

LAW
T
F222
H68ha

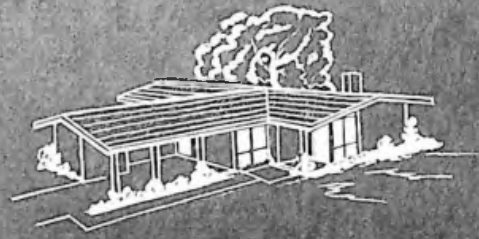
U.S. Federal Housing Administration

Handbook

for

FHA

EMPLOYEES



Dedicated to better housing for America



CODE OF ETHICS FOR GOVERNMENT SERVICE

Any Person In Government Service Should:.....

Put loyalty to the highest moral principles and to country above loyalty to persons, party, or Government department.

Uphold the Constitution, laws, and legal regulations of the United States and all governments therein and never be a party to their evasion.

Give a full day's labor for a full day's pay; giving to the performance of his duties his earnest effort and best thought.

Seek to find and employ more efficient and economical ways of getting tasks accomplished.

Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept, for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties.

Make no private promises of any kind binding upon the duties of office, since a Government employee has no private word which can be binding on public duty.

Engage in no business with the Government, either directly or indirectly, which is inconsistent with the conscientious performance of his governmental duties.

Never use any information coming to him confidentially in the performance of governmental duties as a means for making private profit.

Expose corruption wherever discovered.

Uphold these principles, ever conscious that public office is a public trust.

.....

(This Code of Ethics was agreed to by the House of Representatives and the Senate as House Concurrent Resolution 175 in the Second Session of the 85th Congress. The Code applies to all Government Employees and Office Holders.)



LAW
T
F222
H68 Ra

TO FHA EMPLOYEES

All of us in FHA are doing work that is of great importance to the welfare of our country.

Whatever your job here may be—typing, filing, appraising, auditing, any of the thousand things we do in FHA—think of it not just as something you have to do to collect your salary check; think of it as something that helps our fellow Americans to live in better homes.

This handbook tells you how FHA works with private industry to bring better housing to the people of America, how FHA is organized, and what your responsibilities and rights are as a member of the FHA staff.

You have my best wishes for happiness and success in your FHA career.



JULIAN H. ZIMMERMAN,
*Commissioner,
Federal Housing
Administration.*

This Employee Handbook contains the agency's rules of conduct, regulations, and established policies.

Each employee is responsible for studying this Handbook; for keeping himself fully informed on FHA's rules, regulations, and policies which constitute the conditions of his employment; and for abiding by them.

CHAPTER 10 IS MANDATORY READING.

INTRODUCTION

THIS IS a handbook for employees, not a personnel operating manual. It is intended to furnish new employees with information about the FHA—its objectives, its programs, and its personnel system. It is also intended to provide present employees with a readable, easily obtained reference which will serve to guide them in their behavior and to explain briefly their rights, privileges, and obligations.

The FHA, once an economic experiment, has long been recognized as a necessary and desirable part of our economic and social system. FHA employees have a right to be proud of the agency's accomplishments and an obligation to contribute to its future achievements.

FHA employees are chosen carefully with a full realization that the Commissioner must, in order to discharge his responsibilities properly, have the best talent available. Part of the Personnel Division's responsibility is to secure that talent. Personnel is also obligated to insure compliance with the many laws and rules relating to the Civil Service system. Another very important responsibility of the Division is the protection of the FHA and the Government from improper personnel actions. The Division must also protect employees against any violation of their rights, however, unintentional the violation may be.

Top management has every reason to expect the loyalty and cooperation of each employee, and FHA management recognizes a like obligation to its employees.

In this feeling of mutual trust, there is no limit to what the FHA can accomplish. Through these accomplishments, each of us can obtain much personal and job satisfaction.

CONTENTS

| | PAGE |
|--|-----------|
| 1. WHY WE HAVE AN FHA | 1 |
| <i>What FHA Does</i> | 1 |
| Home Mortgage Insurance | 2 |
| Cooperative Housing | 3 |
| Rental Housing | 3 |
| Housing for the Elderly | 4 |
| Nursing Homes | 4 |
| Armed Services Housing | 4 |
| Urban Renewal | 4 |
| Property Improvement Loans | 5 |
| <i>How the Insurance Plans Work</i> | 5 |
| Mortgage Insurance | 5 |
| Property Improvement Loan Insurance | 5 |
| Volume of FHA Insurance | 6 |
| FHA Pays Its Way | 6 |
| Publications | 7 |
| 2. ORGANIZATION OF THE FHA | 9 |
| Washington Central Office | 9 |
| Field Operations | 10 |
| Title I | 10 |
| Mortgages and Properties | 10 |
| General Counsel | 11 |
| Technical Standards | 11 |
| Programs | 11 |
| Administration | 12 |
| Comptroller | 13 |
| Audit and Examination | 13 |
| Field Offices | 13 |
| Office of the Director | 14 |
| Underwriting Division | 14 |
| Operations Division | 15 |
| 3. PERSONNEL PROGRAM | 18 |
| <i>What the Personnel Program Is</i> | 18 |
| <i>How the FHA Personnel Program Relates to the Civil Service System</i> | 19 |
| <i>Who Is Responsible for Personnel Management in FHA</i> | 19 |
| <i>The Civil Service Commission's Role</i> | 24 |
| 4. JOBS AND PAY | 28 |
| <i>How Jobs Are Established</i> | 28 |
| <i>Why Jobs Must Be Accurately Described</i> | 28 |
| <i>How and Why Jobs Are Classified</i> | 30 |
| <i>How Pay Is Determined</i> | 32 |
| <i>What Is Withheld From Pay</i> | 34 |
| <i>Payday and Pay Lag</i> | 36 |
| <i>Unpaid Monies</i> | 36 |
| <i>Dual Compensation</i> | 36 |

| | PAGE |
|--|------|
| 5. HOW JOBS ARE FILLED | 39 |
| <i>Reassignment and Promotion From Within</i> | 39 |
| <i>Recruitment From Outside</i> | 40 |
| <i>Hiring Restrictions</i> | 41 |
| <i>Filling Excepted Service Positions</i> | 43 |
| <i>Temporary Detail</i> | 44 |
| 6. APPOINTMENT, STATUS, AND TENURE | 45 |
| <i>Status</i> | 45 |
| <i>Types of Appointment</i> | 45 |
| <i>Tenure</i> | 47 |
| 7. TRAINING | 51 |
| <i>Induction and Orientation Training</i> | 51 |
| <i>On-the-Job Training</i> | 52 |
| <i>Technical Training</i> | 52 |
| <i>Supervisory Training</i> | 53 |
| <i>Other Forms of Staff Development</i> | 53 |
| <i>Keeping Tab on Training Accomplishments</i> | 53 |
| 8. PERFORMANCE EVALUATION AND INCENTIVE AWARDS | 55 |
| <i>Performance Rating</i> | 55 |
| <i>Incentive Awards</i> | 56 |
| 9. WORKING TIME AND LEAVE | 58 |
| <i>Office Hours and Attendance</i> | 58 |
| <i>Holidays</i> | 59 |
| <i>Leave of Absence</i> | 59 |
| <i>Post-Attack Registration</i> | 63 |
| 10. CONDUCT AND DISCIPLINE | 64 |
| <i>General Department</i> | 64 |
| <i>Attention to Duty</i> | 65 |
| <i>Debts</i> | 65 |
| <i>Seeking Favoritism</i> | 66 |
| <i>According Preferential Treatment or Exercising Discrimination</i> | 66 |
| <i>Gratuities</i> | 66 |
| <i>Contacts With the Public</i> | 67 |
| <i>Relationship of Former Employees With FHA</i> | 67 |
| <i>Use of Government Facilities</i> | 68 |
| <i>Safeguarding Personal Property</i> | 69 |
| <i>Oath of Office and Related Affidavits</i> | 69 |
| <i>Membership in Organizations</i> | 70 |
| <i>Security Program</i> | 70 |
| <i>Classified Documents</i> | 71 |
| <i>Outside Activities</i> | 71 |
| <i>Employee Interest Cases</i> | 74 |
| <i>Speculation</i> | 74 |
| <i>Writing for Publication</i> | 75 |
| <i>Speaking Engagements</i> | 75 |
| <i>Inventions</i> | 75 |
| <i>Political Activity</i> | 75 |
| <i>Disciplinary Actions and Penalties</i> | 76 |

| | PAGE |
|--|------------|
| 11. EMPLOYEE RIGHTS, BENEFITS, AND SERVICES . . . | 80 |
| <i>Employee Information and Participation</i> | <i>80</i> |
| <i>Employee Counseling</i> | <i>81</i> |
| <i>Grievances and Appeals</i> | <i>81</i> |
| <i>Health and Safety</i> | <i>86</i> |
| <i>Veterans' Preference</i> | <i>88</i> |
| <i>Library Facilities</i> | <i>88</i> |
| <i>Charity and Other Agency-Sponsored Campaigns . .</i> | <i>88</i> |
| <i>Credit Union</i> | <i>89</i> |
| <i>Federal Employees' Group Life Insurance</i> | <i>89</i> |
| <i>Unemployment Compensation</i> | <i>91</i> |
| <i>Retirement</i> | <i>92</i> |
| 12. LEAVING THE SERVICE | 101 |
| <i>Resignation or Transfer</i> | <i>102</i> |
| <i>Retirement</i> | <i>102</i> |
| <i>Separation for Cause</i> | <i>102</i> |
| <i>Disqualification</i> | <i>102</i> |
| <i>Separation for Disability</i> | <i>103</i> |
| <i>Military Duty</i> | <i>103</i> |
| <i>Termination of Temporary Appointment</i> | <i>103</i> |
| <i>Reduction in Force</i> | <i>103</i> |
| 13. PERSONNEL RECORDS | 107 |
| INDEX | 109 |



WHY WE HAVE AN FHA



You can be proud to say you work for the Federal Housing Administration.

Because of FHA, millions of American families live in better homes. Many more homes are being built than ever before. Many more families own their homes. Homes are kept in better repair. Special FHA programs help to make good housing available to elderly people and to personnel of the Armed Forces, as well as nursing homes for convalescents and others who need skilled nursing care.

In addition, FHA has an important part in great projects underway in cities throughout the United States to get rid of slums, restore rundown neighborhoods, and make our cities better places to live in. Your job with FHA means that you are part of all this.

WHAT FHA DOES

The Federal Housing Administration has been in business since 1934. It was established under the provisions of the National Housing Act approved June 27 of that year. At its head is a Commissioner appointed by the President. Since July 27, 1947, the FHA has been a constituent of the Housing and Home Finance Agency.

The first thing to learn about the FHA is that it does not lend money and does not plan or build housing.

It was set up to encourage improvement in housing standards and conditions; to provide a sound method of financing individual homes, apartment buildings, and housing projects; and to help make a steady supply of mortgage money available throughout the country. It does these things by working with private enterprise.

The FHA insures mortgage loans made by approved lending institutions on homes and multifamily housing. It also insures lending institutions against loss on loans made for repairing and improving homes and other properties.

FHA insurance protects the lender against loss if the borrower defaults in his payments. It does not insure the borrower against loss of any kind. It benefits the borrower, however, in a number of ways.

FHA insurance helps him to borrow money without collateral to repair and improve his home, and to repay the loan in monthly installments. This type of credit was almost unknown before FHA began to operate.

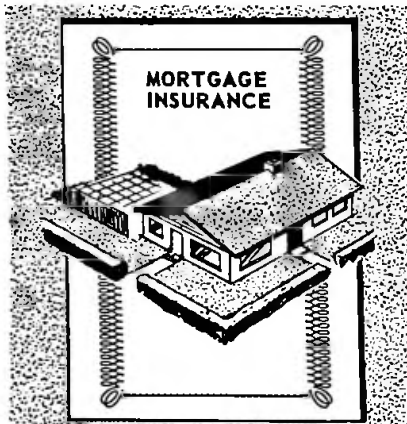
FHA insurance makes it possible to own a home by making a small down-payment and financing the rest of the purchase price with a long-term mortgage loan. The borrower has the benefit of an FHA appraisal, FHA minimum property standards, and FHA review of the whole transaction.

FHA insurance also helps to increase the supply of good housing for rent at reasonable charges, and it helps cooperatives to carry out their housing projects. It helps to provide adequate housing for elderly people and for members of the Armed Forces. It also helps to provide urgently needed nursing homes that furnish skilled nursing care.

The monthly payment on an insured mortgage includes interest and a portion of principal, together with mortgage insurance premium, taxes, and premiums for fire and other hazard insurance.

In the course of your work you will often hear reference to a title or section of the National Housing Act that identifies a particular FHA insurance program. A brief explanation of the various programs is given here.

HOME MORTGAGE INSURANCE



The principal activity of the FHA is the insurance of mortgages on one- to four-family homes under section 203(b) of Title II. The amount of the mortgage may not be more than \$22,500 on a one-family dwelling, \$25,000 on a two-family dwelling, \$27,500 on a three-family dwelling, or a \$35,000 on a four-family dwelling. The amount of the loan is also limited to not more than 97 percent of \$13,500 of the appraised value of the property, plus 85 percent of the next \$2,500 of value, plus 70 percent of any remaining value. The insurance applies only to transactions that the FHA finds to be economically sound. This means transactions that appear, after review of all available information, to be reasonably safe risks for the borrower, the lender, and the FHA. The insurance is based on a risk-rating system developed by the FHA which takes into account the acceptability of the property, the neighborhood, the borrower, and the terms of the mortgage.

Under section 203(h) FHA is authorized to insure mortgages in amounts up to \$12,000 and up to 100 percent of appraised value which finance the replacement of properties destroyed or substantially damaged by floods or other major disasters.

Section 203(i) authorizes FHA insurance of mortgages in amounts not over \$9,000 and not over 97 percent of the appraised value of the property. This insurance applies to single-family homes located in outlying areas, small communities, and other places that do not meet all the neighborhood requirements of section 203(b). It also applies to farm homes on plots of land 5 acres or more adjacent to public highways.

Section 222 of Title II authorizes the FHA to insure mortgages in amounts up to \$20,000 on homes to be owned and occupied by personnel of the Armed Forces or the Coast Guard. Certification by the Department of Defense is required, and the Department of Defense pays the mortgage insurance premium while the serviceman owns the property.

COOPERATIVE HOUSING

Section 213 of Title II authorizes the insurance of mortgages on cooperative housing projects. The projects are of two kinds—"management type" and "sales type."

A management-type project is one in which ownership remains with the cooperative. Individual members have a share interest in the entire project, an equal voice in its management, and the right to occupy a specific apartment or house in the project.

A sales-type cooperative is one that is organized to build homes for the members. When the homes are completed, each member takes title to his own home; the home is released from the overall mortgage on the project, and an individual mortgage in the member's name may be insured.

Section 213 also authorizes the FHA to furnish technical advice and assistance in the organization of cooperatives and in the planning, development, construction, and operation of cooperative housing projects.

RENTAL HOUSING

Under section 207 of Title II the FHA insures mortgages, including advances made during construction, on rental projects of eight or more units. The mortgage may be in an amount up to \$20 million.

Mortgages on mobile home courts may also be insured under section 207.

Title VII authorizes the FHA to insure a minimum return on investments in rental housing for families of moderate income, where no mortgage is involved. No insurance has been written under this title, which has been in effect since 1948.

HOUSING FOR THE ELDERLY

Section 231 of the Act authorizes FHA to insure mortgages in amounts up to \$12.5 million on new or rehabilitated rental housing projects of 8 or more living units specially designed for occupancy by persons 62 years old or older. The mortgage is limited to not more than \$9,000 per dwelling unit for 1-story properties, or \$9,400 per unit for elevator-equipped projects. If the owner is a nonprofit corporation, the mortgage is also limited to not more than the estimated replacement cost of new projects or the appraised value of existing projects. If the owner is a corporation operating for profit, the mortgage may not exceed 90 percent of replacement cost or appraised value.

NURSING HOMES

Section 232, added to the Act in 1959, provides for FHA insurance of mortgages in amounts up to \$12.5 million and up to 75 percent of estimated value on urgently needed nursing homes that furnish skilled nursing care for convalescents and others who need it. The properties may be new or rehabilitated.

ARMED SERVICES HOUSING

As a means of helping to meet the urgent need for family housing at military installations, Title VIII authorizes the FHA to insure mortgages on rental housing built by private enterprise on or near such installations for the use of military personnel. It also authorizes FHA insurance of individual homes owned and occupied by essential civilian employees of research or development installations of the military departments. Certification by the Secretary of Defense is required before a mortgage can be insured under this title of the Act.

URBAN RENEWAL

In 1954 Congress enacted legislation designed to help cities to eliminate slums and blight and prevent deterioration of properties and neighborhoods. FHA was brought into the picture through provision in the law for two new programs of insurance under Title II of the National Housing Act. The new programs can be used in any city that has a workable program for urban renewal approved by the HHFA Administrator.

Section 220 of Title II authorizes mortgage insurance to help in financing the rehabilitation of existing housing and the building of new housing in slum clearance and urban renewal areas.

Section 221 authorizes the FHA to insure mortgages on 1- to 4-family homes for sale to families displaced by governmental action in communities that have workable programs for slum clearance or urban renewal approved by HHFA. Section 221 also authorizes the insurance of mortgages in amounts up to \$12.5 million on new or rehabilitated rental housing for displaced families.

PROPERTY IMPROVEMENT LOANS

Section 2 of Title I authorizes the FHA to insure financial institutions against loss on loans made to finance alterations, repairs, and improvements to homes and other structures and the building of small new nonresidential structures.

The insurance covers loans up to \$3,500 in amount, payable in monthly installments over periods up to 5 years, for general home repairs or improvements; loans in amounts up to \$2,500 per family unit or \$15,000 (whichever is less), payable over periods up to 7 years, for repair, improvement, or conversion of structures to be used by two or more families; and loans up to \$3,000 for the building of new nonresidential structures, payable over periods up to 5 years unless the new structure is for agricultural use, when the repayment period may be longer.

HOW THE INSURANCE PLANS WORK

MORTGAGE INSURANCE

Each mortgage is insured individually. The lender collects an insurance premium from the borrower as part of the monthly mortgage payment, and pays it to the FHA once a year. The FHA credits the amount to the appropriate insurance fund. (There are at present 11 different FHA insurance funds.)

Mortgage insurance premiums on home mortgages insured under section 203 are credited to the Mutual Mortgage Insurance Fund and used to pay FHA expenses and insurance losses and to set up insurance reserves. Because this is a mutual fund (the other FHA insurance funds are not mutual funds), any remaining premium income is returned to the homeowner when his mortgage is paid in full. At the end of 1959, more than \$100 million had been paid to homeowners in this way.

When a borrower defaults in his mortgage payments, the lending institution may foreclose the mortgage and then either sell the property, in which case the FHA insurance contract is canceled, or turn the property over to the FHA in exchange for 20-year debentures which are payable from the insurance fund and guaranteed by the United States.

Properties turned over to the FHA are disposed of as rapidly as possible, consistent with sound business practices.

PROPERTY IMPROVEMENT LOAN INSURANCE

Under Title I of the National Housing Act, the lending institution has a contract of insurance with FHA covering all the property improvement loans that it reports to the FHA. FHA liability under the contract is limited to 90 percent of the loss on individual loans and to 10 percent of the total amount of loans made by the institution.

An insurance charge has been paid by the lender on each property improvement loan made on and after July 1, 1939, and credited to the Title I insurance fund.

VOLUME OF FHA INSURANCE

From the beginning of operations to the end of 1959, insurance written by the FHA under all its programs totaled \$61 billion. This amount included \$12 billion in property improvement loan insurance, \$41 billion in home mortgages, and \$7 billion in project mortgages.

Of the aggregate insurance written, \$31 billion was outstanding on December 31, 1959. At the same date, losses on the total amount of mortgage insurance written amounted to fifteen one-hundredths of 1 percent. Losses on property improvement loan insurance have amounted to 0.84 percent after recoveries on defaulted notes are taken into account.

From 1934 through 1959, FHA insurance helped to provide homes for 5½ million families, housing for 840,000 other families in multifamily projects, and improvements and repairs on 23 million homes.

FHA PAYS ITS WAY



FHA is not tax-supported. It receives its income entirely from fees, premiums, and interest on investments. From the time FHA was established in 1934 to the end of 1959, its gross income totaled \$1.7 billion and its total expenses, including insurance losses, amounted to \$738 million. Besides paying its expenses and insurance losses, FHA has built up substantial reserves to cover possible future losses. At the end of December 1958, it had capital and statutory reserves of \$813 million.

FHA, however, must obtain authority from the Bureau of the Budget and the Congress of the United States to spend money out of its income for operating expenses.

In June of each year, the FHA Budget Division submits to the Bureau of the Budget a preliminary estimate of operating expenses for the fiscal year beginning July 1 of the following year. This preliminary presentation is followed up by more firm estimates about the end of September. The Bureau of the Budget studies the estimate and in December gives FHA the figure on which the agency revises its estimate for inclusion in the budget which the President submits to the Congress in January.

The Congress starts holding hearings in January on the budget requests of the various agencies and continues discussions until it passes the appropriation bills. FHA is covered in the Independent Offices Appropriation Act, which authorizes the agency to spend money in the fiscal year beginning July 1.

In the early years of FHA, before its own revenues were sufficient to make it self-supporting, the Treasury Department advanced \$65.5 million to pay FHA operating expenses and to establish certain of its insurance funds. In the fiscal year 1954 this amount was repaid to the Treasury in full, plus \$20.4 million interest.

PUBLICATIONS

Here are some publications that will tell you more about the FHA and its activities. Copies are available in field offices. Employees in the central office in Washington can get copies (except as noted below) by calling the FHA Office of Public Information.

ABC's of FHA (FHA 421)

***Annual Reports of the Federal Housing Administration*¹**

Cooperative Housing Program (FHA-3250)

Dealer Guide for FHA Title I Loans (FH-30A)

Digest of Insurable Loans (FHA-2575)

FHA Facts for Home Buyers (FHA-2098)

FHA Home Owner's Guide (FHA-100)

FHA Story in Summary, 1934-1959 (FHA-375)

Housing for You When You're 62

How FHA Helps Improve Home-Building Techniques (FHA-191)

Information for the Home-Buying Serviceman (FHA-895)

***Minimum Property Standards for One and Two Living Units (FHA-300)*¹**

***Mortgages' Handbook (FHA-25)*¹**

***National Housing Act as amended (FHA-107)*¹**

Property Improvement Loans—General Administrative Policy (FHA-20A)

Remodel Repair Repay With FHA (FH-38)

***Regulations under individual titles and sections of the National Housing Act*¹**

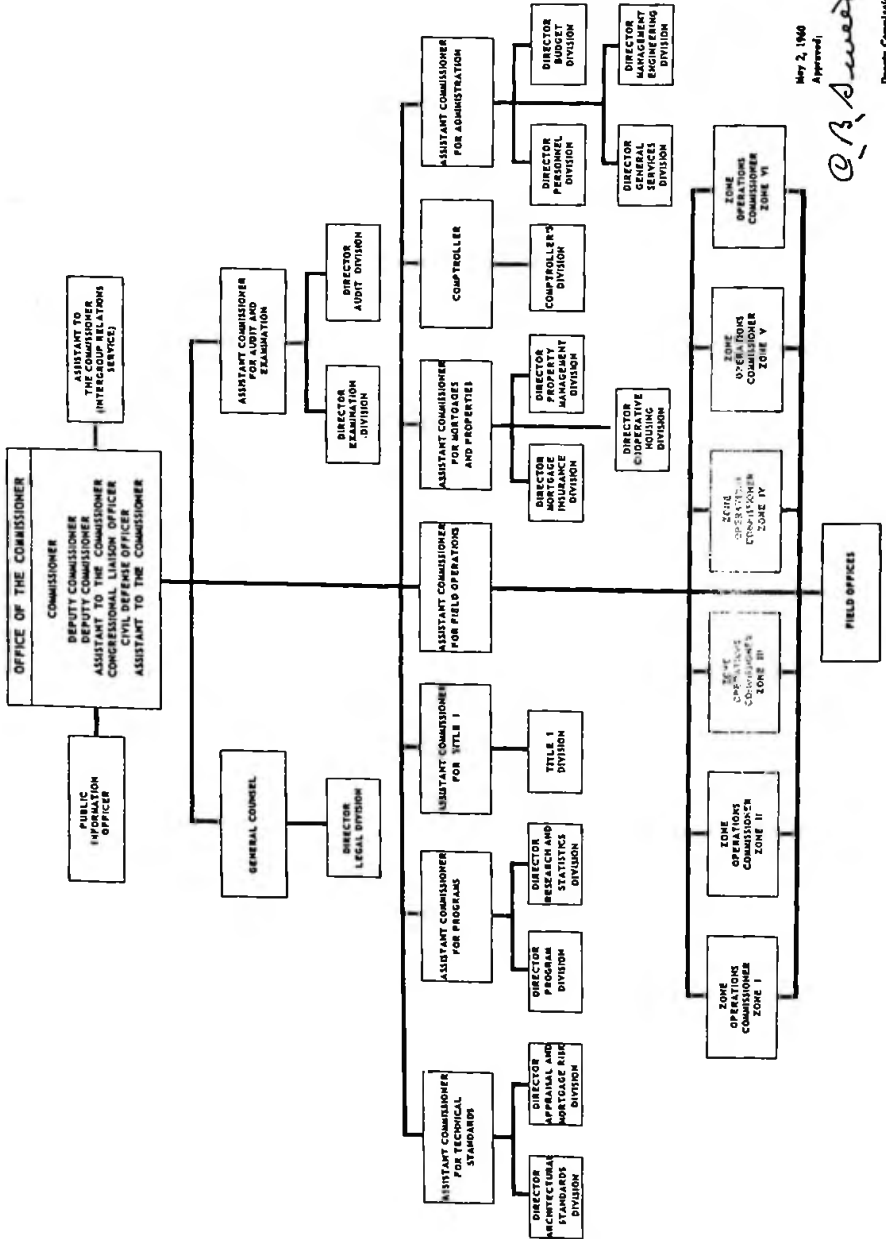
***Underwriting Manual (FHA-2049)*¹**

This Is the FHA (FHA-2650)

Your Home-Buying Ability (FHA 428)

¹ Can be consulted in the FHA Library. Copies are not available for free distribution.

FEDERAL HOUSING ADMINISTRATION ORGANIZATIONAL CHART



May 2, 1940
Approved

E. S. A. Sweet
Deputy Commissioner



ORGANIZATION OF THE FHA

The organization of the personnel of FHA, the execution of work, and the lines of communication and authority follow the traditional line and staff concept of organization. Because the benefits of FHA are widespread and must be administered at the local level, the line authority or responsibility for work execution is subdivided on a geographic basis. On the other hand, because of the specialized and technical nature of the FHA program, the responsibility for staff assistance and services is subdivided on a functional basis.

WASHINGTON CENTRAL OFFICE

The function of the Central Office is twofold. The Commissioner, in his responsibility for overall administration of FHA, relies upon the Assistant Commissioner for Field Operations, as the line officer, for direction and supervision of insuring operations carried on in the various field offices, and upon the Assistant Commissioner for Title I for general direction of the home-modernization and improvement program. Staff and advisory services needed in establishing policies, regulations, procedures, techniques, and standards guiding the line operations are carried out under the supervision of the General Counsel, the Assistant Commissioner for Mortgages and Properties, the Assistant Commissioner for Technical Standards, the Assistant Commissioner for Programs, the Assistant Commissioner for Administration, and the Comptroller. A continuing and independent check on all operations is carried out under the supervision of the Assistant Commissioner for Audit and Examination. In addition, the Central Office performs certain service and operating functions which cannot be discharged as efficiently and economically in field offices. Briefly, the distribution of the functions of the Central Office is as follows:



FIELD OPERATIONS

The Assistant Commissioner for Field Operations has general supervision over the Zone Operations Commissioners; certifies and cancels the certification of financial institutions as approved mortgagees; and is the line official responsible for the execution of all FHA mortgage insurance programs and activities in the field.

Zone Operations Commissioners

For purposes of administration, six geographical zones have been established comprising the United States, Guam, and Puerto Rico. Each zone is under the direction and supervision of a Zone Operations Commissioner reporting to the Assistant Commissioner for Field Operations.

TITLE I

The Assistant Commissioner for Title I develops and maintains policies and procedures governing the insurance of loans for repair, alteration, or improvement of homes, and collections on claims submitted on defaulted loans; approves financial institutions as Title I lenders; and institutes precautionary measures against dealers, contractors, salesmen, sales agents, and others participating in the program where warranted by irregularities or other unsatisfactory performance under the program.

MORTGAGES AND PROPERTIES

The Assistant Commissioner for Mortgages and Properties supervises the activities of the Mortgage Insurance, Cooperative Housing, and Property Management Divisions and formulates policies concerning all multifamily mortgage insurance, all mortgage servicing, and management and disposition of acquired properties.

Mortgage Insurance Division

Develops and maintains policies and procedures for the insurance of mortgages on multifamily housing and the servicing of all mortgages other than cooperative housing mortgages.

Property Management Division

Develops and maintains policies and procedures covering the acquisition, maintenance, management, rental, and sale of properties conveyed to FHA.

Cooperative Housing Division

Develops and maintains policies and procedures for the insurance and servicing of cooperative housing mortgages.

GENERAL COUNSEL

The General Counsel is the legal adviser to the Commissioner and directs all litigation affecting FHA.

Legal Division

Provides legal services to all elements of FHA and technical supervision of all legal activities in field offices. Interprets laws affecting FHA operations and prepares administrative rules and regulations under the National Housing Act.

TECHNICAL STANDARDS

The Assistant Commissioner for Technical Standards supervises the activities of the Architectural Standards Division and the Appraisal and Mortgage Risk Division in the provision of technical standards, techniques, and procedures for mortgage insurance, and the provision of technical advice and guidance to all elements of FHA.

Architectural Standards Division

Develops and maintains technical standards, techniques, and procedures in the fields of architecture, engineering, and construction cost estimation.

Appraisal and Mortgage Risk Division

Develops and maintains technical standards, techniques, and procedures in the fields of appraisal, land planning, mortgage credit, and overall mortgage risk determination.

PROGRAMS

The Assistant Commissioner for Programs supervises the activities of the Program Division and the Research and Statistics Division in the provision of advice and assistance to the Commissioner and other elements of FHA concerning program plans, objectives, and attainments.

Program Division

Assists the Commissioner in the formulation and appraisal of FHA programs in the light of current and anticipated conditions and the objectives set by Congress.

Research and Statistics Division

Makes analytical and statistical studies of all economic and housing conditions affecting FHA programs. Maintains statistics on FHA operations and provides market analyses and actuarial services.

ADMINISTRATION

The Assistant Commissioner for Administration supervises the activities of the Personnel, Budget, General Services, and Management Engineering Divisions, providing a comprehensive program of administrative-management and services, including organizational analyses, records management, and the coordination and maintenance of the FHA manual and related instructional materials.

Personnel Division

Maintains a comprehensive personnel program, including recruitment, selection, and placement of employees, establishment and maintenance of procedures and standards, employee relations, and the classification of positions.

Budget Division

Develops FHA's budget and obtains funds through Congressional authorization. Controls allotment of funds to all activities. Develops and coordinates work-measurement systems and performs cost and utilization analyses covering all programs and operations. Analyzes organizational structures and provides specialized assistance in the review and development of functional statements and organizational charts.

General Services Division

Provides general administrative services, including procurement, space utilization, communications, printing, library, central records and files, and other office services.

Management Engineering Division

Directs comprehensive management engineering surveys of Washington and field operations and activities to improve the efficiency, economy, and effectiveness of operations.

COMPTROLLER

The Comptroller formulates accounting procedures, conducts accounting activities, prepares financial statements, and administers fiscal policies.

AUDIT AND EXAMINATION

The Assistant Commissioner for Audit and Examination directs the activities of the Audit and Examination Divisions, which, through fiscal audits and operational inspections, provides an independent check, outside of the regular staff and operating channels, of FHA operations; and, with respect to the Compliance function, develops policies and procedures within which responsible staff and operating officials consider and act upon purported violations by FHA mortgagees, sponsors, builders, mortgagors, dealers, employees, or others, of the laws, rules, or regulations governing FHA operations.

Audit Division

Maintains a continuing audit of all FHA fiscal accounts, and the accounts of approved mortgagees not otherwise under governmental supervision. Conducts audits of the accounts of mortgagor corporations and rental brokers.

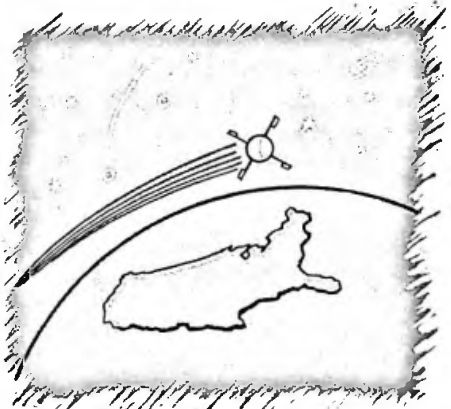
Examination Division

Conducts examinations of the activities and operations of all FHA divisions and offices to determine compliance with established policies, standards, and procedures, and to evaluate the efficiency and effectiveness of management.

FIELD OFFICES

Most operations of FHA are performed in the field where local FHA staffs, familiar with local conditions and close to the home buyer, the lending institution, the builder, and the housing itself, can give effective service to the public. FHA maintains at least one full-functioning insuring office in every State, and in the District of Columbia and Puerto Rico.

An insuring office conducts all FHA operations within its territory. Applications are received; prescribed fees and



premiums are collected; architectural analysis, land planning, appraisal, and credit processing are completed; and final determination of the acceptability of the proposed insurance risk is made; properties are inspected during the course of construction, and mortgage insurance contracts are executed by the insuring office. A chart showing how the typical insuring office is organized is shown on page 16.

Where an insuring office cannot properly serve all centers of population in its allotted territory, small special-purpose branch offices—"service offices" or "valuation stations"—are maintained in key cities remote from the main office.

A service office receives applications, performs architectural processing, appraisals, compliance inspections, and other assigned phases of processing. The remaining phases of processing are performed in the insuring office.

A valuation station makes inspection and valuation reports as necessary in connection with applications being considered by the responsible insuring office. Applications are not received at valuation stations.

The locations of the various offices can be seen on the map on page 17. Also shown on the map are the six geographical zones into which the offices are grouped for purposes of administration.

Functions of an insuring office are distributed as follows:

OFFICE OF THE DIRECTOR

The Office of the Director supervises all activities of FHA within the geographical jurisdiction of the insuring office. With the assistance of the Administrative Section, conducts all administrative and general management activities of the office. With the aid of the Underwriting Division and the Operations Division, interprets, plans, and develops the FHA program within the insuring office area, and executes mortgage insurance contracts.

UNDERWRITING DIVISION

The Underwriting Division, composed of the Office of the Chief Underwriter and the Valuation, Architectural, and Mortgage Credit Sections, develops and formulates all risk underwriting recommendations to the Director on applications for mortgage insurance and requests for reconsideration. In developing the recommendations, performs the following functions:

Valuation Section

Determines the location eligibility of property, the extent of sales and rental demand for residential properties, the economic stability of localities, subdivisions, and neighborhoods, and the appraised value of property.

Architectural Section

Determines the eligibility of the architectural, functional, and physical aspects of property, prepares construction cost estimates, and inspects properties for compliance with construction requirements.

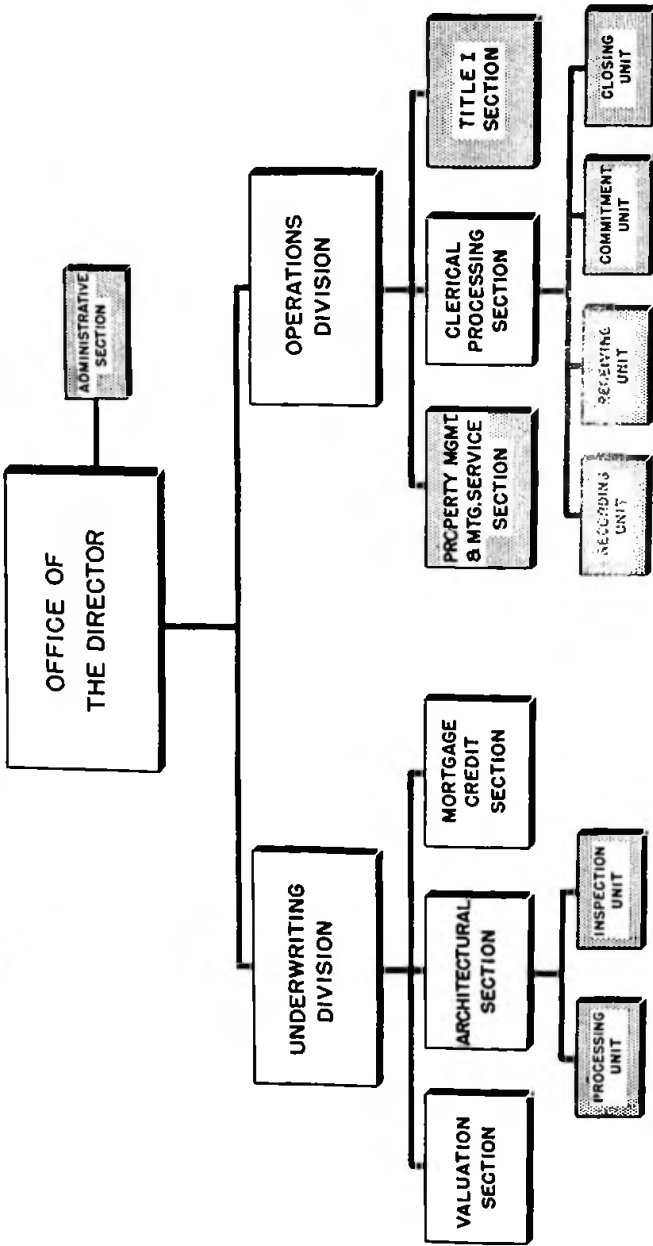
Mortgage Credit Section

Determines the credit eligibility of mortgagors.

OPERATIONS DIVISION

The Operations Division is responsible to the Insuring Office Director for the performance of all operational functions of the office dealing with matters other than risk underwriting determinations on applications for mortgage insurance. These activities include: property management and mortgage servicing; collection of defaulted Title I loan accounts and supervision of Title I lenders and dealers; instruction of the staffs of mortgagees and others in the regulations, policies, procedures, and requirements of FHA mortgage insurance programs; handling of construction and related complaints; public relations; provision of required legal services; housing market surveys and analyses; minority group housing centers; and the fiscal and clerical processing of applications for mortgage insurance.

FEDERAL HOUSING ADMINISTRATION INSURING OFFICE ORGANIZATIONAL CHART



NOTE: This is the maximum organization of a FHA insuring office. Shaded units are established in offices only as necessary. Special functions such as land planning, engineering, market analysis, insurance programs, racial relations, and legal are performed in the field on a part-time basis by specialists assigned to the departmental office.



PERSONNEL PROGRAM

The aim of the personnel program is to supply the FHA with a work force capable of producing a high quality of work efficiently and economically in order to carry out the agency's responsibility for bringing better housing to the people of America. In achieving this aim, FHA must attract and retain people of high caliber and good character who are well qualified for FHA's particular jobs, and must see that their services are fully utilized. It must also see that these employees receive fair treatment, good leadership, and opportunity to gain personal recognition, satisfaction, and advancement.

A broad view of the personnel program is presented here, showing how its responsibilities are distributed in the organization. This will help the employee to see how he relates to the whole; to understand to whom he should look for decisions, actions, and information concerning his employment; and to know what his responsibilities are.



WHAT THE PERSONNEL PROGRAM IS

The personnel program consists of these main functions:

1. General utilization and conservation of manpower.
2. Formulation and issuance of personnel policies, standards, and procedures.
3. Job analysis and position classification, and wage administration.
4. Staffing (recruitment, examination, selection, placement, promotion, and separation).
5. Employee performance evaluation.
6. Employee development and training.

7. Employee-management relations and employee services (participation by employees in formulation and changes in policies; direct counseling; communications; the provision of advice and assistance on employee obligations and rules of conduct and on rights and benefits such as leave, retirement, injury compensation, health insurance, Federal life insurance, and unemployment compensation; the handling of grievances, appeals, and disciplinary actions; and the provision of first-aid service).
8. Employee recognition and incentives.
9. Personnel records and reporting.
10. Personnel-program inspection and evaluation.

HOW THE FHA PERSONNEL PROGRAM RELATES TO THE CIVIL SERVICE SYSTEM

The FHA is entirely within the Civil Service System, or the Merit System, insofar as most of its employees and positions are concerned.

This means that FHA is subject to the Civil Service Act and other statutes requiring that positions be filled as a rule by open competitive examinations, so that all citizens may have equal opportunity for employment solely on merit, without regard to race, color, religion, sex, or political affiliation.

Similarly, FHA is subject to the Classification Act, which with its objective of equal pay for substantially equal work, forms the basis for the standards under which FHA positions are classed and graded and salaries are paid.

Under other laws and executive orders governing the system, FHA is required to carry out certain programs (such as leave, retirement, compensation for injuries, veteran preference, and reduction in force) in strict accordance with specific and detailed Government-wide procedures; to carry out many other personnel operations in accordance with broad, general standards of Government-wide application; and to see that employees are guaranteed certain rights of fair play and appeal against capricious treatment.

Although the FHA personnel program must operate within this framework of law and regulation, it is generally free to adapt, improve upon, and simplify the application of most of the general provisions.

WHO IS RESPONSIBLE FOR PERSONNEL MANAGEMENT IN FHA

FHA believes that the fundamental purposes of personnel management must be achieved mainly by those in management who are closest to the employees and who are directly accountable for results—the line executives and operating supervisors. In fact, by Executive Order, as well as on principle, *“personnel management is a primary responsibility of all who plan, direct, or supervise the work of . . . employees.”* In FHA, the responsibility devolves as follows:

- The Commissioner has the overall responsibility for the effective and efficient administration of all programs, including personnel, in FHA.
- The Director of Personnel has authority delegated by the Commissioner to direct and administer the personnel program.
- Directors of field offices and Washington divisions coordinate their local personnel programs with the established plans.
- The Administrative Officer administers the local personnel-management program under authority delegated by the Director.
- The supervisor is the first-line personnel manager and is responsible for the direct application of the objectives, purposes, plans, and practices of the personnel program in his dealings with his subordinates.

FHA seeks the willing participation of each employee in making the personnel program work for the full benefit of the agency, the Government, the public, and the employee himself.

THE FHA COMMISSIONER AND HIGH-LEVEL OFFICIALS

The National Housing Act specifically authorizes the FHA Commissioner to employ the people necessary to carry out the operating functions with which he is charged. Advised by the Director of Personnel, the Commissioner fixes the major policies that form the basis for the FHA personnel program.

Once these personnel policies and the standards and procedures required to carry them out have been approved by the Commissioner, his Assistant Commissioners are responsible for enforcing any provisions that must be applied within their respective jurisdictions, subject to staff advice, assistance, and regulatory control by the Personnel Division. For the field, this line of enforcement is through the Assistant Commissioner for Field Operations and his Zone Operations Commissioners.

THE PERSONNEL DIVISION

The Director of Personnel is authorized by the Commissioner to administer the personnel program and is held responsible for furnishing sound interpretation and advice on personnel matters to the Commissioner and other operating officials. He is also authorized to approve or disapprove personnel actions, including position classifications, appointments, reassignments, promotions, separations, and the more serious types of disciplinary action.

The Personnel Division is a service arm of management and a point of recourse and counsel for employees. As such, it must foster the application of sound management and human-relations principles. It must devise and interpret the techniques for applying the several hundreds of statutes, Executive orders, rules, regulations, and Comptroller General and Attorney General decisions that limit and restrict personnel actions in the Government, as well as the many laws and regulations that provide the positive advantages of Federal employment.

The Division performs for all parts of the organization those analytical, developmental, control, and records-processing functions of personnel management that must be carried out centrally by specialists who, for reasons of the personnel-worker ratio restriction and of economy, cannot be provided in each field office and Washington division.

All Washington divisions and their employees have direct access to the Personnel Division for advice and guidance.

The field offices and their employees must, of course, rely largely upon correspondence for contact with the Division. To compensate for this disadvantage, representatives of the Division visit the offices when time permits. Generally there are four or five Personnel Management Specialists (Field Personnel Officers), and each is assigned offices of a particular section of the country. One duty of every Personnel Management Specialist is to counsel individual employees on personnel policies and on employees' obligations, rights, privileges, and opportunities under these policies. Any field employee is free to request either an informal discussion or a strictly private and confidential conference with the Personnel Management Specialist who visits his office.

DIRECTORS OF FIELD OFFICES AND CENTRAL-OFFICE DIVISIONS

While the Personnel Division necessarily plays an important part in the day-to-day business of personnel direction, much actual direction is given by the Directors of the field offices and Washington divisions to the employees under their jurisdiction.

This direction imposes many general and specific responsibilities upon field-office and central-office division Directors. For example, each Director is responsible for—

- Anticipating workloads and making plans, within budget limits, to establish and fill the necessary jobs (and to retrench and consolidate as occasion demands).
- Assigning duties and responsibilities in compatible combinations to form positions that can be filled and performed efficiently by the manpower available.
- Requesting establishment of only those jobs necessary to effective operation.
- Certifying that position descriptions are accurate and complete; seeing that the descriptions are carefully and continuously reviewed and revised as duties change, that employees take part in this review and revision, and that each employee is given a copy of his latest official job description.
- Seeing that temporary "detail" assignments of employees to duties not covered by their job descriptions are recorded and that the duration of "details" is kept within prescribed limits.
- Providing the managerial ability and leadership necessary to assure the attraction and selection of well-qualified applicants, with strict regard for Civil Service laws, rules, and regulations.

- Seeing that necessary training is provided and that employee self-development is encouraged and, whenever possible, rewarded.
- Seeing that policies and procedures on employee performance rating, incentives, and promotion-on-merit are carefully observed, and that recognition is given as deserved.
- Seeing that fair and equitable treatment is given to all employees; and seeing that all employees are kept fully informed of policies, programs, organizational changes, and other matters that affect them, as well as of their specific work requirements, employment obligations, and rules of conduct.
- Making certain that any case of unsatisfactory work performance or serious breach of conduct is properly recorded and documented; that appropriate warning is given and attested; and that in cases of extreme or continued infractions timely recommendation is made to the Director of Personnel for disciplinary action: official reprimand, suspension, demotion, or dismissal.
- Seeing that appropriate instructions are followed in initiating promptly all types of personnel action when needed.
- Demonstrating capable and exemplary leadership, and measuring his own success as a Director by the level of competence, morale, and performance of his staff.

The Director delegates to his Administrative Officer authority to act on most of these matters. However, in the final analysis the Director is accountable.

THE ADMINISTRATIVE OFFICER

The Administrative Officer is a staff officer of the Director and the office specialist on personnel administration, office services, budget, time reporting, work measurement, procedural studies, and employee utilization. With proper appreciation of these functions and full support by the Director, the Administrative Officer contributes much to good management, a competent staff, good morale, and effective, efficient, and economical operations.

THE SUPERVISOR

The supervisor at the operating level is the representative of management to individual workers and of workers to management. In this dual capacity, he must lead his group in translating management's plans and directives into tangible accomplishment, and he must translate the needs and interests of the employees in his group to management for its guidance.

The supervisor is recognized as the key to high morale, good work, and efficient operation. He must demonstrate that he is a supervisor in fact as well as in name, for it is to him that the individual employee normally first turns for advice and guidance, not only on matters of immediate work assignment but on most personnel matters.

The primary responsibilities of a supervisor are to—

- Select the best qualified person available for the job, regardless of race, color, sex, creed, political affiliation, personal sponsorship, or other consideration.
- Properly orient the employee: introduce him to his work, explain what he is supposed to do, how he is supposed to do it, how his job relates to others, and how the work of his unit helps to achieve the objectives of the agency in its services to the public.
- Group duties in the most economical manner and describe work assignments through written job descriptions; keep them current.
- Continually evaluate and inform each employee how well he does his work in terms of the results expected; reward deserving employees.
- Train, motivate, and develop employees for broader usefulness.
- As far as possible, place each employee in the work for which he is best suited and to which he can contribute most.
- Keep employees informed with respect to all the things they are expected to know, including their rights, privileges, obligations, and agency policies. Counsel employees in office problems and sometimes in personal problems. Be considerate of and just with employees.
- Make full use of the probationary period.
- Plan, schedule, and control work to facilitate production and to make annual vacations possible.
- Foster good morale and harmony, develop teamwork, and stimulate enthusiasm.
- See that clean, well-lighted, and well-ventilated working conditions exist.
- Invite suggestions for better ways of doing things. Seek and develop ways and means for improving quality and quantity of work produced.
- Adjust employee grievances promptly and satisfactorily whenever possible. Refer to higher level any unsolvable grievance.
- Criticize and admonish employees privately when deserved or justified.
- Report all offenses involving bad conduct, falsification of records, or neglect of duty, so that timely and appropriate corrective measures can be taken.

By being fair, impartial, objective, and patient, by looking ahead to plan for and meet the operating problems of his group, and by keeping his employees well informed, the supervisor earns the respect and confidence that enable him to fulfill the functions of supervision.

THE EMPLOYEE

All persons working for FHA regardless of their rank in the organization have definite responsibilities and obligations to the agency and to the public. Employees are responsible for conducting themselves in accordance with the Code of Ethics for Government Service, which appears on the inside front cover of this Handbook. In addition to the Code of Ethics, some of the more important responsibilities of employees are listed below, even though they are discussed more fully elsewhere in this Handbook.

Each employee has the responsibility for—

- Remembering that the agency exists to serve the public.
- Giving a full day's work for a day's pay; arriving and beginning work on time; observing lunch period limits; notifying the office as soon as possible when unable to report for work; practicing economy in use of facilities and manpower.
- Respecting the position held by the immediate supervisor by obeying instructions; carrying out work assignments promptly and within established deadlines insofar as possible; performing within limits of one's authority.
- Keeping informed on standards and conditions of Federal employment; abiding by agency's rules of conduct; reporting any proposed outside activity or any change in approved outside activity; observing restrictions of Hatch Act.
- Seeing that position description is accurate; striving to meet and exceed performance standards set for job; endeavoring by every means to improve one's competence; taking advantage of training opportunities and testing facilities; participating in incentive awards program.
- Endeavoring to resolve any possible misunderstanding that could result in a grievance; attempting to work out any grievance or work problem through supervisory channels.
- Keeping office and Personnel Division currently informed of additional training completed, tests passed, etc.; and notifying office of any change in name or address.
- Not seeking or giving preferential treatment; not soliciting undue influence for promotion.
- Observing proper standards of office decorum; being dependable; being courteous, respectful, and helpful in relations with the public, management, and other employees; promoting good will; avoiding gossip; observing reasonable standards of personal appearance and cleanliness; following good housekeeping practices.

THE CIVIL SERVICE COMMISSION'S ROLE

Many people think that the Civil Service Commission decides how many employees an agency should have, hires them, determines their work assignments, promotes them, and fires them when necessary. None of these ideas is correct.

The FHA decides how many employees it needs and when to hire them. Although the Commission directs recruiting and examining programs, the FHA makes the final selection of persons for specific jobs. The FHA determines what the duties of each job should be, and places the job in the proper pay grade according to the duties. FHA rates the performance of employees and decides when to promote, transfer, or reassign them. It also determines whether to grant

annual and sick leave or require employees to take leave without pay. It sets rules of conduct for its employees, and disciplines or removes employees when necessary. FHA also decides when to make reductions in force and which jobs to eliminate.

The Civil Service Commission administers and prescribes Government-wide rules or standards under which most personnel actions must be carried out. The Commission reviews and inspects agency actions to see that they are proper, and requires the agency to take corrective action on violations and errors made under delegated authority.

The Civil Service Commission is responsible for administering certain programs, including the Incentive Awards Program and the Civil Service Retirement System.

The Civil Service Commission also serves as a recourse to employees for appealing actions affecting them, including classification of position, performance rating, reduction in force, suspension, demotion, and discharge.

The Civil Service Commission and the agency share responsibility for the well-being and development of the Federal personnel system.

UNITED STATES CIVIL SERVICE REGIONS

REGION* ADDRESS OF REGIONAL OFFICES

| | | |
|----------------------|---|--|
| FIRST Region..... | Post Office and Courthouse Building Boston 9, Mass. | JURISDICTION Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont New Jersey, New York |
| SECOND Region..... | News Building, 220 East 42nd Street New York 17, N.Y. | Delaware, Maryland, Pennsylvania, Virginia |
| THIRD Region..... | Customhouse, Second and Chestnut Streets Philadelphia 6, Pa. | Alabama, Florida, Georgia, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee |
| FIFTH Region..... | Peachtree-Baker Building 275 Peachtree Street NE. Atlanta 3, Ga. | Indiana, Kentucky, Ohio, Virginia, West Virginia |
| SIXTH Region..... | Post Office and Courthouse Building 5th and Walnut Streets Cincinnati 2, Ohio | Illinois, Michigan, Wisconsin |
| SEVENTH Region..... | New Post Office Building 433 West Van Buren Street Chicago 7, Ill. | Arkansas, Louisiana, Oklahoma, Texas |
| EIGHTH Region..... | 1114 Commerce Street Dallas 2, Tex. | Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota |
| NINTH Region..... | 1114 Market Street St. Louis 1, Mo. | Arizona, Colorado, New Mexico, Utah, Wyoming |
| TENTH Region..... | Building 41, Denver Federal Center Denver, Colo. | Alaska, Idaho, Montana, Oregon, Washington |
| ELEVENTH Region..... | 302 Federal Office Building First Avenue and Madison Street Seattle 4, Wash. | California, Hawaii, Nevada |
| TWELFTH Region..... | 128 Appraisers Building 630 Sansome Street San Francisco 11, Calif. | |

*There is no Fourth Region. The Central Office of the Civil Service Commission, Washington 25, D.C., has jurisdiction over the Metropolitan area of Washington, D.C.

JOBS AND PAY

Few things are as important to most people as their jobs and pay. The questions that employees and supervisors most often raise—how and why jobs are set up, described, and classified, and how pay is determined—are answered here.

HOW JOBS ARE ESTABLISHED

A position, or job, is a defined set of duties and responsibilities ordinarily requiring the working time of one person. As such, it becomes a basic unit of organization. Before a position can be set up, a need for it must exist. The need must generally grow out of the authorized functions and workload of the agency, and funds must be available to pay a person to do the work. To meet this need, the responsible official groups together appropriate duties and responsibilities, sees that they are described, and requests the establishment of a position. If all of the necessary conditions are met, the position, as described, is classified by the Personnel Division and is ready to be filled.



WHY JOBS MUST BE ACCURATELY DESCRIBED

A position description, or job sheet, is a record of the duties and responsibilities assigned to a position and an indication of the knowledge, experience, training, skill, and ability required to perform them. The job sheet becomes the key to a whole chain of important decisions. Some of the main purposes of job descriptions, and some of the more important reasons why they should be accurate, clear, and complete are explained here.

SOURCE OF HIRING AND TRAINING REQUIREMENTS

The position description is used to classify the position into an occupational series and grade. (A series is a grouping of positions in the same line of work by classes and grades.) Generally speaking, Civil Service examining and hiring standards are the same for all positions of the same class and grade, so the position description indirectly prescribes the kind and amount of experience and training a person must have in order to get the job. A poor job sheet can result in keeping the right person out of the job and getting the wrong person in.

JOB CONTRACT

When you accept a position, your supervisor or Administrative Officer gives you a copy of the position description, and you are expected to discharge the duties and responsibilities designated in it. The position description should give you a definite and clear-cut understanding of the work you will be held responsible for doing. If the description is incomplete or inaccurate, the contract is faulty too.

You may be assigned duties not specifically mentioned in your job sheet; but, if the duties are significant and are to be continued or regularly repeated, they must be made a matter of record. (See "Temporary Detail," page 44.)

BASIS FOR PERFORMANCE RATING

Since it is the basis for your understanding of your job, the position description serves as the starting point in fixing the requirements or standards to be used in rating your performance in your job. If the description is adequate, it will tell exactly WHAT you are supposed to do. For purposes of performance rating, it is then only necessary to specify HOW WELL, HOW MUCH, and MANNER OF PERFORMANCE. (See "Performance Rating," page 55.)

PAY WARRANT

Because the description is used to classify the job into a pay range, a poor description may result in the wrong pay. If too low a grade should result, you would, of course, be underpaid. If too high, the position description would cause you to be overpaid.

KEY TO BUDGET ESTIMATING AND CONTROL

In an organization such as FHA, salaries of employees are our biggest item in cost of operation. For budgetary purposes, therefore, it is necessary not only to keep an accurate record and control of the number of authorized positions, but to estimate accurately the grades of planned positions on the basis of position descriptions.

FOUNDATION OF ORGANIZATION

A position is the smallest unit of organization. Individual positions form the base upon which the whole organizational structure is built. Consequently, if the position descriptions are inaccurate, the foundation of the organization is misrepresented, organizational analysis and planning are undermined, and general management at all levels is misinformed.

For all these reasons, great care is taken to see that each employee's job is accurately described. Furthermore, Directors, supervisors, and employees each have a responsibility for keeping position descriptions current.

HOW AND WHY JOBS ARE CLASSIFIED

Nearly all positions in FHA are subject to the Classification Act of 1949, as amended, and to position classification standards issued under that Act by the Civil Service Commission. The declaration of policy preceding the Classification Act of 1949 states that in the classification of positions the principle of equal pay for substantially equal work shall be followed, and variations in rates of basic compensation paid to different officers and employees shall be in proportion to substantial differences in the difficulty, responsibility, and qualification requirements of the work performed.

In a grocery store, goods of the same kind are grouped together in the same compartment. Most goods are graded or grade-labeled, and contents or ingredients are specified. The higher the grade, the higher the price. Similarly, under the position-classification plan provided by the Act, Federal positions are sorted or classified, labeled or titled, and graded to show the kind and value of their contents (the duties and responsibilities).

MATCHING JOBS AND JOB STANDARDS

The Act requires that positions must be described in writing, as explained above.

The Civil Service position-classification standards (not to be confused with standard position descriptions) establish and define series of positions in terms of kinds of duties and responsibilities and kinds of qualifications required. In accordance with Classification Act "class" definitions, the standards then usually specify the titles and grades for classes of positions within each series. A particular class of positions, at a given grade, is defined in terms of not just the nature but the level, scope, complexity, and difficulty of the duties and responsibilities contained in positions to be placed in the class, and in terms of the level of qualifications required for proper performance. Thus the value of the positions is established.

The grades indicated represent levels of a pay schedule fixed by the Congress. Most FHA positions are in the General Schedule (GS), which has 18 grades. FHA has authority to classify positions GS-1 through GS-15.

In classifying an individual position, a position classifier in the Personnel Division must analyze the job description submitted and compare its contents with the series definitions, class specifications, and grade-determining factors included in the Civil Service classification standards. The classifier may also desk audit the position or discuss it with the supervisor. The classifier has an ethical and legal responsibility to adhere strictly to these standards in classifying the job.

Every employee should realize that—

- It is his position, and not himself, that is classified.
- What he must do, and not what he is capable of doing, is what counts in classifying his position.
- The skill, knowledge, ability, and experience required to perform the duties and responsibilities assigned have a bearing upon the grade of the job, but other or higher skills, knowledge, and abilities do not enter into it.
- His length of service, the number of his dependents, his race, sex, color, marital status, veteran preference—none of these factors enters into job classification in any way.
- If, because of his special experience, knowledge, or ability, more difficult and responsible work is assigned regularly to him, then a new description should be prepared and submitted for possible allocation to a higher grade.

KEEPING DESCRIPTIONS CURRENT

After positions are established and filled, the Directors and supervisors are responsible for seeing that the descriptions are revised as changes in duties and responsibilities are made.

It is FHA policy that every employee receives a copy of his position description. If you don't have one, you should get it from your supervisor.

Your supervisor controls the assignment of duties, and you are expected to perform duties assigned to you even though they may not as yet be included in your position description. You are responsible for suggesting revisions at any time you find significant duties or responsibilities being regularly assigned to you which are different from those described; and you are expected, when requested, to draft a new description or an amended one, which is subject to discussion with and revision by your supervisor.

Furthermore, at least once a year supervisors are responsible for reviewing with each employee his position description for accuracy, completeness, and currency.

CIVIL SERVICE COMMISSION REVIEWS

Periodically the Civil Service Commission in its inspections of personnel operations in Government agencies makes a review of the accuracy of position descriptions. This includes desk audits of a sampling of selected positions to assure a check, both by grade of position and by organizational unit.

AVAILABILITY OF CSC POSITION CLASSIFICATION STANDARDS

FHA subscribes to the Civil Service Commission's Position Classification Standards, and the Personnel Division issues copies of pertinent standards.

If you are interested, you may examine the standards at any time. If not available locally, you may borrow copies from the Classification Section of the Personnel Division.

RIGHT OF APPEAL

You have the right to appeal the classification of your position to the Personnel Division or the Civil Service Commission. (See "Position-Classification Appeal," page 82.)

HOW PAY IS DETERMINED

The pay rates for all but a few of FHA's positions are determined by the grades authorized by the Classification Act. The pay for a few positions ("blue-collar" jobs) is established on the basis of local pay rates prevailing for the same types of jobs in private industry.

PAY BASE FOR CLASSIFICATION ACT POSITIONS

The classification of a position subject to the Classification Act puts it into one of the 18 grades of the General Schedule. Within the range of each grade (except GS-18) are several salary steps. The specific rate for the base of each grade and for each step within each grade is fixed by the Congress. You will find the latest pay schedule at the end of this chapter.

Ordinarily an employee entering the Government for the first time can receive only the rate of the first step in the pay range for the grade of his position. However, the Civil Service Commission authorizes higher minimum pay rates within the grade for certain hard-to-fill jobs.

Upon promotion to a position of higher grade, an employee ordinarily must be paid at either the base rate or a within-grade rate of the new grade, whichever would result in a pay raise at least equal to a one-step increase in the grade from which the promotion is made.

WHEN WITHIN-GRADE PAY RAISES ARE GIVEN (IN CLASSIFICATION ACT POSITIONS)

Before an employee in a Classification Act position may receive a periodic increase to the next pay step in his grade he must—generally—

1. Serve at his present within-grade pay step
 - (a) Fifty-two weeks if in a position at GS-10 or below, or
 - (b) Seventy-eight weeks if in GS-11 through -17.
2. Have a current performance rating of "satisfactory" or better.
3. Be receiving a salary at less than the top rate for his grade.

In general a promotion to a higher grade automatically starts a new waiting period of either 52 or 78 weeks before a step-increase may be granted.

In addition to the regular within-grade increases, employees in grades GS-15 and below may receive certain pay increases above the top rates of their grades. These are length-of-service increases, commonly known as "longevity" increases. In general, such a raise is given when the employee (a) has been in his present job, or one of equivalent or higher level, for 10 years, (b) has served continuously at the top rate of his present or higher grade for 3 consecutive years, and (c) has a current performance rating of "satisfactory" or better. An employee may be given only three longevity increases in any one grade.

PAY FOR "PREVAILING WAGE" JOBS

There are a few prevailing-wage positions in FHA in the General Services Division at headquarters. At present these include the jobs of laborers, truck-drivers, appliance repairmen, offset printers, and others in the offset printing shop.

The pay for these positions is set by wage boards and FHA wage-fixing authority in accordance with the rates of pay for similar positions prevailing in the Washington, D.C., metropolitan area. Because the rates change frequently, the pay scales are not reproduced here.

An FHA employee in a prevailing-wage job may receive two within-grade increases, if he starts at the first step. The first increase is given approximately 26 weeks after his appointment and the second approximately 78 weeks later. Longevity increases are not provided for these employees.

OVERTIME PAY AND COMPENSATORY TIME

Official overtime is all hours of work which are performed in excess of 40 hours in any administrative workweek by employees (other than per diem w.a.e.'s) and which are officially ordered or approved in writing by an authorized official.

Under certain conditions overtime while in travel status may be approved.

Before any overtime work may be officially ordered or approved, an approved overtime allotment sufficient to cover the cost of the overtime work must be available.

FHA employees shall receive credit in multiples of 30 minutes for officially ordered or approved overtime sessions of 1 hour or more.

If an employee's salary rate is not above the minimum rate for grade GS-9, he is paid overtime at the rate of one and one-half times his basic pay. If his salary is above the minimum rate for grade GS-9, he will be paid overtime at the rate of one and one-half times the hourly rate for the minimum rate of grade GS-9. An employee may receive overtime only to the extent that it does not cause the total compensation for a pay period to exceed the regular pay-period rate of the maximum scheduled rate for GS-15.

An employee whose salary rate is at or below the maximum scheduled rate of grade GS-9 may request compensatory time off instead of pay for authorized overtime work. The head of the office can require that these employees accept pay in lieu of compensatory time, but he cannot order compensatory time off for these employees in lieu of payment of overtime. For overtime work by employees above the maximum scheduled rate of GS-9, an authorized official may order that compensatory time off shall be the only compensation allowed.

Overtime pay is subject to withholding taxes but not to retirement deductions. Payment in lieu of compensatory time off will be made for all official overtime unless *all* of the following conditions apply: (a) the overtime is of irregular or occasional nature and will be of brief duration; (b) only a few employees are involved; and (c) the accelerated work schedule that required the overtime is expected to be followed by a comparable slack work period. Compensatory time may not be allowed for any official overtime for which the employee cannot be legally paid.

An employee may not accumulate more than 20 hours compensatory time, and all compensatory time earned must be used within 2 pay periods following the end of the overtime pay period in which it was earned. If an employee is not allowed to use his compensatory time within the time limit, he will be paid for it.

A wage-board employee is paid for authorized overtime at a rate one and one-half times his regular hourly pay. He is not allowed compensatory time off.

Working unauthorized overtime on a voluntary basis does not entitle the employee to overtime pay or to compensatory time off. It must be recognized that the working of unauthorized and unreported overtime results in distorted production figures, which adversely affect personnel ceiling and budget allowances.

WHAT IS WITHHELD FROM PAY

There are certain regular deductions taken from all employees' salaries.

RETIREMENT OR SOCIAL SECURITY

Except for certain reemployed annuitants' salaries, all salaries are subject to a deduction either of 6½ percent under the United States Civil Service Retirement System, or of 3 percent on the first \$4,800 earned annually under the Social Security plan. The Social Security tax rate is scheduled to increase during subsequent years.

TAXES

An amount is deducted for Federal taxes; and if the employee resides in the District of Columbia or in certain States a deduction is also made for D.C. or State income tax. This amount depends on the number of dependents claimed. If the number decreases below the number claimed, another Form W-4, Employees' Withholding Exemption Certificate, *must* be filed with the Payroll office of the Comptroller's Division within 10 days. If D.C. or State income tax is withheld, a different form is required to change the number of dependents claimed.

If an employee will reach 65 during the year, he may file a W-4 claiming two exemptions for himself. If an employee claims his spouse as a dependent and if the spouse will reach 65 during the year, the employee may file a W-4 claiming two exemptions for the spouse.

If you prefer to have a larger amount of income taxes withheld than is required by law, you may obtain the necessary forms from your Administrative Officer or the Payroll office.

LIFE INSURANCE

A deduction for Federal Employees' Group Life Insurance is made from the salary of an eligible employee unless he files a waiver of coverage. Premiums for insurance are deducted at the rate of 25 cents biweekly for each \$1,000 of insurance. (See pages 89-91.)

HEALTH BENEFITS

If an employee desires to enroll in a health benefit plan under the Federal Employees Health Benefit Act, deductions will be made from his salary. The benefits and amount of deduction depend upon the type of plan for which he applies.

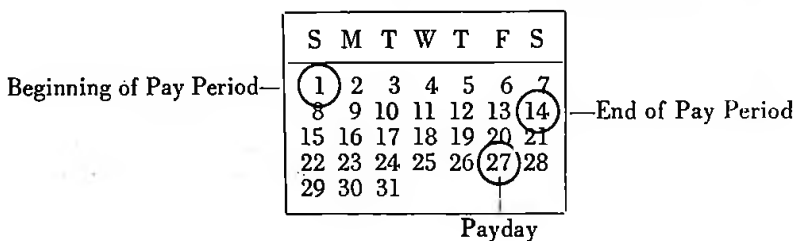
SAVINGS BONDS

A deduction may also be made from an employee's salary, if he wishes, for the purchase of United States savings bonds. Employees are encouraged to take advantage of this opportunity; and those wishing to do so should fill out a request indicating the amount of the deduction to be taken. This may later be increased, decreased, or canceled upon notification from the employee.

PAYDAY AND PAY LAG

Your regular salary check is delivered to you every other Friday. The salary check is for service performed during the pay period before the one in which it is received. In the Federal service, the term "pay period" refers to a 14-day period beginning every other Sunday. In FHA there is a payroll lag of 10 working days which is the time it takes after the pay period ends to check your leave record, make up the payroll, and get your check from the U.S. Treasury Department.

The following diagram shows a pay period and when you get paid for it.



UNPAID MONIES

In the event of your death, the person or persons surviving you will receive payments for any unpaid salary, travel monies due, remaining bond accruals, and annual leave credits. Payments will be made automatically in the following order: (1) widow or widower, (2) children, (3) parents, (4) estate, (5) next of kin. If you wish to change the order or name someone else, you should fill out Standard Form 1152 and send it to the Comptroller's Division. This form remains in effect only so long as you remain continuously employed by FHA.

DUAL COMPENSATION

Except under certain limited circumstances you may not accept two positions with the Government. Neither may you, as a rule, receive two different compensations from the Government. Before accepting any dual employment or dual compensation, you should be sure that it is not prohibited. In case of doubt, consult your Administrative Officer or the Personnel Division.

SCHEDULE OF ANNUAL SALARY RATES BY GRADE

GENERAL SCHEDULE

| Grade | Rates Within Grade | | | | | | | | | |
|-------|--------------------|--------|--------|--------|--------|--------|------|-------------|--------|--------|
| | a | b | c | d | e | f | g | (Longevity) | | |
| | | | | | | | | x | y | z |
| 1 | 3185 | 3290 | 3395 | 3500 | 3605 | 3710 | 3815 | 3920 | 4025 | 4130 |
| 2 | 3500 | 3605 | 3710 | 3815 | 3920 | 4025 | 4130 | 4235 | 4340 | 4445 |
| 3 | 3760 | 3865 | 3970 | 4075 | 4180 | 4285 | 4390 | 4495 | 4600 | 4705 |
| 4 | 4040 | 4145 | 4250 | 4355 | 4460 | 4565 | 4670 | 4775 | 4880 | 4985 |
| 5 | 4345 | 4510 | 4675 | 4840 | 5005 | 5170 | 5335 | 5500 | 5665 | 5830 |
| 6 | 4830 | 4995 | 5160 | 5325 | 5490 | 5655 | 5820 | 5985 | 6150 | 6315 |
| 7 | 5355 | 5520 | 5685 | 5850 | 6015 | 6180 | 6345 | 6510 | 6675 | 6840 |
| 8 | 5885 | 6050 | 6215 | 6380 | 6545 | 6710 | 6875 | 7040 | 7205 | 7370 |
| 9 | 6435 | 6600 | 6765 | 6930 | 7095 | 7260 | 7425 | 7590 | 7755 | 7920 |
| 10 | 6995 | 7160 | 7325 | 7490 | 7655 | 7820 | 7985 | 8150 | 8315 | 8480 |
| 11 | 7560 | 7820 | 8080 | 8340 | 8600 | 8860 | | 9120 | 9380 | 9640 |
| 12 | 8955 | 9215 | 9475 | 9735 | 9995 | 10,255 | | 10,515 | 10,775 | 11,035 |
| 13 | 10,635 | 10,895 | 11,155 | 11,415 | 11,675 | 11,935 | | 12,195 | 12,455 | 12,715 |
| 14 | 12,210 | 12,470 | 12,730 | 12,990 | 13,250 | 13,510 | | 13,770 | 14,030 | 14,290 |
| 15 | 13,730 | 14,055 | 14,380 | 14,705 | 15,030 | | | 15,290 | 15,550 | 15,810 |
| 16 | 15,255 | 15,515 | 15,775 | 16,035 | 16,295 | | | | | |
| 17 | 16,530 | 16,790 | 17,050 | 17,310 | 17,570 | | | | | |
| 18 | 18,500 | | | | | | | | | |





HOW JOBS ARE FILLED

FHA recognizes that the success of its program depends on the proficiency of qualified employees who are interested in their work—who take pride and find satisfaction in their jobs. Every effort is made to select the best qualified person for each job and to use his talents and abilities to the fullest extent.

To be considered for a position, a candidate must possess the qualifications required for the particular job. Specific experience and training standards are established for practically all positions. For certain positions the standards require the passing of an appropriate written test. Standards are available for review by employees. The qualifications of candidates are rated against these standards, and a person found to be qualified and competent is selected for the job. For certain technical and supervisory positions, FHA requires eligibility on written examinations in addition to the published experience and training requirements.



REASSIGNMENT AND PROMOTION FROM WITHIN (TO COMPETITIVE-SERVICE POSITIONS)

Employees are promoted in accordance with the FHA's Promotion Program, which meets the Civil Service Commission's criteria for the Federal Merit Promotion Program required throughout the Government. All phases of the FHA's Promotion Program are subject to Commission review, audit and correction.

Wherever practicable, vacant positions in the Competitive Service in FHA are filled by the reassignment or promotion of present employees. Outside candidates are appointed only whenever management determines that they have superior qualifications for the vacancy. Although persons from outside the FHA are employed when their qualifications are superior to those of anyone available from within, experience in the agency is likely to make a present employee better qualified than an outside candidate if their qualifications are otherwise approximately equal.

All employees are given like consideration for promotion or reassignment based on experience, training, any test requirements, degree of successful participation in the Incentive Awards Program, demonstrated leadership ability, adaptability, skill, and initiative. When these factors are equal, seniority may influence the choice.

Employees are considered for specific vacancies according to basic areas of consideration, which have been established first by geographical location, and, secondly, by positions allocated to the same series and grade. To foster the most effective use of special talents and abilities of employees and to broaden opportunities for employees occupying positions offering limited promotional advantages, basic areas of consideration for promotion or reassignment may be extended (except where qualified trainees and understudies have been selected in advance in accordance with the Promotion Program and are especially prepared for promotion).

All supervisors are responsible for advising and assisting employees in preparing for advancement. Each employee should be sure to keep the Personnel Division informed of (1) additional education acquired, (2) additional Civil Service examinations taken and passed, and (3) current interest in job locations. (See pages 53-54 for further details.)

RECRUITMENT FROM OUTSIDE (TO COMPETITIVE-SERVICE POSITIONS)

When it is clear that the best qualified candidate for a vacancy is not available within FHA, candidates outside the Administration are recruited. Since the FHA operates within the Federal civil service system, its recruitment, selection, and appointment methods are based upon rules and regulations established by the U.S. Civil Service Commission.

APPOINTMENTS FROM REGISTERS

Generally, employees without Civil Service status must be selected from appropriate Civil Service registers based upon competitive examination. These registers are established by the central or regional offices of the Civil Service Commission for types of positions found in more than one Government agency or department.

In addition to these general registers, specific registers for positions distinctive to an agency are established by Civil Service examining boards set up within the agency. These boards, composed of technically qualified personnel of the agency served, operate as instrumentalities of the Civil Service Commission. The Federal Housing Administration has in most of its field offices a Board of United States Civil Service Examiners, which, with the authority of the Civil Service Commission and under the supervision of the Commission, operates an examining program for the technical positions that are generally singular to the Federal Housing Administration.

APPOINTMENTS BY TRANSFER OR REINSTATEMENT

Employees eligible for transfer from other Federal agencies who are interested in FHA employment may be selected for appointment even though the Civil Service Commission or an examining board has a register of eligibles appropriate for the position to be filled. Similarly, former Federal employees with a competitive status, who meet the requirement for reinstatement, may be selected for appointment without competing with eligibles on Civil Service registers.

APPOINTMENTS FROM OPEN LABOR MARKET

Generally, the Civil Service Commission gives an agency permission to recruit in the open market ("outside the registers") only when there are not enough candidates on Civil Service registers or not enough available career employees. Persons hired in this way (usually during emergency periods or in "shortage occupations") must meet the established Civil Service qualification standards. Before they can acquire Civil Service status, however, they must compete with others in open examination.

HIRING RESTRICTIONS

MERIT PRINCIPLE

All qualified persons are afforded equal opportunity for Federal employment. The merit principle of selection means essentially that candidates for positions compete and that the best qualified person is selected. There is no discrimination either for or against individuals because of race, color, religion, national origin, marital status, lawful political or group affiliations, or physical handicaps that do not adversely affect ability to perform the job. The merit principle also means that as many well-qualified persons as possible are encouraged to apply so that the chances of obtaining outstanding people for positions are increased. It is the policy of FHA to adhere strictly to the merit principle in selecting persons to fill positions in the competitive service.

PREFERENCE TO VETERANS

When filling positions from outside, except by transfer or reinstatement, preference must be given to veterans.

SUITABILITY

Consistent with the merit principle, the agency welfare, and the national interest, the behavior and reputation of job applicants must be weighed with regard to suitability, loyalty, and security. Hence, preemployment checkups are always made. The principal characteristics which are considered in determining security eligibility for employment include, among others, reliability, trustworthiness, and discretion. Excessive use of alcohol, perversion, and use of narcotics are some, but not all, of the factors which may cause a person to be ineligible from the standpoint of security.

All initial appointments are made "subject to investigation" as to character, employment history, and security requirements. An appointment is conditional pending favorable findings. Unfavorable findings result in termination of the appointment. Additional investigation is required in connection with jobs that are designated as "sensitive" from the standpoint of national security.

PHYSICAL REQUIREMENTS

A medical examination, usually by a Federal Medical Officer or by a designated Federal Medical Examiner, is required before appointment.

OUTSIDE ACTIVITIES

A person who proposes to continue outside employment or outside interests which are incompatible with the interests of the FHA may not be appointed because of the conflict-of-interest statutes and the FHA policy on outside activities. (See Chapter 10.)

NEPOTISM

It is a policy of the FHA not to employ members of the same family in capacities that would enable one to exercise undue influence in behalf of another, or where the personal relationship would be a source of friction on the job, a source of inconvenience to the agency, or the basis for justifiable criticism by the public. Civil Service regulations limit the number of relatives in the same household who may be given nontemporary appointments.

PROBATIONARY PERIOD

The examination eligibility attained by an employee is an indication that he has cleared the first hurdle for Federal employment. The probationary, or trial, period is the next hurdle in the examining process. All career-conditional appointees are required to serve a probationary period of 1 year. During this period the supervisor examines, evaluates, and determines the employee's fitness for Federal employment. This 1-year period is the most important of all tests.

An employee begins probation when he enters on duty. The supervisor explains to the employee the performance requirements of his job. During this period the supervisor gives the employee special assistance and guidance in his work, and measures and continually evaluates his performance, adaptability, and suitability. Should it be found at any time during his probation that the employee is unsuitable for retention and that no practical adjustment can be made, he will be dismissed.

Near the end of the period, the supervisor completes a trial-period rating form which becomes a part of the employee's official personnel file. If the employee measures up to standards, he is retained, and the 1-year probationary period is counted toward the 3 years of "substantially continuous" service necessary to achieve career status.

FILLING EXCEPTED SERVICE POSITIONS

Certain positions in the agency are excepted from the civil service system by direction of the Civil Service Commission or by law. Positions are excepted from the competitive service by the Civil Service Commission whenever it determines that appointments through competitive examination are not practicable, or when the positions are determined to be of a confidential or policy-determining character. Positions excepted other than by law are known as Schedule A, B, or C positions.

Since many excepted positions involve confidential or policy-making duties, or involve the use of discretion in matters where an employee's philosophy or point of view on a particular question of public policy is important in determining whether the work on which he is engaged is being carried out in accordance with the President's wishes, such positions are filled with persons who are in sympathy with the programs and policies of the President. Consistent with this requirement, where applicable, excepted positions in the agency are filled on the basis of merit by the best qualified persons available. Agency qualification standards for excepted positions must be met.

TEMPORARY DETAIL

To meet day-to-day demands brought about by resignations, absences, vacation schedules, exceptional workload, and other emergency situations, and also as a means of trying out or training employees for future reassignment or promotion, supervisors are permitted to detail employees. An employee may be temporarily assigned to another position, or he may be temporarily assigned duties and responsibilities in lieu of or in addition to those included in his position description. The fact that an employee is detailed to a higher grade position is no guarantee that he will be promoted to it, even though his selection for the detail may have been made in accordance with the principles of the FHA Promotion Program.

There are strict limitations on detail assignments. A detail may not be made to evade the open competitive principles of the merit system or the principles of job evaluation. A detail assignment lasting more than 30 calendar days must be recorded on Standard Form 52 (with a copy to the employee and to the Personnel Division) in order that legal limitations can be controlled and, equally important, so that the employee can be given credit for the experience gained. A detail to unclassified duties may not exceed 3 months; nor may a detail to an established position exceed 6 months without prior approval of the Civil Service Commission. Supervisors are responsible for holding details down to the shortest practicable time.



APPOINTMENT, STATUS, AND TENURE

A person's appointment to a Federal position may be any one of several types; and the type of appointment has a bearing upon his "status" and "tenure."

STATUS

A term that employees often wonder about is "status." In the Federal civil service, if an employee has "status," "competitive status," "permanent status," "civil-service status," "competitive civil-service status," or "classified civil-service status," it generally means that



he has been competitively examined and appointed under the Civil Service system and has thus earned the right to be reassigned, transferred, or promoted, without further competitive examination, to any vacant position which is offered him and for which he meets the established qualification requirements.

An employee who has acquired competitive status, or even full career status (by having completed 3 years of substantially continuous service), may serve in a given position under a temporary appointment and yet not have career tenure in that particular position (although he would be eligible for noncompetitive career appointment at any time such appointment might be offered).

TYPES OF APPOINTMENT

Under present Civil Service regulations, the most common types of appointment are *career-conditional*, *career*, *temporary*, and *excepted*.

CAREER-CONDITIONAL APPOINTMENTS

Career-conditional appointments may be made by selection from Civil Service certificates, by transfer, or by reinstatement.

Selection from Certificates

If a person is selected from a Civil Service certificate to fill a continuing job, he generally receives a career-conditional appointment. After the completion of a 1-year probationary period, he acquires a competitive status; and when he has completed the 3-year service requirement, his conditional tenure is automatically converted to career.

Transfer

An employee of another Federal agency, who has competitive status but has not completed the 3-year service requirement, may be given a career-conditional appointment by transfer. When an employee "transfers" from one agency to another, his appointment to his new job must be made without a break in service of 1 workday. If he has not completed his probationary period of 1 year, his appointment is subject to the completion of his probation.

Reinstatement

When a former Federal employee with competitive status is selected for an unlimited job, he receives a career-conditional appointment by reinstatement if he has not completed his 3-year service requirement. If he is a nonveteran, his reinstatement eligibility is limited to the 3-year period following his separation from his last nontemporary position in the competitive service. A person appointed by reinstatement must complete a probationary period of 1 year unless he completed his probation during previous service under the appointment upon which his eligibility for reinstatement is based.

CAREER APPOINTMENTS

Career appointments, like career-conditional appointments, may be made by selection from a Civil Service register, by transfer, or by reinstatement, under the same conditions and circumstances as described above, except that the 3-year service requirement has been completed and that a person appointed by selection from a certificate of eligibles must serve a probationary period of 1 year even though he previously completed a probationary period.

TEMPORARY APPOINTMENTS PENDING ESTABLISHMENT OF A REGISTER

When Civil Service registers have not been established for individual jobs or when registers are inadequate to fill existing vacancies, the Civil Service Commis-

sion may issue authority to fill positions by the appointment of persons without Civil Service status even though they have not established Civil Service register eligibility. An appointment of this nature, when made to a position that is expected to continue for more than 1 year, is a temporary appointment pending the establishment of a register (TAPER). A temporary appointee is not required to serve a probationary period, and his temporary appointment does not give him competitive status.

TEMPORARY APPOINTMENTS (JOB EMPLOYMENT)

Occasionally, unusual accumulations of work or noncontinuing assignments of a specialized nature require the services of additional employees for a limited period. In such instances, temporary appointments with specific time limitations of 1 year or less may be made by selection from Civil Service registers; or, if Civil Service registers are inadequate, by hiring outside of Civil Service registers. Persons who are eligible for appointment by reinstatement or transfer may be given temporary-limited appointments (or "job appointments") without regard to the registers maintained by the Civil Service Commission.

EXCEPTED APPOINTMENTS

Employees may be appointed to positions excepted from the competitive service on a "permanent" basis (career-conditional or career), on an "indefinite" basis, or on a "temporary" basis limited to a specified termination date, depending on the position to be filled.

All excepted employees who are entitled to veteran preference and who have served continuously for 1 year, and employees in Schedule B positions who have competitive status are entitled to advance notice of charges, to an opportunity to reply, and to have their replies considered before they may be removed for cause from their positions. Other excepted employees may be removed from their positions merely upon written notice.

TENURE

When a person is appointed to a new job, it is quite natural for him to wonder how long it may last—what his job tenure will be. In the Federal civil service, the term "tenure" means the period of time an employee may reasonably expect to serve under his current appointment; and tenure is determined by the type of appointment made.

UNDER CAREER APPOINTMENT

For example, a person serving under a career appointment is considered to have career (or relatively permanent) tenure. Although that is the highest tenure group, it does not mean that an employee is assured a lifetime job with the FHA. Other factors upon which the continuation of employment depends are budget limitations, and changes in workload, organization, or programs that make it necessary to reduce or realign the staff.

Such conditions may affect a career employee, because his tenure and rights must be considered in relation to the tenure and rights (including veteran preference) of other career employees; and his abilities and qualifications must be considered in relation to the work to be done by the FHA.

A person serving under a career appointment with career tenure in his position has better assurance of continued employment in the position than he would have with any other type of appointment or class of tenure. Also, because of the competitive status that he must have to be serving under this type of appointment, he has the right to be reassigned, transferred or promoted to any other civil service position for which he is qualified and selected, without having to be again examined competitively.

UNDER CAREER-CONDITIONAL APPOINTMENT

An employee serving under a career-conditional appointment has conditional tenure. Generally, this means that the employee has indicated his interest in making a career in the Federal service by taking a competitive examination and that the Federal Government has shown an interest in his talents and abilities by selecting him for appointment.

Before he can be given full career status and career tenure in his position, with increased probability of continued employment, the stability of his interest in the Federal service, his suitability for it, and the probable ability of the Government to offer him continued employment must be further demonstrated by 3 years of substantially continuous and "creditable" service.

Career-conditional tenure is the second highest class of tenure. It gives better assurance of continued employment than temporary tenure. Because persons having conditional tenure also have competitive status, they too can be reassigned, transferred, or promoted without further competitive examination.

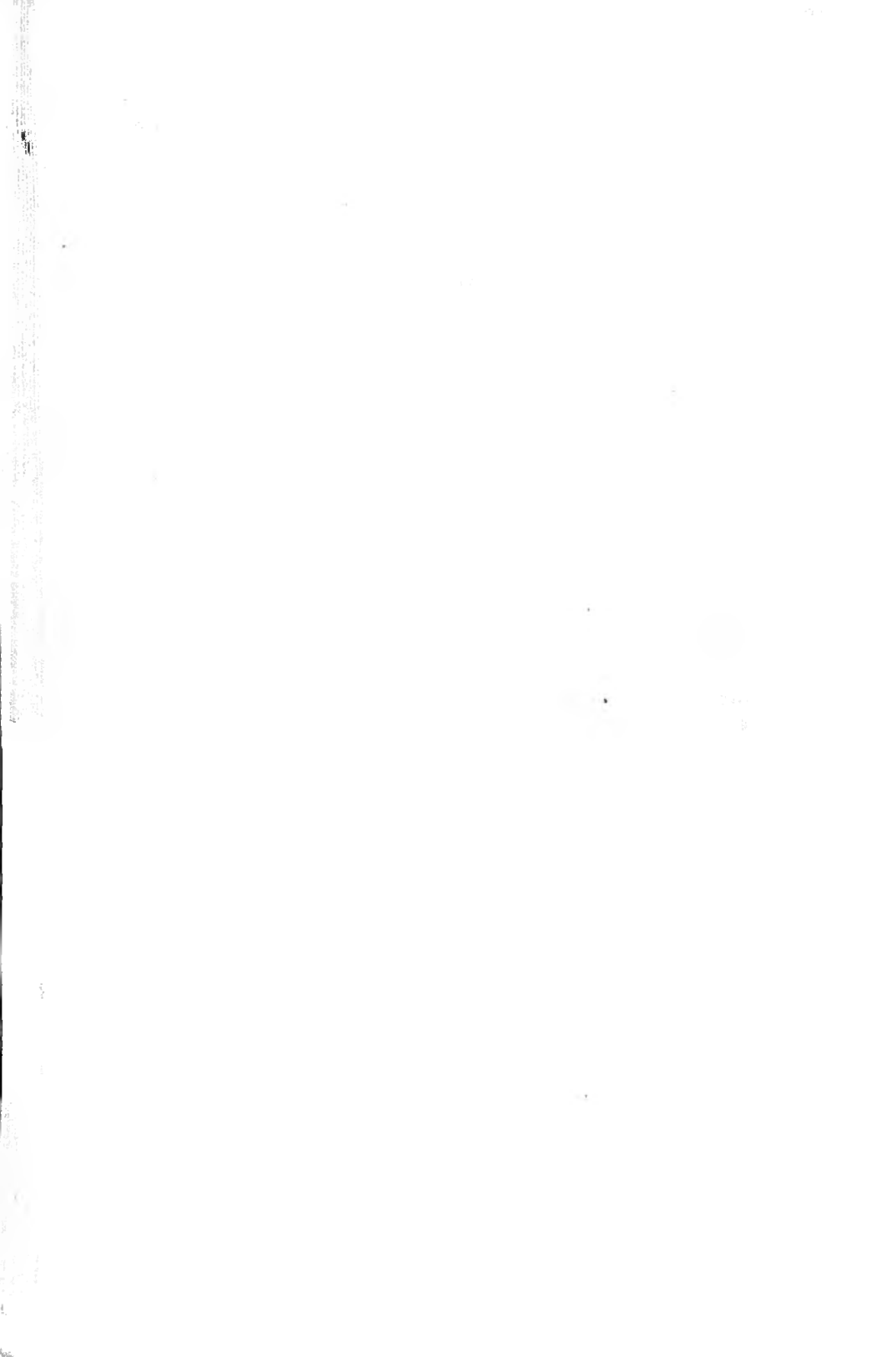
UNDER TEMPORARY APPOINTMENT PENDING ESTABLISHMENT OF REGISTER

An employee serving under a temporary appointment pending the establishment of a register may not reasonably expect that his appointment will continue after

a register appropriate for his job has been established by the Civil Service Commission. Unless a person in this tenure group passes an appropriate competitive examination with a grade high enough to permit his selection from a register, he is likely to be displaced from his job when a register is established. "TAPER" appointments can be terminated at any time merely upon written notice.

UNDER TEMPORARY LIMITED APPOINTMENT

A person serving under a temporary-limited appointment may not reasonably expect his employment to continue beyond the specified time limit. These appointments will normally not exceed 1 year. Temporary appointments can be terminated at any time merely upon written notice.



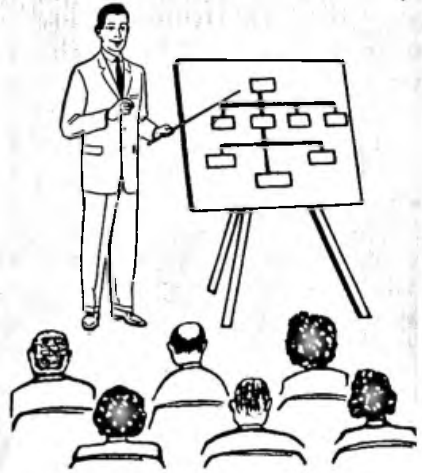


TRAINING

Each person hired by FHA is expected to have the basic qualifications necessary to perform the work of the position he is entering. Training is provided to help him adjust quickly to the operating program and organization of the FHA and to his particular job, to enable him to improve the quality and quantity of his work, and to give him opportunity to broaden his understanding and demonstrate his capacity for advancement. Both supervisors and employees may seek the advice and guidance of the Personnel Division on training plans and problems.

Supervisors, as well as representatives of the Personnel Division, are responsible for counseling employees on means of training and advancement. All employees are encouraged to undertake studies for self-development as well as to take advantage of training opportunities on the outside to supplement the training supplied by the agency. In this way, employees show their interest in advancement.

The hiring and development of trainees is encouraged, and Directors are urged to designate understudies for all key positions, consistent with the promotion program.



INDUCTION AND ORIENTATION TRAINING

In Washington, the new employee is entered on duty and soon afterward given orientation by a representative of the Personnel Division. In the field, the first steps are usually taken under the guidance of the Administrative Officer. In either case, the employee is given the benefit of a general discussion concerning the FHA, its operating program and purposes, the hours, rules, and conditions of work, and the rights and benefits to which he will be entitled. In addition, he is given a copy of this handbook and other materials explaining certain obligations, rights, and benefits in more detail.

The further stages of his orientation are under the guidance of his supervisor. The supervisor sees that the employee is properly introduced to his fellow workers and his work surroundings, that he is given a copy of his job description, and that the specific performance requirements and objectives of his job are made clear to him. The supervisor continues to provide advice and guidance as he gives work assignments and instructions and as he reviews the employee's work.

The Administrative Officer and/or a representative of the Personnel Division reviews the placement-followup form completed by the employee approximately 90 days after his appointment, promotion, or reassignment to determine the adjustment and progress being made by the employee on the job. Formal ratings of the employee are made, as explained under "Probationary Period," page 43, and "Performance Rating," page 55.

ON-THE-JOB TRAINING

Supplementing the normal orientation given new employees, further on-the-job training is given, as required, to improve productivity or increase skills. The need for training depends on the background and abilities of the particular employee and often on changes in operating policies, programs, standards, and procedures. The supervisor is mainly responsible for recognizing the need for training and taking steps to meet it. In doing so, he draws upon technical or administrative instructional materials provided by subject-matter specialists and may seek advice on training methods from the Personnel Division.

TECHNICAL TRAINING

Formalized training courses are provided in the three major fields of underwriting. Course content, reference materials, topical sequence, and general training methods are covered in the training materials released in the field offices. In each office, these courses are under the general guidance of the Chief Underwriter, with the participation of the Underwriting section chiefs and other appropriate specialists. The courses are designed to improve the quality of work while aiding capable journeyman technicians in their preparation for qualifying on Underwriting tests for possible advancement to senior and supervisory jobs.

Also the Chief Underwriter and his section chiefs are responsible for evaluating technical weaknesses of employees evidenced by the Underwriting tests and for planning and conducting remedial training.

Under specific training agreements with the Civil Service Commission, the FHA also conducts special training courses for grade GS-5 trainees to speed their progress to the journeyman level.

SUPERVISORY TRAINING

Administrative and supervisory training is recognized as extremely important in the development of good supervisors and managers. A good supervisor or manager shows resourcefulness, imagination, and good judgment in applying the skills of management—effective communications; budgeting resources; selecting people for particular assignments; planning, organizing, coordinating, delegating, and training.

The Director of each Washington division and field office, aided by his Administrative Officer or other assistant, is responsible for seeing that supervisors receive needed training in administrative practices and policies, management responsibilities, and supervisory techniques. This training includes formalized training courses, as well as reading and reference assignments of informational and instructional materials obtained from zone offices, from Personnel, Budget, General Services, and Comptroller's Divisions, and from the Civil Service Commission and other sources. Discussions and demonstrations on the assigned subjects are then held at supervisory staff meetings. Personnel Management Specialists and other administrative officials are often called upon for advice on planning these meetings and for participation in them.

OTHER FORMS OF STAFF DEVELOPMENT

Insofar as practicable, training for FHA employees is provided through FHA facilities. However, when necessary training for employees cannot be obtained adequately and economically within the agency, the training may be obtained from other agencies or non-Government facilities in order to develop the skills, knowledge, and abilities required to make employees more effective in the performance of their official duties. Within certain limits, employees may be granted official leave to attend conferences or courses at their own expense; and under specific criteria the agency may pay training expenses, including salary, per diem, travel, tuition, and books of selected employees.

KEEPING TAB ON TRAINING ACCOMPLISHMENTS

You are responsible for keeping your supervisor and the Personnel Division informed of any outside training, research, or other self-development completed after entering upon duty in FHA. To furnish this information, you may use either a Standard Form 58 (Experience and Qualifications Statement) or plain sheets of paper on which to outline your training, describing how, when, and where the training was acquired and designating the units or amounts completed. You should then submit copies of these statements to the Personnel Division, preferably through your supervisor, for inclusion in your official personnel file.

For each organized course of instruction that you successfully complete in FHA, you will receive a record of training, a copy of which will also be placed in your official file. You should be sure that information in your official file with respect to degrees earned, courses completed, or seminars attended is up to date, so that the information can be properly considered when rating your qualifications for more responsible positions.



PERFORMANCE EVALUATION AND INCENTIVE AWARDS

From the time you come on the job, your progress, effectiveness, and efficiency are continually evaluated. Incentives for unusual accomplishment are offered, and assistance in overcoming weaknesses is provided.

PERFORMANCE RATING

Your efficiency and continuing performance are observed and periodically rated. The primary purposes of performance evaluation are to improve individual efficiency, to identify those employees whose performance warrants special recognition, and to determine those employees who should be reassigned or separated because of poor performance.

Keeping each employee informed of the performance requirements for his job is one of the supervisor's important responsibilities. Performance requirements are statements of conditions that exist when a job is adequately performed. Three basic factors covered by performance requirements are:

1. HOW WELL the job should be done, in terms of accuracy, neatness, skill, and knowledge;
2. HOW MUCH is reasonably expected; and
3. MANNER OF PERFORMANCE, such as cooperativeness, initiative, attendance, and work methods.

It is also the responsibility of the supervisor (the rating official) to assign you an annual rating based upon his continuous evaluation of your performance as measured against the performance requirements for your job. The three adjective ratings are "outstanding," "satisfactory," or "unsatisfactory."

OUTSTANDING — This rating is given to recognize highly superior performance which far exceeded all the requirements of the job. This is a prestige rating, so the standards are



intentionally high. Outstanding ratings are comparatively rare. Performance at this level is automatically considered for an award under the Incentive Awards Program. An outstanding rating entitles the employee to 4 additional retention points for reduction-in-force purposes (until the next rating is approved).

SATISFACTORY — This rating represents performance which adequately met the performance requirements of the position. A rating of at least satisfactory is necessary for salary step-increases.

UNSATISFACTORY — This rating represents inadequate performance which was sufficiently below the performance requirements that the employee should not be continued in his position. A written warning notice is required 90 days in advance in order to provide a reasonable opportunity to improve.

If you do not believe your rating is fair, you may appeal it. See page 82.

INCENTIVE AWARDS

As a self-supporting agency, the FHA has an unusual motivation to give full recognition to the energies its employees display in performing their assigned duties and also to the imagination, ingenuity, and originality they contribute toward the improvement of the FHA program and the economy and efficiency of its operation. Accordingly, several kinds of special rewards are offered as incentives to above-normal performance.

Promotion to better jobs and nomination for financial grants, scholarships, or special citations (such as HHFA Distinguished Service Award, Arthur Fleming Awards, and National Civil Service League Career Service Awards) are two types of rewards possible for employees who demonstrate superior willingness, industry, initiative, accomplishment, and capacity.

The FHA incentive awards plan, however, provides the principal ways of rewarding employees for exceptional service and efficiency. An award may be honorary or monetary. An honorary award may be in the form of a plaque or a letter of commendation.

PERFORMANCE AWARDS

Each supervisor is responsible for continually reviewing the performance of all his employees and for recommending any employee or group for a sustained superior performance or superior accomplishment award whenever merited.

SUGGESTION AWARDS

All employees are urged to participate in the Suggestion System. Adopted and implemented suggestions that are not a part of your normal duties are eligible for cash awards. However, all suggestions for improvements in programs, methods, procedures, forms, working conditions, etc., are appreciated. A suggestion should be submitted on FHA Form 2617, which you may obtain from your supervisor or the Administrative Officer. All supervisors have the responsibility for assisting employees in developing suggestions.

If your idea is used in whole or in part, you will receive an award. The award is usually in the form of a cash payment based upon the estimated savings or efficiency resulting from use of your idea for 1 year. A letter of appreciation is given when cash awards for accepted suggestions are not warranted.

LENGTH-OF-SERVICE AWARDS

Ceremonies are held annually in which length-of-service-award emblems are presented to those employees who have completed 15, 25, 35, 40, and 50 years of Federal service, including military service.

CERTIFICATES OF APPRECIATION

Upon recommendation of the Director, an employee may receive a certificate in recognition of his service if he is retiring after 10 or more years with FHA and his record is without blemish.



WORKING TIME AND LEAVE

In going to a new job, you need to know, of course, about working hours. You also want to know about holidays and provisions for vacations and sick leave. If you wish additional information on these subjects or if you have any questions, you should consult your "timekeeper," your supervisor, or your Administrative Officer.



OFFICE HOURS AND ATTENDANCE

The basic workweek of the Federal Housing Administration is 40 hours, scheduled Monday through Friday. In Washington, unless otherwise specified by the Director of Personnel, office hours are from 8:45 a.m. to 5:15 p.m., with a half-hour intermission for lunch. Several field offices have found it necessary to establish other office hours compatible with the general working hours of the particular locality.

TARDINESS

You are tardy if you report for duty after the opening hour or after the prescribed time limit for your lunch. In ordinary circumstances, unavoidable tardiness of less than 1 hour may be excused. If this privilege is abused, the supervisor determines whether to place you in a nonpay status for the period of tardiness or to allow annual leave.

ABSENCE WITHOUT PERMISSION

If you are unable to report for duty at the opening hour, you should notify your supervisor as early as possible. Avoidable and willful absence without permission is charged to AWOL (absence without leave). Disciplinary action is taken against any employee who is absent persistently from the office without prior approval.

HOLIDAYS

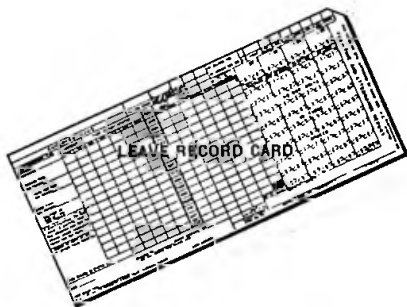
The offices of the Federal Housing Administration are officially closed on all Saturdays, Sundays, and holidays. The holidays observed by the offices of the Federal Government are:

- New Year's Day, January 1
- Washington's Birthday, February 22
- Memorial Day, May 30
- Independence Day, July 4
- Labor Day, first Monday in September
- Veterans' Day, November 11
- Thanksgiving Day, fourth Thursday in November
- Christmas Day, December 25

When a legal holiday falls on Sunday, it is observed the following Monday. If it occurs on Saturday, it is observed the preceding Friday. In addition to the holidays listed above, the offices of the FHA are officially closed on such other days as are declared holidays or nonwork days by Executive or administrative order. FHA field offices may observe State or local holidays at the discretion of the head of the office when the public business is not hindered and when the work of the office cannot be properly performed.

LEAVE OF ABSENCE

All full-time employees of the Federal Housing Administration are entitled to the privileges afforded by standard Government leave regulations, which provide for annual leave, sick leave, leave without pay, voting leave, court leave, and military leave. The minimum charge for annual and sick leave is 1 hour.



ANNUAL LEAVE

Annual leave permits employees to be absent from duty for vacation and other personal reasons without loss of pay. Employees are urged to take one vacation each year of at least 2 weeks' duration.

Full-time employees earn annual leave at the rate of from 13 to 26 days a year, depending on their years of Federal service, both military and civilian.

HOW MUCH ANNUAL LEAVE WILL YOU EARN?

| If your total Federal service is— | Your annual leave accrual is— | Your accrual for each full pay period is— |
|-----------------------------------|-------------------------------|--|
| Fewer than 3 years-- | 13 days a year--- | 4 hours. |
| 3 to 15 years----- | 20 days a year--- | 6 hours (10 hours for last pay period of calendar year). |
| 15 years or more--- | 26 days a year--- | 8 hours. |

A change in the rate of annual leave accrual takes effect in the pay period following the one in which the employee completed the required length of service.

No annual leave is accrued for fractional parts of biweekly pay periods falling at the beginning or end of a period of service.

Annual leave is not available to you until you have completed 90 days of continuous service in the Federal Government. This applies not only to new employees in the Federal service, but also to persons reemployed after a break in service. Upon completion of 90 days of continuous service, you are immediately credited with the amount of annual leave which you earned during that time.

Annual leave may be accumulated for use in succeeding years; but the maximum amount that can be carried over from one year to the next is 30 days (45 days for certain employees whose post of duty is outside the United States) or the amount that you had to your credit at the beginning of the leave year, whichever is greater.

Consistent with those limitations, upon separation you may be paid a cash lump-sum at your latest salary rate for any unused annual-leave credits.

Although annual leave accrues as a legal right, the time at which leave may be taken and the amount granted during any particular period are matters of administrative discretion. Therefore, absence on annual leave must be approved in advance by the proper official, except in cases of emergency. Work requirements and the interests of the employee are the determining factors in approving annual leave. Naturally, the interests of the FHA must take precedence over the employee's personal wishes if the approval of a request for annual leave would conflict with work schedules.

SICK LEAVE

Sick leave permits you to be absent from duty without the loss of pay (1) when you are incapacitated by reason of illness, injury, or pregnancy and confinement; (2) when a member of the immediate family has a contagious disease and must be cared for by you; or (3) when you have been exposed to a contagious disease and your presence on the job might endanger your fellow workers. When approved in advance, sick leave may also be used for medical, dental, or optical examination or treatment. Sick leave is earned at the rate of one-half day (4 hours) for each full biweekly pay period (13 days a year), and it can be accumulated without limitation.

When you are incapacitated for the performance of your duties for reasons that entitle you to the use of sick leave, you must notify your supervisor as soon as practicable. An absence on sick leave for more than 3 days must be supported by a medical certificate; and, if it appears that the sick leave privilege is being abused, a medical certificate may be required for any absence on sick leave. Improper use of the sick leave privilege is cause for disciplinary action.

In instances of serious disability or ailment, the Director may advance up to 30 days' sick leave.

No cash settlement is made for unused sick leave credits at the time of separation. However, sick leave will be recredited to you if you are reemployed in the Federal service within 1 year after separation.

LEAVE WITHOUT PAY

The granting of leave without pay is a matter for administrative discretion, and requests are carefully considered in the light of the needs of the employee and the work requirements of the office.

MATERNITY LEAVE

Absence from duty not to exceed six months for maternity reasons may be authorized. Maternity leave is chargeable to sick leave, annual leave, and leave without pay, as appropriate. The usual period of authorized maternity leave is approximately 14 weeks (6 weeks before expected delivery date and 8 weeks beyond that date). To support a request for sick leave, you must submit a statement by your attending physician showing specifically the period during which you are incapacitated for the performance of your official duties.

VOTING AND REGISTRATION LEAVE

Insofar as practicable without interfering seriously with operations, employees shall be excused without charge to leave for a reasonable time to register or vote in any election or in referendums on a civic matter in their community.

COURT LEAVE

Court leave is granted for the purpose of attending court as a witness on behalf of the United States, or for jury duty. You will be required to produce a certificate from the court which shows the dates of attendance and an itemized account of any compensation you may receive for your service. Any fees received in connection with court duty must be turned over to your supervisor or Administrative Officer for forwarding to the Comptroller's Division. If you are subpoenaed to give testimony in private litigation pertaining to your official FHA capacity, you are considered to be in active-duty status.

MILITARY LEAVE

Military leave is granted to employees (except those serving under temporary-limited appointments) who are members of military reserve organizations. A military leave of absence with pay is limited to periods of annual training, as distinguished from active military duty, and generally may not exceed 15 calendar days in any 1 calendar year.

VISITS TO THE PERSONNEL DIVISION AND OTHER OFFICIAL CONSULTATIONS

Time spent in the Personnel Division or other appropriate offices to discuss your duties, working conditions, employment status, and other similar matters will not be charged to your leave. You should notify your supervisor in advance, however.

BLOOD DONATIONS

The FHA encourages its employees to volunteer as blood donors, without compensation, to blood banks or in emergencies to individuals. You will be excused without charge to leave for the time necessary to make the blood donation. Normally, the excused time will not exceed 4 hours.

EMERGENCY RESCUE OR PROTECTIVE WORK

Employees called to emergency duty as members of the National Guard, a State guard, Civil Air Patrol, or similar organization will be excused without charge to leave for the period of actual emergency, but usually not to exceed 3 days. Similarly, employees may be excused without charge to leave to participate in emergency rescue or protective work as volunteers for brief periods usually not to exceed 3 days.

OTHER EXCUSABLE ABSENCES

Other excusable absences without charge to leave may include time off—

1. To attend approved nonagency training sessions and to take examinations (including skills tests, Underwriting tests, and Federal Service Entrance Examination), when the employee is requested to do so by the agency.
2. To receive emergency treatment in case of injury or illness suffered on duty.

COMPENSATORY TIME OFF

Compensatory time is earned at the rate of 1 hour for each hour of authorized overtime worked, and must be taken within the prescribed time limit. See pages 33 to 34 for further details.

POST-ATTACK REGISTRATION

If you are prevented from going to your regular place of work or from reporting to any emergency location because of an enemy attack, keep this instruction in mind: go to the nearest Post Office; ask the Postmaster for a Federal employee registration card; fill it out and return it to him. He will see that it is forwarded to the office of the Civil Service Commission which will maintain the registration file for your area. When the Commission receives your card, FHA will be notified and decide where and when you should report back for work. This card will also enable FHA to keep you on the roster of active employees, and to forward your pay.



CONDUCT AND DISCIPLINE

It is mandatory that each employee read and fully familiarize himself with the rules, regulations, and policies on personal conduct which are set forth in this chapter.

The Civil Service employee should have pride in the ideals and the traditions of his country. He is obligated to adhere to the standards of Civil Service in the Federal Government, to be industrious, and to do whatever is right in the performance of his official duties. His conduct should be above reproach.

All employees of the Federal Housing Administration share in the responsibility of carrying out effectively and economically the housing program of the agency. The good reputation of the Federal Housing Administration is dependent upon the general conduct and work of its employees and their many contacts with the public.

Employees must at all times act in a manner that will reflect credit upon the Government and the FHA. *Accordingly, adherence to the standards of conduct in this chapter is a condition of employment. Failure to abide by these rules, regulations, or policies will be cause for prompt disciplinary action.*



GENERAL DEPARTMENT

Each employee is expected to be courteous and diplomatic in all his associations with the public and his fellow-employees, to avoid gossiping, and to show consideration and cooperation in his work. Pleasant and harmonious working conditions can prevail only if thoughtfulness and mutual respect exist among employees. Unnecessary noise, loud talking, and other activities of a distracting nature in an office are inconsiderate and interfere with the work of others. Reading newspapers or magazines on the

job or loitering is not permitted. Disrespect, insubordination, the use of offensive language, the use of intoxicants or participation in any form of gambling or lottery while in an official duty status or at any time on Federal property will not be tolerated.

Participation in any activity that may involve an improper use of information gained through governmental employment, or the use of official information to advance personal interest is forbidden.

ATTENTION TO DUTY

During duty hours employees are expected to apply themselves consistently to the duties of their positions and to give full value in services rendered to the agency and the public. Willful idleness, wasting time, or deliberate failure to be at work on assigned tasks will not be tolerated. Instructions of supervisors must be carried out promptly or within established deadlines insofar as possible.

Strict adherence to the official hours of duty and the administrative rules governing the use of leave is a basic condition of employment. Failure to adhere to this condition reflects unsatisfactory conduct and an irresponsibility toward Federal employment which cannot be condoned.

DEBTS

Employees are expected to pay their just debts and to honor their obligations. These are, of course, personal affairs of employees with which the FHA does not wish to be concerned. Employees should therefore regulate their affairs so that creditors will not contact the FHA. Letters of debt complaint concerning the delinquent account of any employee become a part of the personnel file of that individual.

If the FHA is made a party to garnishment proceedings, it must file an answer and must withhold funds of the employee until the FHA is released as garnishee or until a final decision has been made by the court.

Continued neglect by an employee to meet his contractual obligations will be cause for disciplinary action, because neglect of this kind is harmful to the prestige of the agency and reflects upon the fitness of the employee for Federal service.

Whenever the FHA receives formal notice of tax delinquency or similar Government indebtedness on the part of an employee, the employee shall be required to explain the delinquency and to make satisfactory arrangements with the governmental jurisdiction involved for the liquidation of the indebtedness. Non-payment of governmental obligations shall be considered a very serious indication of financial irresponsibility. Except in cases of severe personal misfortune, failure to pay Federal income taxes, resulting in a levy against salary, will subject the employee to disciplinary action.

SEEKING FAVORITISM

Employees are warned against seeking preferential treatment, for promotion or other employment advantages, by soliciting the intercession of influential persons in public or private life. Action based upon influence is contrary to law and regulation. Seeking influence is in direct violation of established administrative policy, and may be cause for disciplinary action.

ACCORDING PREFERENTIAL TREATMENT OR EXERCISING DISCRIMINATION

FHA employees shall not accord preferential treatment to any person, firm, corporation, or other entity in the conduct of official business. Neither shall FHA employees discriminate because of race, color, religion, or national origin, either in favor of or against any applicant, employee, or person having business with the agency.

No FHA employee may make any inquiry concerning the political affiliations of any other employee or applicant except as to membership in those organizations which by law constitute disqualification for Government employment. Likewise, no discrimination shall be exercised, threatened, or promised by any FHA employee against or in favor of any employee in the competitive service or any eligible or applicant for a position in the competitive service because of his political affiliation.

GRATUITIES

No employee may, under any circumstances, accept or agree to accept any gift or gratuity (regardless of its value) from persons or firms having official business with the FHA. Any evidence of an offer of a gift or gratuity must be reported in writing to the head of the office. The acceptance of gifts or gratuities by FHA employees or the failure to report the offering of gifts will be cause for severe disciplinary action.

It is difficult to lay down any hard and fast rule on acceptance of luncheon, dinner, or other social entertainment. When accepted at the expense of a person having business before the office, these forms of entertainment are considered to be in the same category as gifts and gratuities, and employees who accept them will be liable to the same penalties as the recipients of other gifts and gratuities. Good judgment must be exercised to determine the unusual circumstances in which acceptance would not be objectionable or bring criticism or embarrassment to the agency and the employee.

CONTACTS WITH THE PUBLIC

The FHA is a service organization, and each FHA employee is a public servant and must so act in his official contacts, whether in person, by telephone or through correspondence. He should be proud of his opportunity to serve the public.

FHA employees shall make themselves as accessible to the public as possible. Requests for information (whether they be personal, telephoned, or written) should receive prompt attention. If the information cannot be furnished immediately, the person making the request should be advised that it will be obtained and delivered as quickly as possible.

The maintenance of public confidence requires that employees must not recommend the use of any particular corporation, partnership, private individual, or group as an intermediary to assist in transactions with the FHA.

RELATIONSHIP OF FORMER EMPLOYEES WITH FHA

Former employees of the Federal Housing Administration frequently engage in mortgage financing, real estate, or other activities connected with housing and insured-mortgage financing. Occasionally, they serve as consultants to persons whose work is in these fields.

Former employees, despite their acquaintance with members of the FHA staffs, are not to enjoy a position of advantage in their dealings with this agency, and are not to be accorded any treatment other than that given to all others in the same line of business. They are not to be given any advance information concerning decisions to be made; nor may they be placed in a position of appearing to have, or actually having, any knowledge not at the same time available to everyone else. They are not to have preferential access to any of our offices and are not to be afforded any privileges not also at the disposal of others. Furthermore, cases or projects in which other people are the principals are not to be discussed with a former employee without evidence that the former employee is the authorized agent of the principals in question.

The privilege of appearing before FHA offices is, of course, available to all citizens, except those specifically denied the privilege by the so-called "conflict-of-interest statutes." Any FHA employee who expects to leave the Administration to enter into a business that will involve dealing with the Federal Housing Administration should pay particular attention to the provisions of Title 5, U.S. Code, Section 99, and Title 18, U.S. Code, Section 284. These statutes have the effect of placing certain limitations on former Federal employees with respect to their relationships with Government agencies.

Determining whether a former employee may properly appear before the agency in a particular case depends primarily upon facts best known to the former employee himself, and the FHA is not in a position to furnish him a final determination concerning his compliance or noncompliance with the statutory limitations. Owing to the possibility of criminal prosecution for improper appearances, former employees may wish to consult their own attorneys regarding specific transactions.

USE OF GOVERNMENT FACILITIES

It is unlawful for employees to make unauthorized use of Federal equipment, supplies, tools, or facilities for private or personal advantage.

COMMUNICATIONS

Pay telephones are provided for personal calls. Personal calls shall not be made on Government-leased telephones except in an emergency. Neither shall employees abuse telephone privileges by receiving personal calls.

Long-distance calls should be restricted to important official business, omitting the usual 1- or 2-minute discussion of weather conditions, health, and family affairs. For reasons of economy, mail or teletype should be used in lieu of long-distance telephone calls whenever practicable.

"Postage-and-Fees-Paid" envelopes and mailing labels are available for official use only. There is a penalty of \$300 for private use to avoid payment of postage.

You are requested to have personal mail addressed to your home and to use the regular mail facilities for sending personal letters.

EQUIPMENT

The average cost of furniture and equipment assigned to each employee is approximately \$500, and it should be treated with care. Several technical manuals are available which provide detailed instructions on the care and handling of office furniture and equipment. Information on the care of the particular equipment with which you are concerned may be requested from the Procurement and Property Section of the General Services Division.

FACILITIES

Employees should endeavor to keep facilities used jointly, such as washrooms and drinking fountains, neat and sanitary.

TRAVEL

Government travel must be authorized in advance. If you are required to travel on official business for FHA, you should familiarize yourself with the Travel Handbook (FHA Manual, vol. V, sec. 8).

SAFEGUARDING PERSONAL PROPERTY

Here are some simple rules which employees should follow in safeguarding their property:

Keep your purse with you, keep it locked up, or leave it in care of a co-worker.

Do not leave money, jewelry, or other valuables in or on top of your desk.

Do not leave your coat hanging near a corridor door; and do not leave valuables such as keys and wallets in your coat pockets.

Report at once the loss or theft of any article to your building guard or to your Administrative Officer. Articles found should be turned in to the Administrative Officer or the building guard.

OATH OF OFFICE AND RELATED AFFIDAVITS

When an individual enters upon Federal employment, he takes an oath of office and signs certain appointment affidavits. The following is reprinted from SF-61, Appointment Affidavits:

I, -----, do solemnly swear (or affirm) that—

A. OATH OF OFFICE

I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely without any mental reservation or purpose of evasion; that I will well and faithfully discharge the duties of the office on which I am about to enter, SO HELP ME GOD.

B. AFFIDAVIT AS TO SUBVERSIVE ACTIVITY AND AFFILIATION

I am not a Communist or Fascist. I do not advocate nor am I knowingly a member of any organization that advocates the overthrow of the constitutional form of the Government of the United States, or which seeks by force or violence to deny other persons their rights under the Constitution of the United States. I do further swear (or affirm) that I will not so advocate, nor will I knowingly become a member of such organization during the period that I am an employee of the Federal Government or any agency thereof.

C. AFFIDAVIT AS TO STRIKING AGAINST THE FEDERAL GOVERNMENT

I am not participating in any strike against the Government of the United States or any agency thereof, and I will not so participate while an employee of the Government of the United States or any agency thereof. I do not and will not assert the right to strike against the Government of the United States or any agency thereof while an employee of the Government of the United States or any agency thereof. I do further swear (or affirm) that I am not knowingly a member of an organization of Government employees that asserts the right to strike against the Government of the United States or any agency thereof and I will not, while an employee of the Government of the United States or any agency thereof, knowingly become a member of such an organization.

D. AFFIDAVIT AS TO PURCHASE AND SALE OF OFFICE

I have not, nor has anyone acting in my behalf, given, transferred, promised or paid any consideration for or in expectation or hope of receiving assistance in securing such appointment.

MEMBERSHIP IN ORGANIZATIONS

Unless prohibited by Federal law or regulation, each employee has the right, without interference, coercion, restraint, or fear of discrimination or reprisal, to join or to refrain from joining any organization, group, union, or association.

Membership in professional societies is encouraged, since it provides employees an opportunity to mingle socially and exchange ideas for the advancement of both employees and the agency. Many of these societies publish journals and monographs which help members to keep up with the latest developments in their fields of work. However, employees should not expect the FHA to relax its outside-activities policy to assist them in meeting membership requirements.

SECURITY PROGRAM

No person will be employed, or retained as an employee, in the FHA unless his employment is clearly consistent with the interests of the national security. Each employee should make certain that his behavior, activities, and associations, both on and off the job, are above reproach and beyond suspicion at all times. The principal characteristics which will be considered in determining security eligibility for appointment and continued employment include loyalty, reliability, trustworthiness, and discretion. Excessive use of alcohol, bragging of a knowledge of confidential material, perversion, and use of narcotics are some, but not all, of the factors which may cause a person to be ineligible from the standpoint of security.

CLASSIFIED DOCUMENTS

An employee who is authorized to have in his possession official information and documents that are classified under the document-security regulations must treat such material in strict observance of those regulations. If a document stamped "confidential," "secret," or "top-secret" should inadvertently come into the hands of any other employee, that employee **MUST** immediately deliver the document in person to an authorized employee. Under no circumstances may the subject or contents of any classified document be divulged to any unauthorized person. If the employee is in doubt about who is authorized, he should deliver it to his Director. The employee will be held strictly responsible for safeguarding the document until he has placed it in authorized hands and for maintaining secrecy concerning any information about the document or its contents.

If an unauthorized employee inadvertently acquires knowledge of any information that he has reason to believe may be classified, he must not divulge that knowledge or information to any other unauthorized person.

OUTSIDE ACTIVITIES

The FIA Outside Activities policy specifically prohibits any employee (1) from engaging in certain outside employment or outside interests and (2) from engaging in all other outside employment or outside interests, except as specifically mentioned below, without *first* obtaining approval from the Director of Personnel on FHA Form 843, Statement of Outside Activities.

OUTSIDE EMPLOYMENT

Outside employment is any compensatory assignment other than FHA employment excluding only an assignment with a reserve component of the military forces. A noncompensatory assignment for civic, religious, or charitable purposes, which does not relate to real estate, is not considered outside employment and thus does not need to be reported.

Upon approval from the Director of Personnel on FHA Form 843, employees may engage in some types of outside employment, provided the work will not in any way impair their efficiency as FHA employees or subject the FHA to criticism.

An employee may not, of course, engage in any outside employment during office hours except when annual leave or other appropriate leave has been granted. Such leave is granted for performance of outside employment only when entirely convenient to the office.

Affiliations or Assignments in the Fields of Mortgage Lending, Building Construction and Real Estate

No employee shall be an officer or director of any organization that is an FHA-approved mortgagee or lending institution; but no objection will be made to an employee's being a stockholder, unless it appears that the holding may create or tend to create a conflict of interest with the objective and impartial performance of his official duties.

No employee shall accept any compensatory assignment, such as appraisal, land planning, architectural, or accountancy services, or the writing of insurance, if the assignment is related to residential real estate. Neither shall an employee accept any compensatory assignment pertaining to nonresidential property from an approved mortgagee, builder, architect, or other organization having business with the Federal Housing Administration.

Conflict of Interests

In general, a Government officer or employee is prohibited by law from doing the following things: Acting on behalf of the United States in transacting business with any person or firm for which he is an officer or agent, or in which he is directly or indirectly interested; engaging in any undertaking in which his personal interest can conflict with his official duties; receiving any compensation or gratuity for services rendered in connection with the prosecution of any claim against the United States; directly or indirectly receiving any compensation for services rendered by him or any other person in relation to any contract, claim, or other matter in which the United States is a party or is directly or indirectly interested; or receiving any salary or contribution in connection with his services for the Government from any outside source.

Practice of Law

No employee shall engage in the practice of law on a compensatory basis in other than his official FHA capacity. The reasons for this prohibition are (a) the possibility of conflict with FHA interests resulting from required court appearances, (b) the possibility that clients will be obtained directly or indirectly as a result of the employee's connection with FHA, (c) the fact that adequate legal representation of clients cannot always be directed into channels of the attorney's choosing and may possibly lead to an unintentional conflict with FHA duties, and (d) the general tendency of bar associations to criticize law practice by Government employees.

OUTSIDE INTEREST

Any direct or indirect outside interest or activity that can reasonably be construed as being in conflict with any interest of the FHA is prohibited. This may include activities or interests in the field of real estate, building construction, mortgage lending, and property insurance by one's spouse or other member of the immediate family.

Personal Real Estate Transactions

Because FHA operations are directly concerned with real estate, FHA employees must exercise the utmost care to avoid criticism of the FHA or of themselves in the handling of their personal real-estate transactions. **Certain types of personal real-estate transactions must be reported either by FHA Form 843 or by memorandum for the official personnel file.**

An employee must report immediately the following types of real-estate transactions by memorandum to the Director of Personnel through his Director and, if FHA insurance is involved, also by memorandum to the Director of the office that will process the application:

1. Any purchase or sale of real property in which an employee has a financial interest if FHA mortgage insurance is involved.
2. Any purchase of real property by an employee, even if FHA mortgage insurance is not involved, where the seller is known by the employee to be an active participant in the FHA insurance programs. In any such case the employee must state that no special benefit will accrue to him and that the completed transaction will not conflict with FHA policies.
3. Any purchase of real property, even if FHA mortgage insurance is not involved and the seller has no business before the FHA, if such property is not intended to be used as a home for the employee or his family.
4. Any Title I property improvement loan obtained by an employee or in which an employee has a financial interest. In any such case the employee must report the name of the lending institution, a description of the improvements being financed and must include a statement that no special benefit or consideration was or will be received.
5. An interest in a cooperative housing project financed under Section 213 of the National Housing Act. (Note below that certain types of transactions are prohibited.)

The following types of real-estate transactions are forbidden:

1. Ownership of stock or other interest in a rental project financed with an FHA-insured mortgage by an employee or a member of his immediate family, as long as the insurance is in force.
2. Ownership of FHA debentures or certificates of claim, or common stock of FNMA, by an employee or a member of his immediate family.
3. Interest in a cooperative housing project financed under Section 213 of the National Housing Act when not for the purpose of obtaining a home for himself or his family.

Names in Print

Except for charitable or other nonprofit organizations, FHA employees' names may not be used by any firm or organization unless approval has been obtained from the Director of Personnel on FHA Form 843. This prohibition covers names on letterheads, on office doors, and in business directories.

**FEDERAL HOUSING ADMINISTRATION**

Series and Series No.

NOTICE

TO: ALL FHA EMPLOYEES

Control No.

FW-82

Date

7/11/61

SUBJECT: AGENCY POLICY PROHIBITING EMPLOYEE OWNERSHIP OF FHA-INSURED MORTGAGES: AMENDMENT TO HANDBOOK FOR FHA EMPLOYEES

It is the policy of the Federal Housing Administration that FHA employees and members of their immediate families may not acquire or continue to hold FHA-insured mortgages.

Any employee who now owns or through a member of his family has an interest in the ownership of FHA-insured mortgages must immediately upon receipt of this notice: (1) report the ownership or interest on FHA Form 843 in accordance with established procedure, (2) take action to dispose of this ownership or interest, and (3) report on FHA Form 843 when the disposition has been completed.

Approval of any reported ownership or interest in FHA-insured mortgages is subject to the condition that the disposition action will be completed within a 90-day period. However, upon a showing of good reason why the investment could not be disposed of within the original 90-day period, the time for disposition may be extended upon written request on FHA Form 843.

Paragraph number 2 on page 73 of the Handbook for FHA employees under the heading "The following types of real-estate transactions are forbidden:" is revised to read:

2. Ownership of FHA-insured mortgages, FHA debentures or certificates of claim, or common stock of FNMA, by an employee or a member of his immediate family.

To assure that all employees have received this notice they are required to sign their names to an office file copy or an attachment thereto. Assistant Commissioners, Washington Division Heads and Field Office Directors will be responsible for seeing that this is done.

This notice should be placed between pages 72 and 73 of your handbook for ready reference.

New employees will receive a copy of this notice with their handbooks and should also sign the acknowledgment.

REPORTING OUTSIDE ACTIVITIES

At the time of his appointment, each employee must submit a written report (on FHA Form 843) of his outside activities (outside employment and outside interests), including all of his real estate holdings except his own home. His decision to include or exclude other specific activities or interests, direct or indirect, in his report should not hinge on whether it is maintained or carried on for profit, or whether it is maintained or carried on for himself or on behalf of another. The decision should be made only on the basis of whether or not that interest or activity would appear to conflict, now or in the future, with the proper and impartial exercise of responsibility.

The employee is responsible for the current status of outside-activities information. He must report in writing (1) when the nature or scope of an approved activity is being permanently discontinued or changed, (2) when he wishes to enter into any outside employment or to have an outside interest that has not been specifically approved, and (3) when he is instructed to do so, even though no change in his approved activity is contemplated. It is the responsibility of the immediate supervisor or the Administrative Officer to forward these reports through appropriate channels to the Director of Personnel.

EMPLOYEE INTEREST CASES

In the processing of applications for mortgage insurance involving an employee "interest," special precautions must be taken to avoid possible criticism or embarrassment to the FHA and the employee. Therefore, an application for mortgage insurance will receive particular processing if an FHA employee is involved or if it becomes known that the proposed mortgagor, builder, or seller is a close relative (spouse, child, parent, brother or sister) of an FHA employee. Employees should familiarize themselves with paragraph 21103 of the General Rulings (Vol. II of the FHA Manual) concerning the processing of employee-interest cases.

SPECULATION

No Government officer or employee is permitted to participate directly or indirectly in any transaction involving the purchase or sale of corporate stocks or bonds or of commodities for speculative purposes, as distinguished from bona fide investment purposes.

WRITING FOR PUBLICATION

The publication of information on subjects within the official province of the agency should not be a source of private gain to an FHA employee; nor may any publication of an employee identify him as an employee of the FHA unless approval has first been obtained from the Director of Personnel.

SPEAKING ENGAGEMENTS

An employee may accept speaking engagements or make other personal appearances in his official capacity as an FHA employee only when those appearances are assigned as duties of his position and when the material has received appropriate approval from the responsible supervising official. If engagements of this type are included in an employee's official duties, or if the information to be given in a speaking appearance is substantially within the official province of the agency, he may not accept outside payment for this service.

Outside speaking, lecturing, teaching, or other similar engagements for which the employee will be compensated fall within the purview of the agency's policy on Outside Activities.

INVENTIONS

Inventions made by employees are subject to a uniform patent policy. The Government, as the employer and as a representative of the people of the United States, should have the ownership and control of any inventions developed by you in the course of your governmental duties. Every invention made by you must be reported through your supervisor to the General Counsel of FHA.

POLITICAL ACTIVITY

The Hatch Act strictly forbids employees from taking part in any political campaign, directly or indirectly. Employees may not solicit, collect, receive, disburse, or otherwise handle contributions made for political purposes. Employees may make voluntary contributions to a regularly constituted political organization for its general expenditures. However, the contributions may not be made on Government premises.

Employees may vote as they please and may privately discuss politics; but they may not actively participate in political management or activities. Membership in a political club is not forbidden, but one is not permitted to serve as an officer or committee member.

There are certain exceptions under the Hatch Act by which participation in municipal affairs is allowed for those employees who reside in certain designated communities having heavy concentrations of Federal employees. Upon request, the Personnel Division will give an employee specific information about these exceptions.

DISCIPLINARY ACTIONS AND PENALTIES

The Federal Housing Administration will take prompt disciplinary action against an employee when his conduct or performance may bring discredit to the agency, or when his performance does not satisfactorily meet the standards established for his work.

Your supervisor is responsible for providing the leadership and example that ordinarily will result in obtaining from you willing and full compliance with instructions, with established policies, procedures, rules and regulations, and with accepted standards of personal and official conduct. However, if your performance of duty or your personal conduct is unsatisfactory because of neglect, failure, or unwillingness to follow the rules, your supervisor will promptly start appropriate disciplinary action.

Disciplinary action involving an official reprimand or the use of involuntary annual leave, suspension, demotion, or separation will be taken only upon approval of the Director of Personnel or the Commissioner, and only after careful deliberation.

Whenever disciplinary action is taken, the principle of like penalties for like offenses will apply. You will be informed fully of the reasons for any proposed adverse action against you.

DISCIPLINARY ACTIONS

1. COUNSEL OR ADMONISHMENT

The purpose of any disciplinary action is to correct an undesirable situation. Usually the employee is given another chance before disciplinary action is made a matter of record in his personnel folder. If the offense is a relatively minor one, the correct disciplinary action may be counseling or a mere admonishment by the supervisor. An admonishment is a simple reproof of an employee by a supervisor for some infraction that is not of a serious nature.

2. REPRIMAND

An official reprimand ordinarily will be issued to an employee (a) whenever the oral admonishment has been ineffective, or (b) in the case of a first offense, if the nature of the offense is rather serious and necessitates more severe action than an oral admonishment.

3. SUSPENSION

An employee may be suspended without pay during the course of an investigation of alleged criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct. An employee may also be suspended without pay for a definite period of time because of an offense for which severe disciplinary action is necessary but which does not require removal of the employee.

4. DEMOTION

When such action will "promote the efficiency of the service," an employee may be demoted because of some offense for which more drastic action is not considered warranted.

5. REMOVAL

The FHA, like all Government agencies, is held strictly accountable for prompt dismissal of unsatisfactory, incompetent, or unfit employees. Removal may be the penalty for a single breach of conduct that is extremely serious in nature. Removal may also result from the findings of security investigation.

FINE OR IMPRISONMENT

Beyond administrative jurisdiction, the infraction of laws governing the conduct of employees calls for fines, imprisonment, or both, upon conviction.

The following table, reprinted from the Federal Personnel Manual, lists maximum penalties for some of the more serious offenses.

TABLE OF MISCELLANEOUS OFFENSES

| Nature of Offense | Law or Regulation | Maximum Penalty |
|---|---|---|
| CLAIMS AGAINST UNITED STATES. —Aiding and assisting in prosecution of claim against the United States, or receiving any gratuity or any share of or interest in claim from any claimant otherwise than in discharge of proper official duties. | Sec. 109, Criminal Code; 18 U.S.C. 233; Public Law 772, 80th Cong., approved June 25, 1948. | \$10,000 fine; 1 year imprisonment; or both. |
| COMPENSATION—RECEIPT FROM SOURCES OTHER THAN THE UNITED STATES GOVERNMENT. —Receiving any salary in connection with services as a Government official or employee from any source other than the Government of the United States, except as may be contributed out of the treasury of any State, county, or municipality. (There are some statutory exemptions from this prohibition in the case of certain employees of specific departments.) | 18 U.S.C. 1914; Public Law 772, 80th Cong., approved June 25, 1948. | \$1,000 fine; 6 months imprisonment; or both. |
| DRUNKENNESS. —Habitually using intoxicants to excess. | Sec. 8, Civil Service Act of Jan. 16, 1883; 22 Stat. 406; 5 U.S.C. 640. | Removal. |
| EXAMINATION—FRAUD. —Intentional false statements or deception or fraud in examination or appointment. | Regulations 2.106 (a) (4) and 9.101 (a). | Removal. |
| EXAMINATION—IMPROPER ACTIVITY WITH RESPECT TO RATINGS. —Willfully, corruptly, and falsely marking, grading, estimating, or reporting upon the examination or proper standing of any person examined under the Civil Service Act, or aiding in so doing. Willfully and corruptly making any false representations concerning the examination or proper standing of any person examined under the Civil Service Act, or concerning the person examined. | Sec. 5, Civil Service Act of Jan. 16, 1883; 22 Stat. 405; 5 U.S.C. 637. | \$1,000 fine; 1 year imprisonment; or both. |
| EXAMINATION—IMPROPERLY FURNISHING INFORMATION. —Willfully and corruptly furnishing to any person any special or secret information for the purpose of either improving or injuring the prospects or chances for appointment, employment, or promotion, of any person examined or to be examined under the Civil Service Act. | Sec. 5, Civil Service Act of Jan. 16, 1883; 22 Stat. 405; 5 U.S.C. 637. | \$1,000 fine; 1 year imprisonment; or both. |
| EXAMINATION—INDUCING WITHDRAWALS. —Influencing another to withdraw from competition for any position in the competitive service for the purpose of either improving or injuring the prospects of any applicant for appointment. | Civil Service Rule 04.3 | Such disciplinary action as the Commission deems appropriate. |
| EXAMINATION—OBSTRUCTING RIGHT OF. —Willfully and corruptly, alone or in cooperation with others, defeating, deceiving, or obstructing any person in respect of his right of examination according to the civil service rules and regulations. | Sec. 5, Civil Service Act of Jan. 16, 1883; 22 Stat. 405; 5 U.S.C. 637. | \$1,000 fine; 1 year imprisonment; or both. |
| GIFTS TO OFFICIAL SUPERIORS. —Soliciting contributions from other Government officers or employees for a gift or present to those in a superior official position. Accepting gifts or presents offered or presented as a contribution from persons in Government employ receiving a lower salary. Making donation as a gift or present to official superior. | Sec. 1784, Revised Statutes; 5 U.S.C. 113. | Removal. |

(Continued on next page)

TABLE OF MISCELLANEOUS OFFENSES—Continued

| Nature of Offense | Law or Regulation | Maximum Penalty |
|---|---|--|
| <p>GOVERNMENT DOCUMENTS OR RECORDS.—Concealing, removing, mutilating, obliterating, or destroying records or documents.</p> <p>Attempting to conceal, remove, mutilate, obliterate, or destroy records or documents, taking or carrying away records or documents, with intent to conceal, remove, mutilate, obliterate, destroy, or steal them.</p> | <p>Secs. 128, 129, Criminal Code; 18 U.S.C. 2071; Public Law 772, 80th Cong., approved June 25, 1948.</p> | <p>\$2,000 fine; 3 years imprisonment; or both. If the guilty person was in charge of the records or documents, and actually concealed, removed, mutilated, obliterated, or destroyed them, \$2,000 fine, 3 years imprisonment, or both, plus removal and disqualification for Federal office.</p> |
| <p>Taking and carrying away, without authority, from place where filed or kept, any document or file, intended to be used or presented to procure payment of money from or by the United States; presenting, using, or attempting to use any such document or paper, in order to procure the payment of any money from or by the United States.</p> | <p>Sec. 40, Criminal Code; 18 U.S.C. 285; Public Law 772, 80th Cong., approved June 25, 1948.</p> | <p>\$5,000 fine; 5 years imprisonment; or both.</p> |
| <p>GOVERNMENT TRANSPORTATION REQUESTS.—Falsely making, counterfeiting, forging, in whole or in part, any form of transportation request.</p> <p>Knowingly altering any such request.</p> <p>Knowingly passing, publishing, selling, or attempting to pass, publish, or sell any such false, forged, counterfeited, or altered form of request.</p> | <p>18 U.S.C. 508; Public Law 772, 80th Cong., approved June 25, 1948.</p> | <p>\$5,000 fine; 10 years imprisonment; or both.</p> |
| <p>GOVERNMENT VEHICLES.—Using or authorizing the use of Government vehicles or aircraft for other than official purposes.</p> | <p>Sec. 16, act of Aug. 2, 1946; Public Law 600, 79th Cong.; 60 Stat. 810; 5 U.S.C. 78(c).</p> | <p>Suspension without compensation for not less than 1 month; suspension for a longer period or removal if the circumstances warrant.</p> |
| <p>MALFEASANCE, NONFEASANCE IN PERSONNEL ADMINISTRATION.—Violation of any law, rule, or regulation administered by the Commission, or failure to adhere to established policies, regulations, standards, and instructions relating to personnel management subject to the jurisdiction of the Commission.</p> | <p>Civil Service Rule 05.4.</p> | <p>Such disciplinary or corrective action as the Commission deems appropriate.</p> |
| <p>MISCONDUCT GENERALLY.—Criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct.</p> | <p>Regulations 2.106 (a) (3) and 9.101 (a).</p> | <p>Removal.</p> |
| <p>OFFICIAL ENVELOPES.—Using official envelope, label or endorsement authorized by law, to avoid payment of postage or registry fee on private letter, package, or other matter in the mail.</p> | <p>Sec. 227, Criminal Code; 18 U.S.C. 1719; Public Law 772, 80th Cong., approved June 25, 1948.</p> | <p>\$300 fine.</p> |
| <p>STRIKES.—Participating in any strike against the Government of the United States,★ or asserting the right to strike against the Government; or holding membership in an organization of Government employees that asserts the right to strike against the Government of the United States, knowing that such organization asserts such right.</p> | <p>Sec. 1, Public Law 330, 84th Cong., approved Aug. 9, 1955; 69 Stat. 623.</p> | <p>\$1,000 fine; 1 year and a day imprisonment; or both.★</p> |



EMPLOYEE RIGHTS, BENEFITS, AND SERVICES

The pay that you receive for your work, the possibility of cash and other awards in addition to your pay, and the leave that you may use have already been explained. Other rights and benefits of Federal Civil Service employment in general and of FHA employment in particular are summarized here.

You are urged to consult with your Administrative Officer whenever you have a question on these matters. Because of his experience and his access to pertinent rules, regulations, and guides, he is able to give expert advice on rights, benefits, and services on an individual basis.



EMPLOYEE INFORMATION AND PARTICIPATION

Time and money spent to keep employees informed are investments that pay for themselves many times over by helping to maintain high morale, increase job satisfaction, and reduce turnover. Keeping employees informed on matters affecting them is an important responsibility of management. Each employee needs to feel that the work he performs is worthwhile, to understand the part that his duties play in the total operation, and to feel a sense of participation in achieving the agency's goals. FHA therefore encourages employee participation in shaping and applying its policies and its operating and administrative procedures.

One way of obtaining this participation is through the Advisory Committee on Personnel Policies, consisting of elected employee representatives. The committee members solicit employees' views on existing and proposed personnel policies and present those views to management. Another means is through the free flow of technical, administrative and general information throughout the organization. Among the devices used by the FHA to relay information to its employees are staff meetings, this Employee Handbook, Personnel Manual

releases, bulletin boards, special releases, questionnaires, and management-improvement committees. Probably the most effective device is the free-and-easy type of periodically-scheduled meetings of the entire staff.

EMPLOYEE COUNSELING

Employee counseling—like many other personnel-management functions—is mainly decentralized to individual supervisors who are close enough to their employees to recognize their needs, problems, and ambitions. All officials maintain an open-door policy insofar as possible, and the Personnel Division is open to all employees at all times. All employees are entitled to informal and private conferences to discuss personal or work problems, advancement possibilities, training opportunities, and complaints or other factors that might develop into employee grievances.

GRIEVANCES AND APPEALS

Employee grievances may be grouped under three main headings: (1) those arising from day-to-day working relationships; (2) those arising from alleged discrimination because of race, color, religion or national origin; and (3) those arising from administrative determinations made by the agency or the Civil Service Commission and affecting the employees.

In recognition of the fact that grievances have a direct bearing on employee morale, FHA encourages employees to feel free at any time to discuss their grievances with their supervisors. If you are not entirely satisfied after discussion with your immediate supervisor, you have the right to present your problem or grievance to those in higher authority.

On grievances arising from day-to-day work relationships or from administrative actions, you may appeal to the Personnel Division or formally to the Assistant to the Commissioner, and, on grievances arising from alleged discrimination, to FHA's Employment Policy Officer.

DISCRIMINATION COMPLAINTS

It is the policy of the United States Government to afford equal opportunity for Federal employment to all qualified persons, consistent with the law, and to prohibit discrimination against any employee or applicant for employment in the Federal Government because of race, color, religion, or national origin. Complaints of alleged discrimination are often caused by misunderstandings or lack of information. With no intention of abrogating the right to file a complaint, it is suggested that employees consider endeavoring to resolve any possible misunderstandings before filing a complaint.

If you feel that you have been discriminated against because of race, color, religion or national origin and that your complaint cannot be solved by informal discussion, you may file a written complaint with the Employment Policy Officer.

Detailed information concerning the appeal procedure is given to all employees.

Special appeal rights with respect to administrative determinations of the agency or the Civil Service Commission are mentioned below and in the chart that follows. See the map on page 26 showing the jurisdiction of the regional offices of the Civil Service Commission. The addresses of those offices are listed on page 27. More complete information on appeal rights is available in the FHA Personnel Manual (Vol. IV) and in the Federal Personnel Manual.

POSITION-CLASSIFICATION APPEAL

If you wish to appeal the classification of your position, you may do so either to the FHA Personnel Division or to the Civil Service Commission.

If the appeal is from a reclassification to a lower grade and if you wish to seek a retroactive correction in pay, you must file the appeal within 30 days after receipt of written notice of the reclassification action.

A classification decision upon an appeal considered by a regional office of the Commission may be appealed (within 7 days) to the central office of the Commission in Washington.

PROMOTION APPEAL

If you believe that because of your relative standing on a Promotion Register or exclusion from a register you were not given appropriate consideration under the provisions of FHA's Promotion Program, you may appeal. Your appeal must be based on *other* than (1) failure to be selected for promotion from the Promotion Register, and (2) administrative decision to fill a vacancy by other than promotion. If your complaint is not satisfactorily answered at the supervisory or Administrative Officer level, you may appeal in writing to the Director of Personnel.

PERFORMANCE-RATING APPEAL

You may appeal your official Performance Rating if you feel that you have not been fairly rated. The appeal must be made within 30 days after receipt of official notice of the performance rating.

To appeal a "Satisfactory" rating, you may submit your appeal either to the Performance Rating Appeal Committee, c/o Director of Personnel, Federal Housing Administration, or to the Board of Review, Civil Service Commission, Washington 25, D.C., but not to both.

To appeal an "Unsatisfactory" rating, you may obtain an impartial review of the rating by the FHA Performance Rating Appeal Committee before appealing to the Board of Review, Civil Service Commission.

Detailed information on the FHA Performance Rating plan is distributed to all employees.

ADVERSE-ACTION APPEAL

An employee is given information concerning any appeal rights when adverse action is taken against him. Generally, an employee in the competitive service who has completed his probationary period and who is suspended, demoted, or separated for cause may appeal to the Civil Service Commission from the adverse action. Veterans and nonveterans may appeal on the grounds that the proper procedures were not followed or that the action was taken for political reasons or was discriminatory because of marital status, religious affiliations, race, color, national origin, or physical handicap. Veterans may also appeal the merits of the adverse action.

REDUCTION-IN-FORCE APPEAL

If you receive a reduction-in-force notice, you may file an appeal with the Civil Service Commission if you feel that you have not been treated in accordance with the reduction-in-force regulations. The appeal must be made within 10 days after the effective date of the action. Before submitting an appeal, you may wish to review the reduction-in-force regulations and the retention-preference registers. To do this, you should make your request to the Administrative Officer (if you are a field employee), or to the Employment Section of the Personnel Division (if you are a departmental employee). See pages 103-106 for detailed information on reductions in force.

GENERAL INFORMATION ON CIVIL

| Who can appeal? | Appeal from what? |
|--|---|
| Veteran preference-eligible employees who have completed a probationary or trial period in the Federal service. | Discharge, suspension for more than 30 days, furlough without pay, reduction in rank or compensation. |
| Employees in the Federal service, except those appointed subject to approval by the Senate and those appointed by the President. | Proposed reduction-in-force action involving separation, furlough for more than 30 days, or reduction in pay or grade. |
| Career or career-conditional employees in the competitive Federal service who are not serving probationary periods. | Alleged violation of civil service procedures in effecting a removal; involuntary separation (except retirement for age or disability), furlough, suspension, or involuntary demotion. (Employee must establish a prima facie case in support of his allegation. The Civil Service Commission does not give consideration to the merits of such cases.) |
| Career or career-conditional employees in the competitive service who are serving probationary periods. | Removal which is based in whole or in part on conditions arising prior to their appointment. |
| Employees in the Federal service. | Alleged use of political reasons or alleged discrimination because of marital status in effecting a removal, suspension, reassignment, or demotion. (Employees must establish a prima facie case.) |
| Employees subject to the Retirement Act administered by the Civil Service Commission. | Final actions of the Retirement Division affecting those having rights or interests under the Civil Service Retirement Act. |
| Applicants for Federal Employment. | Ratings in competitive examinations on experience, training, written test, or oral interview. |
| Applicants for position in the Federal service and employees and agencies in the Federal service. | Adverse decisions by the Civil Service Commission concerning applicants' and employees' suitability for Federal employment. |
| Employees and agencies. | The classification of a position under the Classification Act of 1949, and whether a position is covered by the Act. |
| Employees receiving performance ratings under the Performance Rating Act of 1950. | Performance ratings made under approved department or agency performance rating plan. |

SERVICE COMMISSION APPEALS PROCEDURES

| When should appeal be made? | To whom should it be made? | Further appeal right and time limit |
|--|--|--|
| Within 10 days after an adverse decision is effected. | Washington area: Appeals Examining Office, Civil Service Commission. Field service: Appropriate regional office of Civil Service Commission. | Board of Appeals and Review, Civil Service Commission within 7 days after receipt of decision on initial appeal. |
| Any time from date of receipt of specific notice to 10 days after the effective date of action. | Appeals Examining Office, Civil Service Commission, Washington, D.C. | Same as above. |
| Within 10 days after an adverse decision is effected. | Washington area: Appeals Examining Office, Civil Service Commission. Field service: Appropriate regional office of Civil Service Commission. | Same as above. |
| Same as above. | Same as above. | Same as above. |
| Same as above. | Same as above. | Same as above. |
| Within 30 days to 6 months from date of action, depending upon type of case. | Board of Appeal and Review, Civil Service Commission. (File appeal through the Retirement Division of the Civil Service Commission.) | No further appeal. |
| Any time during the life of the rating established as a result of the examination. | Office which made the rating. | Generally, office of the Commission having supervision over the office which made the rating; the Examining Division in the Washington area and the appropriate regional office in the field. The Board of Appeals and Review may consider a final appeal. |
| Within 15 days from the date of the notice of adverse decision. | Washington area: Board of Appeals and Review, Civil Service Commission. Field service: Regional office of the Commission which made the decision. | Washington area: No further appeals. Field Service: Board of Appeals and Review, Civil Service Commission (through regional office), within 7 days of receipt of decision. |
| At any time. However, if grade is lowered by classification action, appeal should be filed within 30 days after receipt of notice of action. | Washington area: Bureau of Inspections and Classification Audits, Civil Service Commission. Field service: Appropriate regional office of Civil Service Commission. | Washington area: No further appeal. Field service: Bureau of Inspections and Classification Audits, Civil Service Commission, Washington, D.C., within 7 days after receipt of decision. |
| 30 days after receipt of rating or 30 days after receipt of agency decision on administrative review. | Chairman, Board of review, c/o appropriate civil service region if field board is established; c/o U.S. Civil Service Commission if no field board has been established. | No further appeal. |

HEALTH AND SAFETY

The FHA wants employees to work under conditions which are safe and conducive to their general well-being. Your full cooperation is indispensable in maintaining safe, sanitary, neat, and healthful working conditions. It is important that you report any unsanitary or hazardous conditions to your supervisor, your Administrative Officer, or the Personnel Division so that they may be corrected. You should exercise care in using machines and equipment to avoid accidents; and you are expected to maintain reasonable standards of personal appearance and cleanliness.

FIRST-AID ROOMS

For employees who are located in Washington, health rooms are available for first-aid treatment, rest facilities, health counseling, and nursing care.

Field office employees should ask their supervisors or the Administrative Officer about first-aid facilities.

HEALTH AND HOSPITALIZATION

Plans for medical, surgical, and hospital services at special group rates are available to FHA employees. If you wish to participate in such a plan, you may obtain the necessary information and forms through your supervisor or the Administrative Officer.

BLOOD BANKS

By participating in blood donor programs, employees in headquarters and in some field offices have established "credit" in blood banks for use in time of need. This means that blood will be provided free of charge to FHA employees and their families, in any amount and in any hospital in the United States that accepts Red Cross Blood on a unit-for-unit basis. If you can give blood, you are urged to participate. Check with your Administrative Officer, or the Head Nurse if you are in the Washington area, for further information.

INJURY OR DEATH BENEFITS—EMPLOYEES' COMPENSATION ACT

The Federal Employees' Compensation Act provides compensation, full medical care, and other benefits for injury, occupational diseases, or death sustained in line of duty by employees.

All injuries, no matter how minor, which occur in the performance of duty should be cared for immediately and must be reported without delay. Employees in the Washington, D.C., area should obtain first-aid treatment from the nurse in the health room. Field office employees should seek treatment from the nearest United States Public Health dispensary, or a United States hospital, or a physician who is designated by the Bureau of Employees' Compensation. In emergencies the services of any qualified physician may be obtained, but continuing treatment must be rendered by a medical officer designated by the Bureau of Employees' Compensation.

Two different forms reporting the accident must be filled out in triplicate—one by you and the other by your supervisor. These reports must be completed immediately so that injuries may be reported promptly to the Bureau of Employees' Compensation. A detailed explanation must accompany these forms when they are not completed and submitted within 48 hours of the accident.

Some of the benefits of the Employees' Compensation Act are given below. You should remember that the benefits apply only if you are injured, become diseased, or die in the line of duty.

1. You may choose to use sick or annual leave or go on leave without pay for all or a portion of the disability time. However, you may not receive employee compensation concurrently with sick leave or annual leave. If the injury does not extend beyond 21 days, compensation is payable after 3 days from the day pay ceases. If the disability continues beyond 21 days, compensation is payable from the day following the one on which pay ceased.

2. Any loss of wages or wage-earning capacity caused by disability from work injury entitles you to monetary benefits up to two-thirds of your salary or wage loss if you have no dependents. The rate of compensation for total disability will be three-fourths for periods during which you have one or more dependents. The least you will receive for a month of total disability is \$112.50 (unless your monthly wage rate is less). The most you can receive for a month of total disability is \$525.

3. If you lose or suffer permanent injury to an eye, arm, hand, leg, or other part of the body, you are entitled to *extra* benefits. The law provides that specific awards may be made for such loss or injury. For example, the loss of an eye might result in your being paid two-thirds of your monthly compensation for a period of 160 weeks.

4. If your injury results in death, special provisions are made for your dependents. Your wife is protected until her death or remarriage, and your children are protected until they marry or reach 18 years of age. The total amount paid to dependents may be as high as \$525 or up to three-fourths of your monthly salary rate, whichever is less. Burial expenses of up to \$400 may also be paid.

If you have more than 5 years' creditable civilian service and are injured and must withdraw from all employment, you must choose between continuing disability benefits under the Employees' Compensation Act and disability retirement under the Civil Service Retirement Act.

VETERANS' PREFERENCE

The law and Civil Service Commission rules give special rights and benefits to men and women who have served in the Armed Forces of the United States and to certain of their close relatives. Among these benefits are the addition of a number of points to civil service examination scores, the privilege of taking certain examinations for positions limited to this group, special preference for appointment and in any reduction in force, and the right to appeal discharges and other unfavorable actions to the Civil Service Commission. You can learn more about these benefits from your Administrative Officer or the Personnel Division.

LIBRARY FACILITIES

Employees are encouraged to take advantage of FHA's library facilities. If you cannot visit the library, you may telephone or write. The librarians perform services for departmental and field employees on matters of FHA business, such as loaning publications, answering questions, verifying facts, collecting references on a specific subject, and arranging interlibrary loans.

The library collection contains books, pamphlets, and periodicals pertinent to all phases of FHA operations. There is also an extensive collection of law books and legislative histories relating to housing. Most of the items are available for loan.

Bills, reports, hearings, and public laws pertaining to agency operations are distributed by the library to offices having need for this material. Bibliographies are compiled on a variety of subjects of interest to the agency. HOUSING REFERENCES, a joint compilation of FHA, PHA, and HHFA libraries, lists new publications and magazine articles available. Contact the library if you wish to receive it regularly.

CHARITY AND OTHER AGENCY-SPONSORED CAMPAIGNS

The FHA officially sponsors two charity campaigns each year: the Consolidated Charity Fund Drive and the Federal Service Campaign for National Health Agencies. You are urged to support these charity campaigns with contributions to the extent of your ability.

Once a year, the FHA also puts on a drive for greater participation in the payroll savings plan. You are encouraged to save a portion of your earnings each payday by investing in United States savings bonds, both as a medium of personal thrift and to participate in financing our Federal Government's requirements. You can save systematically by filling out a bond authorization card authorizing a deduction from your earnings each biweekly pay period.

CREDIT UNION

The FHA Employees Federal Credit Union is a cooperative organization of employees, chartered and supervised by the Bureau of Federal Credit Unions, Department of Health, Education, and Welfare.

Employees of FHA who are stationed in Washington, D.C., and members of their immediate families are eligible for membership in the credit union. The members accumulate savings through the purchase of shares, and they participate in dividends on the basis of the number of shares owned. They may also borrow money for any useful purpose at a low rate of interest. Provided earnings warrant it, an interest refund is also paid to borrowers.

FHA field employees in some cities have access to membership in credit unions organized for the benefit of the employees of various Federal offices in particular areas. If you are interested, you should check with your supervisor or Administrative Officer. If the information is not available in your office, the credit union in the FHA central office in Washington will be happy to assist in locating one chartered to serve Federal employees in your city.

FEDERAL EMPLOYEES' GROUP LIFE INSURANCE

All employees of the Federal Housing Administration who are paid on a per annum or wage-board basis and whose appointments are not limited to 1 year or less are eligible to participate in the benefits of the Federal Employees' Group Life Insurance Act. If you are an eligible employee, you will be automatically covered on the first day you are in a pay status unless you specifically file a waiver of coverage, SF-53.

BENEFITS

The Federal Employees' Group Life Insurance Act offers:

1. Low-cost life insurance without a medical examination. The Government pays one-third the cost.
2. Double indemnity for accidental death.
3. Payment for accidental loss of eyesight or one or more limbs (dismemberment).
4. Continued protection without cost after retirement under certain circumstances.
5. A convenient method of paying premiums.

The insurance provided by the Act is term insurance. It builds no cash, loan, paid-up or extended insurance equities, nor can it be assigned.

INSURANCE COVERAGE OF AN EMPLOYEE

Premiums for life insurance are withheld from your salary at the rate of 25 cents each pay period for each \$1,000 of insurance. You are covered for life insurance and accidental death and dismemberment insurance, each in an amount equal to your current annual rate of pay if your annual salary is a multiple of \$1,000. If it is not a multiple of \$1,000, then you are insured to the next higher \$1,000. For example, if your annual salary is \$6,000, you are insured for \$6,000; if your annual salary is \$6,125, then you are insured for \$7,000. You may not take out more or less. The amount of insurance you carry automatically changes whenever your annual salary rate increases or decreases in an amount sufficient to raise or lower it to the next \$1,000.

Your life insurance coverage continues without cost to you while you are receiving employees' compensation for injury.

INSURANCE COVERAGE OF AN ANNUITANT

Your life insurance coverage continues without cost to you if you retire on immediate annuity, either for disability or after at least 12 years of service. Each month, beginning on the first day of the second calendar month following the date of your retirement or 65th birthday, whichever is later, your life insurance will be reduced by 2 percent of the amount in force before the first such reduction. Your insurance cannot be reduced below 25 percent of the amount in force before any reduction. Dismemberment and double indemnity protection ceases when you retire.

INSURANCE TERMINATION OR CONVERSION

Group life insurance terminates when you file a waiver of coverage, are separated from the service (other than under retirement as specified in the preceding paragraph), have been 12 consecutive months in a nonpay status, acquire servicemen's indemnity coverages, or transfer to employment excluded by law or regulation from insurance coverage. When your insurance terminates, except by waiver, you may within 31 days of the termination convert your group life insurance to an individual policy at standard insurance-company rates without having to undergo a medical examination.

WAIVERS AND CANCELLATION OF WAIVERS

You may sign a waiver at any time you wish to discontinue your insurance coverage. However, if you have waived your opportunity for coverage and wish to cancel the waiver in order to become insured, you must meet the following conditions:

1. You must be under age 50 on the date you request insurance.
2. At least 1 year must have elapsed since the effective date of the waiver.
3. You must furnish satisfactory medical evidence of insurability.

You can readily see the desirability of becoming insured at the beginning of your employment and continuing your insurance.

BENEFICIARY

The Federal Employees' Group Life Insurance Act of 1954 includes an automatic order of precedence for entitlement to any payment due upon the death of an insured employee: (1) widow or widower, (2) children, (3) parents, (4) estate, (5) next of kin. If you wish to change this order or to name someone else, you should fill out Standard Form 54 and submit it to the Personnel Division. This form remains in effect only as long as you are continuously employed by FHA or are retired under conditions allowing continued coverage as an annuitant. Unless canceled or changed by you, an SF-54 remains in effect until it is automatically canceled on the day you transfer to another agency or 31 days after you cease to be insured.

UNEMPLOYMENT COMPENSATION

Employees of the Federal Housing Administration have the protection of unemployment insurance. This insurance is afforded under the Social Security Act and is administered by the Department of Labor, Bureau of Employment Security, in conjunction with State employment security agencies.

The employee does not pay a tax to provide for unemployment insurance. Funds are furnished by the United States Government.

To be eligible for unemployment compensation you must have had a certain amount of employment or have earned a certain amount of wages within a specific period. These requirements vary according to individual State laws. The unemployment may *not* be the result of voluntary resignation without good cause, discharge for misconduct, or refusal to accept a suitable position without good cause.

To obtain unemployment compensation, you must be unemployed, able to work, and available for work, and you must file a claim and register for work at a local public employment office. The amount of compensation and the number of weeks it is payable are generally determined by the law of the State or territory, including the District of Columbia, in which you had your last official station.

RETIREMENT

All employees of the Federal Housing Administration (except certain reemployed annuitants) are covered either by the Civil Service Retirement Act or by Federal old-age and survivors' insurance provided by the Social Security Act. These Acts provide Federal employees with pension payments upon their retirement from the Government service. Both systems are financed jointly by contributions from the employee and funds provided by the Federal Government. The employee's contribution is deducted from his biweekly salary check.



UNDER THE CIVIL SERVICE RETIREMENT ACT

When entering on duty, each employee who is subject to the Civil Service Retirement Act is given material, including a Certificate of Membership, containing information about the provisions and benefits of the Act. An employee under the Act contributes 6½ percent of his basic salary, which will be returned in the form of either a lump-sum refund to him or his survivors, or annuity payments.

After 5 years' creditable civilian service, you will receive full credit for active military service without any payment to the retirement fund.

Any application for making redeposits or service-credit purchases should be submitted on SF-2803 to the Personnel Division for certification to the Civil Service Commission.

Withdrawals and Redeposits

You may make application for a refund of your retirement lump-sum credits regardless of your length of service if you are separated or transferred to a position not under the Act and if you apply at least 31 days before the commencing date of any annuity for which you may be eligible. However, you forfeit your eligibility for an annuity.

If you return to a job under the Retirement Act after having withdrawn money from your retirement account, you should redeposit all withdrawals plus interest. Redeposits may be put off indefinitely, but you will not be given service credit for the period covered by the refund until redeposits have been made. You should also remember that the interest to be deposited is computed from the date of the refund to the date of redeposit (now at the rate of 3 percent compounded annually). You may make redeposits in installments. If you make the redeposit, you must work at least 1 year under the Act before you regain any retirement eligibility.

Service-Credit Purchases

The Civil Service Commission will calculate for you the exact amount due for purchase of service credit (i.e., coverage for periods during which no retirement deductions were taken from your salary) and will work out an installment plan if you request it. To purchase any service credit, you must pay for all credit which you are eligible to purchase, and you cannot decide to purchase it after the size of your annuity has been finally settled. No payment is necessary to receive service credit for military service.

You naturally are not required to purchase service credit. However, if you do not, your annuity will be reduced by one-tenth of the amount which would have been required for purchase of service credit. For instance, if the amount due for service credit was \$200, and you chose not to buy it, your annuity would be \$20 a year less than if you had made the deposit.

Voluntary Contributions

At any time during your employment you may increase the amount of your annuity by voluntary deposits of \$25, or multiples thereof. Each \$100 in your voluntary contributions account at the time of your retirement (your voluntary deposits plus interest at 3 percent compounded annually) will give additional yearly life annuity of \$7 at the age of 55, increasing 20 cents each year to \$10 at the age of 70.

Post-Mortem Payment of Employee's Money

If you have fewer than 5 years of civilian service, money to your credit in the retirement fund at time of death is paid in a lump sum in the following order: (1) widow or widower, (2) children, (3) parents, (4) estate, (5) next of kin. If you wish to name a different order, or a person or persons not included in the above, you must execute and file Standard Form 2808 with the Retirement Division of the Civil Service Commission. This form is good until you revoke it.

If you are married and have 5 or more years of creditable civilian service at the time of death, your widow (or your disabled widower) and/or any unmarried minor children and/or any disabled dependent children are entitled to an annuity. Annuity payments continue until the widow (or widower) dies or remarries (or the disabled widower becomes capable of self-support), until the youngest child reaches 18 years of age or marries, and until any disabled dependent child becomes capable of self-support, marries, or dies. Only upon cessation of all annuity payments will a lump-sum payment be made to any person(s) designated on Standard Form 2808 (or to the parents, estate, or next of kin, if an SF-2808 was not executed), and only then if the annuity payments did not exhaust your lump-sum credit.

Post-Mortem Payment of Annuitant's Money

Upon retirement you can arrange to take a reduced annuity in order to have a survivor annuity paid to your wife or husband upon your death. The husband of a retiring woman employee does not need to be dependent upon her for support in order to be named as a survivor annuitant. Your husband's or wife's survivor annuity will start immediately upon your death, regardless of his or her age. If your wife or husband dies before you do, your annuity will not be returned to its full amount nor can you name a new survivor even if you remarry. If you are not married, you can name someone with an insurable interest in you (a relative, for example) as a survivor annuitant. If at the date of your retirement you elect to draw a full annuity rather than a reduced annuity with benefit to spouse, your husband or wife will not be entitled to an annuity upon your death. However, any minor unmarried children or disabled dependent children are entitled to an annuity regardless of whether or not you took a reduced annuity with survivor benefit.

Computing Annuities

The pictured charts on pages 98 and 99 set forth the criteria for each type of retirement. The amount of retirement pay will depend upon your length of service and your average salary for your "highest 5" consecutive years.

You can arrive at a very close estimate (within a few dollars) of the annual annuity you will be entitled to after computing your high-5 salary and determining the number of years and months of creditable service (usually from your service computation date).

If you do not have a record of your FHA service showing dates and salaries, you may get it from your Administrative Officer (if you are a field employee with at least 5 years of FHA service) or the Personnel Division (if you work in departmental). By following the example given on page 96 and the "factor" table on page 95, you will arrive at your high-5 average salary. You should not use your income tax statements for this purpose.

By plotting your length of service and your average salary on the Annuity Chart (page 97) you will arrive at your approximate annual annuity.

The Personnel Division does not compute estimated annuities except in cases where unusual and complicating factors enter into the computation such as periods of refunds or breaks in service affecting the high-5 year determination. If unusual complications are present, the Personnel Division will be glad to assist the Administrative Officer in computing an annuity.

It is emphasized that the computation of an annuity by anyone other than the Retirement Division of the Civil Service Commission results in an unofficial approximate annuity. Because of the enormous number of employees on the Federal payroll (over 2 million), the Civil Service Commission will not compute an actual annuity until after a receipt of a bona fide application for retirement.

FACTOR TABLE For Computing Total Salary for Any Period of Time at Any Given Annual Rate
(30-day month. To complete factor, place number of full years ahead of decimal point.)

| Number of Days | 1 Day and Up | 1 Month and Up | 2 Months and Up | 3 Months and Up | 4 Months and Up | 5 Months and Up | 6 Months and Up | 7 Months and Up | 8 Months and Up | 9 Months and Up | 10 Months and Up | 11 Months and Up |
|----------------|--------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| 0 | — | 0.083 | 0.166 | 0.250 | 0.333 | 0.416 | 0.500 | 0.583 | 0.666 | 0.750 | 0.833 | 0.916 |
| 1 | 0.002 | .086 | .169 | .252 | .336 | .419 | .502 | .586 | .669 | .752 | .836 | .919 |
| 2 | .005 | .088 | .172 | .255 | .338 | .422 | .505 | .588 | .672 | .755 | .838 | .922 |
| 3 | .008 | .091 | .175 | .258 | .341 | .425 | .508 | .591 | .675 | .758 | .841 | .925 |
| 4 | .011 | .094 | .177 | .261 | .344 | .427 | .511 | .594 | .677 | .761 | .844 | .927 |
| 5 | .013 | .097 | .180 | .263 | .347 | .430 | .513 | .597 | .680 | .763 | .847 | .930 |
| 6 | .016 | .100 | .183 | .266 | .350 | .433 | .516 | .600 | .683 | .766 | .850 | .933 |
| 7 | .019 | .102 | .186 | .269 | .352 | .436 | .519 | .602 | .686 | .769 | .852 | .936 |
| 8 | .022 | .105 | .188 | .272 | .355 | .438 | .522 | .605 | .688 | .772 | .855 | .938 |
| 9 | .025 | .108 | .191 | .275 | .358 | .441 | .525 | .608 | .691 | .775 | .858 | .941 |
| 10 | .027 | .111 | .194 | .277 | .361 | .444 | .527 | .611 | .694 | .777 | .861 | .944 |
| 11 | .030 | .113 | .197 | .280 | .363 | .447 | .530 | .613 | .697 | .780 | .863 | .947 |
| 12 | .033 | .116 | .200 | .283 | .366 | .450 | .533 | .616 | .700 | .783 | .866 | .950 |
| 13 | .036 | .119 | .202 | .286 | .369 | .452 | .536 | .619 | .702 | .786 | .869 | .952 |
| 14 | .038 | .122 | .205 | .288 | .372 | .455 | .538 | .622 | .705 | .788 | .872 | .955 |
| 15 | .041 | .125 | .208 | .291 | .375 | .458 | .541 | .625 | .708 | .791 | .875 | .958 |
| 16 | .044 | .127 | .211 | .294 | .377 | .461 | .544 | .627 | .711 | .794 | .877 | .961 |
| 17 | .047 | .130 | .213 | .297 | .380 | .463 | .547 | .630 | .713 | .797 | .880 | .963 |
| 18 | .050 | .133 | .216 | .300 | .383 | .466 | .550 | .633 | .716 | .800 | .883 | .966 |
| 19 | .052 | .136 | .219 | .302 | .386 | .469 | .552 | .636 | .719 | .802 | .886 | .969 |
| 20 | .055 | .138 | .222 | .305 | .388 | .472 | .555 | .638 | .722 | .805 | .888 | .972 |
| 21 | .058 | .141 | .225 | .308 | .391 | .475 | .558 | .641 | .725 | .808 | .891 | .975 |
| 22 | .061 | .144 | .227 | .311 | .394 | .477 | .561 | .644 | .727 | .811 | .894 | .977 |
| 23 | .063 | .147 | .230 | .313 | .397 | .480 | .563 | .647 | .730 | .813 | .897 | .980 |
| 24 | .066 | .150 | .233 | .316 | .400 | .483 | .566 | .650 | .733 | .816 | .900 | .983 |
| 25 | .069 | .152 | .236 | .319 | .402 | .486 | .569 | .652 | .736 | .819 | .902 | .986 |
| 26 | .072 | .155 | .238 | .322 | .405 | .488 | .572 | .655 | .738 | .822 | .905 | .988 |
| 27 | .075 | .158 | .241 | .325 | .408 | .491 | .575 | .658 | .741 | .825 | .908 | .991 |
| 28 | .077 | .161 | .244 | .327 | .411 | .494 | .577 | .661 | .744 | .827 | .911 | .994 |
| 29 | .080 | .163 | .247 | .330 | .413 | .497 | .580 | .663 | .747 | .830 | .913 | .997 |

COMPUTING AVERAGE SALARY

| Record of Service— | Appt. | \$ | yrs. | mos. | days | |
|--|----------|----------|------------------|---------------|----------|---------|
| In this example, the bracketed dates are not important since they have no bearing upon the high-5 salary. After determining the period of service involved for your high-5 salary, you will need only dates of appointment(s) and separation(s). | 2- 1-32 | \$1440 | | | | |
| | 7- 1-37 | 1620 | | | | |
| | 12- 1-38 | 1800 | | | | |
| | 7- 1-40 | 2000 | 42- 1-16 | | | |
| | 10- 1-41 | 2300 | 32- 2- 1 | 9 | — | 11 — 15 |
| | Res. | 1-15-42 | | 9-11-15 | | |
| | 2- 5-43 | 2000 | | | | |
| | 7- 1-44 | 2100 | | | | |
| | 7- 1-45 | 2430 | | | | |
| | 7- 1-46 | 2895.60 | | | | |
| 6-30-47 | 3021 | | | | | |
| 7-10-48 | 3476.40 | | | | | |
| 7- 9-49 | 3600 | | | | | |
| 7- 8-50 | 3725 | | | | | |
| 7- 7-51 | 4160 | 54- 3-16 | | | | |
| 4- 2-53 | 4295 | 43- 2- 5 | 11 | — | 1 — 11 | |
| Res. | 3-15-54 | | 11- 1-11 | | | |
| 2- 1-55 | 3655 | | | | | |
| 3-10-55 | 3925 | | | | | |
| 7- 1-55 | 4480 | 59- 6-31 | | | | |
| 7-13-58 | 5090 | 55- 2- 1 | 4 | — | 5 — 0 | |
| Retire- ment Date | 6-30-59 | | 4- 30 | 25 | — 5 — 26 | |
| | | | 4- 5 | Total Service | | |

Steps to Follow:

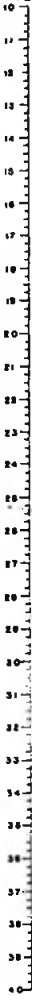
1. Determine the 5-year period of consecutive service which will give the highest average. This is generally the last 5 years. In this example, the service is broken, but it is consecutive. Figuring back from 6-30-59, the 5-year period extends to 8-16-53.
2. Determine the period of time at each given salary, apply the proper time factor from the chart on page 11.27, and total the earnings.
3. Divide the total basic earnings by 5. This will give the average salary to be used in computing an annuity.

| | yrs. | mos. | days | | |
|----------------------|--------------|--------------|---------------|--------------|-----------------------------|
| 59- 6-31 | | | | | |
| 58- 7-13 | | | | | |
| 11-18 | — | 11 | — | 18 | 5090 x .996 = 4916.94 |
| 58- 7-13 | | | | | |
| 55- 7- 1 | | | | | |
| 3- 0-12 | 3 | — | 0 | — | 12 4480 x 3.033 = 13,587.84 |
| 55- 7- 1 | | | | | |
| 55- 3-10 | | | | | |
| 3-21 | — | 3 | — | 21 | 3925 x .308 = 1208.90 |
| 55- 3-10 | | | | | |
| 55- 2- 1 | | | | | |
| 1- 9 | — | 1 | — | 9 | 3655 x .108 = 394.74 |
| 54- 3-16 | | | | | |
| 53- 8-16 | | | | | |
| 7- 0 | — | 7 | — | 0 | 4295 x .583 = 2503.98 |
| | | | | | |
| 3- 22- 60 | 3 | — | 22 | — | 60 |
| 5 | 5 | | | | 22,612.40 |
| | | | | | 4,522.48 |

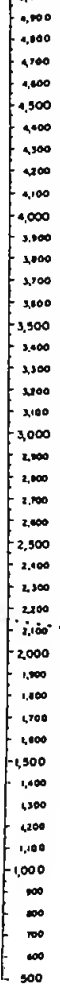
Average Salary \$4,522

ANNUITY CHART

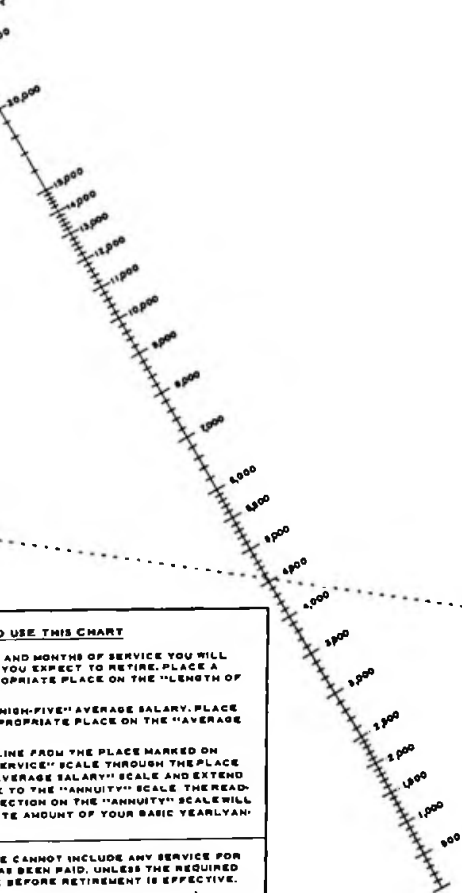
LENGTH OF SERVICE
YEARS



ANNUITY
DOLLARS
3,000



AVERAGE SALARY
DOLLARS
15,000



HOW TO USE THIS CHART

STEP 1 FIGURE THE YEARS AND MONTHS OF SERVICE YOU WILL HAVE AT THE TIME YOU EXPECT TO RETIRE. PLACE A MARK AT THE APPROPRIATE PLACE ON THE "LENGTH OF SERVICE" SCALE.

STEP 2 DETERMINE YOUR "HIGH-FIVE" AVERAGE SALARY. PLACE A MARK AT THE APPROPRIATE PLACE ON THE "AVERAGE SALARY" SCALE.

STEP 3 DRAW A STRAIGHT LINE FROM THE PLACE MARKED ON THE "LENGTH OF SERVICE" SCALE THROUGH THE PLACE MARKED ON THE "AVERAGE SALARY" SCALE AND EXTEND THE STRAIGHT LINE TO THE "ANNUITY" SCALE. THE READING AT THE INTERSECTION ON THE "ANNUITY" SCALE WILL BE THE APPROXIMATE AMOUNT OF YOUR BASIC YEARLY ANNUITY.

NOTE: A. LENGTH OF SERVICE CANNOT INCLUDE ANY SERVICE FOR WHICH A REFUND HAS BEEN PAID, UNLESS THE REQUIRED REDEPOSIT IS MADE BEFORE RETIREMENT IS EFFECTIVE.
 B. BASIC ANNUITY CANNOT BE GREATER THAN 80% OF AVERAGE SALARY.
 C. BASIC ANNUITY IS SUBJECT TO REDUCTION IF (A) DEDUCTIONS ARE NOT IN THE FUND FOR ANY SERVICE SINCE AUGUST 1, 1950, (B) RETIREMENT-EXCEPT FOR DISABILITY - IS BEFORE AGE 50, (C) A SURVIVOR-TYPE ANNUITY IS ELECTED AT RETIREMENT.
 D. IF RETIREMENT IS UNDER THE DISABILITY PROVISION USE THIS CHART ONLY IF THE RESULTING RATE IS HIGHER THAN THE GUARANTEED MINIMUM.

MAY RETIRE WITH IMMEDIATE ANNUITY

AGE 62

AFTER AT LEAST 5 YRS. OF CRED-
ITABLE CIVILIAN SERVICE

(A) AND (B) APPLY. ALSO (C)
IF EMPLOYEE HAS 12 YEARS OF
SERVICE

AGE 60

AFTER AT LEAST 30 YRS. OF
SERVICE

(A), (B) AND (C) APPLY

AGE 55 TO 60

AFTER AT LEAST 30 YRS. OF SERV-
ICE BUT ANNUITY IS REDUCED BE-
CAUSE OF AGE

(A), (B), (C) AND (D) APPLY

AGE 50

AT LEAST 20 YRS. OF SERVICE AND
INVOLUNTARILY SEPARATED NOT
FOR CAUSE, ANNUITY IS REDUCED
FOR AGE

(A), (B), (C) AND (D) APPLY

ANY AGE

AT LEAST 25 YRS. OF SERVICE AND
INVOLUNTARILY SEPARATED NOT
FOR CAUSE, ANNUITY IS REDUCED
FOR AGE

(A), (B), (C) AND (D) APPLY

ANY AGE

AT LEAST 5 YRS. OF CREDITABLE
CIVILIAN SERVICE AND TOTALLY
DISABLED, NO REDUCTION FOR
AGE

(C) AND (E) APPLY

MUST BE RETIRED, WILL RECEIVE IMMEDIATE ANNUITY

MAY RECEIVE DEFERRED ANNUITY AFTER RESIGNATION

AGE 70

AFTER 15 YRS. OF SERVICE

(A), (B) AND (C) APPLY

ANY AGE UNDER 62

AFTER AT LEAST 5 YRS. OF CREDITABLE CIVILIAN SERVICE, ANNUITY PAYABLE AT AGE 62

(A), (B) AND (F) APPLY

- A Must have completed, within the 2-year period immediately preceding separation, at least 1 year of creditable service subject to the Civil Service Retirement Act.
- B May select a straight life annuity, or a reduced annuity with benefit to widow or widower, or a reduced annuity with benefit to person named if named person has insurable interest in retiree and if retiree is unmarried and in good health.
- C Will retain life insurance coverage under Federal Employees' Group Life Insurance Act without cost as an annuitant, but coverage is subject to reduction after age 65.
- D Will be subject to the following reduction in annuity benefit because of age. Retirement between age 55 and 60 requires a reduction of one-twelfth of 1 percent for each month (1 percent a year) the retiree is under age 60. Retirement prior to age 55 requires a reduction of first 5 percent to cover the 1 percent a year reduction from age 60 to 55, and then by one-sixth of 1 percent for each month (2 percent a year) the retiree is under age 55.
- E May select either a straight life annuity or a reduced annuity with benefit to widow. Will be entitled to a minimum annuity computed as follows: The lesser of 40 percent of the highest average 5-year salary, or an amount computed on the regular formula after increasing his length of service by the period elapsing between the date of retirement and the date he reaches age 60. If the retiree's average salary and length of service would entitle him to a larger annuity than either of the above alternatives, he would receive the larger benefit.
- F Life insurance coverage under Federal Employees' Group Life Insurance Act will not be continued but may be converted to an individual policy based upon standard rates for age and class or risk.

UNDER THE SOCIAL SECURITY ACT

A small number of employees have social security coverage because their type of appointment keeps them from being under the Civil Service Retirement Act.

When you have worked long enough to be "insured" under the social security law and have reached retirement age, you may get monthly social security payments for any month in which you are "retired." Retirement age is 65 for men and 62 for women. (If a woman decides to take the payments before she reaches age 65, she will get a permanently reduced amount.)

If you become disabled after working long enough under social security and are 50 years old but less than 65, you may qualify for monthly disability benefits, and certain members of your family may also be paid monthly benefits.

In case of your death, certain members of your family can get monthly payments if you have worked long enough under the law. In addition a single lump-sum death payment can be made, sometimes referred to as "burial-expense" payment.

Information concerning types of coverage (fully insured and currently insured) and the computation of benefits (retirement payments, survivors' payments, and disability payments) is given in the pamphlet "Your Social Security." You can obtain a copy of the latest edition from your Administrative Officer or from your nearest social security office.

BENEFITS AND PRIVILEGES OF

- Employees' Compensation for Injury or Death
- Group Life Insurance
- Civil Service Retirement
- Social Security
- Unemployment Compensation

are not automatic. You (or your beneficiary) must make application on the proper forms in each instance. In the event of your death, the Administrative Officer or the Personnel Division will see that the necessary claim forms are forwarded to your survivor for completion.



LEAVING THE SERVICE

When you leave the FHA, you also leave impressions behind you which can influence your future success in obtaining other employment. You can leave a favorable impression if you time your leaving, if possible, to take the workload of your office into consideration, lend a willing hand in training your replacement, and in every way continue to perform your official duties thoroughly and efficiently through your last day on duty.

When you leave the service of the Federal Housing Administration, you must surrender to your supervisor any building pass, identification card, or nonexpendable property issued to you by FHA. Any indebtedness you have to the FHA for travel advances, leave used but not earned, training costs, and the like must be liquidated before final salary payment will be made.

When these requirements have been met, you will receive compensation through your last working day; and, unless you are accepting employment in another Federal agency under the same leave system, you will receive a lump-sum payment for any annual leave to your credit which does not exceed your authorized leave ceiling. This final salary check will be issued approximately 3 weeks following the effective date of separation.

Upon separation, you may be entitled to unemployment compensation, if you are able to work and available for work. (See page 91.)

You may keep your insurance coverage without further cost if you retire with the right of immediate annuity, either for disability or after 12 years of creditable service. However, your double indemnity and dismemberment protection stops. If you leave the Government service under any other conditions, your insurance continues in effect for 31 days. During that period you may convert it to an individual life insurance policy at standard rates without a medical examination.

Under certain conditions, you may continue your health benefits upon retirement, provided you elect to do so. The premiums will be deducted from your annuity.



RESIGNATION OR TRANSFER

You may resign or accept employment with another Government agency at any time. The preferred practice is that you notify your supervisor at least 2 weeks before the effective date, so that there will be time to select and train another employee to carry on your duties. You should submit your resignation in writing, preferably on an SF-52, giving reasons, date of last working day, and a forwarding address.

If you are thinking of resigning because you are dissatisfied with your position, by all means consult your supervisor, your Administrative Officer, or the Personnel Division. It may be possible to reassign you to another job in the agency or otherwise to make an adjustment which would result in your being better satisfied.

RETIREMENT

If you meet certain requirements, you may retire from the Federal service. There are 5 different types of retirement, which are explained in the preceding chapter.

If you are retiring after 10 or more years with FHA and your record is without blemish, you will be presented a certificate in recognition of your service, upon recommendation of your Director.

SEPARATION FOR CAUSE

If your conduct, performance, or job capacity is such that you should be dismissed for the good of the service, you will be separated. Supervisors are responsible for gathering evidence concerning misconduct, insubordination, inefficiency, etc. required as a basis for the Director of Personnel to take action.

Any career, career-conditional, or indefinite employee who has successfully completed his probationary or trial period, or any veterans-preference employee who has currently served in an excepted position continuously for 1 year or more will receive notice in writing of the reasons for any proposed removal action. He will also be given an opportunity to reply, stating why, in his opinion, the action should not be taken. After consideration of the employee's answer, the Director of Personnel will notify the employee of the final decision of the agency. This decision can be appealed.

DISQUALIFICATION

Each employee is appointed subject to investigation by FHA, the Civil Service Commission, and/or the Federal Bureau of Investigation. If the investigation

reveals that the employee is not qualified for Federal employment, either because he has made false statements on employment documents or because he is found unsuitable for continued employment with the FHA because of character or some other reason, he will be separated.

SEPARATION FOR DISABILITY

An employee whose physical or mental condition renders him incapable of performing his work satisfactorily may be separated for disability. In cases such as this, a written statement of observed facts and circumstances will be submitted to the Medical Division of the Civil Service Commission.

MILITARY DUTY

In certain circumstances any nontemporary employee who leaves the FHA for military duty has positive restoration rights. During his absence on military duty, he has the same eligibility for pay increases and he receives the same consideration for promotion as if he were on the payroll.

Detailed written information about restoration rights is furnished to the employee at the time he is separated for military duty.

TERMINATION OF TEMPORARY APPOINTMENT

Temporary-limited appointments (or "job appointments") are made either to complete a particular job of temporary duration or to take care of an unusually heavy workload accumulation. They end when the work assignment is completed or when the predetermined appointment period expires, unless the employee is separated sooner.

REDUCTION IN FORCE

Lack of funds, curtailment or completion of work, or reorganization may make it necessary to redistribute functions, regroup duties and responsibilities, reassign employees, abolish jobs, or decrease the number of employees. Those actions are taken under the Civil Service retention-preference regulations. Every effort is made to protect employees from adverse effects. If a reduction in staff is necessary, measures will be taken to offset the necessary reduction by reassignment of employees to other jobs, by placement of employees in other offices, and by not filling vacancies. If the reduction cannot be made through these measures in the time allowed, involuntary separations become necessary. This is known as reduction in force, commonly referred to as "RIF."

A RIF may be limited to the departmental service and/or it may involve one, several, or all of the field offices. When a RIF is necessary, management decides which positions are to be eliminated and then, on the basis of Civil Service retention-preference regulations, determines which employees will be affected. Before these determinations can be made, retention-preference registers must be prepared.

Each insuring office is a separate competitive area. Similarly the departmental service is one competitive area. Within a competitive area, competitive levels at each grade are determined. (These consist of positions which are substantially similar.) Within each level, employees are ranked on the basis of their type of appointment, veteran preference, and length of service [with one point for each year of creditable Federal service (computed by Service Computation Date) and four points added for a current performance rating of outstanding]. The following is a sample retention-preference register:

| RETENTION-PREFERENCE REGISTER | | |
|--|---------------------------|-------------------------|
| COMPETITIVE AREA: <i>TULSA, OKLAHOMA INSURING OFFICE</i> | | |
| DATE: <i>JUNE 30, 1960</i> | | |
| COMPETITIVE LEVEL: | | |
| CLERK-TYPIST GS-322-3 | | |
| | <i>Retention Subgroup</i> | <i>Retention Points</i> |
| Howard, Abbie | I-A | 5 |
| Greene, Ruth | I-B | 8 |
| Smith, Virginia | II-A | 12 |
| Black, Lila | II-A | 6 |
| Williams, Violet | II-B | 3 |
| Brown, Grace | III-A | 8 |
| Edwards, Cora | III-B | 2 |

Employees to be affected by the reduction are taken in order from the bottom of the register, for each competitive level, and selections continue upward as far as necessary.

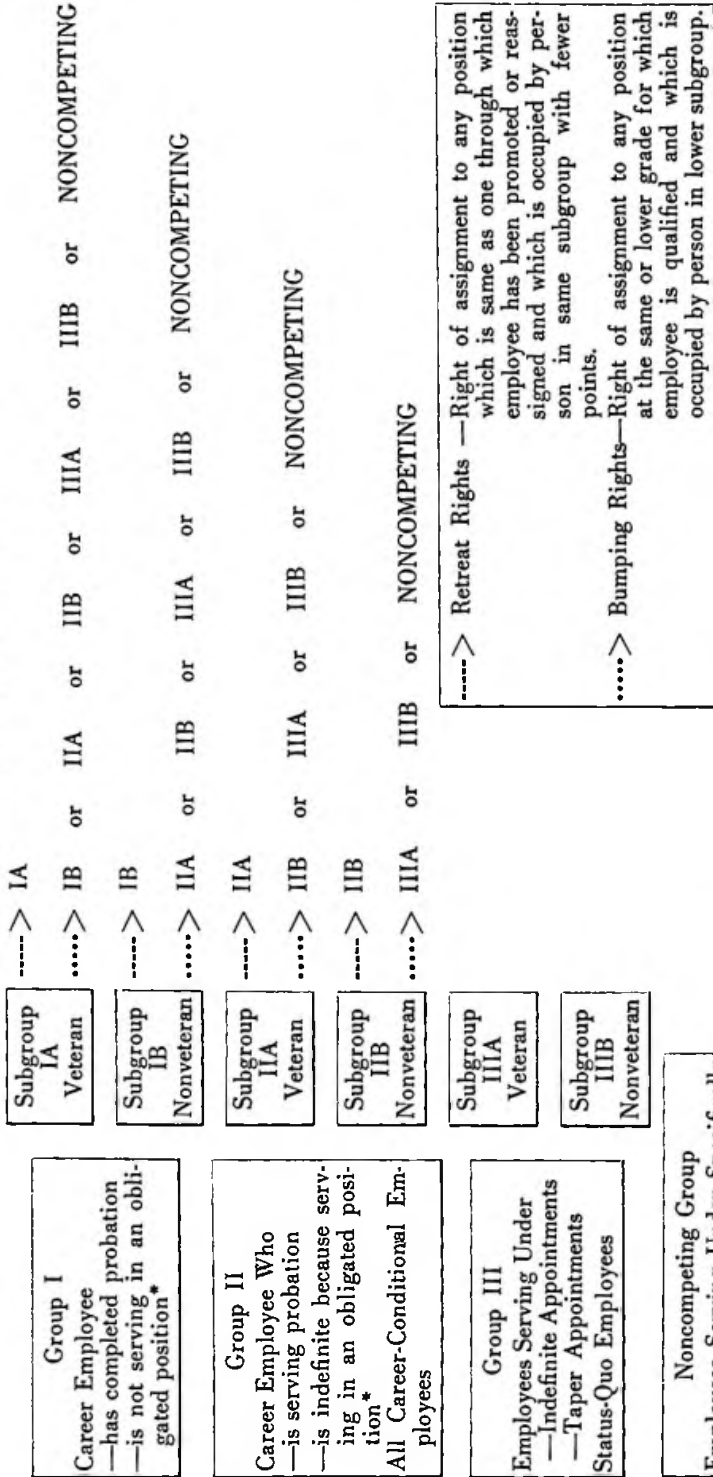
Career and career-conditional employees who are reached for separation must be considered for placement in other jobs in the competitive service for which they are qualified and which are occupied by employees in a lower subgroup. This is popularly known as "bumping." In every case, however, the employees must be able to perform the duties of the new job without undue interruption to the work. Any such employee may also have "retreat" rights to any position which is the same as one through which he was promoted and which is occupied by a person in the same subgroup with fewer points.

The chart on the following page defines the retention groups and subgroups and shows reassignment rights of employees in competitive positions who are being affected by reduction-in-force action.

When an employee (other than a strictly temporary one) is to be affected, he receives written notification at least 30 days before the effective date. Any satisfactory employee reached by reduction in force, regardless of his retention-preference standing, is given all possible assistance in locating other employment, either elsewhere in the agency or outside. Each employee to whom a reduction-in-force notice is issued receives detailed information about his rights and privileges, including his entitlement to examine the reduction-in-force regulations and the retention-preference registers.

The names of career and career-conditional employees who are separated by reduction in force from competitive positions are placed on a Reemployment Priority List. Those persons will receive consideration when vacancies occur for which they are qualified.

DIAGRAM OF RETENTION-PREFERENCE PROCEDURES

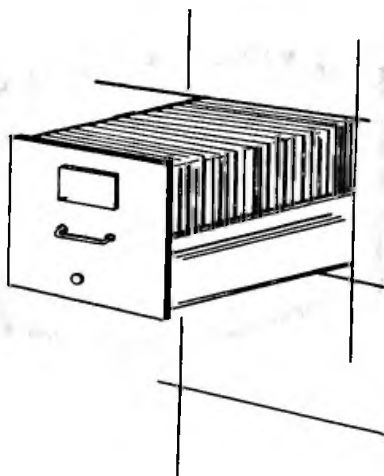


*Obligated position—one to which a person has definite restoration rights after active military duty or inter-agency transfer.



PERSONNEL RECORDS

You will receive from time to time notices that certain actions have been taken with respect to your employment. Also, as an employee, you will submit and receive various other materials. Because these notices and materials may be needed at one time or another in connection with matters affecting your employment, careful filing for reference and record purposes is encouraged. The following are some of the materials that you should maintain in your own personal file:



1. A copy of each Notice of Personnel Action (SF-50) relating to your employment.
2. A copy of your Position Description (OF-8), and copies of any available written statements of the standards of performance you must meet.
3. Copies of Performance Ratings.
4. Copies of approved outside-activities statements.
5. Copies of notices of changes in your salary (SF-1126).
6. Copies of SF-52's or memorandums temporarily detailing or assigning you to duties not included in your official job description.
7. Copies of materials that you prepare and submit to the agency, such as Application for Federal Employment (SF-57) and Experience and Qualifications Statement (SF-58).
8. Record of any training courses completed.
9. Notice of results of any examination (either written or unassembled).
10. Record of any awards or certificates received.
11. Materials and information concerning your right of appeal from actions taken with respect to your employment or from circumstances or conditions of work.

Your official personnel file maintained in the Personnel Division contains official papers in connection with your employment and is the permanent record of your service in the Federal Government. Most of the material in the official folder will be forms you filled out when you reported for duty and copies of notices that were sent you concerning your appointment, changes in your position or salary, etc. A few documents in your official file such as medical history records and examination test papers are of a confidential nature and may be seen only by authorized persons.

The field office maintains for each employee an unofficial personnel file containing copies of many of the materials filed in the official folder, except that the unofficial file does not contain any confidential material.

You should keep your record of experience and training accurate and up to date by submitting to your supervisor and the Personnel Division copies of SF-58 (a supplement to SF-57) whenever any significant experience is accumulated, or whenever you have acquired additional education or training. You may complete and submit a new SF-57 if you feel that by doing so you can more fully or accurately represent your qualifications. You should likewise inform the Personnel Division of additional Civil Service examinations which you have taken and passed, by forwarding photo copies of notices of examination results. Complete, accurate, and current information of this kind should be on file in your official and unofficial personnel folders, since your qualifications for a more responsible position may be increased. If you are interested in being considered for a position with FHA in another geographical location, you should also keep a current Location Interest Form on file with the Personnel Division.

If you should change your name or address, be sure to let your office know about it.

INDEX

| | Page |
|---|----------------|
| ACCIDENTS | 86, 87 |
| ADDRESS, CHANGE OF | 24, 108 |
| ADMINISTRATIVE OFFICER'S RESPONSIBILITIES | 22, 80, 100 |
| ADMONISHMENT | 23, 76 |
| ADVERSE ACTION | 76, 83 |
| ANNUITY | 94-99 |
| APPEALS | 81-85 |
| APPOINTMENTS | 45-47 |
| AWARDS | 56-57 |
| | |
| BENEFICIARY | 36, 91, 93 |
| BLOOD DONATIONS | 62, 86 |
| BONDS | 35, 36, 88 |
| | |
| CAREER APPOINTMENT | 46 |
| CAREER-CONDITIONAL APPOINTMENT | 45 |
| CASH AWARDS | 56-57 |
| CERTIFICATES OF APPRECIATION | 57 |
| CIVIL SERVICE COMMISSION | 24 |
| Addresses | 27 |
| Appeals to | 82-85 |
| Inspection and Audits | 25, 32 |
| CIVIL SERVICE STATUS | 45 |
| CLASSIFICATION STANDARDS | 30, 32 |
| CLASSIFIED DOCUMENTS | 71 |
| COLLECTIONS, CONTRIBUTIONS | 88 |
| COMMUNICATIONS | 23, 68, 80 |
| COMPENSATION | |
| Dual | 36 |
| Injury | 86 |
| Overtime | 33 |
| Unemployment | 91 |
| COMPENSATORY TIME | 33, 63 |
| CONDUCT | 24, 64-75 |
| CONFIDENTIAL INFORMATION | 71 |
| CONFLICT OF INTERESTS | 72 |
| COUNSELING | 23, 76, 81 |
| CREDIT UNION | 89 |
| | |
| DEBTS | 65 |
| DEMOTION | 77, 82, 104 |
| DEPENDENTS | 35, 87, 93, 94 |
| DETAILS | 21, 44 |
| DISCIPLINARY ACTION | 22, 23, 76 |
| DISCRIMINATION | 41, 66, 81 |
| | |
| EMPLOYEE INTEREST CASES | 74 |

| | Page |
|---|--------------------|
| EMPLOYEE'S RESPONSIBILITIES | 23-24 |
| EQUIPMENT, CARE OF | 68 |
| EXAMINATIONS | 39, 63, 108 |
| EXCEPTED POSITIONS | 43, 47 |
| EXPERIENCE AND TRAINING | 39-40, 51, 53, 108 |
| FAVORITISM | 24, 41, 66 |
| FEDERAL HOUSING ADMINISTRATION | |
| Budget of | 6 |
| Functions | 1-2 |
| Organizational charts | 8, 16 |
| Programs | 2-5 |
| Volume of Insurance | 6 |
| FIRST AID | 86 |
| FORMER EMPLOYEES, RELATIONSHIP WITH | 67 |
| GAMBLING | 65 |
| GARNISHMENT OF PAY | 65 |
| GIFTS, GRATUITIES | 66, 72 |
| GOSSIPING | 24, 64 |
| GRIEVANCES | 23, 24, 81 |
| HATCH ACT | 75 |
| HEALTH AND HOSPITALIZATION | 86 |
| HIRING RESTRICTIONS | 41-43 |
| HOLIDAYS | 59 |
| HOURS OF WORK | 58 |
| ILLNESS | 61 |
| INCENTIVE AWARDS | 24, 40, 50 |
| INDEBTEDNESS TO FHA | 101 |
| INDUCTION | 51, 69 |
| INJURIES | 61, 63, 86 |
| INSURANCE, LIFE | 89-91 |
| INTOXICANTS | 65, 70, 78 |
| INVENTIONS | 75 |
| INVESTIGATIONS | 42 |
| JURY DUTY | 62 |
| LAW PRACTICE | 72 |
| LEAVE | |
| Absence without (AWOL) | 58 |
| Annual | 59-60 |
| Compensatory | 33, 63 |
| Court | 62 |
| Excusable Absences | 58, 63 |
| Lump-sum payments for annual leave | 36, 60, 101 |
| Maternity | 61 |
| Military | 62 |
| Sick | 61 |
| Voting | 61 |
| Without pay (LWOP) | 61, 87 |
| LIBRARY | 88 |

| | Page |
|--|-----------------------|
| LOANS | 89 |
| LOCATION INTEREST | 40, 108 |
| LOITERING | 65 |
| LUNCH PERIOD | 24, 58 |
| MAIL | 68 |
| MEDICAL EXAMINATION OR TREATMENT | 42, 61, 63, 87 |
| MERIT PRINCIPLES | 41 |
| NAME CHANGE | 24, 108 |
| NAMES IN PRINT | 73 |
| NATIONAL EMERGENCY | 63 |
| NEPOTISM | 42 |
| OATH OF OFFICE | 69 |
| OFFENSES AND PENALTIES | 78, 79 |
| OFFICE HOURS | 58 |
| OPEN DOOR POLICY | 81 |
| ORGANIZATIONAL CHARTS | 8, 16 |
| ORIENTATION | 23, 51 |
| ORGANIZATIONS, MEMBERSHIP IN | 66, 69, 70 |
| OUTSIDE ACTIVITIES | 71-74 |
| OVERTIME | 33-34 |
| PATENTS | 75 |
| PAY | 32-37 |
| PENALTIES FOR OFFENSES | 76, 78, 79 |
| PERFORMANCE REQUIREMENTS AND RATINGS | 23, 29, 55-56 |
| PERSONAL FILE | 107 |
| PERSONNEL FILES | 108 |
| POLITICAL ACTIVITY | 66, 75 |
| POSITION DESCRIPTION | 21, 23, 24, 28-29, 31 |
| PROBATIONARY PERIOD | 23, 43 |
| PROMOTIONS | 39-40, 82 |
| PUBLICATIONS— | |
| available to employees | 7 |
| by employees | 75 |
| PUBLIC, RESPONSIBILITIES TO | 67 |
| QUALIFICATIONS | 39, 43 |
| REAL ESTATE TRANSACTIONS | 73 |
| REASSIGNMENT | 39 |
| RECRUITMENT | 40, 41 |
| REDUCTION IN FORCE | 83, 103-106 |
| REINSTATEMENTS | 41, 46 |
| RELATIVES | 42 |
| REPRIMAND | 22, 23, 76 |
| RESIGNATION | 101, 102 |
| RESPONSIBILITIES | |
| Administrative Officer | 22, 80 |
| Directors | 21 |
| Employee | 23-24 |

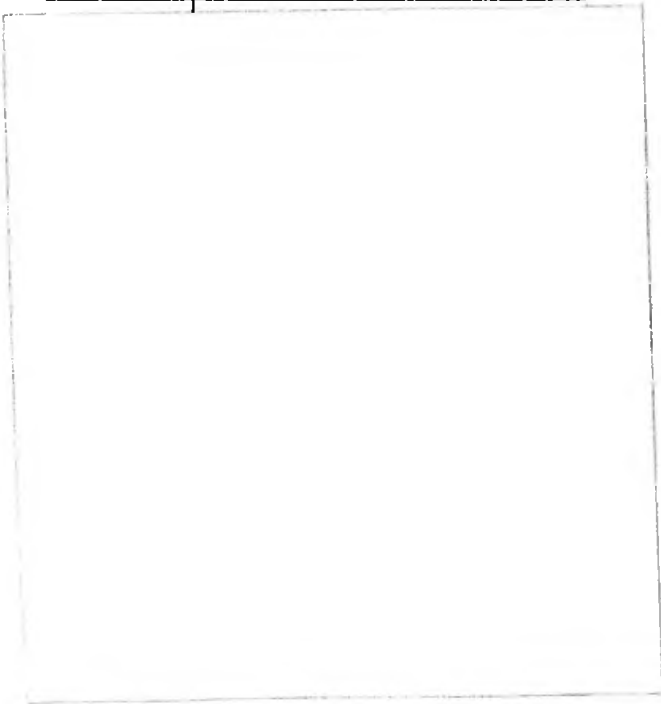
| RESPONSIBILITIES—Continued | Page |
|---|------------------------|
| High Level Officials | 20 |
| Supervisor | 22-23 |
| RETIREMENT, CIVIL SERVICE | 35, 92-99 |
| | |
| SAFETY | 86 |
| SALARY CHART | 37 |
| SAVINGS BONDS | 35, 88 |
| SECURITY PROGRAM | 42, 70 |
| SENIORITY | 40 |
| SEPARATIONS | 49, 77, 102-103 |
| SOCIAL SECURITY | 35, 100 |
| SPEAKING ENGAGEMENTS | 75 |
| SPECULATION | 74 |
| STATUS | 45 |
| STRIKES | 70 |
| SUGGESTIONS | 23, 57 |
| SUITABILITY | 42 |
| SUPERVISOR'S RESPONSIBILITIES | 22-23 |
| SUSPENSION | 76 |
| | |
| TARDINESS | 58 |
| TAXES | 35, 65 |
| TELEPHONES | 68 |
| TEMPORARY DETAIL | 21, 44 |
| TEMPORARY EMPLOYEES | 46, 47, 49, 103 |
| TENURE | 47-49 |
| TESTS | 39, 63, 108 |
| TRAINING | 22, 23, 24, 51-54, 108 |
| TRANSFER | 41, 102 |
| TRAVEL | 36, 68 |
| | |
| UNPAID MONIES | 36 |
| | |
| VACATIONS | 23, 59 |
| VETERAN'S PREFERENCE | 41, 88 |
| | |
| WAGE BOARD | 33, 34 |



LAW T F222 H68ha

U.S. Federal Housing Adminis-
tration.
Handbook for FHA employees.

| DATE | ISSUED TO |
|------|-----------|
| | |





YOUR SUPERVISOR

IN FHA your supervisor—the person who directs your work—will have much to do with your welfare and progress.

This book mentions your supervisor often.

You and your supervisor have a big job to do together. He is the member of the management team—the person you deal with most. He is expected to:

- Direct his department.
- Keep it orderly and efficient.
- Turn out work that meets our high standards of quality.
- See that you know your job and how it fits into the whole pattern of our operations.

He is your first source of information about FHA, particularly about any plans or changes which will affect you or your work. When he cannot answer your questions or get the answers for you, he should refer you to the Administrative Officer or other staff adviser.

Don't hesitate to go to your supervisor for help. He will be glad to do what he can for you. Think of your department as a team. Loyal people working together make it a strong team with your supervisor as captain.



FHA No. 453