640.....	18.8 51,115	26.1 78,275	31 93,490
Rental and occupancy adviser.....	3 14,030	1.5 8,190	3 15,960	Grade 1. Range \$2,320 to \$2,980.....	12 24,174	10.5 25,262	7.3 16,910
Project services adviser.....	7.7 40,607	7 37,100	8.5 44,870	Crafts, protective, and custodial service:			
Land appraiser.....	10.6 48,838	15.3 81,497	13.5 71,945	Grade 4. Range \$1,770 to \$2,166.....	0.5 771	1 1,770	0.5 885
Executive assistant.....	2 9,350	2 10,780	2 10,780	Grade 3. Range \$1,572 to \$1,902.....	2.7 3,637	5 8,190	5.2 8,501
Architect.....	4.8 22,403	2.9 16,380	3 16,170	Grade 2. Range \$1,440 to \$1,770.....	18.8 22,602	16 24,096	18 26,927
Landscape architect.....	2 9,200	2 10,780	2 10,780	Total permanent, field.....	2,620.6	2,827.8	3,372
Project planner.....	40	44.9	42.1	Overtime pay, field.....	7,473.361	9,620.553	11,570.407
Site planner.....		238,554	223,384	Additional pay for foreign service, field.....	1,412.831	153.607	6,969
Expediter.....	0.3 1,380	1.5 7,980	1 5,180	All personal services, field.....	2,620.6	2,827.8	3,372
				Personal services (net).....	8,891.435	9,781.129	11,577.376
					3,518.4	3,812.5	4,381
					11,878,118	13,139,106	14,991,153

FEDERAL PUBLIC HOUSING AUTHORITY

SCHEDULE B

STATEMENT OF PROPOSED EXPENDITURES FOR PURCHASE, MAINTENANCE, REPAIR, AND OPERATION OF PASSENGER-CARRYING VEHICLES, FOR THE FISCAL YEAR ENDING JUNE 30, 1947

Appropriation	Vehicles (motor unless otherwise indicated) to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Total maintenance, repair, and operation, all vehicles	Public purpose and users
	Number	Gross cost	Number	Allowance (estimated)				
Administrative expenses, National Housing Agency, Federal Public Housing Authority.						1 5	\$2,900	For use by top-ranking officials of the Federal Public Housing Authority in the central office, for the transaction of public business. For use by top-ranking officials and management advisers in the regional offices for purposes of transacting public business and visiting projects being managed by the following regional offices: Boston, Mass.; New York, N. Y.; Washington, D. C. (general field office); Atlanta, Ga.; Cleveland, Ohio; Chicago, Ill.; Fort Worth, Tex.; Seattle, Wash., San Francisco, Calif.
Do.....						2 30	17,200	
<b>Total.....</b>						<b>35</b>	<b>20,100</b>	

<sup>1</sup> Includes 1 truck.  
<sup>2</sup> Includes 2 trucks.