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U. S. Congress. Banking and Currency
Committee. (H).

Insurance of rehabilitation loans by
the Federal Housing Administration.
75th, 1st. H. Rpt. 335

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75TH CONGRESS }
1st Session }

HOUSE OF REPRESENTATIVES }

REPORT
No. 335

U.S. Congress House, Committee on Banking
and Currency,

INSURANCE OF REHABILITATION LOANS BY THE
FEDERAL HOUSING ADMINISTRATION

MARCH 1, 1937.—Committed to the Committee of the Whole House on the
state of the Union and ordered to be printed

MR. STEAGALL, from the Committee on Banking and Currency,
submitted the following

REPORT

[To accompany S. 1228]

The Committee on Banking and Currency, to whom was referred
the bill (S. 1228) to amend the National Housing Act, having con-
sidered the same, report favorably thereon to the House, without
amendment, and recommend that the bill do pass.

STATEMENT

The act of April 17, 1936 (Public, No. 525, 74th Cong.) amended
title 1 of the National Housing Act, as amended, by inserting a new
section (sec. 6 (a)) authorizing the Federal Housing Administrator to
insure financial institutions making rehabilitation loans prior to
January 1, 1937, with respect to property damaged or destroyed by
floods and other catastrophes in the years 1935 or 1936. Under that
act, the Administrator was authorized to grant insurance up to 10
percent of the total amount of loans, advances of credit, and pur-
chases made by such financial institutions for such purpose. The
present bill extends authority to the Federal Housing Administrator
to grant such insurance up to July 1, 1939, and up to 20 percent
of the total amount of loans made by such financial institutions on
property damaged or destroyed by floods and other catastrophes in
the years 1935, 1936, 1937, 1938, and 1939.

In conformity with 2a of rule XIII of the House Rules, there is
herewith printed subsection (a) of section 6 of the National Housing
Act, as amended, and the third sentence of subsection (a) of section
2 of the National Housing Act, as amended. Existing law proposed
to be omitted is enclosed in black brackets; new matter proposed to

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be inserted is printed in italics; existing law in which no change is proposed is printed in roman, as follows:

Subsection (a) of section 6 of the National Housing Act:

Sec. 6. (a) The Administrator is authorized and empowered, upon such terms and conditions as he may prescribe, to insure banks, trust companies, personal finance companies, mortgage companies, building and loan associations, installment lending companies, and other such financial institutions, heretofore or hereafter approved by the Administrator as eligible for credit insurance, against losses which they may sustain as a result of loans and advances of credit, and purchases of obligations representing loans and advances of credit, made by them subsequent to the date this section takes effect and prior to [January 1, 1937,] *July 1, 1939*, or such earlier date as the President may fix by proclamation upon his determination that the emergency no longer exists, for the purpose of financing, by the owners of real property or by lessees thereof under a lease for a period of not less than one year, the restoration, rehabilitation, rebuilding and replacement of improvements on such real property and equipment and machinery thereon which were damaged or destroyed by earthquake, conflagration, tornado, cyclone, hurricane, flood, or other catastrophe in the years 1935 [or], 1936, 1937, 1938, or 1939, either on the same site or on a new site in the same locality where the damaged or destroyed property was located. The Administrator is authorized to grant insurance under this section, *as amended*, to any such financial institution up to [10] 20 per centum of the total amount of loans, advances of credit, and purchases made by such financial institution for such purpose and any insurance reserve accumulated by any such financial institution under section 2 of this title [prior to April 1, 1936,] shall be applicable to the payment of any losses sustained by it as a result of loans, advances of credit, or purchases insured under this section.

The third sentence of subsection (a) of section 2 of the National Housing Act:

The total liability incurred by the Administrator for all insurance heretofore and hereafter granted under this section and section 6, *as amended*, shall not exceed in the aggregate \$100,000,000.

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