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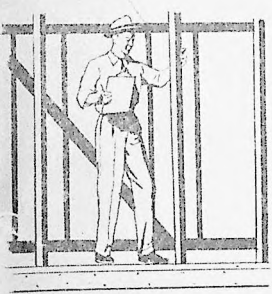
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Your job in

FHA

HELPING TO
PROVIDE BETTER
HOMES FOR
AMERICAN
FAMILIES



FHA
PROPERTY
IMPROVEMENTS



FHA
INSURED
MORTGAGES

HANDBOOK FOR EMPLOYEES





...to
FHA
employees

I WISH it were possible for me to welcome each new FHA employee personally—and to have the opportunity of meeting and talking to all staff members. Since this is not possible, I hope you will consider this a personal note.

We in the FHA share the satisfaction of being associated with a vital housing program that touches the lives of millions of American families. Our efforts can make possible the opportunity for better housing conditions throughout the country.

The job we have to do takes teamwork. This handbook was prepared to give you a better understanding of the Federal Housing Administration, and of your responsibilities and rights as an FHA employee.

I hope you will enjoy your work at the FHA—that it will be rewarding to you and to our Nation.

NORMAN P. MASON,
Commissioner.

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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 such 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.

1. WHY AND HOW THE FHA OPERATES

"I'm working for the FHA."

You can be proud to say that.

Because of the FHA, millions of American families are living in better homes. Many more families than ever before are able to own their homes. Many more homes are being built in places where they are needed, and sold or rented at prices that those who need them can afford to pay. More and better homes are available to members of minority groups. Homes are kept in better repair.

In addition, the FHA has an important part in great projects now being undertaken all over the country to get rid of slums and restore rundown city neighborhoods.

In your job with the FHA you are not merely filing papers, or typing cards, or totaling columns of figures. You are helping to bring better housing to the people of America.

What the 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 functioned as 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.

The preamble to the National Housing Act states that the purpose of the Act is "to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes." The FHA operates under authority of Titles I, II, VII, VIII, and IX of the Act.

These titles provide for FHA insurance against loss on loans for alterations, repairs, and improvements to homes and other real property; insurance of mortgages on homes; and insurance of mortgages on multifamily rental and cooperative projects. All loans insured are made by private lending institutions. They are not made from Government funds.

The FHA is also authorized to insure yields on investments in debt-free rental housing for families of moderate income.

The insurance protection enables lenders to make funds available for these purposes on desirable terms. It helps property owners to keep their properties in good condition. It brings home ownership within reach of a greater number of families; and it helps to increase the supply of good housing for rent at reasonable charges.

Mortgages and other notes insured by the FHA call for repayment in equal monthly installments. The monthly payment on an insured home mortgage includes interest and a portion of principal, as well as mortgage insurance premium, taxes, and hazard insurance premiums.

In the course of your work you will often hear mention of 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 below.

HOME MORTGAGE INSURANCE

The principal activity of the FHA is the insurance of mortgages on one- to four-family homes under Section 203 of Title II. Over 3 million of these mortgages have been insured since 1934. The amount of the mortgage may not be more than \$20,000 on a one- or two-family dwelling, \$27,500 on a three-family dwelling, or \$35,000 on a four-family dwelling. There are also limitations on the ratio of the mortgage amount to property value as appraised by the FHA. 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 mortgage pattern.

Section 203 (i) of Title II authorizes FHA insurance of mortgages in amounts not over \$6,650 and not over 95 percent of the appraised value of the property (\$5,950 and 85 percent, if the mortgagor is a builder). This type of insurance applies to single-family owner-occupied homes located in outlying areas and small communities where it is not practicable to obtain conformity with many of the requirements essential to the insurance of mortgages on housing in built-up urban areas. It also applies to farm homes on plots of land 5 acres or more in size adjacent to public highways.

Section 222 of Title II authorizes the FHA to insure mortgages in amounts up to \$17,100 and up to 95 percent of appraised value 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.

DISASTER HOUSING

Under Section 203 (h) the FHA is authorized to insure mortgages in amounts up to \$7,000 and up to 100 percent of appraised value, which finance

the replacement of properties destroyed or substantially damaged by major disasters. Such mortgages may have maturities up to 30 years.

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." In a sales-type project the individual homes may be released from the project mortgage and individual mortgages on these homes may be insured under Section 213.

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 8 or more units.

Title VII authorizes the FHA to insure a minimum return on investments in debt-free rental housing for families of moderate income.

TRAILER COURTS

A new feature of the FHA mortgage insurance added by the Housing Amendments of 1955 is the insurance under Section 207 of mortgages, in amounts not to exceed \$1,000 per space or \$300,000 per mortgage, for the development of trailer courts and facilities to accommodate mobile dwellings.

ARMED SERVICES HOUSING

Title VIII authorizes FHA insurance of mortgages on rental housing built by private enterprise on or near military reservations for the use of civilian and military personnel of the armed services (including the Coast Guard), on certification by the Secretary of Defense (or the Secretary of the Treasury, when the housing is for Coast Guard personnel).

HOUSING FOR CRITICAL DEFENSE AREAS

Title IX provides for the insurance of mortgages on housing programmed by the Administrator of the Housing and Home Finance Agency for areas designated by the President as critical defense areas. Since July 1, 1954, this program has been virtually inactive.

URBAN RENEWAL

In 1954 Congress passed legislation designed to help cities in their efforts to eliminate slums and blight and prevent deterioration of properties and neighborhoods. As part of this program, two new programs of FHA insurance were provided under Title II of the National Housing Act.

Section 220 of Title II authorizes mortgage insurance to assist 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 low-cost housing for families from urban renewal areas.

Section 221 also covers repair or rehabilitation or the construction of dwellings for rent, if the mortgagor is a private nonprofit organization regulated under Federal or State laws.

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 existing structures and the building of small new structures for nonresidential use.

Loans for general home repair or improvement purposes may not exceed \$2,500 or have a maturity in excess of 3 years. Loans for repair or conversion of multifamily structures may be in amounts up to \$2,500 per family unit or \$10,000, whichever is less, and may have a maturity of 7 years. Loans for the building of new nonresidential structures may be up to \$3,000 in amount and have a maturity of 3 years, except that if the structure is for agricultural use the maturity may be longer.

The property improvement loan program was the first program put into operation when the FHA was established in 1934. Under it more than 18 million loans have been made.

WAR AND VETERANS' EMERGENCY HOUSING

Title VI was added to the National Housing Act in 1941 to aid the production by private enterprise of housing for defense workers. Section 603 of Title VI provided for mortgage insurance on one- to four-family dwellings, and Section 608 (added in 1942) provided for mortgage insurance on multifamily rental projects. Other sections were added in 1947 and 1948.

Title VI is now inactive.

How the Insurance Plans Work

MORTGAGE INSURANCE

Mortgage insurance applies to the individual loan. The lender collects an insurance premium from the borrower as part of the monthly mortgage payment and pays it to the FHA annually. The FHA credits the amount to the appropriate insurance fund.

When a borrower defaults in his mortgage payments, the lending institution may foreclose the mortgage and either sell the property, in which case the FHA insurance contract is canceled, or turn over the property 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

Property improvement loan insurance under Title I applies to the aggregate volume of loans made by the insured institution. The institution is insured against loss up to 90 percent. FHA liability is limited to 90 percent of the loss on individual loans and to 10 percent of all such 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 beginning of 1955, insurance written by the Federal Housing Administration under all its programs totaled \$36 billion. Of this amount, over \$8.3 billion represented property improvement loan insurance under Title I, and \$18.3 billion represented mortgages on one- to four-family homes insured under Section 203 of Title II. War and veterans' housing financed under Sections 603 and 608 of Title VI accounted for \$7.1 billion.

Of the aggregate insurance written, \$21.9 billion was in force on December 31, 1954. At the same date, losses on the total amount of mortgage insurance written amounted to three one-hundredths of 1 percent. Losses on property improvement loan insurance under Title I have amounted to 1 percent, after taking into account recoveries on defaulted notes.

From 1934 to the beginning of 1955, FHA insurance covered 18 million property improvement loans, in addition to loans financing over 3.6 million units of housing under other provisions of the National Housing Act.

The FHA Is Self-Supporting

The FHA is operated without cost to the taxpayer. From its establishment in 1934 through May 31, 1955, its gross income from fees, insurance premiums, and income on investments totaled \$1,009,211,896, while operating expenses amounted to \$377,668,323. The income not needed for current expenses is kept in a reserve to meet future expenses and insurance losses.

In the early years of FHA, before its revenues were sufficient to make it self-supporting, the Treasury Department advanced funds totaling \$67.5 million to pay FHA operating expenses and to establish certain of the insurance funds. In the fiscal year 1954 this amount was repaid to the Treasury in full, plus \$20.4 million interest.

As of May 31, 1955, the FHA had capital and statutory reserves of \$421,036,613.

Publications

Here are some publications that will tell you more about the FHA and its activities. Copies can be obtained upon request.

Annual Reports of the Federal Housing Administration.

Digest of Insurable Loans (FHA 2575).

FHA Facts for Home Buyers (FHA 2098).

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

What Is the FHA?

Underwriting Manual (FHA 2049). (This book can be consulted in the
FHA Library. Copies are not available for distribution.)

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

**Rules and regulations under individual titles and sections of the National
Housing Act.**

2. 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, due to the specialized and technical nature of the FHA program, the responsibility for staff assistance and services is subdivided on a functional basis.

Washington Headquarters

The function of headquarters is twofold. The Commissioner in his responsibility for over-all administration of FHA relies upon the Assistant Commissioners for Operations and Title I, as the line officers, for direction and supervision of insuring operations carried on in the various field offices. Staff and advisory services performed for the purpose of 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 Technical Standards, the Assistant Commissioner for Programs, and the Assistant Commissioner for Administration. A continuing and independent check on all operations is carried out under the supervision of the Director of Examination and Audit. In addition, the headquarters 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 headquarters is as follows:

OPERATIONS

The Assistant Commissioner for Operations supervises the activities of the Home Mortgage, Multifamily Housing, and Property Management Divisions; approves and cancels the approval 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.

HOME MORTGAGE DIVISION

Develops and maintains policies and procedures relative to the insurance and servicing of mortgages on home or sales type properties.

MULTIFAMILY HOUSING DIVISION

Develops and maintains policies and procedures relative to the insurance and servicing of mortgages on multifamily rental housing, cooperative housing, and military housing projects.

PROPERTY MANAGEMENT

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

ZONE OPERATIONS COMMISSIONERS

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

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 Comptroller's, Personnel, General Services, and Budget and Organization Divisions in the provision of fiscal, personnel, administrative, and budget services to all elements of FHA.

COMPTROLLER'S DIVISION

Formulates accounting procedures, conducts accounting activities, prepares financial statements, and administers fiscal policies.

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 AND ORGANIZATION DIVISION

Develops FHA's budget and obtains funds through Congressional authorization. Controls allotment of funds to all activities. Conducts organization planning and method studies of FHA operations and activities.

GENERAL SERVICES DIVISION

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

EXAMINATION AND AUDIT

The Director of Examination and Audit directs the activities of the Examination and Audit Divisions, which through fiscal audits and operational inspections, provide an independent check, outside of the regular staff and operating channels, of FHA operations.

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.

AUDIT DIVISION

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

Field Offices

The majority of the 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 Alaska, the District of Columbia, Hawaii, and Puerto Rico.

An *insuring office* is responsible for all FHA operations within its territory. Applications are received; fees and initial 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.

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 and compliance inspections. Other processing, review and final action are completed by the responsible insuring office.

A *valuation station* makes inspection and valuation reports as necessary in connection with applications being considered by the responsible insuring office.

The location of the various offices can be seen in the map on page 20. Also shown in 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, the Valuation, Architectural, Mortgage Credit, Land Planning and Engineering Sections, develops and formulates all risk underwriting recommendations to the Director on applications for mortgage insurance and requests for reconsideration. In development of 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.

LAND PLANNING SECTION

Determines the requirements for land development.

ENGINEERING SECTION

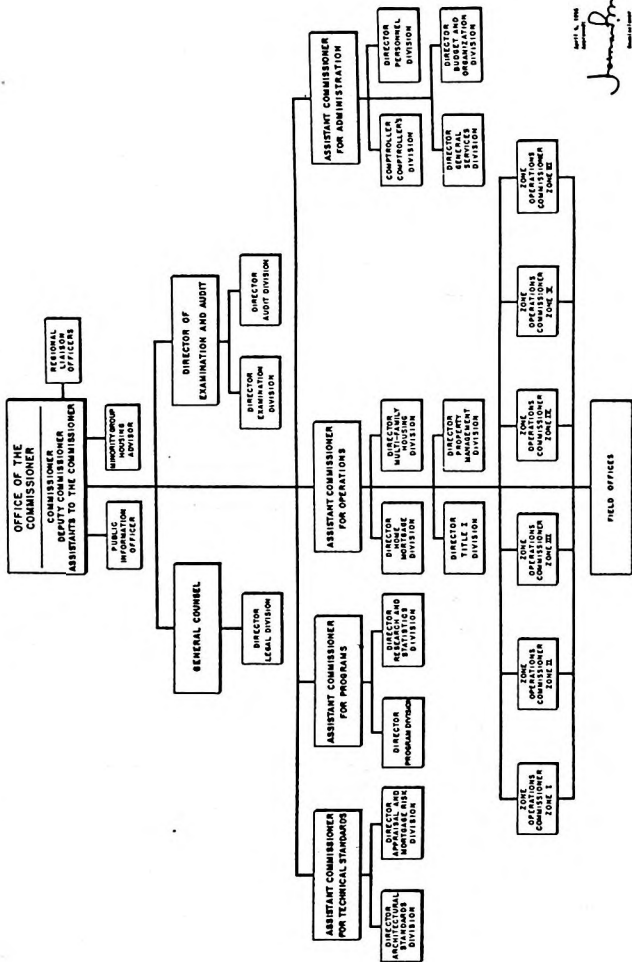
Provides special engineering services where required.

OPERATIONS DIVISION

The Operations Division is responsible to the Insuring Office Director for the performance of all of the 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 matters; and the fiscal and clerical processing of applications for mortgage insurance.

FEDERAL HOUSING ADMINISTRATION

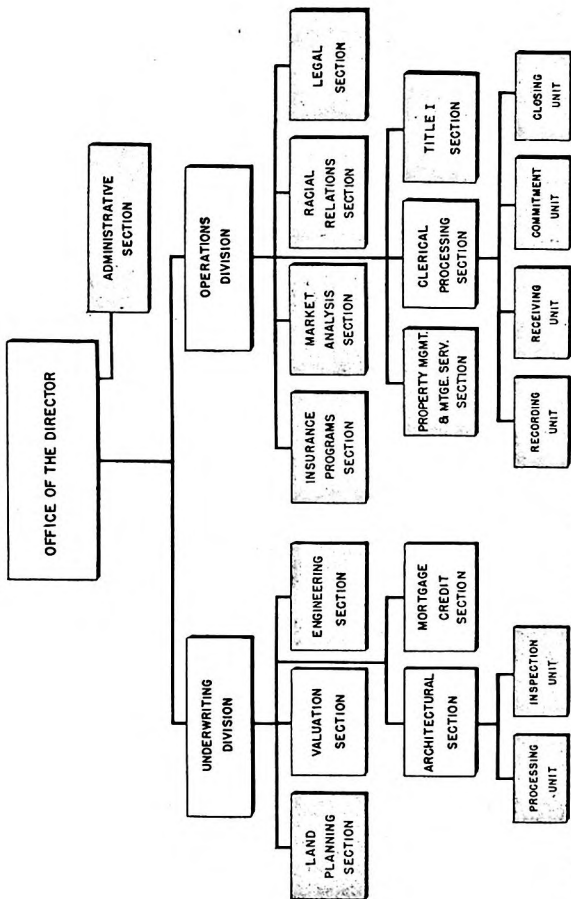
ORGANIZATIONAL CHART



April 5, 1968
Revised from 1966

James Brown

FEDERAL HOUSING ADMINISTRATION
INSURING OFFICE
ORGANIZATIONAL CHART



THIS IS THE MAXIMUM ORGANIZATION OF AN FHA INSURING OFFICE. WHERE THE MAXIMUM ORGANIZATION IS NOT REQUIRED, THE FUNCTIONS ARE COMBINED OR ARE PERFORMED BY SPECIALISTS FROM OTHER OFFICES ON A PART-TIME BASIS AND SOME OR ALL OF THE SHADED UNITS ARE NOT ESTABLISHED.

3. PERSONNEL PROGRAM

The aim of the personnel program is to enable the FHA to produce a high quality of work efficiently and economically. In achieving this aim, it must attract and retain people of high caliber and good character who are well qualified for FHA's particular jobs. It must also see that these people receive fair treatment, good leadership, and opportunity to gain personal recognition, satisfaction and advancement through group participation.

WHAT THE PERSONNEL PROGRAM IS

Employment matters with which the average employee is most concerned are dealt with in this book.

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 and to understand to whom he should look for decisions, actions and information concerning his employment.

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.
4. Staffing (recruitment, examination, selection, placement, promotion, and separation).
5. Employee performance evaluation.
6. Employee development and training.
7. Employee relations and services (direct counseling and provision of advice and assistance on employee rights and benefits such as leave, retirement, injury compensation, Federal life insurance, unemployment compensation, and the handling of grievances, appeals and disciplinary actions).
8. Health and first-aid service (mainly departmental).
9. Employee recognition and incentives.
10. Personnel records and reporting.
11. Personnel-program inspection and evaluation.

HOW THE FHA PERSONNEL PROGRAM RELATES TO THE CIVIL SERVICE SYSTEM

For several years the FHA has been entirely within the Civil Service System, or the Merit System, insofar as most of its positions are concerned.

This means that FHA is subject to the Civil Service Act and other statutes requiring that jobs 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 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 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."

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 TOP LINE 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 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 those management and human-relations principles that should apply in industry and Government alike. It must interpret and devise 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 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. Normally, a special Personnel Officer is assigned for regular field work in the offices of a particular section of the country. One duty of every Field Personnel Officer 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 a casual discussion or a strictly private and confidential conference with the Field Personnel Officer who visits his office.

FIELD OFFICE DIRECTORS AND WASHINGTON DIVISION HEADS

The Personnel Division plays only a small part in the day-to-day business of personnel direction. The actual direction is given by the heads 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 division directors. For example, each director is responsible—

For seeing that workloads are anticipated and plans made, within budget limits, for establishing and filling the necessary jobs (and for retrenching and consolidating as occasion demands).

For assigning duties and responsibilities in compatible combinations to form jobs that can be filled and efficiently performed by the manpower available.

For requesting establishment of only those jobs necessary to effective operation.

For 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.

For seeing that temporary "detail" assignments of employees to duties not covered by their job description are recorded by memorandum and that the duration of "details" is kept within prescribed limits.

For 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.

For seeing that necessary training is provided and that employee self-development is encouraged and, whenever possible, rewarded.

For seeing that policies and procedures on employee performance rating, incentives and promotion-on-merit are carefully observed, and that recognition is given as deserved.

For seeing that fair and equitable treatment is given all employees; that they 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.

For 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 disciplinary action is taken (or disciplinary recommendation made to the Director of Personnel if such a penalty as suspension, demotion or dismissal seems warranted).

For seeing that his Administrative Officer, or other appropriate staff member, understands the instructions to be followed in initiating all common types of personnel action promptly when needed.

For measuring his own success as a Director by the level of competence, morale, and performance of his staff.

THE SUPERVISOR

The supervisor at the operating level is the representative of management to the individual workers and of the 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.

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, he earns the respect and confidence that enable him to fulfill the functions of supervision.

4. JOBS AND PAY

Few things are as important to most people as their jobs and their 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 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 assigns 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 and established by the Personnel Division.

WHY JOBS MUST BE ACCURATELY DESCRIBED

A position description, or job sheet, is a statement of the duties and responsibilities assigned to a position and an indication of the knowledge, experience, training 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" being a sort of immediate family of positions in the same line of work). Generally speaking, Civil Service examining and hiring standards are the same for all positions of the same series 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 man out of the job and getting the wrong man in.

JOB CONTRACT

When an employee accepts a position, he is given a copy of the position description, and he, in effect, contracts to discharge the duties and

responsibilities designated in it. If the description is bad, the contract is faulty too.

An employee may be assigned appropriate duties not specifically mentioned in his job sheet; but, if the duties are of any importance and are to be continued or regularly repeated, they must be made a matter of record. (See "Temporary Detail," page 34.)

The position description should give the employee a clear understanding of the work he will be held responsible for doing.

BASIS FOR PERFORMANCE RATING

Since it is the basis for his understanding of his job, the position description serves as the starting point in fixing the requirements or standards to be used in rating his progress and performance in the job. If the description is adequate, it will tell exactly WHAT the employee is supposed to do. For purposes of performance rating, it is then only necessary to specify HOW MUCH and HOW WELL. (See "Performance Rating," page 42.)

PAY WARRANT

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

KEY TO BUDGET ESTIMATING AND CONTROL

In an organization such as FHA, salaries of employees are the 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

Because individual positions form the base upon which the whole organization structure is built, if the position descriptions are inaccurate, the foundation of the organization is misrepresented, formal organizational analysis and planning are undermined, and general management at all levels is handicapped.

For all of these reasons, great care is taken to see that each employee's job is accurately described.

After positions are established and filled, the directors and supervisors in Washington divisions and field offices are responsible for seeing that the descriptions are revised as changes in duties and responsibilities are made.

Each employee is responsible for suggesting revisions at any time he finds himself regularly discharging duties or responsibilities different from those described; and he is expected, when requested, to draft a new description, subject to discussion with and revision by his supervisor.

HOW AND WHY JOBS ARE CLASSIFIED

Nearly all positions in FHA are subject to the Classification Act of 1949 and to classification standards issued under the act by the Civil Service Commission.

In a store, goods of the same type are placed together on the same shelf or 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 jobs are sorted, batched, labeled and graded to show the type and value of their contents (the duties and responsibilities).

MATCHING JOBS AND JOB STANDARDS

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

The Civil Service position-classification standards (not to be confused with so-called standard position descriptions) establish and define various series of positions in terms of *kinds* of duties and responsibilities and *kinds* of qualifications required. In accordance with Classification Act grade 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 *kind* but the *level, scope, complexity* and *difficulty* of the duties and responsibilities contained in the positions to be placed in the class, and in terms of the level of qualifications required for performance. Thus the value of the positions is established.

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

In classifying an individual position, 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 Division has no choice; it **MUST** adhere strictly to these standards in classifying the job, whether the job is in Washington or in a field office.

Every employee should realize that—

- It is his *position*, and *not himself*, that is classified.
- What he *must* do, and not what he *can* do, is what counts in classifying his position.
- The skills, 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.

- His skills, abilities, needs, desires and personal characteristics, his efficiency, resourcefulness, length of service, veteran preference, cooperativeness, general behavior and attitude on the job—all of these are vitally important, both to him and to FHA. They are important in connection with his promotion possibilities, his retention rights in event of reduction in force, his training plans, his opportunities for within-grade salary increases and incentive awards, and they are important in many other ways; but they do not have any bearing upon the classification of his job.

- 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 reclassification.

PRIVILEGE OF SEEING STANDARDS AND APPEALING CLASSIFICATION

When the Civil Service Commission makes distribution of appropriate current classification standards to the agencies, as far as its supply permits, the FHA issues copies to the field offices for their positions. If these standards are available they may be examined at any time by interested employees. If not locally available, copies may be borrowed by employees from the Field Personnel Officer or Washington headquarters.

Any employee has the right to appeal the classification of his position. (See "Grievances and Appeals," pages 59-61.)

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 jobs is established on the basis of local rates prevailing for the same types of jobs in private industry.

BASE PAY FOR CLASSIFIED POSITIONS

The classification of a position puts it into one of the 18 grades of the General Schedule of pay. 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 Congress in its latest pay act.

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.

Upon promotion to a position of higher grade, an employee ordinarily must at first 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 PERIODIC AND LENGTH-OF-SERVICE PAY RAISES ARE GIVEN (in classified positions).

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

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.

Any 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 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 has (a) been in his present job, or one of equivalent or higher salary, for 10 years, (b) served continuously at the top rate of his present grade for three consecutive years, and (c) received a current performance rating of "satisfactory" or better. An employee may be given only three such increases at any one grade.

PAY FOR "PREVAILING WAGE" JOBS

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

The pay of these positions is set by wage boards and agency wage-fixing authority in accordance with the rates of pay for similar positions prevailing in the locality in which the employees work.

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 him approximately 26 weeks after his appointment and the second approximately 78 weeks later.

OVERTIME PAY

Employees may not be paid for work in excess of 40 hours in any one week unless advance approval for overtime duty is given by the Director of Personnel. When so authorized, within certain limitations, overtime work by employees in classified positions is ordinarily paid for on a time and one-half basis.

No employee may receive overtime pay at a rate higher than one and one-half the minimum rate for GS-9. (It should be remembered that some of the rates in grade GS-8 exceed the minimum rate of GS-9.) An employee whose rate of basic pay is at or above the top scheduled rate of GS-15 may not be paid anything for overtime; and a lower-grade employee may not be paid more for combined regular and overtime work in any single pay period than an amount equal to the maximum basic pay-period rate for GS-15.

Employees may request "compensatory" time off (time off not charged against leave credits) instead of overtime pay for approved overtime work. In fact, for overtime work by employees above the GS-9 pay range, the Commissioner may order that compensatory time off shall be the only compensation allowed.

In general, employees in prevailing-rate jobs also receive time and one-half for authorized overtime work.

WHAT IS WITHHELD FROM PAY

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

All salaries are subject to a deduction either of 6 percent under the United States Civil Service Retirement System, or of 2 percent on the first \$4,200 earned annually under the Social Security plan.

An amount is deducted for Federal taxes. This amount depends on the number of dependents claimed. If the number changes during an employee's service, a new Form W-4, Employees' Withholding Exemption Certificate, should be prepared. At the end of each calendar year, the Pay Roll Unit supplies each employee with a statement, Form W-2, of the total salary earned during the year and the amount withheld for taxes.

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, except that eligible employees who have attained the age of 65 are insured without cost.

A deduction may also be made from an employee's salary, if he wishes, for the purchase of United States savings bonds. An employee desiring to take advantage of this opportunity 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.

PAY DAY AND PAY LAG

Regular salary checks are delivered to FHA employees every other Friday. In FHA there is a payroll lag of 10 days. The salary check is for service performed during the pay period before the one in which it is received.

5. HOW JOBS ARE FILLED

The FHA recognizes that the success of its program depends upon the efforts 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.

First, qualifications required for each particular job must be specified and experience and training standards must be established for each group or type of positions. The qualifications of candidates for FHA positions are rated against these standards, and the person found to be the best qualified is selected for the job.

REASSIGNMENT AND PROMOTION FROM WITHIN

Wherever practicable, vacant FHA positions in the Competitive Service are filled by the reassignment or promotion of present employees. All supervisors are responsible for advising and assisting employees in preparing for advancement. To foster the most effective use of special talents and abilities of employees, consideration for promotion or reassignment is extended beyond the organizational unit in which the employee works to other organizational units in both the departmental and field service (except where qualified trainees and understudies have been selected in accordance with this principle in advance and are especially prepared for promotion).

All employees are given like consideration for promotion or reassignment, based on experience, training, demonstrated leadership ability, adaptability, skill and initiative. When these factors are equal, seniority influences the choice.

Although persons from outside the Administration 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.

Persons from outside the Administration are employed only when they possess qualifications more specifically suited to the requirements of particular positions or when their qualifications in general are superior to the qualifications of available employees.

RECRUITMENT FROM OUTSIDE

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 Civil Service system, its recruitment, selection and appointment methods are based upon rules and regulations established by the Civil Service Commission.

Generally, for positions in the Competitive Service, 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 to be served, operate as instrumentalities of the Civil Service Commission. The Federal Housing Administration has for each 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 singular to the Federal Housing Administration.

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 requirements for reinstatement, may be selected for appointment without competing with eligibles on Civil Service registers.

Generally, the Civil Service Commission gives an agency permission to recruit "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") ordinarily must meet the established Civil Service qualification standards, but before they can acquire Civil Service status they must compete with others in open examination.

HIRING RESTRICTIONS

Since all competitive positions are filled on a merit basis, race, color, religion, sex, marital status, lawful political or group affiliations, and physical handicaps that do not adversely affect ability to perform the job are not determining factors.

When filling positions from outside, preference must be given to veterans.

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. So pre-employ-

ment checkups are always made and further investigations are made when necessary (depending partly upon the kind of job involved).

A medical examination by an authorized physician is also required before appointment.

It is a policy of the FHA not to employ members of the same immediate 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

All career-conditional appointees are required to serve a probationary period of 1 year as part of the 3 years of substantially continuous service necessary to achieve career status. Employees serving under other types of appointments may be subject to the satisfactory completion of a probationary period begun during earlier employment in another agency.

The probationary (or trial) period is an extension of the examining process used to determine the employee's fitness for continued employment. At the beginning of his probation, the performance requirements of his job are explained to the employee. The supervisor gives the employee special assistance and guidance in his work during the probationary period. A trial-period rating form is completed by the supervisor and becomes a part of the employee's personnel folder. If an employee's performance or conduct is not satisfactory, his services are terminated before the completion of this period.

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, responsible supervisors are permitted to assign employees temporarily to positions other than their own or to assign temporary duties and responsibilities in addition to those included in their positions.

There are strict time limits governing "detail" assignments. Any such assignment lasting more than 15 work days must be made a matter of record (by memorandum to the employee and 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 from the detail as a basis for later determination of his qualifications for reassignment or promotion.

6. APPOINTMENT, TENURE, AND STATUS

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

TYPES OF APPOINTMENT

Under present Civil Service regulations, the most common types of appointment are *career-conditional*, *career*, *temporary*, and *excepted*. Each of these and the circumstances under which they may be made are briefly explained below.

CAREER-CONDITIONAL

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. If an employee is "transferred" 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 generally 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

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 eligible for a career tenure who is appointed by selection from a certificate of eligibles must serve a probationary period of 1 year even though he may have previously completed his probation.

TEMPORARY 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 Commission 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. A temporary appointee is not required to serve a probationary period, and his temporary appointment does not give him competitive status.

TEMPORARY 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 may be made by selection from Civil Service registers, or, if Civil Service registers are inadequate, by selection 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

Certain positions in the Federal Housing Administration are excepted from the competitive Civil Service Rules and Regulations. These include field directors, attorneys, certain technical and specialized positions, and positions of a confidential and policy-determining nature.

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.

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 talents, abilities and other qualifications must be considered in relation to the work to be done by the Administration.

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.

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 of the competitive status of persons who can have conditional tenure, they too can be reassigned, transferred, or promoted without further competitive examination.

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.

A person serving under a temporary-limited appointment may not reasonably expect his employment to continue beyond the specified time limit, and it is quite possible that his appointment may be terminated before the specified expiration date.

STATUS

Another term that employees often wonder about is "status." In the Federal civil service, if an employee has "status," "competitive 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).

The effects of tenure and status upon an employee's job-retention and "bumping" rights when there is a reduction in force are more specifically shown in "Yeaving the Service," pages 66-68.

7. 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 rate of his work; and to give him opportunity to broaden his understanding and demonstrate his capacity for advancement.

Supervisors and representatives of the Personnel Division (including the Field Personnel Officers who visit the insuring offices) are responsible for providing counsel on means of training and advancement. All employees are encouraged to take advantage of training opportunities on the outside to supplement the training supplied by the agency.

The establishment of special trainee and technical-aide positions in all three main branches of underwriting work in the field is encouraged, and directors are urged to designate understudies for all key positions, consistent with the promotion policy. Training for persons in these positions, as well as for other employees, is provided through the various programs mentioned below.

INDUCTION AND ORIENTATION TRAINING

In Washington, the new employee is inducted and given preliminary orientation by a representative of the Personnel Division. In the field, these 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; and he is given the opportunity to ask questions. In addition, he is provided a copy of this handbook and of various other printed materials explaining certain obligations, rights and benefits in more detail.

The further stages of his orientation are under the guidance of the supervisor to whom he is assigned. 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 of his job are made clear to him. The supervisor then con-

tinues to provide advice and guidance as he gives work assignments and instructions and as he reviews the employee's work.

After an appropriate period of time, a representative of the Personnel Division follows up 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 34, and "Performance Rating," page 42.

ON-THE-JOB TRAINING

Supplementing the normal orientation provided new employees, further informal on-the-job training is given as indicated by the circumstances. The need for such training depends upon the background and abilities of the particular employee and often upon changes in operating policies, programs, standards and procedures. The supervisor is mainly responsible for recognizing the need for such 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.

FORMAL 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, coupled with progressively difficult work assignments, are designed to speed the progress of trainees to the journeyman level in 1-year stages, and to aid capable journeyman technicians in their preparation for possible advancement to senior and supervisory jobs.

SUPERVISORY TRAINING

Administrative and supervisory training is recognized as extremely important and is conducted on an informal basis at FHA.

Special administrative needs and problems are taken up at top executive staff meetings and at weekly meetings of the Zone Operations Commissioners, with participation by the appropriate administrative division heads. As occasion demands, central or zone conferences of directors and top supervisory staff are held to take up organizational, operational, and administrative changes and problems.

The head of each Washington division and field office, aided by his Administrative Officer or other assistant, is responsible for seeing that needed training in administrative and supervisory methods is given at the operating level. This training includes reading and reference assignments of infor-

mational and instructional materials obtained from zone offices, from Personnel, Budget and Organization, 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. Field Personnel Officers and other administrative officials are often called upon for advice on planning these meetings and for participation in them.

OTHER FORMS OF STAFF DEVELOPMENT

Special arrangements are made as necessary for training needed by persons in highly specialized positions. As circumstances permit, unusually well-qualified employees are selected by special examination for management intern-type training programs carried out in cooperation with the Civil Service Commission.

KEEPING TAB ON TRAINING ACCOMPLISHMENTS

Each employee is responsible for keeping his supervisor informed of any outside training, research or other self-development completed after entering upon duty in FHA. He is responsible also for keeping the Personnel Division informed of such outside training and of special training received within his office or division. This facilitates proper consideration of the training in rating the employee's qualification for possible reassignment or promotion. To furnish this information the employee may use either a Standard Civil Service Form 58 (Experience and Qualifications Statement) or plain sheets of paper on which he outlines his training, describing how, when and where the training was acquired and designating the units or amounts completed. He should then submit copies of these statements to the Personnel Division, preferably through his supervisor.

8. HOW PERFORMANCE IS RATED AND REWARDED

From the time an employee comes on the job, his progress, effectiveness and efficiency are regularly rated, and incentives for unusual accomplishment are offered.

PERFORMANCE RATING

An employee's efficiency and continuing performance are observed and periodically rated throughout his tenure, under a system required by the Performance Rating Act.

The primary purpose of the system is to improve individual efficiency by assuring that the supervisor and the employee discuss the specific requirements of the position and the employee's performance as rated against those requirements.

It is the responsibility of the rating official to make known to the employee the quality and quantity requirements of his position and to evaluate the employee's performance as "outstanding," "satisfactory" or "unsatisfactory."

The rating received has a bearing upon within-grade salary increases and upon retention credits for reduction-in-force purposes. An "outstanding" performance rating entitles the employee to consideration for a cash award.

Detailed information about the FHA performance rating plan is presented to all employees at the time of their entrance on duty.

INCENTIVE AWARDS

All regular full-time employees are offered various nonfinancial advantages, or "fringe benefits," such as provisions for paid vacations, sick leave, contributory retirement annuities and life insurance, and unemployment compensation.

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 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 special citations, financial grants and scholarships 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. All employees are encouraged to participate in the incentive awards program, under which cash awards may be authorized for suggestions, superior accomplishments or other personal efforts contributing to efficiency, economy, or other improvement in Government operations.

Suggestions, which may pertain to programs, methods, procedures, forms, or working conditions, are reviewed and evaluated at three levels to assure full and unbiased consideration.

Performance of all employees is reviewed periodically to determine whether any employee or group merits an award for outstanding efficiency or superior accomplishment. This review is not limited to the performance-rating procedure, but that procedure is one means of identifying instances of superior accomplishment and efficiency; and employees who receive outstanding ratings under the procedure are automatically considered for cash awards.

Detailed information on the incentive awards program is contained in a Personnel Letter, a copy of which is presented to every employee.

9. 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.

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 obtain authority to establish other office hours compatible with the general working hours of the particular locality.

TARDINESS

An employee who reports for duty after the opening hour or after the prescribed time limit for his lunch is considered tardy. In ordinary circumstances, unavoidable tardiness not in excess of 30 minutes may be excused. If this privilege is abused, the absence due to tardiness is charged to annual leave or leave without pay.

ABSENCE WITHOUT PERMISSION

An employee who is unable to report for duty at the opening hour should notify his supervisor as early as possible. Avoidable and willful absence without permission is charged to leave without pay. Disciplinary action is taken against any employee who persists in absenting himself 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	Labor Day
Washington's Birthday	Veterans Day (Armistice Day)
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

When a legal holiday falls on Sunday, it is observed the following Monday. If it occurs on Saturday, however, the law does not permit its observance on

any other day. 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 Federal statute or by Executive or administrative order. FHA field offices may observe legal State holidays at the discretion of the head of the office when the public business is not hindered by such observance.

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, court leave, military leave, and leave without pay. Only a general explanation of each type of leave will be given here. Complete instructions on the subject are available to all employees.

ANNUAL LEAVE

Annual leave permits employees to be absent from duty for vacation and other personal reasons without loss of pay. Full-time employees earn annual leave at the rate of from 13 to 26 days a year, depending upon their length of service. This leave accrues on a pay-period basis. Annual leave is not available to a new employee until he has completed 90 days of continuous service in the Federal Government. Within certain limits annual-leave credits not used in the year earned can be accumulated for use in later years. Upon separation, an employee may be paid a cash amount at his latest salary rate for a limited number of 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 employees to be absent from duty without the loss of pay when they are incapacitated by reason of illness, disability, or pregnancy. When approved in advance, sick leave may also be utilized for medical, dental, or optical examination or treatment. Sick leave is earned at the rate of 13 days a year. It can be accumulated without limitation, but no cash settlement is made for credits unused at the time of separation.

When an employee is incapacitated for the performance of his duties for reasons that entitle him to the use of sick leave, he must notify his 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.

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 one calendar year.

COURT LEAVE

Court leave is granted to an employee for the purpose of attending court as a witness on behalf of the United States, or for jury duty. An employee who is subpoenaed to give testimony in private litigation pertaining to his official FHA capacity is considered to be in active-duty status and no leave is charged.

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. A Washington division head or field office director may approve an employee's request for as many as 29 calendar days of leave without pay if he believes it in the best interest of the Administration. Requests for more than 29 days may not be authorized without approval by the Director of Personnel.

COMPENSATORY TIME OFF

In the circumstances mentioned under "Overtime Pay," pages 30-31, time off may be allowed in place of overtime pay for authorized overtime work. An accurate record and report of any such time used must be made on the official Time and Attendance Report (for it must be reconciled against the actual overtime authorized). Such time off, of course, is not charged against the employee's leave credits.

10. CONDUCT AND DISCIPLINE

All employees of the Federal Housing Administration share in the responsibility of carrying out effectively and economically the housing program of the Federal Government. This is a responsibility that imposes a serious obligation upon the individual employee. As an employee of the United States Government and a servant of the public, he must render a greater accountability for his actions than would be necessary were he in private business. 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. In both official and personal conduct, each employee must adhere strictly to a code of ethics that is second to none in its high demands of personal integrity.

Each employee is expected to be courteous and diplomatic in all of his associations with the public and his fellow-employees, 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 in the halls is not permitted. Disrespect, insubordination, the use of vile language, the use of intoxicants during office hours, or participation in any form of gambling or lottery will not be tolerated and will be cause for prompt disciplinary action.

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.

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.

OATH OF OFFICE AND RELATED AFFIDAVITS

When an individual enters upon Federal employment, he takes an oath of office and signs certain appointment affidavits.

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."

AFFIDAVIT AS TO SUBVERSIVE ACTIVITY AND AFFILIATION

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

AFFIDAVIT AS TO STRIKING AGAINST THE FEDERAL GOVERNMENT

"I am not engaged in any strike against the Government of the United States and that I will not so engage while an employee of the Government of the United States; that I am not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, and that I will not, while a Government employee, become a member of such an organization."

AFFIDAVIT AS TO PURCHASE AND SALE OF OFFICE

"I have not paid, or offered or promised to pay, any money or other thing of value to any person, firm or corporation for the use of influence to procure my appointment."

OUTSIDE ACTIVITIES

The FHA policy on outside activities specifically prohibits any employee from engaging in outside employment or outside activities, as described here, without first obtaining approval from the Director of Personnel.

Under the standards of the FHA policy, outside activities may be divided into two broad categories, outside employment and outside interest.

Outside employment is any compensatory assignment other than FHA employment (excluding only an assignment with a reserve component of the military forces).

Outside interest is any direct or indirect interest or activity that can reasonably be construed as being in conflict with any interest of the FHA.

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 con-

nection 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.

Each FHA employee is required to complete an outside activities report form (FHA Form 843) (1) at the time of entrance on duty, (2) when the nature or scope of the approved activity is being permanently discontinued or changed, (3) when the employee wishes to enter into any outside employment or activity that has not been specifically approved, and (4) when he is specifically instructed to do so, even though no change in his approved outside activity is contemplated.

An employee's decision to include or exclude a specific interest or activity in this 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.

Upon approval from the Director of Personnel, 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 activity during office hours except when annual leave or other appropriate leave has been granted. Such leave is granted for performance of outside activities only when entirely convenient to the office and when it would have been granted anyway for other purposes.

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

Supplementing the policy on outside activities in general, more detailed policies and standards have been established for the following particular types of outside activity.

PERSONAL REAL ESTATE TRANSACTIONS

Because FHA operations are directly concerned with real estate, FHA employees in their personal real estate transactions must avoid any possible criticism in connection with such transactions.

When FHA insurance is not involved, a personal real estate transaction of an employee with respect to his own home is not restricted in any way and need not be reported to the FHA. If the builder, seller, broker, or mortgagee has business before the FHA, the employee must submit a statement that no special benefit will accrue to him and that in his opinion the completed transaction will not conflict with FHA policies.

Whether or not FHA insurance is involved, a personal real estate transaction involving property which is not to be used as a home for the

employee or his family must be reported on FHA Form 843, Statement of Outside Activities.

On obtaining a Title I property improvement loan, an FHA employee must immediately submit to the head of his field office or division a report of the improvements to be financed, the amount of the loan, and the name of the lending institution, with a statement that in his opinion nothing about the transaction would cause the FHA to be embarrassed or criticized.

An employee may apply for an FHA-insured mortgage on his own home without obtaining prior approval. If the mortgage is to finance a home not to be occupied by him or his family, he must obtain prior approval of the transaction as an outside activity. Whether or not the property is to be used as his home, he must immediately submit notification of his interest in the transaction to the director of the office that will process the application for mortgage insurance.

No employee may own stock or otherwise have an interest in a rental project financed with an FHA-insured mortgage, as long as the insurance is in force.

An employee may have an interest in a cooperative housing project financed under Section 213 of the National Housing Act if his interest is restricted to membership in the cooperative in order to obtain a home for himself or his family. The employee must notify the director of the office which is to process the application for mortgage insurance of his interest in the project.

OUTSIDE 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.

No employee shall accept any compensatory assignment from an approved mortgagee, builder, architect, or other organization having business with the Federal Housing Administration, no matter whether the assignment pertains to residential or to nonresidential property.

OUTSIDE PRACTICE OF LAW

No employee shall engage in the practice of law in other than his official FHA capacity, because of (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 rep-

resentation 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.

SPECULATION

In accordance with Government policy, no 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 bear his official title 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 such appearances are assigned as duties of his position or when he has received advance approval from the responsible supervising official. If such engagements are included in his 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 such service. Outside speaking, lecturing, teaching or other similar engagements for which the employee will be compensated must be approved in advance by the Director of Personnel (regardless of the subject matter and regardless of whether or not the employee is to be identified as an FHA employee).

POLITICAL ACTIVITY

The Hatch Act strictly forbids employees to take part in any political campaign, directly or indirectly, or to request or receive any political contributions from other Federal employees, or to give a political contribution to another Government employee.

Employees may vote as they please, of course, 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 of such a club.

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 regarding these exceptions.

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.

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 for a period of two years on former Federal employees with respect to their relationships with agencies or departments with which they have been connected.

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 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.

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. The acceptance of gifts or gratuities by FHA employees or the failure to report the offering of such 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 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.

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 such 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 any 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 such neglect is harmful to the prestige of the Administration 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.

DISCRIMINATION

FHA employees will not 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.

SECURITY OF 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 the head of his office (if in the field) or to his division head or a higher official (if in Wash-

ington). He 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.

PRIVATE USE OF GOVERNMENT FACILITIES

In general, it is unlawful for employees to make unauthorized use of Federal equipment, supplies, or facilities for private or personal advantage.

TELEPHONES

Personal calls should not be made on FHA telephones.

FRANKED ENVELOPES

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

CONTACTS WITH THE PUBLIC

Each FHA employee is a public servant and must act as such in his official contacts, whether in person, by telephone or through correspondence. He should be proud of his opportunity to serve the public.

Officials of FHA make themselves as accessible to the public as possible. Persons wishing to speak with an official by telephone should be promptly connected with the appropriate official.

Requests for information (whether they be personal, telephoned or written) should not be transferred unnecessarily. 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.

SEEKING FAVORITISM

All Civil Service 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 such influence is contrary to law and regulation. Seeking such influence is in direct violation of established administrative policy, and may be cause for dismissal.

DISCIPLINARY ACTIONS AND PENALTIES

The Federal Housing Administration will take prompt disciplinary action against an employee when his conduct or performance is such as to bring discredit to the agency, or when his performance does not satisfactorily meet the standards established for his work. Each supervisor is responsible for promptly reporting any improper conduct or unsatisfactory performance of the employees under his supervision. Disciplinary action involving 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.

There are four major types of disciplinary action.

1. REPRIMAND

An official reprimand ordinarily will be issued to an employee in the case of a first offense, if the nature of the offense is not serious and if more drastic action is deemed unwarranted.

2. SUSPENSION

Under the regular Civil Service regulations, an employee may be suspended without pay during the course of an investigation of alleged criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct. Also under these regulations, an employee may be suspended without pay for a definite period of time because of some offense of a less serious nature for which more drastic action is not considered warranted. Under the provisions of the FHA security program, an employee may be suspended if the FHA Personnel Security Officer determines such action to be necessary in the interests of national security.

3. 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.

4. SEPARATION

The FHA, like all Government agencies, is held strictly accountable for prompt dismissal of unsatisfactory, incompetent, or unfit employees. Separation (dismissal or removal) may be the penalty for a single breach of conduct that is extremely serious in nature. Separation 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
<p>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.</p>	<p>Sec. 109, Criminal Code; 18 U. S. C. 283; P. L. 772, 80th Cong., approved June 25, 1948.</p>	<p>\$10,000 fine; 1 year imprisonment; or both.</p>
<p>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.)</p>	<p>18 U. S. C. 1914; P. L. 772, 80th Cong., approved June 25, 1948.</p>	<p>\$1,000 fine; 6 months imprisonment; or both.</p>
<p>Drunkenness.—Habitually using intoxicants to excess.</p>	<p>Sec. 8, Civil Service Act of Jan. 16, 1883; 22 Stat. 406; 5 U. S. C. 640.</p>	<p>Removal.</p>
<p>Examination—fraud.—Intentional false statements or deception or fraud in examination or appointment.</p>	<p>Regulations ★ 2.106 ★ (a) (4) and 9.101 (a).</p>	<p>Removal.</p>
<p>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.</p>	<p>Sec. 5, Civil Service Act of Jan. 16, 1883; 22 Stat. 405; 5 U. S. C. 637.</p>	<p>\$1,000 fine; 1 year imprisonment; or both.</p>
<p>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.</p>	<p>Sec. 5, Civil Service Act of Jan. 16, 1883; 22 Stat. 405; 5 U. S. C. 637.</p>	<p>\$1,000 fine; 1 year imprisonment; or both.</p>

TABLE OF MISCELLANEOUS OFFENSES—Continued

Nature of Offense	Law or Regulation	Maximum Penalty
<p>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.</p>	<p>Civil Service Rule 04.2.</p>	<p>Such disciplinary action as the Commission deems appropriate.</p>
<p>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.</p>	<p>Sec. 5, Civil Service Act of Jan. 16, 1883; 22 Stat. 405; 5 U. S. C. 637.</p>	<p>\$1,000 fine; 1 year imprisonment; or both.</p>
<p>Gifts to official superiors.—Soliciting contributions from other Government officers or employees for a gift or present to those in a superior official position.</p> <p>Accepting gifts or presents offered or presented as a contribution from persons in Government employ receiving a lower salary.</p> <p>Making donation as a gift or present to official superior.</p>	<p>Sec. 1784, Revised Statutes; 5 U. S. C. 113.</p>	<p>Removal.</p>
<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. 2017; P. L. 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; P. L. 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; P. L. 772, 80th Cong., approved June 25, 1948.</p>	<p>\$5,000 fine; 10 years imprisonment; or both.</p>

TABLE OF MISCELLANEOUS OFFENSES—Continued

Nature of Offense	Law or Regulation	Maximum Penalty
Government vehicles. —Using or authorizing the use of Government vehicles or aircraft for other than official purposes.	Sec. 16, act of Aug. 2, 1946; P. L. 600, 79th Cong.; 60 Stat. 810; 5 U. S. C. 78 (c).	Suspension without compensation for not less than 1 month; suspension for a longer period or removal if the circumstances warrant.
★ Malfesance, Nonfesance 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.	Civil Service Rule 05.4.	Such disciplinary or corrective action as the Commission deems appropriate ★.
Misconduct generally. —Criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct.	Regulations 2.106 (a) (3) and 9.01 (a).	Removal.
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.	Sec. 227, Criminal Code; 18 U. S. C. 1719; P. L. 772, 80th Cong., approved June 25, 1948.	\$300 fine.
Strikes. —Participating in any strike against the Government of the United States.	Sec. 305, P. L. 101, 80th Cong., approved June 23, 1947; 61 Stat. 160; 29 U. S. C. 188.	Immediate removal; forfeiture of Civil-Service status; ineligibility for reemployment for 3 years by the United States or any agency thereof.
Accepting salary or compensation after engaging in a strike against the Government of the United States or while holding membership in an organization of Government employees that asserts the right to strike against the Government of the United States.	Appropriation acts.	\$1,000 fine; 1 year imprisonment; or both.

11. RIGHTS, BENEFITS, AND SERVICES

The pay that an employee receives for his work, the possibility of cash and other awards in addition to his pay, and the leave that he 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.

EMPLOYEE INFORMATION AND PARTICIPATION

Only an informed employee can be a satisfied employee—or an efficient one. Each employee should be able to appreciate the part that his duties play in the total operation and 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 means of obtaining this participation is 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 this Employee Handbook, bulletin boards, special releases, questionnaires, management-improvement committees, and staff meetings.

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. Nevertheless, all officials must maintain an open-door policy insofar as possible; and the Personnel Division is open to all employees at all times (either directly or through its Field Personnel Officers).

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 employee.

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 the employee is not entirely satisfied after discussion with his immediate supervisor, he has the right to present his problem or grievance to those in higher authority.

On grievances arising from day-to-day work relationships or administrative actions employees 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.

Special appeal rights with respect to administrative determinations of the agency or the Civil Service Commission are mentioned here, although more complete information is available in FHA Personnel Letters and in the Federal Personnel Manual.

POSITION-CLASSIFICATION APPEAL

An employee who wishes to appeal the classification of his position may do so either to the FHA Personnel Division or to the appropriate regional office of the Civil Service Commission; or, first to the Personnel Division and then, if still desired, to the Commission's regional office.

If the appeal is from a reclassification to a lower grade and if the employee wishes to seek a retroactive correction in pay, the appeal must be filed 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 14 days) to the central office of the Commission in Washington if no published standards exist for the position in question, or if the case arises under either Section 14 of the Veterans' Preference Act or Retention Preference (reduction-in-force) Regulations.

PERFORMANCE-RATING APPEAL

If an employee feels that he has not been fairly rated he may appeal his official Performance Rating. The appeal must be made within 30 days after receipt of official notice of the performance rating.

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

An employee who wishes to appeal an "Unsatisfactory" rating may obtain an impartial review of the rating by the FHA Performance Rating Review Committee before appealing to the Board of Review.

Detailed information on the FHA Performance Rating plan is distributed to all employees. His supervisor or the Personnel Division will answer any questions the employee may have concerning any phase of the plan.

ADVERSE-ACTION APPEAL

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. Such an appeal must be filed within 10 days of the effective date of the action.

REDUCTION-IN-FORCE APPEAL

An employee who receives a reduction-in-force notice may file an appeal with the Civil Service Commission if he feels that he has not been treated in accordance with the reduction-in-force regulations. The appeal must be made within 10 days after he has received the reduction-in-force notice. Before submitting his appeal, the employee may wish to review the official retention register and related records. To do this, a field office employee should make his request to the Office of the Director and a Washington employee should make his to the Personnel Division.

HEALTH AND SAFETY

Various arrangements are made for the health and safety of employees. The FHA wants employees to work under conditions which are safe and conducive to their general well-being. The full cooperation of employees is indispensable in maintaining safe, sanitary, and healthful working conditions. Any unsanitary or hazardous conditions should be reported to supervisors or to the Personnel Division so that they may be corrected.

FIRST-AID ROOMS

Health rooms have been established for employees who are located in Washington. In these rooms first-aid treatment, rest facilities, health counseling, and nursing care are available.

Field office employees should ask their supervisors about first-aid facilities.

HEALTH AND HOSPITALIZATION

At most FHA offices plans for medical, surgical and hospital services at group rates are available to employees. Any employee wishing to participate in such a plan should obtain the necessary information and forms through his supervisor.

COMPENSATION FOR JOB INJURY OR OCCUPATIONAL ILLNESS

An employee who is injured in the performance of his duties or suffers an illness directly attributable to his work is entitled to certain benefits under the Federal Employees' Compensation Act. These benefits include medical, surgical, and hospital services and payment of compensation for loss of salary while on leave without pay as a result of job-connected injury or illness. An employee who is injured while in an official travel status or while performing authorized overtime duty is covered by the provisions of the Employees' Compensation Act.

All injuries, no matter how minor, which occur in the performance of duty, should be cared for immediately and must be reported to the supervisor. 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 Federal medical officer.

Undue delay in submitting the required report of an injury may jeopardize an employee's claim for compensation.

CREDIT UNION

The FHA Employees' Federal Credit Union is a cooperative organization of employees, chartered and supervised by the Bureau of Federal Credit Unions, Federal Security Agency.

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.

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. An interested employee should check with his supervisor or administrative officer.

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. Coverage under that act for eligible employees is automatic unless the employee specifically files a waiver of coverage.

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. The cost of the insurance is shared by the employee and by the Government.

An employee who is less than 65 years old is insured for life insurance and accidental death and dismemberment insurance, each in an amount equal to his current annual rate of pay if his annual salary is a multiple of \$1,000. If it is not a multiple of \$1,000, then the employee is insured to the next higher \$1,000. For example, an employee whose annual salary is \$6,000 is insured for \$6,000; one whose annual salary is \$6,125 is insured for \$7,000. The amount of insurance carried by an employee who is under 65 automatically changes whenever his annual salary rate increases or decreases in an amount sufficient to raise or lower it to the next \$1,000.

When a covered employee reaches 65, his insurance is reduced each month by 2 percent until the amount of insurance reaches 25 percent of the amount in force when he reached 65.

The amount of insurance that may be carried by an employee who is appointed and becomes insured after reaching 65 depends upon a number of individual factors. Upon request, the Personnel Division will furnish additional information about those factors.

Premiums for life insurance are withheld from an insured employee's salary at the rate of 25 cents biweekly for each \$1,000 of insurance. An employee who is 65 or over is insured without cost to him, and no premiums are withheld from his salary.

Group life insurance terminates when an employee files a waiver of coverage, is separated from the service, has been 12 months in a nonpay status, acquires servicemen's indemnity coverages, or transfers to employment excluded from insurance coverage by law or regulation. When an employee's insurance terminates, except by waiver, he may convert his group life insurance to an individual policy without having to undergo a medical examination. If an employee leaves the Government service by retirement on an immediate annuity after 15 years of creditable civilian service, he is eligible to have his life insurance continued as an annuitant without cost to him.

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. This order is also included in the Certificate of Federal Employees' Group Life Insurance. If a covered employee wishes to name a beneficiary not listed in the order of precedence, or if he wishes to name a designated beneficiary in a different order, he should ask his supervisor for a designation of beneficiary form.

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 the employee 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, the separated employee must file a claim and register for work at a local public employment office, must be

able to work and available for work, and must continue to report at the local employment office as directed.

The amount of compensation and the number of weeks it is payable are determined by State law. Generally, the maximum benefits range from \$20 to \$35 per week for maximum periods of from 16 to 26 weeks in a benefit year.

RETIREMENT

All employees of the Federal Housing Administration 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—

An employee may retire upon completing 30 years of service if he has reached the age of 55; after completing 15 years of service if he has reached the age of 62; or after the completion of 25 years of service, regardless of his age, if he is involuntarily separated through no fault of his own.

The amount of an annuity is ordinarily determined as follows:

If the salary for the highest 5 years of employment averages—

- (a) more than \$5,000, the annuity is computed by taking 1½ percent of that average and multiplying by the total number of creditable years of employment;
- (b) less than \$5,000, the annuity is computed by taking 1 percent of that average, adding \$25 and multiplying by the total number of creditable years of employment.

If annuity commences between—	Annuity not in excess of \$1,500 shall be increased by—	Annuity in excess of \$1,500 shall be increased by—
Aug. 20, 1920, and June 30, 1955.....	12 per centum	8 per centum
July 1, 1955, and Dec. 31, 1955.....	10 per centum	7 per centum
Jan. 1, 1956, and June 30, 1956.....	8 per centum	6 per centum
July 1, 1956, and Dec. 31, 1956.....	6 per centum	4 per centum
Jan. 1, 1957, and June 30, 1957.....	4 per centum	2 per centum
July 1, 1957, and Dec. 31, 1957.....	2 per centum	1 per centum

Any employee who retires before he is 60 will receive a reduced annuity unless his retirement is due to disability. The amount of reduction in the annuity is based on the number of months (figured at ¼ of 1 percent per month) by which his age falls short of 60 years at the time

of retirement. An employee who has reached 70 years of age and has completed 15 years of service must retire.

If an employee becomes totally disabled for useful and efficient service in his position and has completed at least 5 years of creditable civilian service, he may apply for disability retirement. An annuity under these conditions will not be reduced because of the employee's age. If an employee resigns from the Government service after completing 5 years of creditable civilian service, he may, upon attaining the age of 62, be entitled to annuity benefits.

When entering on duty, each employee who is subject to the Civil Service Retirement Act is given material containing information regarding the provisions and benefits of the act.

UNDER THE SOCIAL SECURITY ACT—

An employee covered by Federal old-age and survivors' insurance may, provided he is fully insured at the time, receive retirement benefits at any time after he reaches the age of 65. An employee is fully insured if he meets the service coverage and age requirements as shown in the following table:

Year in which age 65 is reached	Number of calendar quarters required to be fully insured	
	January- June	July- December
1953 or earlier.....	6	6
1954.....	6	7
1955.....	8	9
1956.....	10	11
1957.....	12	13
1958.....	14	15
1959.....	16	17
1960.....	18	19
1961.....	20	21
1962.....	22	23
1963.....	24	25
1964.....	26	27
1965.....	28	29
1966.....	30	31
1967.....	32	33
1968.....	34	35
1969.....	36	37
1970.....	38	39
1971 or later.....	40	40

Additional information concerning coverage and the computation of benefits under the Federal old-age and survivors' insurance is given to each employee whose salary is subject to the social security tax.

12. LEAVING THE SERVICE

When an employee leaves the service of the Federal Housing Administration, he must surrender to his supervisor any building pass, identification card, or nonexpendable property issued to him by FHA; and any indebtedness he has to the FHA for travel advances or unaccrued leave must be liquidated before the effective date of separation.

When these requirements have been met, the employee will receive compensation through his last working day; and, unless he is accepting employment in another Federal agency under the same leave system, he will receive a lump-sum payment for any annual leave to his credit as of the effective date of his separation. This final salary check will be issued approximately 3 weeks following the effective date of separation.

There are six types of separation. They are:

RESIGNATION

Any employee may resign at any time. The general practice is for the employee to notify his supervisor of his resignation at least 2 weeks before its effective date, so that there will be time to select and train another employee for the position being vacated. The employee should submit his resignation in writing, giving reasons, date of last working day, and a forwarding address.

SEPARATION FOR CAUSE

The Director of Personnel is responsible for dismissing any employee whose conduct, performance, or capacity is such that his removal will promote the efficiency of the service. Generally, the employee will receive a written notice stating the reasons for his dismissal and will have an opportunity to reply, giving his reasons for objecting to the dismissal. After consideration of the employee's answer, the Director of Personnel will notify the employee of the final decision of the agency. The employee's right of appeal from an action to remove him for cause has been explained.

DISQUALIFICATION

Each employee is investigated by the Civil Service Commission. If the investigation reveals that the employee is not qualified for Federal employ-

ment, either because he has made false statements in obtaining employment or because he is found otherwise unsuitable for continued employment with the FHA, he will be separated.

MILITARY DUTY

Under existing legislation, in certain circumstances any career or career-conditional employee who leaves the FHA for military duty has definite reemployment rights. An employee serving under a temporary appointment is not entitled to reemployment rights.

An employee who is entitled to reemployment rights has the same eligibility for periodic and longevity pay increases and promotion during his absence on military duty that he would have if he were on the payroll.

Detailed written information about reemployment rights is furnished to the employee at the time he is issued the official notice of personnel action on his separation 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 for one of the reasons already mentioned.

REDUCTION IN FORCE

Lack of funds, curtailment or completion of work, or other developments may make it necessary to reduce the number of employees. When this happens, management determines the positions that are to be eliminated and then, on the basis of Civil Service retention-preference regulations, decides which employees will be affected.

In general, the regulations are designed to give consideration to type of appointment (tenure group), veteran preference, length of service, and performance record.

For each office involved in a reduction in force, a competitive area is determined (the geographic and organizational limits within which employees will compete with one another for retention). Then competitive "levels" are determined (at each grade, the positions that are so similar that the incumbents are normally interchangeable). Employees in the same area and in similar positions at the same grade then compete with one another for employment in the remaining positions within the designated level (or group) of similar positions.

After the competitive areas and levels have been fixed, employees within each level in an area are grouped approximately as follows:

Group I—Employees who have completed probation and are serving under career appointment:

Subgroup A—Veterans.

Subgroup B—Nonveterans.

Group II—Employees serving under career-conditional appointment, or under career appointment but in probation (and employees under career appointment in positions reserved for employees in military or defense-agency service):

Subgroup A—Veterans.

Subgroup B—Nonveterans.

Group III—Employees serving under temporary appointment pending the establishment of registers (and any employees still having indefinite appointments under a previous appointment system):

Subgroup A—Veterans.

Subgroup B—Nonveterans.

Undesignated Group—Employees serving under temporary-limited, temporary-job, and temporary-emergency appointments, and employees having unsatisfactory performance ratings:

First Subgroup—Temporary.

Second Subgroup—Unsatisfactory.

Within each of the subgroups of Groups I, II, and III, employees are ranked in the order of retention-preference points, with one point for each year of Federal service (including military) and four points added for a current performance rating of "outstanding."

Selection of employees to be affected by the reduction is made from the bottom of the retention register, or list, for each competitive level, with selections continuing upward as far as necessary.

When an employee is to be affected, he receives written notification at least 30 days before the effective date.

Career and career-conditional employees, if reached in reduction-in-force, are considered for offers of reassignment to other jobs for which they are qualified that are held by employees in lower retention subgroups. Also, a career or career-conditional employee has certain rights to "retreat" to a job from which (or like one from which) he has been promoted at some earlier time, provided the person occupying such a lower-grade position is in the same retention subgroup but has fewer retention points.

Employees in Group III and below have none of these reassignment or retreat (often called "bumping") rights. However, 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. Any employee affected is entitled to examine the reduction-in-force regulations and the retention-preference register on which his name appears.

13. PERSONNEL RECORDS

Each employee will receive from time to time notices that certain actions have been taken with respect to his employment. Also, as an employee he 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 his employment, they must be carefully filed for reference and record purposes. The following are some of the materials that an employee should maintain in his personal file:

1. A copy of each Notice of Personnel Action (Standard Form 50) relating to his employment.
2. A copy of his Position Description (SF 75), and copies of any available written statements of the standards of performance he must meet.
3. Copies of Performance Ratings.
4. Materials and information concerning his right of appeal from actions taken in respect to his employment or from circumstances or conditions of work.
5. Copies of notices in respect to changes in his salary (SF 1126).
6. Copies of memoranda temporarily detailing or assigning him to duties not included in his official job description.
7. Copies of materials that he prepares and submits to the agency, such as Application for Federal Employment (SF-57) and Experience and Qualifications Statement (SF-58).

Each employee should keep his record of experience and training accurate and up to date by submitting to his supervisor and the Personnel Division copies of SF-58 (which is designed as a supplement or continuation to SF-57) whenever any significant experience or training is accumulated; or he may complete and submit a new SF-57 if he feels that by doing so he can more fully or accurately represent his qualifications. Complete, accurate and current information of this kind is needed whenever the employee is considered for reassignment or promotion.

CONCLUSION

We sincerely believe that your work with the Federal Housing Administration will be of constantly increasing interest to you. Working toward meeting the housing needs of the Nation is a challenging career. We are glad you decided to come with the FHA.

Appendix

ANNUAL AND SICK LEAVE

All full-time employees of the Federal Housing Administration are subject to the following leave regulations:

ANNUAL LEAVE

AMOUNT OF LEAVE ACCRUAL

- a. Employees with less than 3 years of service accrue annual leave at the rate of one-half day for each full biweekly pay period.
- b. Employees with 3 but less than 15 years of service accrue annual leave at the rate of three-fourths day for each full biweekly pay period, except that the accrual for the last full biweekly pay period is $1\frac{1}{4}$ days.
- c. Employees with 15 or more years of service accrue annual leave at the rate of 1 day for each full biweekly pay period.

DEFINITION OF "SERVICE"

The term "service" includes all civilian service in the executive, legislative, and judicial branches of the Federal Government and in the District of Columbia government, as well as all periods of active military or naval service which were terminated under honorable conditions. Those days on which services are actually performed under a per diem (WAE) appointment are also creditable. The service need not be continuous, but may be accumulated by reason of a number of periods of Federal employment. In general, all service for which retention and retirement credit is granted is included in the term "service."

MAXIMUM ACCUMULATION PERMITTED

Annual leave may be accumulated for use in succeeding years until it does not exceed 30 days at the beginning of the first complete biweekly pay period of the calendar year. Certain employees whose post of duty is outside the continental limits of the United States may accumulate annual leave not to exceed 45 days at the beginning of the first complete biweekly pay period of the calendar year. Also, those employees who under previous leave regulations earned and retained annual leave balances in excess of 30 days may

retain the accumulation, but any annual leave taken by these employees in excess of their accrual for the leave year will automatically reduce their authorized accumulation ceiling by the amount of leave taken in excess of their yearly accrual until it does not exceed 30 days.

GENERAL PROVISIONS

An employee must have completed a continuous period of employment in the Federal service of 90 days before being entitled to the use of any annual leave. Upon the completion of 90 days continuous employment, the employee is immediately credited with the appropriate amount of annual leave which he earned during that time. No annual leave is accrued for fractional parts of biweekly pay periods falling at the beginning or end of a period of service. Lump-sum payments may be made upon separation from the Federal service for only that amount of annual leave remaining to the employee's credit which does not exceed 30 days or which does not exceed his authorized accumulation ceiling if his ceiling is greater than 30 days.

SICK LEAVE

AMOUNT OF LEAVE ACCRUAL

Sick leave accrues at the rate of one-half day for each full biweekly pay period.

MAXIMUM ACCUMULATION PERMITTED

There is no maximum limitation on the amount of sick leave which may be accumulated.

MAXIMUM ACCUMULATION PERMITTED

SALARY SCHEDULE APPROVED JULY 5, 1955

	\$2,690	\$2,775	\$2,860	\$2,945	\$3,030	\$3,115	\$3,200	\$3,285	Longevity	\$3,455
GS-1.....	2,960	3,045	3,130	3,215	3,300	3,385	3,470	3,555	3,640	3,725
GS-2.....	3,175	3,260	3,345	3,430	3,515	3,600	3,685	3,770	3,855	3,940
GS-3.....	3,415	3,500	3,585	3,670	3,755	3,840	3,925	4,010	4,095	4,180
GS-4.....	3,670	3,805	3,940	4,075	4,210	4,345	4,480	4,615	4,750	4,885
GS-5.....	4,080	4,215	4,350	4,485	4,620	4,755	4,890	5,025	5,160	5,295
GS-6.....	4,525	4,660	4,795	4,930	5,065	5,200	5,335	5,470	5,605	5,740
GS-7.....	4,970	5,105	5,240	5,375	5,510	5,645	5,780	5,915	6,050	6,185
GS-8.....	5,440	5,575	5,710	5,845	5,980	6,115	6,250	6,385	6,520	6,655
GS-9.....	5,915	6,050	6,185	6,320	6,455	6,590	6,725	6,860	6,995	7,130
GS-10.....	6,390	6,605	6,820	7,035	7,250	7,465	7,680	7,895	8,110	8,325
GS-11.....	7,570	7,785	8,000	8,215	8,430	8,645	8,860	9,075	9,290	9,505
GS-12.....	8,990	9,205	9,420	9,635	9,850	10,065	10,280	10,495	10,710	10,925
GS-13.....	10,320	10,525	10,750	10,965	11,180	11,395	11,610	11,825	12,040	12,255
GS-14.....	11,610	11,880	12,150	12,420	12,690	12,960	13,230	13,500	13,770	14,040
GS-15.....	12,900	13,115	13,330	13,545	13,760	13,975	14,190	14,405	14,620	14,835
GS-16.....	13,975	14,190	14,405	14,620	14,835	15,050	15,265	15,480	15,695	15,910
GS-17.....	14,800									
GS-18.....										

351.7 :728.1 F22y

US Federal Housing Adminis-
tration.

Your job in FHA.

DATE	ISSUED TO

