

59 Stat. 303.
5 U. S. C. § 943 (b).

SEC. 303. (a) Section 603 (b) of the Federal Employees Pay Act of 1945, as amended, is amended by striking out "\$10,000" where it first appears in such section and inserting in lieu thereof "\$10,330".

60 Stat. 218.
5 U. S. C. § 943a.

(b) Section 7 (b) of the Federal Employees Pay Act of 1946 is amended by striking out "\$10,000" and inserting in lieu thereof "\$10,330".

59 Stat. 295.
5 U. S. C. § 901 et
seq.; Supp. I, § 902
et seq.
Nonapplicability.

(c) No officer or employee shall, by reason of any provision of this title be paid with respect to any pay period, basic compensation, or basic compensation plus any additional compensation provided by the Federal Employees Pay Act of 1945, as amended, at a rate in excess of \$10,330 per annum.

Effective date.

SEC. 304. The provisions of this Act granting an increase in compensation to employees of the United States and of the District of Columbia shall not apply to any employee in or under the municipal government of the District of Columbia prior to the time that legislation providing adequate revenues to meet the obligation in the District of Columbia is enacted by the Congress and becomes effective.

SEC. 305. This title shall take effect on the first day of the first pay period which begins after June 30, 1948.

Approved July 3, 1948.

[CHAPTER 832]

AN ACT

August 10, 1948
[H. R. 6959]
[Public Law 901]

To amend the National Housing Act, as amended, and for other purposes.

Housing Act of 1948.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Act of 1948".

TITLE I—FHA TITLE VI AND TRANSITIONAL PERIOD AMENDMENTS

SEC. 101. The National Housing Act, as amended, is hereby amended as follows:

TITLE VI AMENDMENTS

55 Stat. 56.
12 U. S. C., Supp. I,
§ 1738 (a).
Ante, p. 101.

(a) Section 603 (a) is amended—

(1) By striking out "\$5,350,000,000" and inserting in lieu thereof "\$5,750,000,000" except that with the approval of the President such aggregate amount may be increased to not to exceed \$6,150,000,000";

Time limitation.

(2) By striking out the second proviso and inserting in lieu thereof the following: "*Provided further*, That no mortgage shall be insured under section 603 of this title after April 30, 1948, except (A) pursuant to a commitment to insure issued on or before April 30, 1948, or (B) a mortgage given to refinance an existing mortgage insured under section 603 of this title and which does not exceed the original principal amount and unexpired term of such existing mortgage, and no mortgage shall be insured under section 608 of this title after March 31, 1949, except (i) pursuant to a commitment to insure issued on or before March 31, 1949, or (ii) a mortgage given to refinance an existing mortgage insured under section 608 of this title and which does not exceed the original principal amount and unexpired term of such existing mortgage: *Provided further*, That no mortgage shall be insured under section 608 of this title unless the mortgagor certifies under oath that in selecting tenants for the property covered by the mortgage he will not discriminate against any family by reason of the fact that there are children in the family, and that he will not sell the property while the insurance is in effect unless the purchaser so certifies, such certifications to be filed with the Administrator; and violation of any such certification shall be a misdemeanor punishable by a fine of not to exceed \$500:".

56 Stat. 303.
12 U. S. C. § 1743.
Post, p. 1269.

Nondiscrimination
against families.

Penalty.

(b) Section 608 (b) (3) (B) is amended by striking out the semicolon and the word "and" at the end of the first proviso and inserting in lieu thereof a colon and the following: "*And provided further, That the principal obligation of the mortgage shall not, in any event, exceed 90 per centum of the Administrator's estimate of the replacement cost of the property or project on the basis of the costs prevailing on December 31, 1947, for properties or projects of comparable quality in the locality where such property or project is to be located; and*".

56 Stat. 303.
12 U. S. C. § 1743
(b) (3) (B).
Principal obligation.

(c) Section 608 (b) (3) (C) is amended—

56 Stat. 303; 60
Stat. 214.
12 U. S. C. § 1743
(b) (3) (C).

(1) By striking out "\$1,500 per room" and inserting in lieu thereof "\$8,100 per family unit"; and

(2) By striking out the colon and the proviso and inserting in lieu thereof a period.

(d) Section 609 is amended—

61 Stat. 193.
12 U. S. C., Supp. I,
§ 1744 (b) (1).

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

"(1) The manufacturer shall establish that binding purchase contracts have been executed satisfactory to the Administrator providing for the purchase and delivery of the houses to be manufactured, which contracts shall provide for the payment of the purchase price at such time as may be agreed to by the parties thereto, but, in no event, shall the purchase price be payable on a date in excess of thirty days after the date of delivery of such houses, unless not less than 20 per centum of such purchase price is paid on or before the date of delivery and the lender has accepted and discounted or has agreed to accept and discount, pursuant to subsection (i) of this section a promissory note or notes, executed by the purchaser, representing the unpaid portion of such purchase price, in which event such unpaid portion of the purchase price may be payable on a date not in excess of one hundred and eighty days from the date of delivery of such houses;"

Purchase contracts.

Post, p. 1270.

(2) By striking out the first and second sentences of paragraph (4) of subsection (b) and inserting in lieu thereof the following:

61 Stat. 194.
12 U. S. C., Supp.
I, § 1744 (b) (4).

"The loan shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Administrator estimates will be the necessary current cost, exclusive of profit, of manufacturing the houses, which are the subject of such purchase contracts assigned to secure the loan, less any sums paid by the purchaser under said purchase contracts prior to the assignment thereof. The loan shall be secured by an assignment of the aforesaid purchase contracts and of all sums payable thereunder on or after the date of such assignment, with the right in the assignee to proceed against such security in case of default as provided in the assignment, which assignment shall be in such form and contain such terms and conditions, as may be prescribed by the Administrator; and the Administrator may require such other agreements and undertakings to further secure the loan as he may determine, including the right, in case of default or at any time necessary to protect the lender, to compel delivery to the lender of any houses then owned and in the possession of the borrower."

Loans for manufacture of houses.

(3) By adding at the end of subsection (f) the following new sentence: "The provisions of section 603 (d) shall also be applicable to loans insured under this section and the reference in said section 603 (d) to a mortgage shall be construed to include a loan or loans with respect to which a contract of insurance is issued pursuant to this section."

61 Stat. 194.
12 U. S. C., Supp.
I, § 1744 (f).
55 Stat. 58.
12 U. S. C. § 1738 (d).

61 Stat. 193.
12 U. S. C., Supp.
I, § 1744.
Insurance of lender
against loss.

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

"(i) (1) In addition to the insurance of the principal loan to finance the manufacture of housing, as provided in this section, and in order to provide short-term financing in the sale of houses to be delivered pursuant to the purchase contract or contracts assigned as security for such principal loan, the Administrator is authorized, under such terms and conditions and subject to such limitations as he may prescribe, to insure the lender against any losses it may sustain resulting from the acceptance and discount of a promissory note or notes executed by a purchaser of any such houses representing an unpaid portion of the purchase price of any such houses. No such promissory note or notes accepted and discounted by the lender pursuant to this subsection shall involve a principal obligation in excess of 80 per centum of the purchase price of the manufactured house or houses; have a maturity in excess of one hundred and eighty days from the date of the note or bear interest in excess of 4 per centum per annum; nor may the principal amount of such promissory notes, with respect to any individual principal loan, outstanding and unpaid at any one time, exceed in the aggregate an amount prescribed by the Administrator.

Promissory notes,
terms.

"(2) The Administrator is authorized to include in any contract of insurance executed by him with respect to the insurance of a loan to finance the manufacture of houses, provisions to effectuate the insurance against any such losses under this subsection.

Default.

"(3) The failure of the purchaser to make any payment due under or provided to be paid by the terms of any note or notes executed by the purchaser and accepted and discounted by the lender under the provisions of this subsection, shall be considered as a default under this subsection, and if such default continues for a period of thirty days, the lender shall be entitled to receive the benefits of the insurance, as provided in subsection (d) of this section except that debentures issued pursuant to this subsection shall have a face value equal to the unpaid principal balance of the loan plus interest at the rate of 4 per centum per annum from the date of default to the date the application is filed for the insurance benefits.

61 Stat. 194.
12 U. S. C., Supp.
I, § 1744 (d).

Debentures.

"(4) Debentures issued with respect to the insurance granted under this subsection shall be issued in accordance with the provisions of section 604 (d) except that such debentures shall be dated as of the date application is filed for the insurance benefits and shall bear interest from such date.

55 Stat. 59.
12 U. S. C. § 1739 (d).

Premium charge.

"(5) The Administrator is authorized to fix a premium charge for the insurance granted under this subsection, in addition to the premium charge authorized under subsection (h) of this section. Such premium charge shall not exceed an amount equivalent to 1 per centum of the original principal of such promissory note or notes and shall be paid at such time and in such manner as may be prescribed by the Administrator."

61 Stat. 777.
12 U. S. C., Supp.
I, § 1745.

Sale of Greenbelt
towns, etc.

(e) Section 610 is amended by adding at the end thereof the following new paragraph:

"The Administrator is further authorized to insure or to make commitments to insure in accordance with the provisions of this section any mortgage executed in connection with the sale by the Government, or any agency or official thereof, of any of the so-called Greenbelt towns, or parts thereof, including projects, or parts thereof, known as Greenhills, Ohio; Greenbelt, Maryland; and Greendale, Wisconsin, developed under the Emergency Relief Appropriation Act of 1935, or of any of the village properties under the jurisdiction of the Tennessee Valley Authority, and any mortgage executed in connection with the

49 Stat. 115.

first resale, within two years from the date of its acquisition from the Government, of any portion of a project or property which is the security for a mortgage insured pursuant to the provisions of this section."

(f) Title VI is amended by adding after section 610 the following new section:

"SEC. 611. (a) In addition to mortgages insured under other sections of this title, and in order to assist and encourage the application of cost-reduction techniques through large-scale modernized site construction of housing and the erection of houses produced by modern industrial processes, the Administrator is authorized to insure mortgages (including advances on such mortgages during construction) which are eligible for insurance as hereinafter provided.

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

"(1) have been made to and be held by a mortgagee approved by the Administrator as responsible and able to service the mortgage properly;

"(2) cover property, held by a mortgagor approved by the Administrator, upon which there is to be constructed or erected dwelling units for not less than twenty-five families consisting of a group of single-family dwellings approved by the Administrator for mortgage insurance prior to the beginning of construction: *Provided*, That during the course of construction there may be located upon the mortgaged property a plant for the fabrication or storage of such dwellings or sections or parts thereof, and the Administrator may consent to the removal or release of such plant from the lien of the mortgage upon such terms and conditions as he may approve;

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

"(A) not to exceed 80 per centum of the amount which the Administrator estimates will be the value of the completed property or project, exclusive of any plant of the character described in paragraph (2) of this subsection located thereon, and

"(B) not to exceed a sum computed on the individual dwellings comprising the total project as follows: \$6,000 or 80 per centum of the valuation, whichever is less, with respect to each single-family dwelling.

"With respect to the insurance of advances during construction, the Administrator is authorized to approve advances by the mortgagee to cover the cost of materials delivered upon the mortgaged property and labor performed in the fabrication or erection thereof;

"(4) provide for complete amortization by periodic payments within such term as the Administrator shall prescribe and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 per centum per annum on the amount of the principal obligation outstanding at any time: *Provided*, That the Administrator, with the approval of the Secretary of the Treasury, may prescribe by regulation a higher maximum rate of interest, not exceeding 4½ per centum per annum on the amount of the principal obligation outstanding at any time, if he finds that the mortgage market demands it. The Administrator may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release.

"(c) Preference or priority of opportunity in the occupancy of the mortgaged property for veterans of World War II and their immediate families and for hardship cases as defined by the Administrator

55 Stat. 55; 61 Stat. 777.
12 U. S. C. §§ 1736-1743; Supp. I, §§ 1737, 1738, 1744, 1745.
Ante, pp. 101, 1268; *post*, p. 1273.
Large-scale projects.

Eligibility for insurance.

Storage plant.

Higher maximum interest rate.

Release of property from lien, etc.

Veterans' preference.

shall be provided under such regulations and procedures as may be prescribed by the Administrator.

56 Stat. 303.
12 U. S. C. § 1743
(c)-(f).
Ante, p. 1269.

“(d) The provisions of subsections (c), (d), (e), and (f) of section 608 shall be applicable to mortgages insured under this section.”

TITLE II AMENDMENTS

52 Stat. 10.
12 U. S. C. § 1709
(b) (2) (B).
52 Stat. 11.
12 U. S. C. § 1709
(b) (2) (C).

(g) Section 203 (b) (2) (B) is amended by striking out “\$5,400” and inserting in lieu thereof “\$6,300”.

(h) Section 203 (b) (2) (C) is amended—

(1) By striking out “\$8,600” and inserting in lieu thereof “\$9,500”;

(2) By striking out “\$6,000” in each place where it appears and inserting in lieu thereof “\$7,000”;

(3) By striking out “\$10,000” and inserting in lieu thereof “\$11,000”.

52 Stat. 11.
12 U. S. C. § 1709
(b) (3).

(i) Section 203 (b) is amended by striking out in paragraph numbered (3) the following: “of the character described in paragraph (2) (B) of this subsection” and inserting in lieu thereof the following: “on property approved for insurance prior to the beginning of construction”.

52 Stat. 11.
12 U. S. C. § 1709
(b) (2) (C).

(j) Section 203 (b) is amended as follows:

(1) By striking out the period at the end of paragraph (2) (C), inserting in lieu thereof a comma and the word “or”, and adding the following new paragraph:

Single-family
dwelling.

“(D) not to exceed \$6,000 and not to exceed 90 per centum of the appraised value, as of the date the mortgage is accepted for insurance (or 95 per centum if, in the determination of the Administrator, insurance of mortgages involving a principal obligation in such amount under this paragraph would not reasonably be expected to contribute to substantial increases in costs and prices of housing facilities for families of moderate income), of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for a single-family residence which is approved for mortgage insurance prior to the beginning of construction: *Provided*, That the Administrator may by regulation provide that the principal obligation of any mortgage eligible for insurance under this paragraph shall be fixed at a lesser amount than \$6,000 where he finds that for any section of the country or at any time a lower-cost dwelling for families of lower income is feasible without sacrifice of sound standards of construction, design, and livability: *And provided further*, That with respect to mortgages insured under this paragraph the mortgagor shall be the owner and occupant of the property at the time of the insurance and shall have paid on account of the property at least 10 per centum (or 5 per centum, in the case of a 95 per centum mortgage insured pursuant to this paragraph (D)) of the appraised value in cash or its equivalent, or shall be the builder constructing the dwelling in which case the principal obligation shall not exceed 85 per centum of the appraised value of the property.”

Amount less than
\$6,000.

Conditions.

52 Stat. 11.
12 U. S. C. § 1709
(b) (3).
Supra.

(2) By striking out the period at the end of paragraph numbered (3), and adding a comma and the following: “or not to exceed thirty years in the case of a mortgage insured under paragraph (2) (D) of this subsection.”

52 Stat. 11.
12 U. S. C. § 1709
(b) (5).

(3) By striking out the period at the end of paragraph numbered (5), and adding a comma and the following: “or not to exceed 4 per centum per annum in the case of a mortgage insured under paragraph (2) (D) of this subsection, or not to exceed such per centum per annum, not in excess of 5 per centum, as the Administrator finds necessary to meet the mortgage market.”

Supra.

(k) (1) Section 203 (c) is amended (1) by striking out in the last sentence the words "section or section 210" and inserting in lieu thereof the word "title"; and (2) by striking out in said sentence the words "under this section".

(2) Sections 203 (c) and 603 (c) of such Act are amended by striking out in the last sentence and in the next to the last sentence, respectively, the following: "and a mortgage on the same property is accepted for insurance at the time of such payment,".

(1) Section 204 (a) is amended—

(1) By striking out, in the last sentence, the following: "prior to July 1, 1944,";

(2) By inserting between the first and second provisos in the last sentence the following: "*And provided further*, That with respect to mortgages which are accepted for insurance under section 203 (b) (2) (D) or under the second proviso of section 207 (c) (2) of this Act, there may be included in the debentures issued by the Administrator on account of the cost of foreclosure (or of acquiring the property by other means) actually paid by the mortgagee and approved by the Administrator an amount, not in excess of two-thirds of such cost or \$75 whichever is the greater:".

(m) Section 207 (b) is amended by amending paragraph numbered (1) to read as follows:

"(1) Federal or State instrumentalities, municipal corporate instrumentalities of one or more States, or limited dividend or redevelopment or housing corporations restricted by Federal or State laws or regulations of State banking or insurance departments as to rents, charges, capital structure, rate of return, or methods of operation; or".

(n) Section 207 (c) is amended—

(1) By amending the first sentence to read as follows:

"(c) To be eligible for insurance under this section a mortgage on any property or project shall involve a principal obligation in an amount—

"(1) not to exceed \$5,000,000, or, if executed by a mortgagor coming within the provisions of paragraph numbered (b) (1) of this section, not to exceed \$50,000,000;

"(2) not to exceed 80 per centum of the amount which the Administrator estimates will be the value of the property or project when the proposed improvements are completed, including the land; the proposed physical improvements; utilities within the boundaries of the property or project; architects' fees; taxes and interest accruing during construction; and other miscellaneous charges incident to construction and approved by the Administrator: *Provided*, That, except with respect to a mortgage executed by a mortgagor coming within the provisions of paragraph numbered (b) (1) of this section, such mortgage shall not exceed the amount which the Administrator estimates will be the cost of the completed physical improvements on the property or project, exclusive of public utilities and streets and organization and legal expenses: *And provided further*, That, notwithstanding any of the provisions of this paragraph numbered (2), a mortgage with respect to a project to be constructed in a locality or metropolitan area where, as determined by the Administrator, there is a need for new dwellings for families of lower income at rentals comparable to the rentals proposed to be charged for the dwellings in such project (or, in the case of a mortgage with respect to a project of a nonprofit cooperative ownership housing corporation the permanent occupancy of the dwellings of which

52 Stat. 11,
12 U. S. C. § 1709 (c).

52 Stat. 11; 55 Stat.
57.
12 U. S. C. §§ 1709
(c), 1738 (c).

52 Stat. 12; 55 Stat.
365.
12 U. S. C. § 1710 (a).

52 Stat. 13; 57 Stat.
570.
12 U. S. C. § 1710 (a).

Ante, pp. 1272, 1209;
infra.

52 Stat. 17.
12 U. S. C. § 1713
(b) (1).

Government instru-
mentalities, etc.

52 Stat. 18.
12 U. S. C. § 1713 (c).
Ante, p. 1209.

Eligibility provi-
sions for mortgage in-
surance.

Limitation on
amount of mortgage.

Supra.

Nonprofit coopera-
tive projects, etc.

is restricted to members of such corporation, or a project constructed by a nonprofit corporation organized for the purpose of construction of homes for members of the corporation, at prices, costs, or charges comparable to the prices, costs, or charges proposed to be charged such members) may involve a principal obligation in an amount not exceeding 90 per centum of the amount which the Administrator estimates will be the value of the project when the proposed improvements are completed, except that in the case of a mortgage with respect to a project of a nonprofit cooperative ownership housing corporation whose membership consists primarily of veterans of World War II, the principal obligation may be in an amount not exceeding 95 per centum of the amount which the Administrator estimates as the replacement cost of the property or project on the basis of the costs prevailing on December 31, 1947, for properties or projects of comparable quality in the locality where such property or project is to be located; and

Cost per family unit.

Ante, pp. 1209, 1273.

Amount per room.

“(3) not to exceed \$8,100 per family unit for such part of such property or project as may be attributable to dwelling use, except that in the case of projects of the character described in the second proviso of section 207 (c) (2), if the Administrator finds that the needs of the members of any such corporation could more adequately be met by per room cost limitations, the mortgage may involve a principal obligation in an amount not to exceed \$1,800 per room for such part of such project as may be attributable to dwelling use.”

(2) By striking out the period at the end of the second sentence, inserting in lieu thereof a comma, and adding the following: “except that with respect to mortgages insured under the provisions of the second proviso of paragraph numbered (2) of this subsection, which mortgages are hereby authorized to have a maturity of not exceeding forty years from the date of the insurance of the mortgage, such interest rate shall not exceed 4 per centum per annum.”

(3) By adding the following additional sentence at the end thereof: “Such property or project may include such commercial and community facilities as the Administrator deems adequate to serve the occupants.”

52 Stat. 19.
12 U. S. C. § 1713(g).

(o) Section 207 (g) of the National Housing Act, as amended, is hereby amended by striking out the number “2” appearing in clause (ii) and inserting in lieu thereof “1”.

52 Stat. 19.
12 U. S. C. § 1713
(h) (1).

(p) Section 207 (h) is amended by striking out, in paragraph numbered (1), the words “paid to the mortgagor of such property”, and inserting in lieu thereof the following: “retained by the Administrator and credited to the Housing Insurance Fund”.

52 Stat. 14.
12 U. S. C. § 1710 (f).

(q) Section 204 (f) is amended by inserting in clause numbered (1), immediately preceding the semicolon, the following: “if the mortgage was insured under section 203 and shall be retained by the Administrator and credited to the Housing Insurance Fund if the mortgage was insured under section 207”.

52 Stat. 10, 16.
12 U. S. C. §§ 1709,
1713.

Ante, pp. 1209, 1272,
1273; *supra*; *infra*.
52 Stat. 16.
12 U. S. C. § 1713.
Loans, etc.

(r) Section 207 of the National Housing Act, as amended, is hereby amended by adding the following new paragraph at the end thereof:

“(q) In order to assure an adequate market for mortgages on cooperative-ownership projects and rental-housing projects for families of lower income and veterans of the character described in the second proviso of paragraph numbered (2) of subsection (c) of this section, the powers of the Federal National Mortgage Association and of any other Federal corporation or other Federal agency hereafter established, to make real-estate loans, or to purchase, service, or sell any mortgages, or partial interests therein, may be utilized in connection with projects of the character described in said proviso.”

Ante, pp. 1209, 1273.

TITLE I AMENDMENTS

(s) Section 2 is amended:

(1) By striking out "\$165,000,000" in subsection (a) and inserting in lieu thereof "\$200,000,000";

(2) By striking out "\$3,000" in subsection (b) and inserting in lieu thereof "\$4,500";

(3) By striking out the first proviso in the first sentence of subsection (b) and inserting in lieu thereof the following: "Provided, That insurance may be granted to any such financial institution with respect to any obligation not in excess of \$10,000 and having a maturity not in excess of seven years and thirty-two days representing any such loan, advance of credit, or purchase made by it if such loan, advance of credit, or purchase is made for the purpose of financing the alteration, repair, improvement, or conversion of an existing structure used or to be used as an apartment house or a dwelling for two or more families;";

(4) By striking out the last sentence of subsection (b).

SEC. 102. In order to aid housing production, the Reconstruction Finance Corporation is authorized to make loans to and purchase the obligations of any business enterprise for the purpose of providing financial assistance for the production of prefabricated houses or prefabricated housing components, or for large-scale modernized site construction. Such loans or purchases shall be made under such terms and conditions and with such maturities as the Corporation may determine: *Provided*, That to the extent that the proceeds of such loans or purchases are used for the purchase of equipment, plant, or machinery the principal obligation shall not exceed 75 per centum of the purchase price of such equipment, plant, or machinery: *And provided further*, That the total amount of commitments for loans made and obligations purchased under this section shall not exceed \$50,000,000 outstanding at any one time, and no financial assistance shall be extended under this section unless it is not otherwise available on reasonable terms.

SEC. 103. The Servicemen's Readjustment Act of 1944, as amended, is hereby amended by striking out the period at the end of section 500 (b) and inserting in lieu thereof the following: "*And provided further*, That the Administrator, with the approval of the Secretary of the Treasury, may prescribe by regulation a higher maximum rate of interest than otherwise prescribed in this section for loans guaranteed under this title, but not exceeding 4½ per centum per annum, if he finds that the loan market demands it."

TITLE II—SECONDARY MARKET FOR GI HOME LOANS AND FEDERAL HOUSING ADMINISTRATION INSURED MORTGAGES

SEC. 201. Section 301 (a) (1) of the National Housing Act, as amended, is amended by striking out the words "which are insured after April 30, 1948, under section 203 or section 603 of this Act, or guaranteed under section 501, 502, or 505 (a) of the Servicemen's Readjustment Act of 1944, as amended" and inserting in lieu thereof the words "which are insured after April 30, 1948, under title II, or title VI of this Act, or guaranteed after April 30, 1948, under section 501, or section 502, or section 505 (a) of the Servicemen's Readjustment Act of 1944, as amended".

SEC. 202. Paragraph (E) of the proviso of section 301 (a) (1) of the National Housing Act, as amended, is amended by striking out in clause numbered (2) the figure "25" and inserting in lieu thereof the figure "50".

52 Stat. 9; 55 Stat. 364.
12 U. S. C. § 1703 (a), (b); Supp. I, § 1703 (a).

55 Stat. 364.
12 U. S. C. § 1703 (b).
Insurance to financial institutions.

Loans by RFC.

Limitation on amount.

Total amount of commitments.

58 Stat. 291.
38 U. S. C. § 694 (b); Supp. I, § 694 note.
Higher maximum interest rate.

Ante, p. 1207.

Ante, pp. 101, 1272, 1268, 1273.

58 Stat. 292, 293.
38 U. S. C. §§ 694a, 694b, 694e (a).

48 Stat. 1247; 55 Stat. 55.

12 U. S. C. §§ 1707-1715b, 1736-1743; Supp. I, §§ 1737, 1738, 1744, 1745.

Ante, pp. 101, 1209, 1268-1274.

Ante, p. 1207.

TITLE III—STANDARDIZED BUILDING CODES AND MATERIALS

Research, etc.

SEC. 301. The Housing and Home Finance Administrator shall undertake and conduct technical research and studies to develop and promote the acceptance and application of improved and standardized building codes and regulations and methods for the more uniform administration thereof, and standardized dimensions and methods for the assembly of home-building materials and equipment.

Use of available facilities.

SEC. 302. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and, notwithstanding any other law, shall appoint a Director to administer under his general supervision the provisions of this title.

Appropriation authorized.

SEC. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

TITLE IV—EQUITY INVESTMENT AIDS

SEC. 401. The National Housing Act, as amended, is hereby amended by adding the following new title:

“TITLE VII—INSURANCE FOR INVESTMENTS IN RENTAL HOUSING FOR FAMILIES OF MODERATE INCOME

“AUTHORITY TO INSURE

Expiration of insurance contract.

Aggregate amount of liabilities.

“SEC. 701. The purpose of this title is to supplement the existing systems of mortgage insurance for rental housing under this Act by a special system of insurance designed to encourage equity investment in rental housing at rents within the capacity of families of moderate income. To effectuate this purpose, the Administrator is authorized, upon application by the investor, to insure as hereinafter provided, and, prior to the execution of insurance contracts and upon such terms as the Administrator shall prescribe, to make commitments to insure, the minimum annual amortization charge and an annual return on the outstanding investment of such investor in any project which is eligible for insurance as hereinafter provided in an amount (herein called the ‘insured annual return’) equal to such rate of return, not exceeding $2\frac{3}{4}$ per centum per annum, on such outstanding investment as shall, after consultation with the Secretary of the Treasury, be fixed in the insurance contract or in the commitment to insure: *Provided*, That any insurance contract made pursuant to this title shall expire as of the first day of the operating year for which the outstanding investment amounts to not more than 10 per centum of the established investment: *And provided further*, That the aggregate amount of contingent liabilities outstanding at any one time under insurance contracts and commitments to insure made pursuant to this title shall not exceed \$1,000,000,000.

“ELIGIBILITY

“SEC. 702. (a) To be eligible for insurance under this title, a project shall meet the following conditions:

“(1) The Administrator shall be satisfied that there is, in the locality or metropolitan area of such project, a need for new rental dwellings at rents comparable to the rents proposed to be charged for the dwellings in such project.

“(2) Such project shall be economically sound, and the dwellings in such project shall be acceptable to the Administrator as to quality, design, size, and type.

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

“PREMIUMS AND FEES

“SEC. 703. (a) For insurance granted pursuant to this title the Administrator shall fix and collect a premium charge in an amount not exceeding one-half of 1 per centum of the outstanding investment for the operating year for which such premium charge is payable without taking into account the excess earnings, if any, applied, in addition to the minimum annual amortization charge, to amortization of the outstanding investment. Such premium charge shall be payable annually in advance by the investor, either in cash or in debentures issued by the Administrator under this title at par plus accrued interest: *Provided*, That, if in any operating year the gross income shall be less than the operating expenses, the premium charge payable during such operating year shall be waived, but only to the extent of the amount of the difference between such expenses and such income and subject to subsequent payment out of any excess earnings as hereinafter provided.

Waiver of premium charge.

“(b) With respect to any project offered for insurance under this title, the Administrator is authorized to charge and collect reasonable fees for examination, and for inspection during the construction of the project: *Provided*, That such fees shall not aggregate more than one-half of 1 per centum of the estimated investment.

“RENTS

“SEC. 704. The Administrator shall require that the rents for the dwellings in any project insured under this title shall be established in accordance with a rent schedule approved by the Administrator, and that the investor shall not charge or collect rents for any dwellings in the project in excess of the appropriate rents therefor as shown in the latest rent schedule approved pursuant to this section. Prior to approving the initial or any subsequent rent schedule pursuant to this section, the Administrator shall find that such schedule affords reasonable assurance that the rents to be established thereunder are (1) not lower than necessary, together with all other income to be derived from or in connection with the project, to produce reasonably stable revenues sufficient to provide for the payment of the operating expenses, the minimum annual amortization charge, and the minimum annual return; and (2) not higher than necessary to meet the need for dwellings for families of moderate income.

“EXCESS EARNINGS

“SEC. 705. For all of the purposes of any insurance contract made pursuant to this title, 50 per centum of the excess earnings, if any, for any operating year may be applied, in addition to the minimum annual return, to return on the outstanding investment but only to the extent that such application thereof does not result in an annual return of more than 5 per centum of the outstanding investment for such operating year, and the balance of any such excess earnings shall be applied, in addition to the minimum annual amortization charge, to amortization of the outstanding investment: *Provided*, That if in any preceding operating years the gross income shall have been less than the operating expenses, such excess earnings shall be applied to the extent necessary

in whole or in part, first, to the reimbursement of the amount of the difference between such expenses (exclusive of any premium charges previously waived hereunder) and such income, and, second, to the payment of any premium charges previously waived hereunder.

“FINANCIAL STATEMENTS

“SEC. 706. With respect to each project insured under this title, the Administrator shall provide that, after the close of each operating year, the investor shall submit to him for approval a financial and operating statement covering such operating year. If any such financial and operating statement shall not have been submitted or, for proper cause, shall not have been approved by the Administrator, payment of any claim submitted by the investor may, at the option of the Administrator, be withheld, in whole or in part, until such statement shall have been submitted and approved.

“PAYMENT OF CLAIMS

“SEC. 707. If in any operating year the net income of a project insured under this title is less than the aggregate of the minimum annual amortization charge and the insured annual return, the Administrator, upon submission by the investor of a claim for the payment of the amount of the difference between such net income and the aggregate of the minimum annual amortization charge and the insured annual return and after proof of the validity of such claim, shall pay to the investor, in cash from the Housing Investment Insurance Fund, the amount of such difference, as determined by the Administrator, but not exceeding, in any event, an amount equal to the aggregate of the minimum annual amortization charge and the insured annual return.

“DEBENTURES

Acquisition of project by Administrator.

“SEC. 708. (a) If the aggregate of the amounts paid to the investor pursuant to section 707 hereof with respect to a project insured under this title shall at any time equal or exceed 15 per centum of the established investment, the Administrator thereafter shall have the right, after written notice to the investor of his intentions so to do, to acquire, as of the first day of any operating year, such project in consideration of the issuance and delivery to the investor of debentures having a total face value equal to 90 per centum of the outstanding investment for such operating year. In any such case the investor shall be obligated to convey to said Administrator title to the project which meets the requirements of the rules and regulations of the Administrator in force at the time the insurance contract was executed and which is evidenced in the manner prescribed by such rules and regulations, and, in the event that the investor fails so to do, said Administrator may, at his option, terminate the insurance contract.

Conveyance of title to Administrator.

“(b) If in any operating year the aggregate of the differences between the operating expenses (exclusive of any premium charges previously waived hereunder) and the gross income for the preceding operating years, less the aggregate of any deficits in such operating expenses reimbursed from excess earnings as hereinbefore provided, shall at any time equal or exceed 5 per centum of the established investment, the investor shall thereafter have the right, after written notice to the Administrator of his intention so to do, to convey to the Administrator, as of the first day of any operating year, title to the project which meets the requirements of the rules and regulations of the Administrator in force at the time the insurance contract

was executed and which is evidenced in the manner prescribed by such rules and regulations, and to receive from the Administrator debentures having a total face value equal to 90 per centum of the outstanding investment for such operating year.

“(c) Any difference, not exceeding \$50, between 90 per centum of the outstanding investment for the operating year in which a project is acquired by the Administrator pursuant to this section and the total face value of the debentures to be issued and delivered to the investor pursuant to this section shall be adjusted by the payment of cash by the Administrator to the investor from the Housing Investment Insurance Fund.

“(d) Upon the acquisition of a project by the Administrator pursuant to this section, the insurance contract shall terminate.

“(e) Debentures issued under this title to any investor shall be executed in the name of the Housing Investment Insurance Fund as obligor, shall be signed by the Administrator, by either his written or engraved signature, and shall be negotiable. Such debentures shall be dated as of the first day of the operating year in which the project for which such debentures were issued was acquired by the Administrator, shall bear interest at a rate to be determined by the Administrator, with the approval of the Secretary of the Treasury, at the time the insurance contract was executed, but not to exceed $2\frac{3}{4}$ per centum per annum, payable semiannually on the 1st day of January and the 1st day of July of each year, and shall mature on the 1st day of July in such calendar year or years, not later than the fortieth following the date of the issuance thereof, as shall be determined by the Administrator and stated on the face of such debentures.

“(f) Such debentures shall be in such form and in such denominations in multiples of \$50, shall be subject to such terms and conditions, and may include such provisions for redemption as shall be prescribed by the Administrator, with the approval of the Secretary of the Treasury, and may be issued in either coupon or registered form.

“(g) Such debentures shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by any Territory, dependency, or possession of the United States, or by the District of Columbia, or by any State, county, municipality, or local taxing authority, shall be payable out of the Housing Investment Insurance Fund, which shall be primarily liable therefor, and shall be fully and unconditionally guaranteed, as to both the principal thereof and the interest thereon, by the United States, and such guaranty shall be expressed on the face thereof. In the event that the Housing Investment Insurance Fund fails to pay upon demand, when due, the principal of or the interest on any debentures so guaranteed, the Secretary of the Treasury shall pay to the holders the amount thereof, which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon, to the extent of the amount so paid, the Secretary of the Treasury shall succeed to all the rights of the holders of such debentures.

“(h) Notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real and other property by the United States, the Administrator shall have power, for the protection of the Housing Investment Insurance Fund, to pay out of said Fund all expenses or charges in connection with, and to deal with, complete, reconstruct, rent, renovate, modernize, insure, make contracts for the management of, or establish suitable agencies for the management of, or sell for cash or credit or lease in his discretion, in whole or in part, any project acquired pursuant to this title; and, notwithstanding any other provisions of law, the Administrator shall also have power to

Adjustments.

Termination of insurance.

Terms and conditions of debentures.

Tax exemption; exception.

Payment by Secretary of Treasury.

Powers of Administrator in property transactions.

41 U. S. C. § 5.

pursue to final collection by way of compromise or otherwise all claims acquired by, or assigned or transferred to, him in connection with the acquisition or disposal of any project pursuant to this title: *Provided*, That section 3709 of the Revised Statutes shall not be construed to apply to any contract for hazard insurance, or to any purchase or contract for services or supplies on account of any project acquired pursuant to this title if the amount of such purchase or contract does not exceed \$1,000.

"TERMINATION

Ante, p. 1278.

"SEC. 709. The investor, after written notice to the Administrator of his intention so to do, may terminate, as of the close of any operating year, any insurance contract made pursuant to this title. The Administrator shall prescribe the events and conditions under which said Administrator shall have the option to terminate any insurance contract made pursuant to this title, and the events and conditions under which said Administrator may reinstate any insurance contract terminated pursuant to this section or section 708 (a). If any insurance contract is terminated pursuant to this section, the Administrator may require the investor to pay an adjusted premium charge in such amount as the Administrator determines to be equitable, but not in excess of the aggregate amount of the premium charges which such investor otherwise would have been required to pay if such insurance contract had not been so terminated.

"INSURANCE FUND

Appropriation authorized.
Post, p. 1290.

Credit of fees, etc., to Fund.

Payment of claims by Secretary of Treasury.

Purchase of debentures.

"SEC. 710. There is hereby created a Housing Investment Insurance Fund which shall be used by the Administrator as a revolving fund for carrying out the provisions of this title and for administrative expenses in connection therewith. For this purpose, the Secretary of the Treasury shall make available to the Administrator such funds as the Administrator shall deem necessary, but not to exceed \$10,000,000, which amount is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated. Premium charges, adjusted premium charges, inspection and other fees, service charges, and any other income received by the Administrator under this title, together with all earnings on the assets of such Housing Investment Insurance Fund, shall be credited to said Fund. All payments made pursuant to claims of investors with respect to projects insured under this title, cash adjustments, the principal of and interest on debentures issued under this title, expenses incurred in connection with or as a consequence of the acquisition and disposal of projects acquired under this title, and all administrative expenses in connection with this title, shall be paid from said Fund. The faith of the United States is solemnly pledged to the payment of all approved claims of investors with respect to projects insured under this title, and, in the event said Fund fails to make any such payment when due, the Secretary of the Treasury shall pay to the investor the amount thereof, which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated. Moneys in the Housing Investment Insurance Fund not needed for current operations under this title shall be deposited with the Treasurer of the United States to the credit of said Fund or invested in bonds or other obligations of, or in bonds or other obligations guaranteed by, the United States. The Administrator may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under this title. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"TAXATION PROVISIONS

"SEC. 711. Nothing in this title shall be construed to exempt any real property acquired and held by the Administrator under this title from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed.

"RULES AND REGULATIONS

"SEC. 712. The Administrator may make such rules and regulations as may be necessary or desirable to carry out the provisions of this title, including, without limiting the foregoing, rules and regulations relating to the maintenance by the investor of books, records, and accounts with respect to the project and the examination of such books, records, and accounts by representatives of the Administrator; the submission of financial and operating statements and the approval thereof; the submission of claims for payments under insurance contracts, the proof of the validity of such claims, and the payment or disallowance thereof; the increase of the established investment if the investor shall make capital improvements or additions to the project; the decrease of the established investment if the investor shall sell part of the project; and the reduction of the outstanding investment for the appropriate operating year or operating years pending the restoration of dwelling or nondwelling facilities damaged by fire or other casualty. With respect to any investor which is subject to supervision or regulation by a State banking, insurance, or other State department or agency, the Administrator may, in carrying out any of his supervisory and regulatory functions with respect to projects insured under this title, utilize, contract with, and act through, such department or agency and without regard to section 3709 of the Revised Statutes.

"DEFINITIONS

"SEC. 713. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"(a) 'Investor' shall mean (1) any natural person; (2) any group of not more than ten natural persons; (3) any corporation, company, association, trust, or other legal entity; or (4) any combination of two or more corporations, companies, associations, trusts, or other legal entities, having all the powers necessary to comply with the requirements of this title, which the Administrator (i) shall find to be qualified by business experience and facilities, to afford assurance of the necessary continuity of long-term investment, and to have available the necessary capital required for long-term investment in the project, and (ii) shall approve as eligible for insurance under this title.

"(b) 'Project' shall mean a project (including all property, real and personal, contracts, rights, and choses in action acquired, owned, or held by the investor in connection therewith) of an investor designed and used primarily for the purpose of providing dwellings the occupancy of which is permitted by the investor in consideration of agreed charges: *Provided*, That nothing in this title shall be construed as prohibiting the inclusion in a project of such stores, offices, or other commercial facilities, recreational or community facilities, or other nondwelling facilities as the Administrator shall determine to be necessary or desirable appurtenances to such project.

"(c) 'Estimated investment' shall mean the estimated cost of the development of the project, as stated in the application submitted to the Administrator for insurance under this title.

"(d) 'Established investment' shall mean the amount of the reasonable costs, as approved by the Administrator, incurred by the investor

41 U. S. C. § 5.

"Investor."

"Project."

Commercial, etc., facilities.

"Estimated investment."

"Established investment."

in, and necessary for, carrying out all works and undertakings for the development of a project and shall include the premium charge for the first operating year and the cost of all necessary surveys, plans and specifications, architectural, engineering, or other special services, land acquisition, site preparation, construction, and equipment; a reasonable return on the funds of the investor paid out in the course of the development of the project, up to and including the initial occupancy date; necessary expenses in connection with the initial occupancy of the project; and the cost of such other items as the Administrator shall determine to be necessary for the development of the project, (1) less the amount by which the rents and revenues derived from the project up to and including the initial occupancy date exceeded the reasonable and proper expenses, as approved by the Administrator, incurred by the investor in, and necessary for, operating and maintaining said project up to and including the initial occupancy date, or (2) plus the amount by which such expenses exceeded such rents and revenues, as the case may be.

"Physical completion date."

"(e) 'Physical completion date' shall mean the last day of the calendar month in which the Administrator determines that the construction of the project is substantially completed and substantially all of the dwellings therein are available for occupancy.

"Initial occupancy date."

"(f) 'Initial occupancy date' shall mean the last day of the calendar month in which 90 per centum in number of the dwellings in the project on the physical completion date shall have been occupied, but shall in no event be later than the last day of the sixth calendar month next following the physical completion date.

"Operating year."

"(g) 'Operating year' shall mean the period of twelve consecutive calendar months next following the initial occupancy date and each succeeding period of twelve consecutive calendar months, and the period of the first twelve consecutive calendar months next following the initial occupancy date shall be the first operating year.

"Gross income."

"(h) 'Gross income' for any operating year shall mean the total rents and revenues and other income derived from, or in connection with, the project during such operating year.

"Operating expenses."

"(i) 'Operating expenses' for any operating year shall mean the amounts, as approved by the Administrator, necessary to meet the reasonable and proper costs of, and to provide for, operating and maintaining the project, and to establish and maintain reasonable and proper reserves for repairs, maintenance, and replacements, and other necessary reserves during such operating year, and shall include necessary expenses for real estate taxes, special assessments, premium charges made pursuant to this title, administrative expenses, the annual rental under any lease pursuant to which the real property comprising the site of the project is held by the investor, and insurance charges, together with such other expenses as the Administrator shall determine to be necessary for the proper operation and maintenance of the project, but shall not include income taxes.

"Net income."

"(j) 'Net income' for any operating year shall mean gross income remaining after the payment of the operating expenses.

"Minimum annual amortization charge."

"(k) 'Minimum annual amortization charge' shall mean an amount equal to 2 per centum of the established investment, except that, in the case of a project where the real property comprising the site thereof is held by the investor under a lease, if (notwithstanding the proviso of section 703 (a) hereof) the gross income for any operating year shall be less than the amount required to pay the operating expenses (including the annual rental under such lease), the minimum annual amortization charge for such operating year shall mean an amount equal to 2 per centum of the established investment plus the amount of the annual rental under such lease to the extent that the same is not paid from the gross income.

Ante, p. 1277.

"(l) 'Annual return' for any operating year shall mean the net income remaining after the payment of the minimum annual amortization charge.

"(m) 'Insured annual return' shall have the meaning ascribed to it in section 701 hereof.

"(n) 'Minimum annual return' for any operating year shall mean an amount equal to 3½ per centum of the outstanding investment for such operating year.

"(o) 'Excess earnings' for any operating year shall mean the net income derived from a project in excess of the minimum annual amortization charge and the minimum annual return.

"(p) 'Outstanding investment' for any operating year shall mean the established investment, less an amount equal to (1) the aggregate of the minimum annual amortization charge for each preceding operating year, plus (2) the aggregate of the excess earnings, if any, during each preceding operating year applied, in addition to the minimum annual amortization charge, to amortization in accordance with the provisions of section 705 hereof."

SEC. 402. Sections 1 and 5 of the National Housing Act, as amended, are hereby amended by striking out "titles II, III, and VI" wherever they appear in said sections and inserting in lieu thereof "titles II, III, VI, and VII".

TITLE V—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

ADMINISTRATIVE PROVISIONS

SEC. 501. (a) Effective upon the date of enactment of this Act, the Housing and Home Finance Administrator shall receive compensation at the rate of \$16,500 per annum, and the members of the Home Loan Bank Board, the Federal Housing Commissioner, and the Public Housing Commissioner shall each receive compensation at the rate of \$15,000 per annum.

(b) Section 101 of the Government Corporation Control Act, as amended, is amended by inserting "Federal Housing Administration;" immediately after the semicolon which follows "United States Housing Corporation": *Provided*, That, as to the Federal Housing Administration, the audit required by section 105 of said Act shall begin with the fiscal year commencing July 1, 1948, and the exception contained in section 301 (d) of said Act shall be construed to refer to the cost of audits contracted for prior to July 1, 1948.

SEC. 502. In carrying out their respective functions, powers, and duties—

(a) The Housing and Home Finance Administrator may appoint such officers and employees as he may find necessary, which appointments shall be subject to the civil-service laws and the Classification Act of 1923, as amended. The Administrator may make such expenditures as may be necessary to carry out his functions, powers, and duties, and there are hereby authorized to be appropriated to the Administrator, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out such functions, powers, and duties and for administrative expenses in connection therewith. The Administrator may delegate any of his functions and powers to such officers, agents, or employees as he may designate, and may make such rules and regulations as may be necessary to carry out his functions, powers, and duties. The Administrator shall cause to be prepared for the Housing and Home Finance Agency an official seal of such device as he shall approve, and judicial notice shall be taken of said seal. The Secretary of Commerce or his designee

"Annual return."

"Insured annual return."

Ante, p. 1276.

"Minimum annual return."

"Excess earnings."

"Outstanding investment."

Ante, p. 1277.

48 Stat. 1246, 1247.

12 U. S. C. § 1706;

Supp. I, § 1702.

Compensation of certain officials.

59 Stat. 597.

31 U. S. C. § 846.

59 Stat. 599.

31 U. S. C. § 850.

59 Stat. 601.

31 U. S. C. § 866 (d).

Powers of Housing and Home Finance Administrator.

42 Stat. 1488.

5 U. S. C. §§ 661-674.

shall hereafter be included in the membership of the National Housing Council.

Powers of Public Housing Commissioner.

50 Stat. 888; 54 Stat. 681.
42 U. S. C. §§ 1401-1430, 1501-1505; Supp. I, §§ 1402 *et seq.*, 1501-1505 notes.

42 Stat. 1488.
5 U. S. C. §§ 661-674.

Availability of funds.

Recovery of possession.

50 Stat. 888; 54 Stat. 681.
42 U. S. C. §§ 1401-1430, 1501-1505; Supp. I, §§ 1402 *et seq.*, 1501-1505 notes.

Eligibility for low-rent housing; exclusion of certain payments.

Additional powers.

(b) The Public Housing Administration shall sue and be sued only with respect to its functions under the United States Housing Act of 1937, as amended, and title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, as amended. The Public Housing Commissioner may appoint such officers and employees as he may find necessary, which appointments, notwithstanding the provisions of any other law, shall hereafter be made hereunder, and shall be subject to the civil-service laws and the Classification Act of 1923, as amended; delegate any of his functions and powers to such officers, agents, or employees of the Public Housing Administration as he may designate; and make such rules and regulations as he may find necessary to carry out his functions, powers, and duties. Funds made available for carrying out the functions, powers, and duties of the Administration (including appropriations therefor, which are hereby authorized) shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Administration. Notwithstanding any other provisions of law except provisions of law hereafter enacted expressly in limitation hereof, the Public Housing Administration, or any State or local public agency administering a low-rent housing project assisted pursuant to the United States Housing Act of 1937 or title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, shall continue to have the right to maintain an action or proceeding to recover possession of any housing accommodations operated by it where such action is authorized by the statute or regulations under which such housing accommodations are administered, and, in determining net income for the purposes of tenant eligibility with respect to low-rent housing projects assisted pursuant to said Acts, the Public Housing Administration is authorized, where it finds such action equitable and in the public interest, to exclude amounts or portions thereof paid by the United States Government for disability or death occurring in connection with military service.

(c) The Housing and Home Finance Administrator, the Home Loan Bank Board (which term as used in this section shall also include and refer to the Federal Savings and Loan Insurance Corporation, the Home Owners' Loan Corporation, and the Chairman of the Home Loan Bank Board), the Federal Housing Commissioner, and the Public Housing Commissioner, respectively, may, in addition to and not in derogation of any powers and authorities conferred elsewhere in this Act—

(1) with the consent of the agency or organization concerned, accept and utilize equipment, facilities, or the services of employees of any State or local public agency or instrumentality, educational institution, or nonprofit agency or organization and, in connection with the utilization of such services, may make payments for transportation while away from their homes or regular places of business and per diem in lieu of subsistence en route and at place of such service, in accordance with the provisions of 5 U. S. C. 73b-2;

(2) utilize, contract with, and act through, without regard to section 3709 of the Revised Statutes, any Federal, State, or local public agency or instrumentality, educational institution, or nonprofit agency or organization with the consent of the agency or organization concerned, and any funds available to said officers for carrying out their respective functions, powers, and duties shall be available to reimburse any such agency or organization; and, whenever in the judgment of any such officer necessary, he may make advance, progress, or other payments with respect to such

60 Stat. 808.

41 U. S. C. § 5.

contracts without regard to the provisions of section 3648 of the Revised Statutes;

(3) make expenditures for all necessary expenses, including preparation, mounting, shipping, and installation of exhibits; purchase and exchange of technical apparatus; and such other expenses as may, from time to time, be found necessary in carrying out their respective functions, powers, and duties: *Provided*, That the provisions of section 3709 of the Revised Statutes shall not apply to any purchase or contract by said officers (or their agencies), respectively, for services or supplies if the amount thereof does not exceed \$300: *And provided further*, That funds made available for administrative expenses in carrying out the functions, powers, and duties imposed upon the Housing and Home Finance Administrator, the Home Loan Bank Board, the Federal Housing Commissioner, and the Public Housing Commissioner, respectively, by or pursuant to law may at their option be consolidated into single administrative expense fund accounts of said officers or agencies for expenditure by them, respectively, in accordance with the provisions hereof.

SEC. 503. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof and with the express purpose indicated in the State legislation of converting the project to a project with Federal assistance (if and when such Federal assistance becomes available), shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into prior to January 1, 1949, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the State or the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project.

31 U. S. C. § 529.

41 U. S. C. § 5.

Consolidation of funds.

Assistance to State, etc., low-rent projects.

50 Stat. 888.
42 U. S. C. §§ 1401-1430; Supp. I, § 1402 et seq.50 Stat. 891.
42 U. S. C. § 1409.

ACT CONTROLLING

SEC. 504. Insofar as the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall be controlling.

SEPARABILITY

SEC. 505. Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this Act, or the application thereof to the persons and circumstances, directly involved in the controversy in which such judgment shall have been rendered.

Approved August 10, 1948.