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U.S. President, 1945-1953 (Truman).

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Message from the President... transmitting  
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80TH CONGRESS } HOUSE OF REPRESENTATIVES { DOCUMENT  
1st Session } { No. 270

U.S. President, 1945-1953 (Truman)

REORGANIZATION PLAN NO. 3 OF 1947

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MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

REORGANIZATION PLAN NO. 3 OF 1947

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MAY 27, 1947.—Referred to the Committee on Expenditures in the Executive Departments and ordered to be printed

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*To the Congress of the United States:*

I am transmitting herewith Reorganization Plan No. 3 of 1947, prepared in accordance with the Reorganization Act of 1945. This plan deals solely with housing. It simplifies, and increases the efficiency of, the administrative organization of permanent housing functions and provides for the administration of certain emergency housing activities pending their liquidation. I have found, after investigation, that each reorganization contained in this plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1945.

The provision of adequate housing will remain a major national objective throughout the next decade. The primary responsibility for meeting housing needs rests, and must continue to rest, with private industry, as I have stated on other occasions. The Federal Government, however, has an important role to play in stimulating and facilitating home construction.

Over the years the Congress has provided for a number of permanent housing programs, each involving a special approach to the basic objective of more adequate housing for our citizens. The Congress first enacted a series of measures to facilitate home construction and home ownership by strengthening the savings and loan type of home-financing institution. These measures established a credit reserve system for such agencies, authorized the chartering of Federal savings

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and loan associations to provide more adequate home financing facilities, and provided for the insurance of investments in savings and loan institutions in order to attract savings into this field. The Congress also created a system for the insurance of home loans and mortgages to stimulate the flow of capital into home-mortgage lending and thereby facilitate home ownership and improvement and increase home construction. These measures were supplemented by legislation extending financial assistance to local communities for the clearance of slums and the provision of decent housing for families of low income who otherwise would be forced to live in the slums. It is significant that these programs were first established, and have been continued, by the Congress because of their special contributions to home construction and improvement.

In my message of January 6 on the state of the Union, I recommended legislation establishing certain additional programs to help to alleviate the housing shortage and achieve our national objective of a decent home and a suitable living environment for every American family. No lesser objective is commensurate with the productive capacity and resources of the country or with the dignity which a true democracy accords the individual citizen. The Congress is now considering measures authorizing these programs. I again recommend the early enactment of this legislation.

But whatever may be the permanent housing functions of the Government, whether they be confined to the existing programs or supplemented as the Congress may determine, they are inevitably interrelated. They require coordination and supervision so that each will render its full contribution without conflict with the performance of other housing functions.

The Government, however, lacks an effective permanent organization to coordinate and supervise the administration of its principal housing programs. These programs and the machinery for their administration were established piecemeal over a period of years. The present consolidation of housing agencies and functions in the National Housing Agency is only temporary. After the termination of title I of the First War Powers Act this agency will dissolve and the agencies and functions now administered in it will revert to their former locations in the Government. When this occurs, the housing programs of the Government will be scattered among some 13 agencies in 7 departments and independent establishments.

I need hardly point out that such a scattering of these interrelated functions would not only be inefficient and wasteful but also would seriously impair their usefulness. It would leave the Government without effective machinery for the coordination and supervision of its housing activities and would thrust upon the Chief Executive an impossible burden of administrative supervision.

The grouping of housing functions in one establishment is essential to assure that the housing policies established by the Congress will be carried out with consistency of purpose and a minimum of friction, duplication, and overlapping. A single establishment will unquestionably make for greater efficiency and economy. Moreover, it will simplify the task of the Congress and the Chief Executive by enabling them to deal with one official and hold one person responsible for the general supervision of housing functions, whereas otherwise they will be forced to deal with a number of uncoordinated officers and agencies.

It is vital that a sound permanent organization of housing activities be established at the earliest possible date in order to insure that housing functions will not be scattered among numerous agencies, with consequent confusion and disruption. To avoid this danger, and to accomplish the needed changes promptly, it is desirable to employ a reorganization plan under the Reorganization Act of 1945. No other area of Federal activity affords greater opportunity than housing for accomplishing the objectives of the Reorganization Act to group, consolidate, and coordinate functions, reduce the number of agencies, and promote efficiency and economy; and in no other area could the application of the Reorganization Act be more appropriate and necessary.

In brief, this reorganization plan groups nearly all of the permanent housing agencies and functions of the Government, and the remaining emergency housing activities, in a Housing and Home Finance Agency, with the following constituent operating agencies: (a) A Home Loan Bank Board to administer the Federal Savings and Loan Insurance Corporation, the Home Owners' Loan Corporation, and the functions of the Federal Home Loan Bank Board and its members; (b) a Federal Housing Administration with the same functions as now provided by law for that agency; and (c) a Public Housing Administration to take over the functions of the United States Housing Authority and certain remaining emergency housing activities pending the completion of their liquidation. Each constituent agency will possess its individual identity and be responsible for the operation of its program.

By reason of the reorganizations made by the plan, I have found it necessary to include therein provisions for the appointment of (1) an Administrator to head the Housing and Home Finance Agency, (2) the three members of the Home Loan Bank Board, and (3) two Commissioners to head the Federal Housing Administration and the Public Housing Administration, respectively. Each of these officers is to be appointed by the President by and with the advice and consent of the Senate.

The plan places in the Housing and Home Finance Administrator the functions heretofore vested in the Federal Loan Administrator and the Federal Works Administrator with respect to the housing agencies and functions formerly administered within the Federal Loan and Federal Works Agencies, together with supervision and direction of certain emergency housing activities for the remainder of their existence.

Under the plan the Home Loan Bank Board and the Federal Housing Administration will have the same status in, and relation to, the Housing and Home Finance Agency and the Housing and Home Finance Administrator as the Federal Home Loan Bank Board, and its related agencies, and the Federal Housing Administration formerly had to the Federal Loan Agency and the Federal Loan Administrator. Similarly, the Public Housing Administration will have the same status in, and relation to, the Housing and Home Finance Agency and the Administrator as the United States Housing Authority formerly had to the Federal Works Agency and the Federal Works Administrator.

Since there are a few housing activities which it is not feasible to place within the Housing and Home Finance Agency because they form integral parts of other broad programs or because of specific

limitations in the Reorganization Act of 1945, the plan also creates a National Housing Council on which the Housing and Home Finance Agency and its constituent agencies, and the other departments and agencies having important housing functions, are represented. In this way the plan provides machinery for promoting the most effective use of all the housing functions of the Government, for obtaining consistency between these functions and the general economic and fiscal policies of the Government, and for avoiding duplication and overlapping of activities.

To avoid a hiatus in the administration of housing functions, pending the confirmation by the Senate of the new officers provided for by the plan, it permits the designation by the President of appropriate existing housing officials to perform temporarily the functions of these officers. This period should be brief, as I shall promptly submit nominations for the permanent officers.

Under the limitations contained in the Reorganization Act of 1945, the compensation of the Housing and Home Finance Administrator and the other officers provided for by the plan, cannot be fixed at a rate in excess of \$10,000 per annum. Both the temporary National Housing Administrator, provided for by Executive Order No. 9070 and the Federal Housing Administrator, have received salaries of \$12,000 a year. I do not consider the salary of \$10,000 provided in the plan as compensation commensurate with the responsibilities of the Administrator, the members of the Home Loan Bank Board, and the Commissioners of the other constituent agencies, or consistent with a salary scale which must be paid if the Government is to attract and retain public servants of the requisite caliber. Accordingly, I recommend that the Congress act to increase the salary of the Housing and Home Finance Administrator to \$15,000 per annum, and to increase the salaries of the members of the Home Loan Bank Board and the two Commissioners provided for by this plan to \$12,000 per annum.

The essential and important difference between the organization established by the plan and the prewar arrangement, to which housing agencies and functions would otherwise automatically revert on the termination of title I of the First War Powers Act, is that under the old arrangement these agencies and functions were scattered among many different establishments primarily dealing with matters other than housing, whereas under the plan the major permanent housing programs are placed in a single establishment concerned exclusively with housing. Thus, the plan effectuates the basic objective enunciated by the Congress in the Reorganization Act of 1945 of grouping agencies and functions by major purpose, and provides the necessary framework for a more effective administration of Federal housing activities in the postwar period.

HARRY S. TRUMAN.

THE WHITE HOUSE, May 27, 1947.

## REORGANIZATION PLAN NO. 3 OF 1947

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, May 27, 1947, pursuant to the provisions of the Reorganization Act of 1945, approved December 20, 1945

### HOUSING AND HOME FINANCE AGENCY

**SECTION 1. *Housing and Home Finance Agency.***—The Home Owners' Loan Corporation, the Federal Savings and Loan Insurance Corporation, the Federal Housing Administration, the United States Housing Authority, the Defense Homes Corporation, and the United States Housing Corporation, together with their respective functions, the functions of the Federal Home Loan Bank Board, and the other functions transferred by this plan, are consolidated, subject to the provisions of sections 2 to 5, inclusive, hereof, into an agency which shall be known as the Housing and Home Finance Agency. There shall be in said Agency constituent agencies which shall be known as the Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Administration.

**Sec. 2. *Home Loan Bank Board.***—(a) The Home Loan Bank Board shall consist of three members appointed by the President by and with the advice and consent of the Senate. Not more than two members of the Board shall be members of the same political party. The President shall designate the members of the Board first appointed hereunder to serve for terms expiring, respectively, at the close of business on June 30, 1949, June 30, 1950, and June 30, 1951, and thereafter the term of each member shall be four years. Whenever a vacancy shall occur among the members the person appointed to fill such vacancy shall hold office for the unexpired portion of the term of the member whose place he is selected to fill. Each of the members of the Board shall receive compensation at the rate of \$10,000 per annum.

(b) The President shall designate one of the members of the Home Loan Bank Board as Chairman of the Board. The Chairman shall (1) be the chief executive officer of the Board, (2) appoint and direct the personnel necessary for the performance of the functions of the Board or of the Chairman or of any agency under the Board, and (3) designate the order in which the other members of the Board shall, during the absence or disability of the Chairman, be Acting Chairman and perform the duties of the Chairman.

(c) Except as otherwise provided in subsection (b) of this section there are transferred to the Home Loan Bank Board the functions (1) of the Federal Home Loan Bank Board, (2) of the Board of Directors of the Home Owners' Loan Corporation, (3) of the Board of Trustees of the Federal Savings and Loan Insurance Corporation, (4) of any member or members of any of said Boards, and (5) with respect to the dissolution of the United States Housing Corporation.

SEC. 3. *Federal Housing Administration.*—The Federal Housing Administration shall be headed by a Federal Housing Commissioner who shall be appointed by the President, by and with the advice and consent of the Senate, and receive compensation at the rate of \$10,000 per annum. There are transferred to said Commissioner the functions of the Federal Housing Administrator.

SEC. 4. *Public Housing Administration.*—The Public Housing Administration shall be headed by a Public Housing Commissioner who shall be appointed by the President, by and with the advice and consent of the Senate, and receive compensation at the rate of \$10,000 per annum. There are transferred to said Commissioner the functions—

(a) Of the Administrator of the United States Housing Authority (which agency shall hereafter be administered and known as the Public Housing Administration);

(b) Of the National Housing Agency with respect to non-farm-housing projects and other properties remaining under its jurisdiction pursuant to section 2 (a) (3) of the Farmers' Home Administration Act of 1946 (Public Law 731, Seventy-ninth Congress, approved August 14, 1946); and

(c) With respect to the liquidation and dissolution of the Defense Homes Corporation.

SEC. 5. *Housing and Home Finance Administrator.*—(a) The Housing and Home Finance Agency shall be headed by a Housing and Home Finance Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$10,000 per annum.

(b) The Administrator shall be responsible for the general supervision and coordination of the functions of the constituent agencies of the Housing and Home Finance Agency and for such purpose there are transferred to said Administrator the functions of the Federal Loan Administrator and the Federal Works Administrator (1) with respect to the Federal Home Loan Bank Board, the Home Owners' Loan Corporation, the Federal Savings and Loan Insurance Corporation, the Federal Housing Administration, and the United States Housing Authority, and (2) with respect to the functions of said agencies.

(c) There are also transferred to the Administrator the functions—

(1) Of holding on behalf of the United States the capital stock of the Defense Homes Corporation;

(2) Under titles I and III, and sections 401, 501, and 502, of the Act of October 14, 1940 (54 Stat. 1125), as amended;

(3) Of the War and Navy Departments with respect to national defense and war housing (except that located on military or naval posts, reservations, or bases) under the Act of September 9, 1940 (54 Stat. 872), as amended; and

(4) Of all agencies designated to provide temporary shelter in defense areas under the Acts of March 1, 1941, May 24, 1941, and December 17, 1941 (55 Stat. 14, 197, and 810), insofar as such functions relate to such temporary shelter.

SEC. 6. *National Housing Council.*—There shall be in the Housing and Home Finance Agency a National Housing Council composed of the Housing and Home Finance Administrator as Chairman, the Federal Housing Commissioner, the Public Housing Commissioner,

the Chairman of the Home Loan Bank Board, the Administrator of Veterans' Affairs or his designee, the Chairman of the Board of Directors of the Reconstruction Finance Corporation or his designee, and the Secretary of Agriculture or his designee. The National Housing Council shall serve as a medium for promoting, to the fullest extent practicable within revenues, the most effective use of the housing functions and activities administered within the Housing and Home Finance Agency and the other departments and agencies represented on said Council in the furtherance of the housing policies and objectives established by law, for facilitating consistency between such housing functions and activities and the general economic and fiscal policies of the Government, and for avoiding duplication or overlapping of such housing functions and activities.

SEC. 7. *Interim appointments.*—Pending the initial appointment hereunder of any officer provided for by this plan, the functions of such officer shall be performed temporarily by such officer of the existing National Housing Agency as the President shall designate.

SEC. 8. *Transfers of property, personnel, and funds.*—The assets, contracts, property, records, personnel, and unexpended balances of appropriations, authorizations, allocations, or other funds, held, employed, or available or to be made available in connection with functions transferred by this plan are hereby transferred with such transferred functions, respectively.

SEC. 9. *Abolitions.*—The Federal Home Loan Bank Board, the Board of Directors of the Home Owners' Loan Corporation, and the Board of Trustees of the Federal Savings and Loan Insurance Corporation, together with the offices of the members of said boards, the office of Federal Housing Administrator, and the office of Administrator of the United States Housing Authority, are abolished.