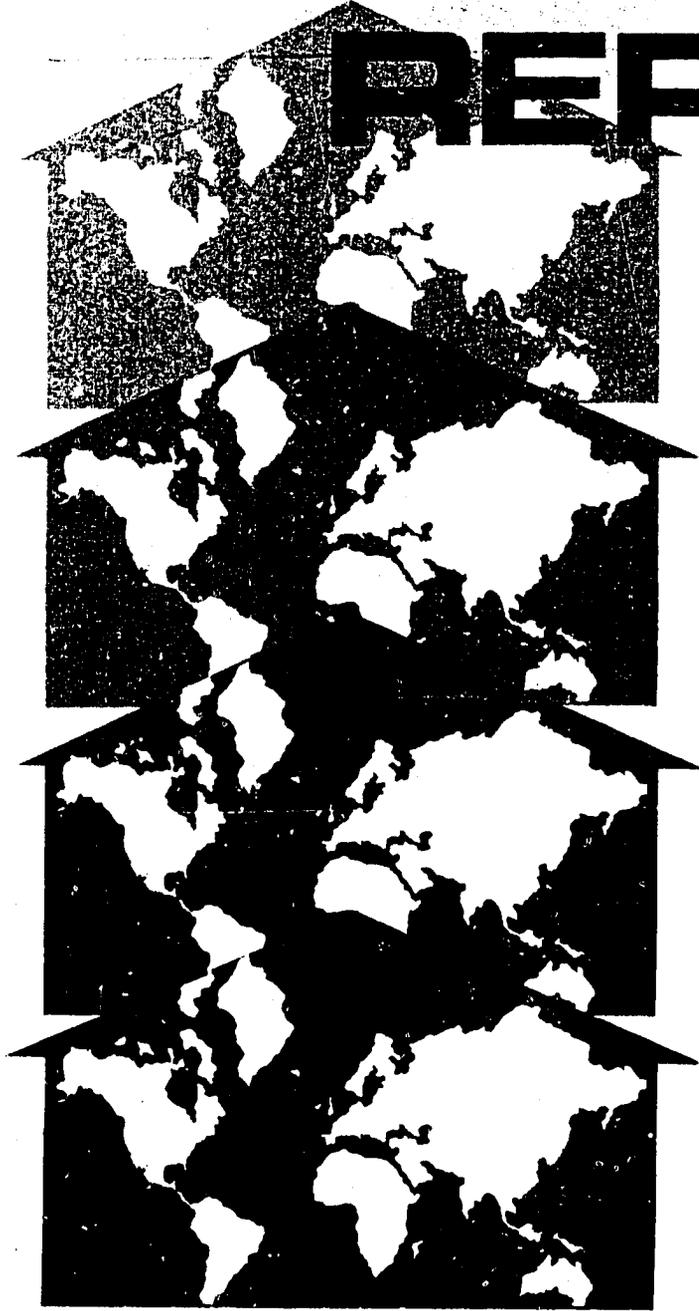


AGENCY FOR INTERNATIONAL DEVELOPMENT

ANNUAL REPORT



1971

OFFICE OF HOUSING

AID Housing Guaranty Program

The Housing Guaranty program is a means of providing long term financing from U.S. lenders to finance housing projects and programs in developing nations. Through it, AID performs roles in the field of international housing finance roughly comparable to that of the Federal Home Loan Bank Board and the Federal Housing Administration in the United States.

Proposed projects are developed by the prospective borrower (sponsor) and analyzed by AID. If agreement is reached on project financing, AID issues a commitment to guaranty, and the borrower can then find a U.S. lender to invest. The AID guaranty will fully compensate U.S. lenders for all losses they may experience other than those resulting from their own fraud or misrepresentation. Maximum interest rates to U.S. lenders are established by AID on the basis of a formula established by legislation. These rates reflect the current cost of money on the U.S. mortgage market.

Guaranties are awarded to profit-making builders under competitive circumstances only. In recent years, however, most guaranties have gone to housing institutions that are essential components of the developing nation's housing strategy, and have been negotiated on a non-competitive basis. Prospective institutional borrowers may approach AID at any time to discuss proposals.

AID charges a fee for its guaranty, which covers operating expenses and provides reserves against claims. The program operates without cost to the U.S. government.



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ANNUAL REPORT

1. INTRODUCTION

1971—first full year of activity by the Office of Housing on a world-wide basis—was a year that included the assumption of substantial new responsibilities. The Office of Housing staff and consultants completed Pre-Investment and Feasibility Studies through a wide range of countries in Africa, the Near East, and East Asia. As a result, at the close of the year, the program was deeply involved in major financial and institutional collaboration with a number of new countries.

In order to provide for more flexible and responsive administrative reaction to these increased responsibilities, the Office of Housing initiated certain organizational improvements, of which the most apparent were the

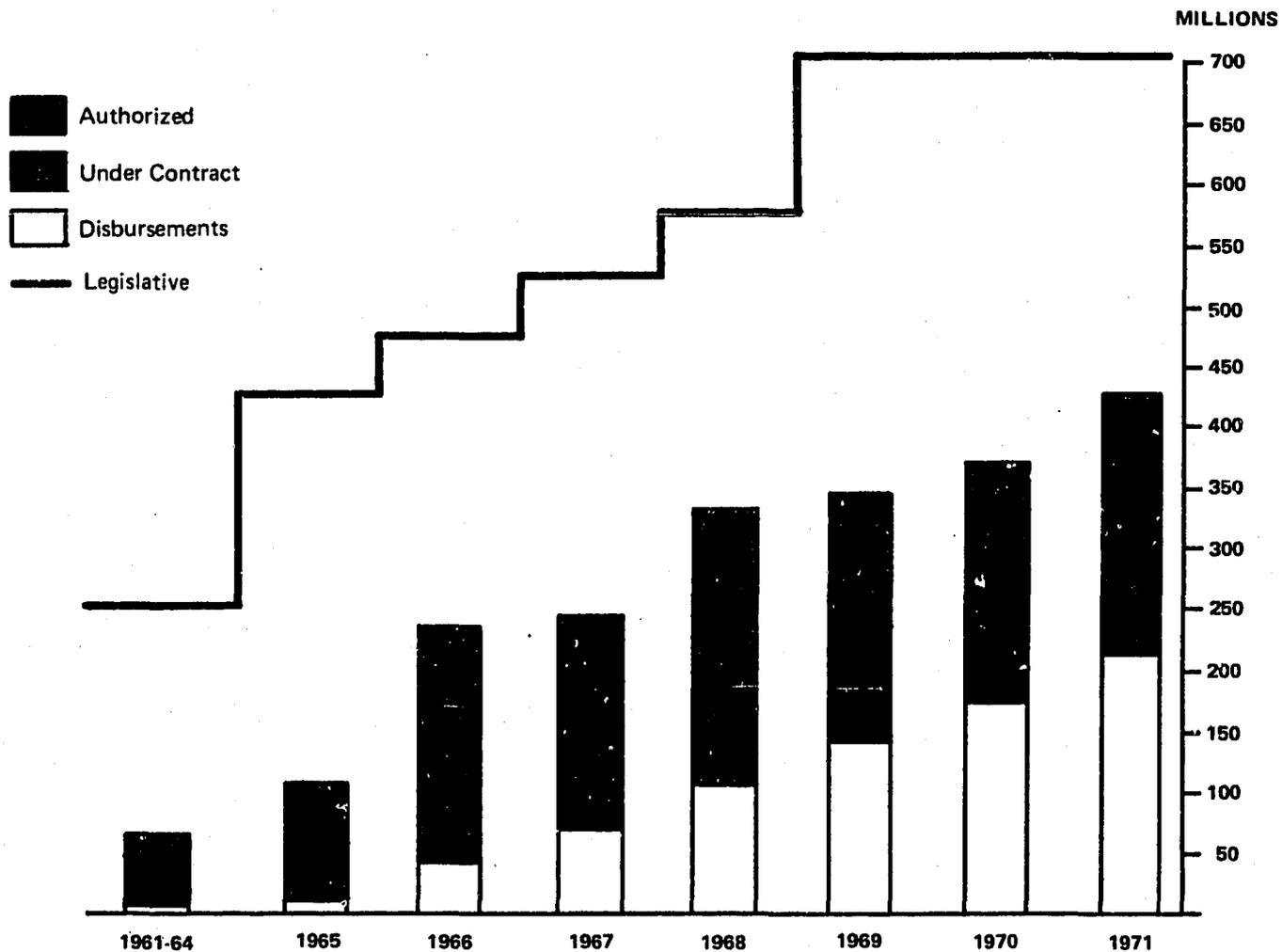
creation of additional regional offices in Latin America and Africa.

Continued Congressional interest and endorsement resulted in approval (early in 1972) of an additional \$75 million in Guaranty Authority for meeting increasing program demands from the world-wide program. Statutory authority for the program now totals \$780.1 million.

In summary, 1971 activity totaled:

	1971	Total
Disbursements	\$39,090,861	\$212,041,401
Contracts Signed	\$45,681,000	\$328,255,582
Authorizations	\$63,500,000	\$101,100,000
Increase in Legislative Authority	\$75,000,000	\$780,100,000

HOUSING GUARANTY PROGRAM, Cumulative Totals, 1961-1971



2. PROGRAM OBJECTIVES

Recent years have witnessed important changes in the Housing Guaranty Program. Most loans are now made to housing institutions, particularly to housing finance institutions, in developing countries.

Emphasis is placed on deepening the managerial capacity and the local capital mobilization viability of host country institutions. In this way the program has become a totally development-oriented undertaking, capable of providing a significant on-going contribution to diminishing housing deficiencies throughout the world.

In the process, the Office of Housing has accumulated an important depth of knowledge and expertise on questions of urban growth and national housing policy and strategy in the various countries in which the program is active.

This program orientation stems from Congressional approval of an AID Housing Office proposal, which in 1965 significantly expanded the program goals to include development of "institutions engaged in Alliance for Progress programs such as cooperatives, free labor unions, and savings and loan type institutions."

The most significant example of institution-building assisted by the Housing Guaranty Program is the continuing and spectacular growth of the savings and loan systems in many countries of Latin America. Virtually non-existent a decade ago, savings and loan institutions now finance most private housing purchases in Latin America and total 200 associations with \$1 billion in savings and more than 200,000 homes financed to date. The initiation of these institutions usually involved AID technical assistance and low-interest rate AID loans. When concessional loan funds became increasingly limited, the Housing Guaranty Program became by far the major external source of assistance. Growth of these institutions has been significantly accelerated by the availability of Housing Guaranty resources.

Most new housing guaranty commitments are directly related to development, strengthening or expanding the housing institutions of a given country. Other projects within existing programs are intimately linked to 1) basic economic objectives, such as industrial expansion or new port development; 2) to the development of new towns or satellite cities; or 3) the housing objectives of important popular free democratic groups such as trade unions and cooperatives.

3. METHODOLOGY

Development and implementation of Housing Guaranty programs follows two major patterns, depending on the type of project and nature of entities involved.

A competitive program--as the name suggests--involves competition among different profit-making applicants who develop proposals for a project in a specific country in response to a public announcement. Prospective builder/sponsors submit applications containing preliminary details and prices for evaluation and review by AID in Washington and in the field. After a selection of those to be authorized, the sponsor prepares a more complete proposal for review and approval before construction begins.

A negotiated program involves collaboration with a local housing institution, such as a central savings and loan system, a national housing cooperative or housing agency, or similar public or private institution, or the pursuit of an important development objective (e.g., a satellite city). A critical factor in project review is the determination that the local borrower/administrator is qualified to carry out its responsibilities and a joint AID-borrower review of the institution-developmental potential of the proposed program.

4. NEW PROGRAM DEVELOPMENT--1971

a. Africa and Asia

The major thrust of new Office of Housing operations during 1971 consisted of carrying out the series of studies required for prudent development of the Housing Guaranty Program to achieve U.S. foreign policy and host-country developmental objectives.

The usual first step in a new country is to undertake a **Pre-Investment Survey** in response to a specific request from the host country and the U.S. AID Mission.

The Pre-Investment Survey is undertaken by an Office of Housing team. The purpose of the survey is to determine the optimum use of Housing Guaranty resources, taking into consideration the basic housing realities of a given country. Initially the survey sets forth an analysis of the host country's housing sector--its needs, the local public and private housing institutions both regulatory and

financial, an assessment of the local home building industry, and a realistic survey of the housing market. Since everyone lives in a shelter of some sort, awareness of how that shelter was built and financed is essential for the survey.

Secondly, within the framework of data gathered, the survey includes an appraisal of specific projects and programs that may be proposed by the host country and suggests definite recommendations as to optimum utilization of the Housing Guaranty potential.

Pre-Investment Surveys usually require three to four weeks investigation in the field and are completed in 60 days.

Pre-Investment Surveys

During 1971 the Office of Housing conducted Pre-Investment type surveys in 18 countries in Africa and Asia.

AFRICA:	Zaire	Nigeria
	Ethiopia	Liberia
	Ivory Coast	Lesotho
	Niger	Swaziland
	Chad	Tunisia
	Morocco	Ghana
ASIA:	Israel	Iran
	Korea	Taiwan
	Philippines	Thailand

In most cases, AID then undertakes negotiated programs with local institutional sponsors. The next step involves an invitation to a prospective borrower to submit a detailed program application. These applications are then subjected to careful analysis, including a full feasibility study by the Office of Housing, prior to the final AID review. Approved projects are authorized, and AID issues a letter (Letter of Advice) to the prospective borrower, committing AID to guaranty a loan from any eligible private U.S. investor to finance the proposed project. With this letter, the borrower will be able to solicit the necessary financing from a U.S. lender at a rate consistent with the legislative formula.

Feasibility Studies

Feasibility studies were undertaken during 1971 for the following projects:

Iran—\$25,000,000

The Industrial Development and Reconstruction Organization, a governmental agency responsible for regional industrial development, will sponsor construction

of 4,000 units of workers housing for new industries in Arak and Tabriz. The housing is an essential component of the industrialization of these two cities.

Ivory Coast—\$10,000,000

An institutional developmental program negotiated with SOGEFIHA, an indigenous governmental housing finance institution to finance 1,246 units of moderate-income housing and to collaborate in development of a new savings and loan system. SOGEFIHA currently is serving as Administrator for an earlier Housing Guaranty project. Feasibility studies for the housing projects have been completed, and a savings and loan team has visited the country and drafted proposed legislation for a new system.

Tunisia—\$10,000,000

A new development of 5,100 units for lower income families in suburban Tunis, featuring cluster development and utilizing expandable homes, sponsored by the Tunisian National Housing Authority. The feasibility study has been completed.

New Authorizations

Two new programs have been authorized.

Israel—\$50,000,000

A loan to Tefahot, the Israeli Mortgage Bank, to finance 11,000 units, primarily condominium apartments for housing projects sponsored by the government of Israel for new immigrants, newly married couples and other low-income groups.

Zaire—\$10,000,000

Seed Capital loan for a new savings and loan system. (Authorized on January 13, 1972.) The Zaire Republic has approved legislation creating the Central Bank for Housing Finance, which is to be the Borrower. Its newly appointed executive officer has visited the U.S. for initial orientation, and technical assistance to the new institution is a part of the program. The program is expected to total \$25,000,000 in the next few years.

New Contract

One new contract was signed for a project in Africa.

Senegal—A \$1,200,000 extension to complete the existing project as originally programmed.

Applications Under Consideration

Other programs approved in principle, but awaiting completion of detailed studies, negotiations with prospective local borrower/sponsors, and presentation of applications:

Ethiopia--\$10,000,000

A moderate-income housing program to be sponsored by the Municipality of Addis Ababa.

Chad--\$1,000,000

An experimental attempt to develop moderate-income housing within the limitations imposed by economic conditions in this country.

Liberia--\$5,000,000

A program of middle- and lower middle-income housing and of sites and services, sponsored by the National Housing Authority.

Morocco--\$10,000,000

Under Sponsorship of the GOM Bureau of Housing and Planning, housing for lower middle and lower income families, including sites and services, core houses and other innovative techniques.

Korea--\$15,000,000

\$10,000,000 for housing to be built by the Korea Housing Corporation and \$5,000,000 for a competitive program.

Thailand--\$6,000,000

For participation in low-income housing and sites and services programs sponsored by the RTG Bureau of Housing. An additional \$26,000,000 may be utilized for a subsequent two-stage seed capital assistance for a proposed savings and loan system and for a competitive program tied to these developments, subject to satisfactory agreement with the RTG.

b. Latin America

New Programs totaling \$41,500,000 in Latin America also received preliminary approval during 1971, and discussions with prospective borrowers are under way to develop these projects.

Dominican Republic--Two Programs Totaling \$7,500,000

\$3,500,000 for a housing project related to the development of new economic activity (mining) in a rural area.

\$4,000,000 for general relending by the National Housing Bank.

Regional Central America--\$10,000,000

Competitive applications have been received for four model communities in two countries. Letters of Advice for two of these applicants should be issued in early 1972.

Bolivia--\$6,000,000

A program to be developed under the auspices of the Bolivian savings and loan system.

Jamaica--\$10,000,000

A negotiated program sponsored by the new Jamaica Mortgage Bank.

Costa Rica--\$6,000,000

Competitive applications have been received. Letters of Advice for two projects are expected early in 1972.

Paraguay--\$4,000,000

A program to be developed within the framework of the new Paraguayan savings and loan system. The Paraguay program will be the first Housing Guaranty activity in that country.

New Authorization

One new project not yet under contract was authorized.

Panama--A \$3,500,000 workers housing program sponsored by the National Maritime Union with homes priced at about \$7,500. Contracts should be signed in the second quarter of 1972.

New Contracts

Six new projects totaling \$44,481,000 were placed under contract.

Argentina--Two projects, totaling \$6,000,000 for construction of a total of 855 homes priced at \$6,000-\$8,000, resulting from the last round of competitive applications. They will be financed by the Banco Hipotecario Nacional, Borrower under the Loan Agreements, and co-guaranteed by the Government of Argentina.

El Salvador--A \$2,000,000 housing cooperative program of 463 units priced at about \$5,000 per home.

Honduras--A \$2,200,000 cooperative housing project for construction of 400 homes priced at \$5,000-\$5,500.

Peru--A \$28,281,000 loan to the National Housing Bank for 8,640 units of new and reconstructed homes and sites and services programs for earthquake victims. Prices begin at \$1,000.

Venezuela--A \$6,000,000 loan to the National Cooperative Organization, INVICA, for construction of 1,000 homes, priced not to exceed \$8,500 under control and supervision of the Banco Obrero.

5. PROGRESS IN EXISTING PROGRAMS

Disbursements

Money disbursed by lenders to borrowers on existing programs totaled \$39,090,861 in 1971, representing 2,860 new housing starts. This brings total disbursements under the program to \$212,041,401, representing 31,697 homes.

In Latin America \$38,427,024 was disbursed to finance 23 projects in the process of construction.

In Africa \$663,837 was disbursed in Kenya and Ethiopia.

Completions

Four loans totaling \$21,982,000 had disbursements completed during the year for projects in El Salvador, Nicaragua and Venezuela.

Deobligations

In line with a continuing program to review outstanding commitments and terminate those where it is appropriate, guaranty authorizations were withdrawn from five projects in Colombia, Ecuador, Jamaica, Mexico and Paraguay, and the amount of the authorization was decreased in a sixth project in Argentina. The amount deobligated during 1971 totaled \$10,378,000.

6. ADMINISTRATION AND ORGANIZATION

1971 was the first full year of operation for the Office of Housing. While most of the staff had constituted almost the entire Latin American Housing and Urban Development Division, the new Office, which was created around this cadre, had responsibilities for programs involving all of the geographic Bureaus of AID. Significant activities were started in every area during 1971, and appropriate administrative procedures were developed.

To facilitate effective implementation, a network of regional field offices has been established. During 1971, offices were opened in Buenos Aires, Argentina, and Caracas, Venezuela. These, together with the Guatemala office, complete the offices for Latin America.

Agreement also was reached on setting up two offices in Africa. One in Addis Ababa, Ethiopia, is to begin functioning in March, 1972, and a second in Abidjan, Ivory Coast, will begin operation in mid-1972.

Most services and decisions necessary for effective day-to-day Housing Guaranty Program implementation can now be obtained or will soon be obtainable, in the field in Latin America and Africa. Whether similar arrangements are appropriate for Asia will be determined in the coming year.

During 1971, substantial expenses were incurred for new program development in Africa and Asia, with no commensurate increase in income. Nevertheless, fee income for the year of \$2,206,060 was sufficient to cover operating expenses of \$2,082,338, leaving a surplus of \$123,722, which was added to the housing guaranty reserves.

In accordance with AID policy, the Office of Housing utilizes the services of private sector contractors. Substantial contribution to the year's achievements is attributable to the collaboration of the following contractors:

The National League of Insured Savings Associations performs field construction and fiduciary inspection of all projects, and performs underwriting surveys and studies for new projects under the supervision of the Technical Division of the Office of Housing.

The Foundation for Cooperative Housing assists in the development of cooperative housing institutions, neighborhood organizations, community standards and other management aspects of the program.

The American Savings and Loan Institute conducts a series of seminars, extension courses, and other training programs in savings and loan management.

The Federal Home Loan Bank Board serves as liaison with the U.S. savings and loan industry, supervises studies providing data for fiscal decision-making, and carries out technical assistance assignments in the United States, and abroad as required.

The American Security and Trust Co. acts as local fiscal agent for most on-going projects.

The Office of Housing is greatly indebted to all of these institutions for their contribution to the program.

7. INVESTORS

During 1971, the 1970 pattern continued with virtually all new loans coming from the U.S. savings and loan industry. The Federal Home Loan Banks of New York and Boston act as investor of record, and provide a channel through which individual savings and loan associations invest in the program. Commercial banks, insurance companies, and union pension funds which had invested in the program in its early years once again in 1971 made no new commitments. Obviously, as had been the case for several years, other investments provided much larger yields to all potential lenders than did the Housing Guaranty Program. Only the institutional empathy generously forthcoming from the U.S. savings and loan industry has produced the most important ingredient required to make AID's housing program work—MONEY in sufficient quantity and at the low rates required by the legislation.

The only exception was the National Maritime Union Pension Trust, which committed \$3.5 million to finance a project for its brother maritime workers in Panama.

Interest rates to the investor continued to decline moderately from their 1969 high. The last commitment made in 1971 called for an interest rate to the U.S. lender of 7½%.

HOUSING GUARANTY PROGRAM

Statement of Financial Condition

As of December 31, 1971

ASSETS

Funds with U.S. Treasury	\$ 50,437,262.32
Advances to Contractors	146,135.44
Advances to Investors	5,000.00
Accounts Receivable	228,925.01
Travel Advances	2,214.40
Subrogated Claims	698,901.76
	\$ 51,518,438.93

LIABILITIES

Accounts Payable	\$ 5,510.11
Accrued Expenses Payable	423,760.66
Devaluation Reserve	26,240.11
Total Liabilities	\$ 455,510.88

NET WORTH

Capital	\$ 50,692,916.00
Cumulative Net Income as of 6/30/71	57,133.82
Operating Gain (Loss) FY 1972 to date	312,878.23
Total Net Worth as of 12/31/71	\$ 51,062,928.05
Total Liabilities & Net Worth	\$ 51,518,438.93

Statement of Income and Expense

January 1, 1971 through December 31, 1971

FEE INCOME

Latin America	\$ 2,013,707.80
Other Regions	192,352.67
Gross Income	\$ 2,206,060.47

ADMINISTRATIVE EXPENSES

Personnel Compensation	\$ 457,742.62
Contractual Services	1,553,562.49
Travel and Related Costs	70,683.09
Misc. Administrative Expenses	349.80
Total Administrative Expenses	\$ 2,082,338.00
Net Operating Gain (Loss)	\$ 123,722.47

PROJECT REPORTS

**A.I.D. HOUSING GUARANTY PROGRAM
STATEMENT OF CONTRACT ISSUING AUTHORITY**

AS OF DECEMBER 31, 1971

I. CONGRESSIONAL AUTHORITY

A. World-wide Housing Guaranties

- 1. FAA 1969 (Section 221) \$130,000,000
- 2. Prior Authority (See Section 223d) . . \$ 25,100,000

B. Housing Projects in Latin

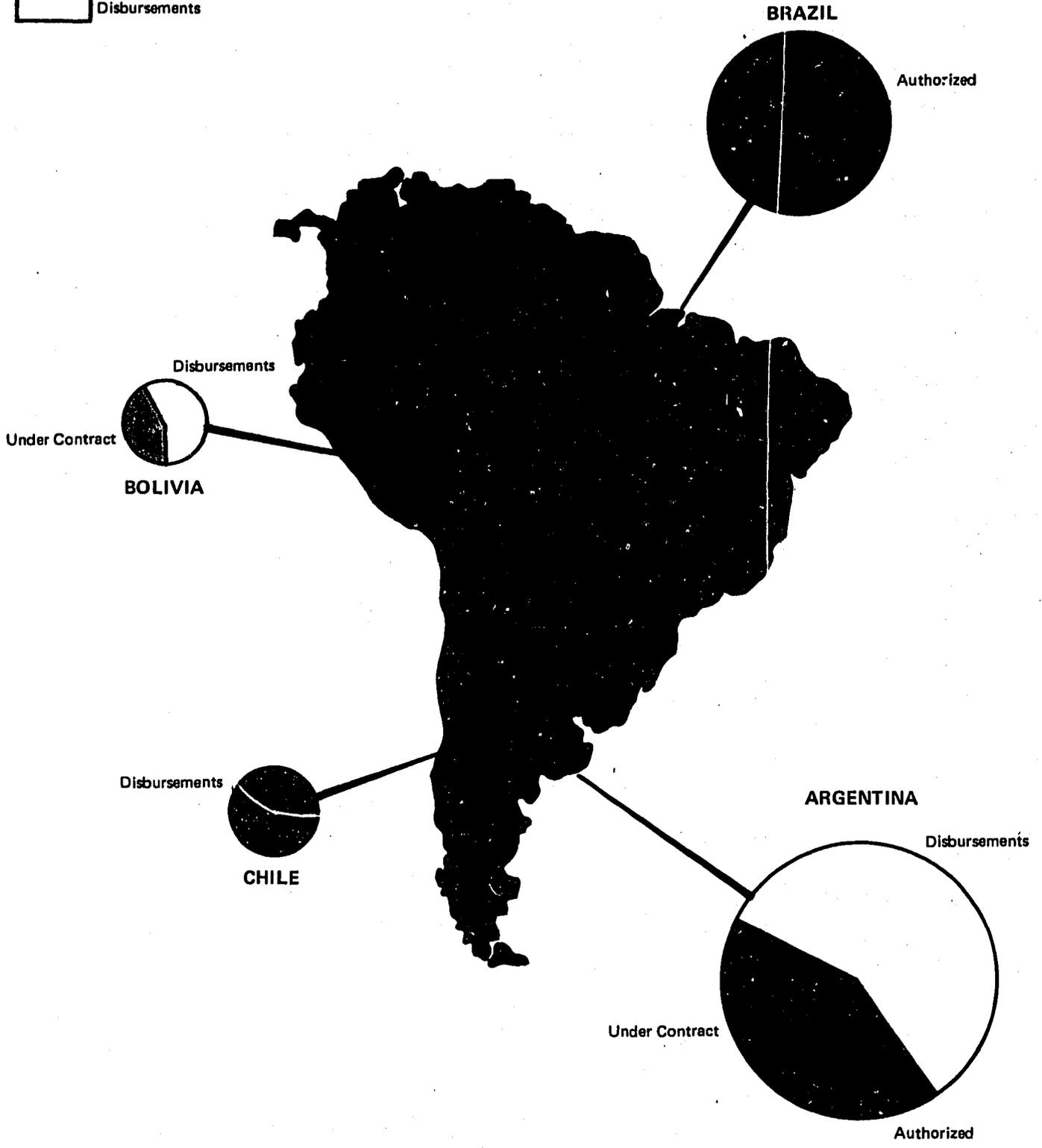
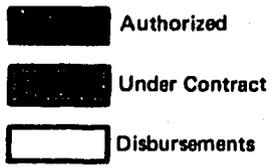
American Countries (Section 222) \$550,000,000

TOTAL CONGRESSIONAL AUTHORITY \$ 705,100,000

II. PROGRAM STATUS

	No. of Projects	No. of Units	Dollar Amount
A. Total Projects Authorized			
1. Total Projects Authorized and Under Contract:			
Latin America	67	47,191	\$ 296,955,582
Africa	5	2,722	21,300,000
East Asia	2	1,741	10,000,000
TOTALS	74	51,654	\$ 328,255,582
2. Total Projects Authorized Not Yet Under Contract:			
Latin America	13	12,284	40,100,000
NESA	1	11,000	50,000,000
TOTAL PROJECT AUTHORIZED	88	74,938	\$ 418,355,582
B. Total Projects in Process Not Yet Authorized:			
Latin America	15		\$ 100,000,000
Africa	6		46,000,000
NESA	1		25,000,000
O/EAD	1		15,000,000
	111		\$ 186,000,000
C. Total Authority Available:			
Latin America			\$ 112,944,418
World-wide			-
TOTAL			\$ 112,944,418

BUENOS AIRES REGIONAL OFFICE



**Buenos Aires Regional Office
(Argentina, Bolivia, Brazil, Chile, Paraguay)**

Major activity in this area was concentrated in Argentina. Two new programs--UNIMEV and SITRA--were placed under contract; construction started on two others--S.U.P.E. and Plan VEA--and continued on two more--U.P.C.N. and the first UNIMEV program.

Activity continued on the Caja Central loan in Bolivia, and two new programs obtained preliminary approval: a program for Paraguay, to supplement the AID-assisted new savings and loan system, first Housing Guaranty activity in that country; and a negotiated program with the Bolivian savings and loan system.

In summary, 1971 activity totaled:
Disbursements \$7,562,000
Placed under contract \$6,000,000

Argentina		1971	Total
Statistics:	Disbursements	\$6,112,000	\$25,721,394
	Under Contract	\$6,000,000	\$39,722,000
	Authorized	—	\$ 4,600,000

Programs

Field Argentina (510-HG-001), Contract \$4,922,000, signed 1/27/64. 655 Single-family detached homes, priced \$7,071-\$8,750. Status: Completed.

AIFLD (510-HG-003), Contract \$13,000,000, signed 5/1/68. Trade union sponsorship of 1,667 condominium apartments on eight sites priced, \$6,719-\$8,989. Status: Completed.

S.U.P.E. (510-HG-004A), Contract \$1,100,000, signed 1/15/69. Trade-union sponsorship of 122 condominium apartments, priced \$5,500, financed by Banco Hipotecario Nacional. Status: All units under construction.

U.P.C.N. (510-HG-004B), Contract \$2,400,000, signed 1/15/69. Trade union sponsorship of 312 condominium apartments, priced \$7,303, financed by Banco Hipotecario Nacional. Status: All units under construction.

UNIMEV (510-HG-004C), Contract \$2,300,000, signed 1/15/69. Trade union sponsorship of 498 condominium apartments, priced \$4,285-\$5,051. Status: Completed.

Plan VEA (510-HG-005), Contract \$10,000,000, signed 10/6/70. A part of Plan VEA--Argentine government low-cost housing program, for general relending for the construction of 1,500 units of various types on numerous sites, priced \$4,150-\$9,500. Status: Under Construction.

UNIMEV (510-HG-006), Contract \$3,000,000, signed 9/1/71. Trade union sponsorship of 430 semi-detached and row houses, priced \$8,500, continuation of earlier program. Status: Final plans under review.

SITRA (510-HG-007), Contract \$3,000,000, signed 9/1/71. Trade union sponsorship of 425 condominium apartments, priced \$8,500. Status: Final plans under review.

AIFLD (510-HG-003), \$4,600,000, authorized 1/26/66. Trade union sponsorship of 733 individual dwelling units, priced \$3,400-\$6,000. Status: Under review.

Bolivia		1971	Total
Statistics:	Disbursements	\$1,450,000	\$2,150,000
	Under Contract	—	\$3,600,000
	Authorized	—	—

Programs

Caja Central (511-HG-003), Contract \$3,600,000, signed 9/5/69. Seed Capital Loan to the savings and loan system for financing 533 units on various sites, priced \$7,500, through relending to individual savings and loan associations. Status: Under construction.

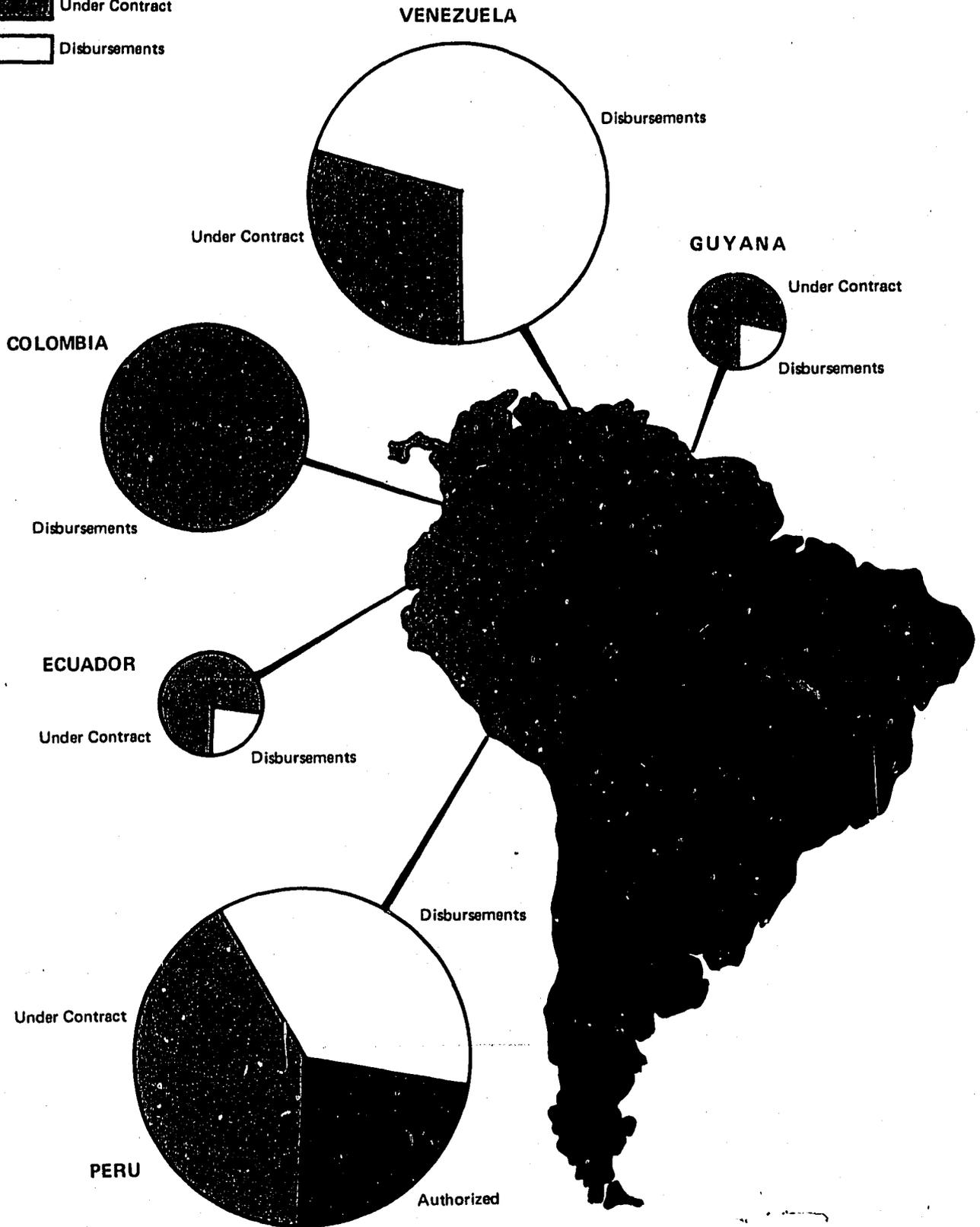
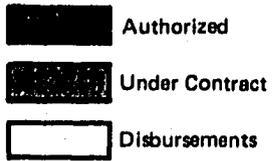
Los Pinos

\$6,000,000, Feasibility study approved 8/71. Program to be developed under the auspices of the Bolivian savings and loan system. Status: Under negotiation.

Paraguay

First program of \$4,000,000 given preliminary approval in 1971 for projects to supplement the new AID-assisted savings and loan system. Status: Guidelines under preparation.

CARACAS REGIONAL OFFICE



Caracas Regional Office (Colombia, Ecuador, Guyana, Peru, Venezuela)

Major activity continued to be concentrated in Venezuela where four programs under construction drew down almost \$14.8 million during the year and a 1,100-unit cooperative program was put under contract.

A significant rebirth of the program in Peru was signalled with signature of the \$28 million contract with the Peruvian National Housing Bank.

Construction also continued on projects in Ecuador and Guyana.

In summary, 1971 activity totaled:

Disbursements	\$15,646,840
Placed under contract	\$34,281,000

Colombia	1971	Total
Statistics:	Disbursements	\$26,866,084
	Under Contract	\$26,867,000
	Authorized	-

Programs

VIPASA (514-HG-001), Contract \$8,179,000, signed 11/14/63. 1,578 town houses, priced \$5,677-\$7,770. Status: Completed

Lockheimer-La Esmeralda (514-HG-002), Contract \$10,207,000, signed 11/28/66, 1,268 town houses, priced \$10,208-\$12,676. Very active Homeowners Association assures continuing excellent maintenance. Status: Completed

Gilbane (514-HG-003), Contract \$8,841,000, signed 5/1/67 1,256 town houses, priced \$5,492-\$6,604. Status: Completed

Unnamed, \$6,000,000, applications received 2/70 Two unnamed competitive projects Status: In abeyance

Ecuador	1971	Total
Statistics:	Disbursements	\$1,009,269
	Under Contract	-
	Authorized	-

Programs

La Chala (518-HG-003), Contract \$1,400,000, signed 9/1/69. 360 single family, semi-detached units, priced \$3,750. Status: 239 completed, 38 under construction

B.E.V. (518-HG-004), Contract \$6,000,000, signed 7/23/70 Relending through the country's 10 savings and loan associations for financing of 882 homes of various types, priced \$6,000 to \$8,500. Status: Under construction

Guyana	1971	Total
Statistics:	Disbursements	\$244,165
	Under Contract	-
	Authorized	-

Programs

AIFLD (504-HG-001), Contract \$2,000,000, signed 11/1/66. Trade unions sponsorship of 363 detached homes, priced \$3,705 - \$5,095, under cooperative management Status: Completed using \$1,185,935 of authorization

Brezina (504-HG-002), Contract \$4,000,000, signed 1/31/68, 728 detached homes for workers housing, priced \$5,396 - \$6,373. Status: 100 units completed, of which 50 under guaranty

Peru		1971	Total
Statistics:	Disbursements	\$ 3,981,000	\$21,623,876
	Under Contract	\$28,281,000	\$48,022,000
	Authorized		
	(in abeyance)	-	\$14,000,000

Programs

Apollo (527-HG-001(I)), Contract \$1,190,000, signed 4/22/63. 405 individual dwelling houses, priced \$4,600; mortgage servicing by local savings and loan. Status: Completed

Apollo (527-HG-001 (II)), Contract \$1,024,000, signed 5/15/65. 405 individual dwelling houses, priced \$4,489; mortgage servicing by local savings and loan. Status: Completed

Jardines Viru (527-HG-002), Contract \$3,826,000, signed 5/1/64. 898 single-family homes, priced \$6,230 - \$7,211; mortgage servicing by local savings and loan. Status: Completed

VIPSE (527-HG-003), Contract \$8,701,000, signed 2/1/66. 1,352 single-family homes, priced \$6,584-\$10,490; mortgage servicing by local savings and loan. Status: Completed

Salamanca (527-HG-004), Contract \$2,300,000, signed 8/26/66. 504 single-family units, priced \$4,893-\$7,217; mortgage servicing by local savings and loan. Status: Completed

Alto de Luna (527-HG-006), Contract \$2,700,000, signed 1/1/67. 546 single-family dwellings, priced \$4,933-\$7,217; mortgage servicing by local savings and loan. Status: Completed

B.V.P. (527-HG-008/5), Contract \$28,281,000, signed 11/12/71. A program designed to aid earthquake victims, 8,640 units in new subdivisions for reconstruction, sites and services, and for related community facilities, priced \$1,000-\$8,000 Status: Under construction

Marcelo Mezzulo (527-HG-007A), Guaranty \$2,500,000 authorized 2/29/68. 735 single-family units, priced \$5,256-\$6,325 Status: In abeyance

Viviendas del Norte (527-HG-007B), Guaranty \$3,500,000, authorized 2/29/68. 1,710 single-family units, priced \$2,750-\$3,890 Status: In abeyance

Mutual "El Pueblo" (527-HG-007C), Guaranty \$1,500,000 authorized 2/29/68. 400 single-family units, priced \$2,500-\$5,000 Status: In abeyance

B.V.P. (527-HG-007D), Guaranty \$4,500,000, authorized 2/29/68. 1,200 single-family units, priced \$2,500-\$5,000 Status: In abeyance

IBEC (527-HG-007E), Guaranty \$2,000,000, authorized 2/29/68 880 single-family units, priced \$3.821-\$4,264 Status: In abeyance

Unnamed, Applications \$9,000,000, received 5/68 Three competitive programs Status: In abeyance

Venezuela		1971	Total
Statistics	Disbursements	\$10,630,656	\$36,616,324
	Under Contract	\$ 6,000,000	\$51,641,000
	Authorized	-	-

Programs

Rahmani-Guacara I (529-HG-001), Contract \$6,294,000, signed 8/1/64. 724 single-family detached homes, priced \$8,550-\$10,793. Status: Completed

INRESA (529-HG-002). Contract \$4,715,000, signed 4/15/65. 425 condominium apartments, priced \$7,777-\$16,450. Status: Completed

Puerto Ordaz (529-HG-003), Contract \$1,854,000, signed 4/1/66. 147 two-bedroom and three-bedroom houses, priced \$11,444-\$15,463. Status: Completed

Ciudad Alianza (529-HG-003B), Contract \$3,000,000, signed 7/1/69. 444 single-family detached homes, priced \$7,500. Status: Completed

Rahmani-Guacara II (529-HG-005), Contract \$778,000, signed 1/16/67. 80 single-family detached homes, priced \$10,793. Status: Completed

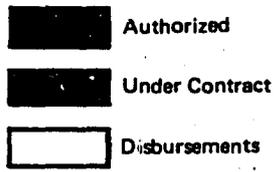
CORACREVI (529-HG-006), Contract \$6,000,000, signed 1/24/69. Sponsorship by a trade union credit institution of 826 condominium apartments, priced \$6,000-\$10,000. Status: Completed

Flor Amarillo (529-HG-008), Contract \$3,000,000, signed 7/15/69. 550 semi-detached dwelling units, priced \$5,000. Status: 366 completed, 62 under construction

BANAP (529-HG-012), Contract \$20,000,000, signed 12/15/70. Venezuelan savings and loan system financing of 2,800 homes, priced \$8,500-\$9,500. Status: Under construction

INVICA (529-HG-013), Contract \$6,000,000, signed 7/29/71. The National Cooperative Organization under supervision of the Banco Obrero to develop 1,000 cooperative housing units, priced at \$8,500. Status: Final plans for one project under review, other projects in preparation.

CENTRAL AMERICA REGIONAL OFFICE



Central America Regional Office: (Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Regional Central America)

Major activity involved continuing construction on programs in Costa Rica, El Salvador, Guatemala, Nicaragua and Panama.

New institution-building programs were placed under contract (cooperatives in Panama) and authorized (cooperatives in Honduras, trade union in Panama)

In summary, 1971 activity totaled:

Disbursements	\$11,946,662
Placed under Contract	\$ 4,200,000
Authorized	\$ 3,500,000

Central American Regional

	1971	Total
Statistics: Disbursements	\$3,400,000	\$ 3,700,000
Under Contract	-	\$10,000,000
Authorized	-	-

Programs

C.A.B.E.I. (596-HG-001), Contract \$10,000,000, signed 3/25/70. Secondary market operations with savings and loan systems of participating countries, intended to finance 1,800 homes, priced \$5,000 to \$6,500. Status: Under construction

Model Cities, Applications \$10,000,000, received 5/71 A competitive program for four model communities in two countries, price range \$3,500-\$8,500

Costa Rica

	1971	Total
Statistics: Disbursements	\$1,436,684	\$1,541,729
Under Contract	-	\$2,000,000
Authorized	-	-

Programs

Desarrollo Urbano (515-HG-003), Contract \$2,000,000, signed 5/15/69. 480 row and detached dwellings, priced \$3,860. Status: 320 completed, 125 under construction

Unnamed applications, \$4,000,000, received 4/71 A competitive program for three types of homes, priced \$2,500-\$7,500

El Salvador

	1971	Total
Statistics: Disbursements	\$1,087,632	\$ 9,531,681
Under Contract	\$2,000,000	\$11,049,250
Authorized	-	-

Programs

Financiera Roble (519-HG-001), Contract \$4,493,000, signed 5/15/64. 462 two- and three-bedroom single-family homes, priced \$9,369-\$11,828. Status: Completed

Jardines de Guadalupe (519-HG-002/3), Contract \$4,566,250, signed 12/15/66. 508 single-family homes, priced \$7,800-\$10,340. Status: Completed, using \$5,199,804 of guaranty

Viviendas Cooperativas (519-HG-005), Contract \$2,000,000, signed 1/30/71. A cooperative housing program for construction of 463 semi-detached and detached homes, priced \$5,000. Status: 48 under construction

Guatemala

	1971	Total
Statistics: Disbursements	\$1,200,000	\$6,853,675
Under Contract	-	\$7,817,000
Authorized	-	-

Programs

Capital City Silver (520-HG-001/I), Contract \$1,817,000, signed 9/30/64 262 detached and semi-detached homes, priced \$6,565-\$7,900. Status: Completed

Capital City Silver (520-HG-001/II), Contract \$3,000,000, signed 3/16/67, 452 detached and semi-detached homes, priced \$6,600-\$6,970. Status Completed.

Banco Granai and Townson (520-HG-002), Contract \$1,500,000, signed 7/15/69. Savings and loan sponsored 300 homes, priced \$5,000 Status: 263 completed, of which 126 under guaranty; 35 under construction

Banco Inmobiliario (520-HG-003), Contract \$1,500,000, signed 7/15/69. 486 homes, priced \$5,500. Status: 395 completed

Honduras

	1971	Total
Statistics: Disbursements	-	\$ 4,370,915
Under Contract	\$2,200,000	\$10,581,332
Authorized	-	-

Programs

Miraflores (522-HG-001), Contract \$2,878,732, signed 12/1/64. 762 three-bedroom duplex homes, priced \$4,127-\$6,672. Status: Completed

Jardines Loarque (522-HG-002), Contract \$1,502,600, signed 10/26/64. 332 single-family detached and semi-detached homes, priced \$2,523-\$6,198. Status: Completed

Composa Colonia Rio Grande (522-HG-002B), Contract \$4,000,000, signed 6/10/70. 535 two-, three- and four-bedroom homes, priced \$7,500. Status: 30 completed, 72 under construction

FEHCOVIL (522-HG-004), Contract \$2,200,000, signed 12/28/71 National cooperative federation sponsorship of 400 single-family detached homes, priced \$5,100-\$5,500; under single cooperative mortgage. Status: Implementation agreement under negotiation

Mexico

	1971	Total
Statistics: Disbursements	—	\$10,760,032
Under Contract	—	\$14,500,000
Authorized	—	—

Programs:

AIFLD-JKF (523-HG-004), Contract \$10,000,000, signed 7/31/64. Trade union sponsorship of 2,931 two- and three-bedroom units in four-story walk-up apartments, priced \$3,440-\$7,000. Status: Completed

Matamoros (523-HG-006), Contract \$4,500,000, signed 1/15/67. 874 single-family detached homes, priced \$5,304-\$6,403. Status: Completed, with 126 units using \$760,032 of guaranty.

Nicaragua

	1971	Total
Statistics: Disbursements	\$1,497,069	\$ 9,174,914
Under Contract	—	\$10,926,000
Authorized	—	—

Programs

El Porvenir (524-HG-001), Contract \$6,926,000, signed 3/1/66. 757 single-family detached and semi-detached homes, priced \$8,110-\$10,716. Status: Completed

B.N.V. (524-HG-002A), Contract \$2,000,000, signed 3/15/70 National Housing Bank financing of 228 homes, priced \$5,000-\$6,500. Status: Financing completed; 178 units completed of which 132 under guaranty; 56 under construction

Immobilaria (524-HG-002B), Contract \$1,000,000, signed 3/15/70. 230 homes, priced \$5,000-\$6,000, to be financed through National Housing Bank. Status: 157 completed, of which 64 under guaranty; 56 under construction

Centro Americana (524-HG-002C), Contract \$1,000,000, signed 3/15/70. National Housing Bank financing of 202 homes, priced \$5,000-\$6,500. Status: 64 completed

Panama

	1971	Total
Statistics: Disbursements	\$ 918,481	\$ 5,459,895
Under Contract	—	\$12,453,000
Authorized	\$3,500,000	\$ 3,500,000

Programs

La Gloria (525-HG-002), Contract \$2,953,000, signed 6/1/66. 386 three-bedroom single-family detached homes, priced \$8,600. Status: Completed

Corindag (525-HG-003), Contract \$3,500,000, signed 12/1/67. 700 two- and three-bedroom semi-detached homes, priced \$5,000-\$7,000. Status: 327 completed, 84 under construction

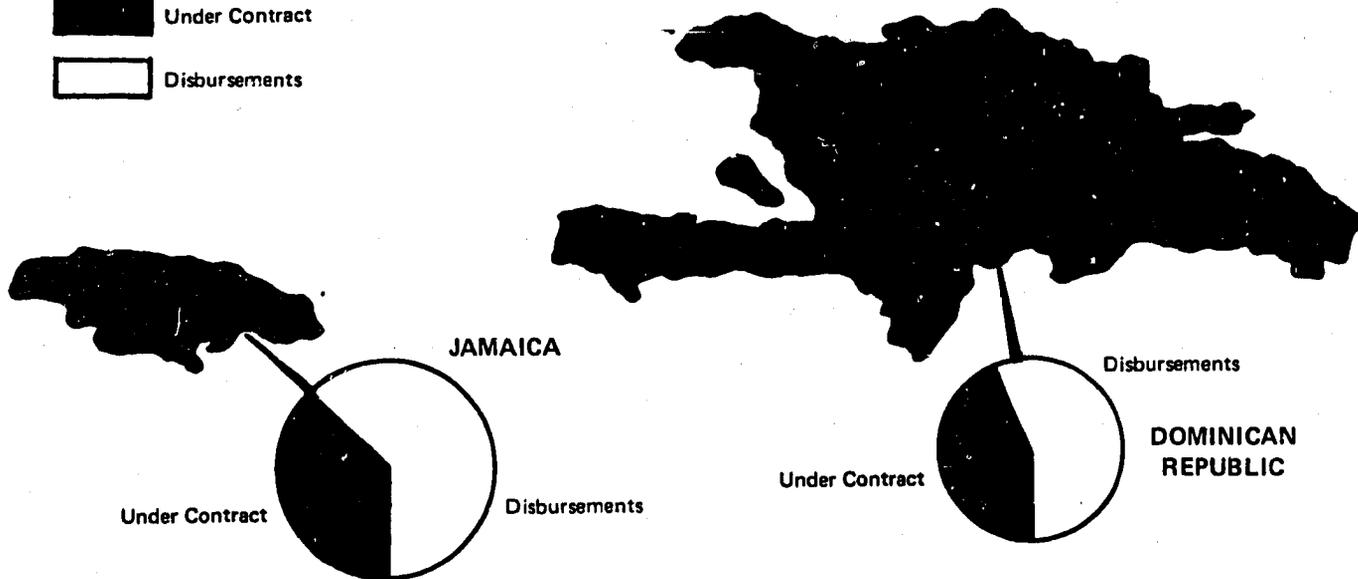
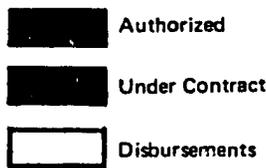
Continental Homes (525-HG-004), Contract \$3,000,000, signed 3/25/70. 382 two- and three-bedroom single-family detached homes, priced \$7,500. Status: 126 under construction

Viviendas Nacionales (525-HG-005), Contract \$3,000,000, signed 11/15/69. 488 two- and three-bedroom condominium apartments in four-story walk-up buildings, priced \$7,500. Status: 213 under construction

National Maritime Union (525-HG-006), Guaranty \$3,500,000, authorized 11/71. Condominium workers housing consisting of single-family detached and duplex homes, priced around \$7,500. Status: Contract negotiations under way

Unnamed, \$3,500,000, preliminary approval 7/70. A negotiated program to provide sites and services.

CARIBBEAN (DOMINICAN REPUBLIC, JAMAICA)



Caribbean (Dominican Republic, Jamaica)

Construction continued on programs in these two countries.

In summary, 1971 activity totaled:

Disbursements \$5,356,068

Dominican Republic

	1971	Total
Statistics: Disbursements	\$1,817,950	\$ 7,161,726
Under Contract	-	\$12,735,000
Authorized	-	-

Programs

COINFO (517-HG-003), Contract \$4,600,000, signed 9/30/64. 410 single-family detached homes, priced \$9,860-\$10,820. Status: Completed

La Augustina (517-HG-005), Contract \$2,135,000, signed 6/1/68. 354 single-family detached homes, priced \$7,877-\$9,432. Status: Completed

B.N.V. (517-HG-006), Contract \$6,000,000, signed 4/30/69. An institution-building program to promote an internal savings and loan system and secondary market, involving 1100 units in various projects, priced \$5,000-\$11,000. Status: 46 units completed, 310 under construction

Falcondo, \$3,500,000, preliminary approval 3/71 500 units of workers housing for large nickel mining (Falconbridge) operation under a general all-purpose cooperative

B.N.V., \$4,000,000, preliminary approval 10/71 Extension of \$6,000,000 program for primary lending through the savings and loan associations

Jamaica

	1971	Total
Statistics: Disbursements	\$3,538,118	\$ 9,968,924
Under Contract	-	\$15,542,000
Authorized	-	-

Programs

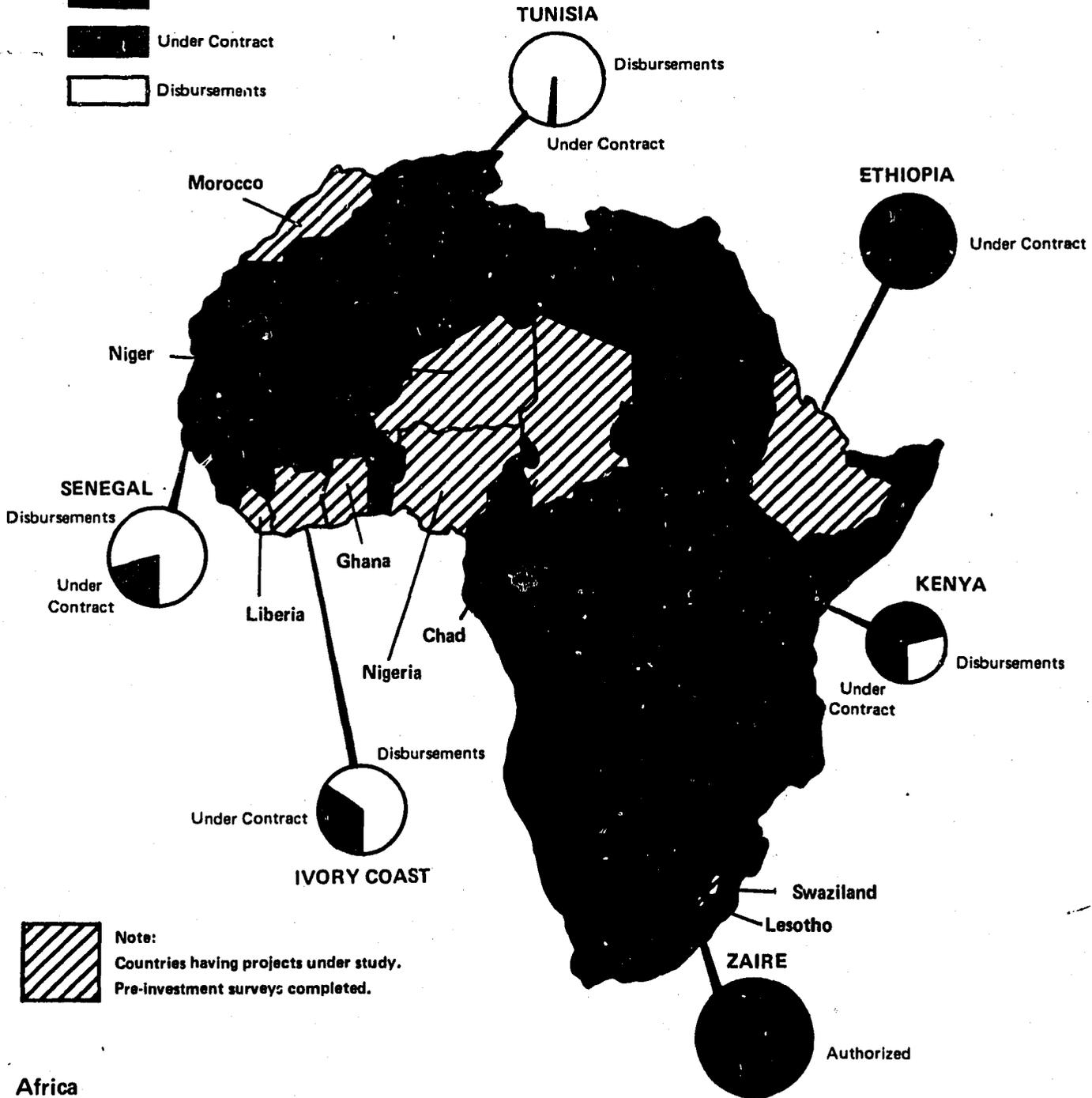
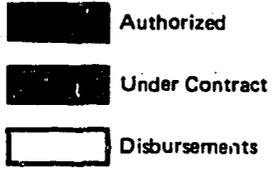
Independence City (532-HG-001), Contract \$7,500,000, signed 8/1/67 1,100 single-family detached homes, priced \$7,000-\$9,550 Status: First phase of 969 units completed, using \$6,317,553 of guaranty. Contract for the additional \$1,200,000 authority to be used for extension of project awaiting Parliamentary approval.

Ensom City (532-HG-002), Contract \$4,952,000, signed 9/15/68. 733 single-family detached homes, using industrial-type on-site cast concrete construction, priced \$6,500-\$7,700. Status: Nearing completion

Montego Bay (532-HG-008), Contract \$3,000,000, signed 5/16/70. 300 single-family detached and duplex homes, priced \$10,200-\$10,800. Status: Awaiting Parliamentary approval

Unnamed, \$10,000,000 application received 6/71 A capital marshalling program for primary and secondary mortgage lending sponsored by the Jamaica Mortgage Bank.

AFRICA



Note:
 Countries having projects under study.
 Pre-investment surveys completed.

Africa

Major activity consisted of the Pre-Investment Survey, for which teams virtually blanketed the continent, visiting Chad, Ethiopia, Ghana, Ivory Coast, Lesotho, Liberia, Morocco, Niger, Nigeria, Swaziland, Tunisia and Zaire.

Construction continued on the existing project in Kenya, the first drawdown for the Ethiopia project took place, and an extension was placed under contract for Senegal.

A seed capital loan was authorized for Zaire in January, 1972 and new programs were under study in Chad, Ethiopia, Ivory Coast, Liberia, Morocco and Tunisia.

In summary, 1971 activity totaled:

Disbursements	\$ 663,837
Under Contract	\$ 1,200,000
Authorized	\$10,000,000

Chad

Preliminary approval was given 8/71 for an experimental \$1,000,000 program to provide government-sponsored moderate-income housing for civil servants.

Ethiopia

	1971	Total
Statistics: Disbursements	\$152,505	\$ 152,505
Under Contract	-	\$5,000,000

Programs

Continental Homes (663-HG-001), Contract \$5,000,000, signed 9/15/70. 750 two- and three-bedroom detached and row houses, priced \$7,300. Project administrator is an AID-sponsored savings and loan association. Status: 44 units completed, of which 22 under guaranty; 11 under construction

Municipality of Addis Ababa, \$10,000,000 preliminary approval 6/71 Construction of moderate-income housing under municipal sponsorship

Ivory Coast

	1971	Total
Statistics: Disbursements	-	\$2,032,792
Under Contract	-	\$3,000,000

Programs

Fairmont (281-HG-001), Contract \$3,000,000, signed 11/30/67. 391 detached, semi-detached and row houses and condominium apartments, priced \$4,781-\$10,060. Status: Completed, using \$2 million of guaranty

SOGEFIHA, \$10,000,000 preliminary approval 6/71. Seed capital developmental program by Ivory Coast National Housing Finance Corp. to finance construction of 1,246 duplex and row houses and condominium apartments, priced \$2,500-\$6,200, including collaboration in establishing new thrift and mortgage system. Sponsor serves as administrator of Fairmont Project. Status: Feasibility studies completed.

Kenya

	1971	Total
Statistics: Disbursements	\$ 511,332	\$ 660,864
Under Contract	-	\$ 2,100,000

Programs

Kimathi Estates (615-HG-001), Contract \$2,100,000, signed 7/1/69. 345 two- and three-bedroom row houses, priced \$5,810-\$6,440, sponsored by Nairobi City Council under lease-purchase. Status: Construction completed

Liberia

An initial \$5,000,000 program received preliminary approval 11/71 for a balanced program of sites and services and of home construction, priced up to \$6,000, sponsored by the National Housing Authority.

Morocco

Preliminary approval was granted 9/71 for a range of housing programs, including core houses, sites and services, sponsored by the Bureau of Housing and Planning for low-income families.

Senegal

	1971	Total
Statistics: Disbursements	-	\$4,999,997
Under Contract	\$1,200,000	\$6,200,000

Programs

Builders International Patte d'Oie (685-HG-001), Contract \$5,000,000, signed 5/15/68. 671 two- and three-bedroom row houses, priced \$5,632-\$9,575 under lease-purchase. Status: First phase construction completed. Extension of \$1,200,000 for construction of 172 two-bedroom row houses, priced \$7,400, authorized 2/25/71

Tunisia

	1971	Total
Statistics: Disbursements	-	\$4,992,498
Under Contract	-	\$5,000,000

Programs:

Carnoy (664-HG-001), Contract \$5,000,000, signed 11/1/66. 565 three-bedroom free-standing homes, priced \$7,891-\$10,060. Status: Completed

SNIT, proposed \$10,000,000 Programs to strengthen the Tunisian National Housing Authority. Financing will be for 5,100 one-, two- and three-bedroom expandable row houses arranged in clusters, priced \$1,736-\$5,148. Status: Feasibility study completed

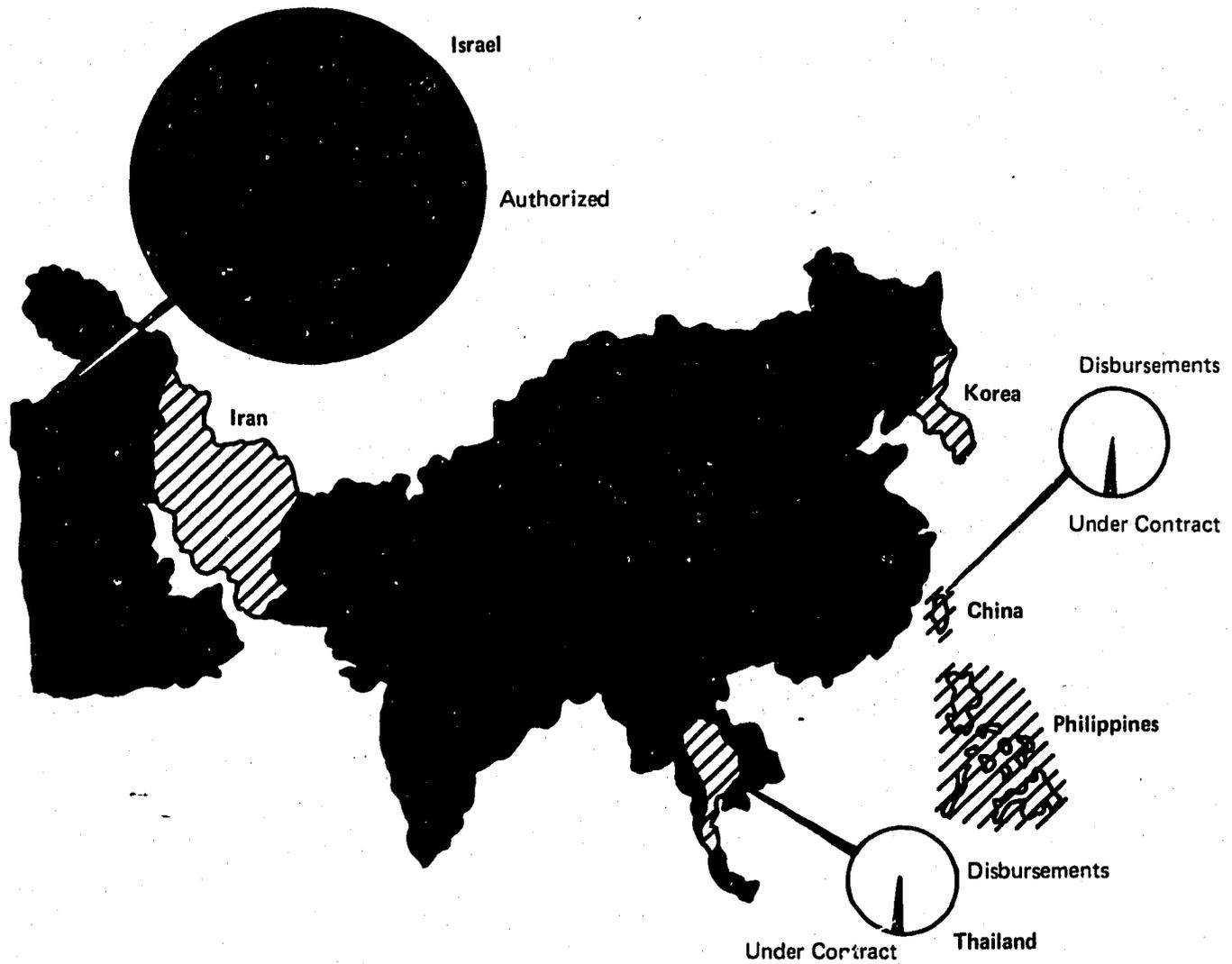
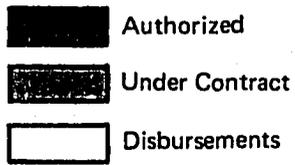
Zaire

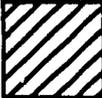
	1971	Total
Statistics: Authorized	\$10,000,000	\$10,000,000

Programs

CNECI, \$10,000,000, authorized 1/6/72 Seed capital loan to newly-created National Savings and Loan Bank for initial financing of 2,000 two-, three- and four-bedroom single-family detached homes, priced \$4,000-\$8,000. Subsequent loans for workers housing, roof loans and secondary mortgage activities are expected to increase total program to \$25,000,000.

ASIA



 **Note:**
Countries having projects under study.
Pre-investment surveys completed.

ASIA

A \$50,000,000 guaranty, largest of the program to date, was authorized for Israel, and other major new programs were under study in Iran, Korea and Thailand. Pre-investment surveys were undertaken additionally in China and the Philippines.

A summary of 1971 activities:

Authorized \$50,000,000

China

		1971	Total
Statistics:	Disbursements	-	\$4,793,417
	Under Contract	-	\$5,000,000

Programs

United Builders Union Villa II (484-HG-001/2/3), Contract \$5,000,000, signed 2/12/65. 1,064 two- and three-bedroom condominium apartments, priced \$4,500-\$5,593. Status: Completed

Iran

IDRO, \$25,000,000, studies approved 6/71. 3,858 two- and three-bedroom row houses and one-, two-, three- and four-bedroom condominium apartments, priced \$3,961-\$8,351, for workers, in new industrial developments at Arak and Tabriz. Status: Feasibility study completed

Israel

		1971	Total
Statistics:	Authorized	\$50,000,000	\$50,000,000

Programs

Tefahot (271-HG-001), \$50,000,000, authorized 11/22/71. 11,000 primarily condominium apartments, priced at \$12,000-\$16,000 to be financed on various sites for government-sponsored programs for immigrants, newly married couples, and other low-income groups. Administrator is the Israeli Mortgage Bank. Status: Contract negotiations in process

Korea

A \$15,000,000 authorization was approved in principle 10/71, of which \$10,000,000 was for programs sponsored by the Korea Housing Corporation and \$5,000,000 by competitive sponsors for two- and three-bedroom freestanding homes and condominium apartments, priced \$8,000-\$9,000.

Thailand

		1971	Total
Statistics:	Disbursements	-	\$4,960,149
	Under Contract	-	\$5,000,000

Program

Intercontinental Soi On Nuj(4930-HG-002A/B/C), Contract \$5,000,000, signed 6/30/66. 677 detached and duplex two- and three-bedroom homes, priced \$5,347-\$7,022. Status: Completed

Unnamed, \$6,000,000, approved in principle 1/72 \$3,000,000 for sites and services and \$3,000,000 for low-income homes under RTG Ministry of Public Welfare sponsorship. Additional guaranty authority for a savings and loan system and mortgage insurance system also is contemplated, in addition to a possible competitive program. Status: Preliminary discussions

FOREIGN ASSISTANCE ACT OF 1969

"TITLE III—HOUSING GUARANTIES

"SEC. 221. WORLDWIDE HOUSING GUARANTIES.—In order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less developed friendly countries and areas, and promote the development of thrift and credit institutions engaged in programs of mobilizing local savings for financing the construction of self-liquidating housing projects and related community facilities, the President is authorized to issue guaranties, on such terms and conditions as he shall determine, to eligible investors as defined in section 238(c), assuring against loss of loan investments for self-liquidating housing projects. The total face amount of guaranties issued hereunder, outstanding at any one time, shall not exceed \$130,000,000. Such guaranties shall be issued under the conditions set forth in section 222(b) and section 223.

"SEC. 222. HOUSING PROJECTS IN LATIN AMERICAN COUNTRIES.—(a) The President shall assist in the development of the American Republics of self-liquidating housing projects, the development of institutions engaged in Alliance for Progress programs, including cooperatives, free labor unions, savings and loan type institutions, and other private enterprise programs in Latin America engaged directly or indirectly in the financing of home mortgages, the construction of homes for lower income persons and families, the increased mobilization of savings and improvement of housing conditions in Latin America.

"(b) To carry out the purposes of subsection (a), the President is authorized to issue guaranties, on such terms and conditions as he shall determine, to eligible investors, as defined in section 238(c), assuring against loss of loan investment made by such investors in—

"(1) private housing projects in Latin America of types similar to those insured by the Department of Housing and Urban Development and suitable for conditions in Latin America;

"(2) credit institutions in Latin America engaged directly or indirectly in the financing of home mortgages, such as savings and loan institutions and other qualified investment enterprises;

"(3) housing projects in Latin America for lower income families and persons, which projects shall be constructed in accordance with maximum unit costs established by the President for families and persons whose incomes meet the limitations prescribed by the President;

"(4) housing projects in Latin America which will promote the development of institutions important to the success of the Alliance for Progress, such as free labor unions, cooperatives, and other private enterprise programs; or

"(5) housing projects in Latin America, 25 per centum or more of the aggregate of the mortgage financing for which is made available from sources within Latin America and is not derived from sources outside Latin America, which projects shall, to the maximum extent practicable, have a unit cost of not more than \$8,500.

"(c) The total face amount of guaranties issued hereunder or heretofore under Latin American housing guaranty authority repealed by the Foreign Assistance Act of 1969, outstanding at any one time shall not exceed \$550,000,000: Provided, That \$325,000,000 of such guaranties may be used only for the purposes of subsection (b)(1).

"SEC. 223. GENERAL PROVISIONS.—(a) A fee shall be charged for each guaranty issued under section 221 or section 222 in an amount to be determined by the President. In the event the fee to be charged for such type of guaranty is reduced, fees to be paid under existing contracts for the same type of guaranty may be similarly reduced.

"(b) The amount of \$50,000,000 of fees accumulated under prior investment guaranty provisions repealed by the Foreign Assistance Act of 1969, together with all fees collected in connection with guaranties issued hereunder, shall be available for meeting necessary administrative and operating expenses of carrying out the provisions of this title and of prior housing guaranty provisions repealed by the Foreign Assistance Act of 1969 (including, but not limited to expenses pertaining to personnel, supplies, and printing), subject to such limitations as may be imposed in annual appropriation Acts; for meeting management and custodial costs incurred with respect to currencies or other assets acquired under guaranties made pursuant to section 221 or section 222 or heretofore pursuant to prior Latin American and other housing guaranty authorities repealed by the Foreign Assistance Act of 1969; and to pay the cost of investigating and adjusting (including costs of arbitration) claims under such guaranties; and shall be available for expenditure in discharge of liabilities under such guaranties until such time as all such property has been disposed of and all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this subsection.

"(c) Any payments made to discharge liabilities under guaranties issued under section 221 or section 222 or heretofore under prior Latin American or other housing guaranty authority repealed by the Foreign Assistance Act of 1969, shall be paid first out of fees referred to in subsection (b) (excluding amounts required for purposes other than the discharge of liabilities under guaranties) as long as such fees are available, and thereafter shall be paid out of funds, if any, realized from the sale of currencies or other assets acquired in connection with any payment made to discharge liabilities under such guaranties as long as funds are available, and finally out of funds hereafter made available pursuant to subsection (e).

"(d) All guaranties issued under section 221 or section 222 or heretofore under prior Latin American or other housing guaranty authority repealed by the Foreign Assistance Act of 1969 shall constitute obligations, in accordance with the terms of such guaranties, of the United States of America and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations.

"(e) There is hereby authorized to be appropriated to the President such amounts, to remain available until expended, as may be necessary from time to time to carry out the purposes of this title.

"(f) In the case of any loan investment guaranteed under section 221 or section 222, the agency primarily responsible for administering part I shall prescribe the maximum rate of interest allowable to the eligible investor, which maximum rate shall not be less than one-half of 1 per centum above the then current rate of interest applicable to housing mortgages insured by the Department of Housing and Urban Development. In no event shall the agency prescribe a maximum allowable rate of interest which exceeds by more than 1 per centum the then current rate of interest applicable to housing mortgages insured by such Department. The maximum allowable rate of interest under this subsection shall be prescribed by the agency as of the date the project covered by the investment is officially authorized and, prior to the execution of the contract, the agency may amend such rate at its discretion, consistent with the provisions of subsection (f).

"(g) Housing guaranties committed, authorized, or outstanding under prior housing guaranty authorities repealed by the Foreign Assistance Act of 1969 shall continue subject to provisions of law originally applicable thereto and fees collected hereafter with respect to such guaranties shall be available for the purposes specified in subsection (b).

"(h) No payment may be made under any guaranty issued pursuant to this title for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

"(i) The authority of section 221 and section 222 shall continue until June 30, 1972."

AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

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Deputy Administrator: Maurice J. Williams

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Buenos Aires, Argentina
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Regional Housing and Urban Development Office
Caracas, Venezuela
Edmund Hoben, Chief

Regional Housing and Urban Development Office
Addis Ababa, Ethiopia
Richard Zenger, Chief (assigned 1972)