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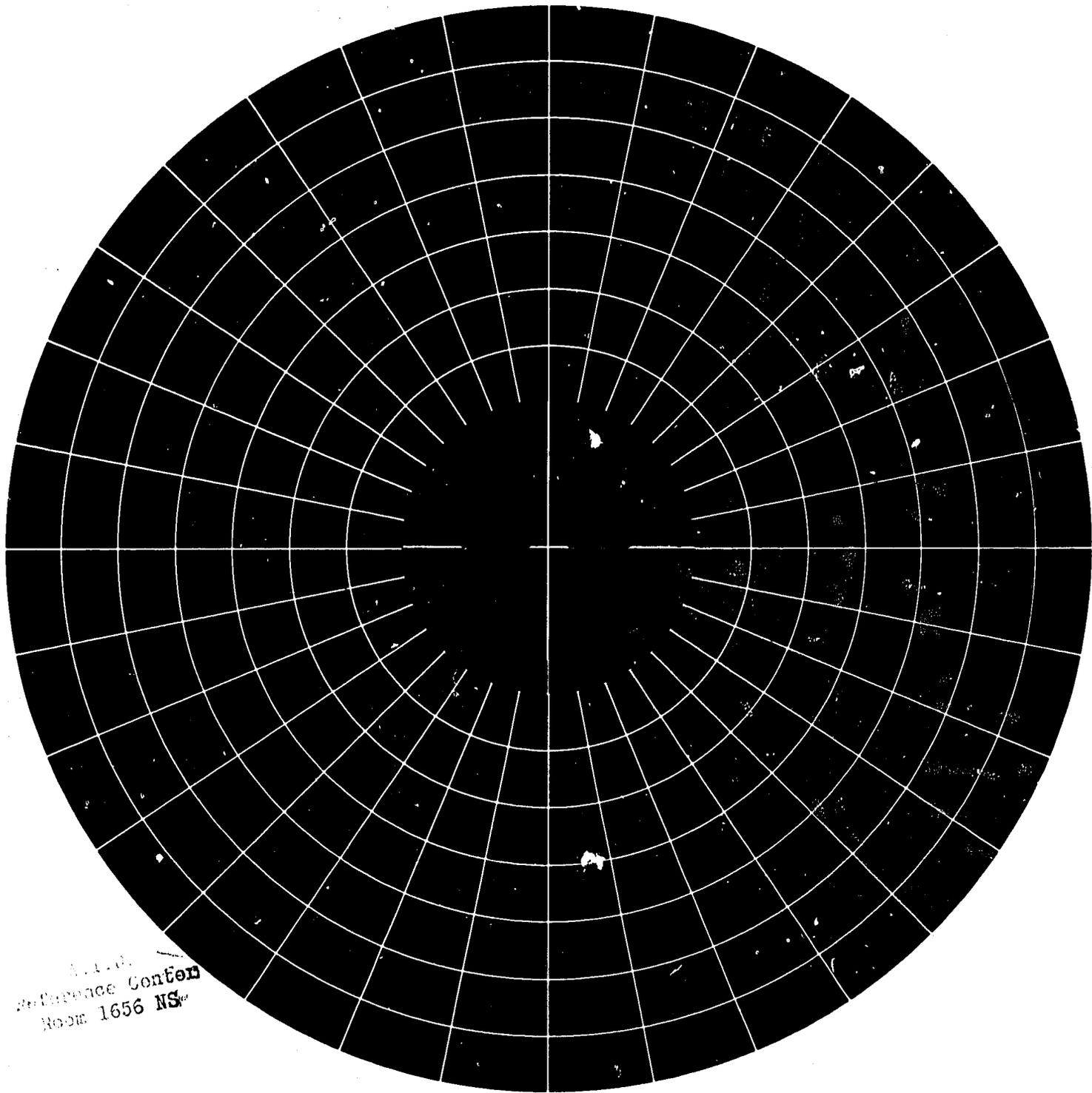
Agency for
International
Development

Office of
Housing

Housing
Guaranty
Program

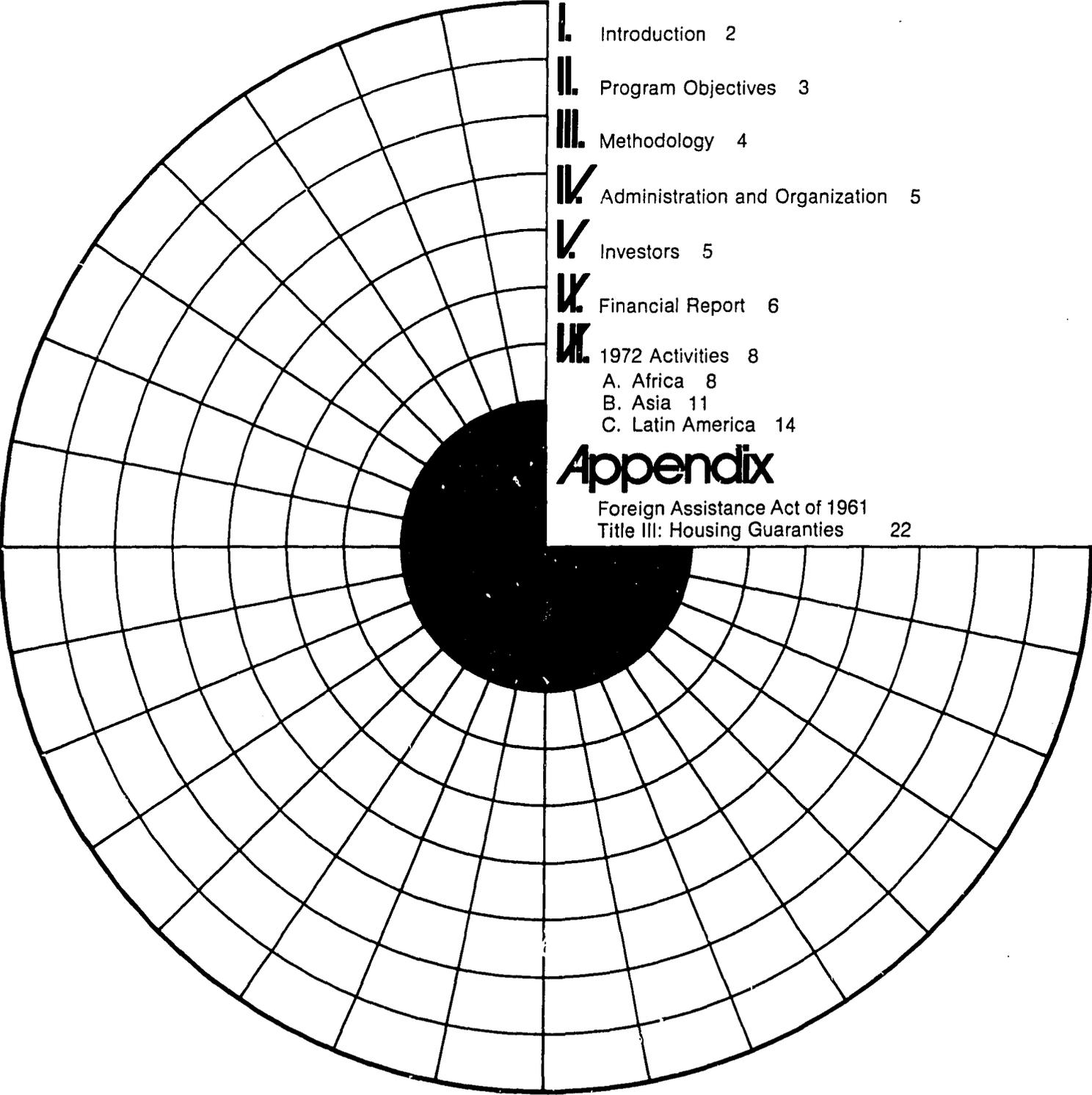
Annual
Report

1972



Reference Center
Room 1656 NS

Table of Contents



I.	Introduction	2
II.	Program Objectives	3
III.	Methodology	4
IV.	Administration and Organization	5
V.	Investors	5
VI.	Financial Report	6
VII.	1972 Activities	8
	A. Africa	8
	B. Asia	11
	C. Latin America	14

Appendix

Foreign Assistance Act of 1961	
Title III: Housing Guaranties	22

Introduction

The Second Decade of A.I.D.'s Housing Guaranty Program began in January, 1972, with \$418.4 million of authorized projects in 26 countries. During 1972, an additional \$106.2 million in new projects were authorized, and U.S. investors signed \$94.2 million of long-term loan agreements with government institutions and private developers pursuant to prior authorizations by A.I.D. Significant steps were taken in several areas of the less developed world to create primary and secondary mortgage market institutions in countries where they never before existed.

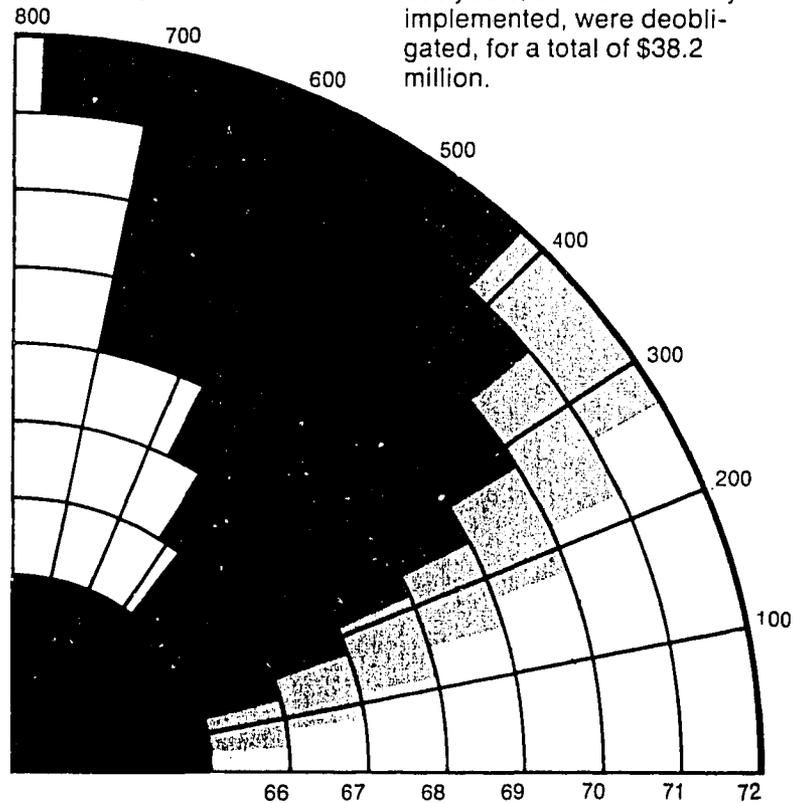
This annual report, the second in a series initiated in 1971, sketches highlights of the Housing Guaranty Program and gives a composite picture of an enterprise which is becoming an ever more important tool in bilateral U.S. assistance to the developing world.

Of special mention are these new programs during the year:

— In Israel, a \$50 million guaranty contract was signed and \$35 million disbursed for the long-term financing of housing principally for new immigrants to Israel;

— In Zaire, a \$10 million contract was signed with the new National Savings and Loan Bank to furnish seed capital to assist in its development;

— In Costa Rica and El Salvador, \$11 million in guaranty funds are being channeled through the Central American Bank for Economic Integration to finance housing in planned communities, where industrial and commercial facilities, separately financed, will be integrally planned and built at the same time;



— In Iran, \$25 million in guaranty funds are planned for use in financing workers' housing in connection with an industrial decentralization program.

The U.S. Congress in 1972 approved an additional \$75 million in Guaranty Authority for meeting increasing program demands for the worldwide program, thus increasing statutory authority for the program to \$780.1 million.

In summary, 1972 activity and cumulative totals are as follows:

	(In Millions of Dollars)	
	1972	Total
Increase in Legislative Authority	\$ 75	\$780.1
Authorizations	\$106.2	\$486.4
Contracts Signed	\$ 94.2	\$411.7
Disbursements	\$ 66.7	\$274.1

During 1972, projects which had been authorized in previous years, but were not fully implemented, were deobligated, for a total of \$38.2 million.

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, rather than to private sponsors and developers of individual projects. The purpose is to make the Housing Guaranty Program an integral part of the recipient country's overall housing and urban development plan, and to assist the recipient country in creating or developing the institutions which can help solve the ever increasing demand for housing. Where no plan exists, AID is prepared to assist in the development of such a plan.

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

In the process, A.I.D., through its Office of Housing has accumulated an in-depth knowledge and expertise on questions of urban growth and national housing policy and strategy in the various developing countries in which the program is active.

The most significant example of institution-building assisted by the Housing Guaranty Program is the continuing 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 220 associations with \$2 billion in savings and more than 500,000 homes financed to date. The initiation of these institutions usually involved A.I.D. technical assistance and low-interest rate A.I.D. development loans. When concessional loan funds were increasingly limited, the Housing Guaranty Program became by far the major external source of assistance for housing finance. Growth of these institutions has been significantly accelerated by the availability of Housing Guaranty resources.

Although most new housing guaranty commitments are directly related to development through strengthening or expanding the housing institutions of a given country, the program includes other projects with different justification. Such projects are intimately linked to 1) basic economic objectives, such as industrial expansion or new port development; 2) the development of new towns or satellite cities; 3) the housing objectives of important popular free democratic groups such as trade unions and cooperatives; 4) the development of viable secondary mortgage markets; or 5) the promulgation of local or overall country plans for housing and urban development.

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

First, and the approach usually followed now, is the negotiated program. This 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 nonprofit private institution, and/or the pursuit of an important development objective (e.g., reconstruction following an earthquake). A critical factor in project review is the determination that the local borrower is qualified to carry out its responsibilities. A joint A.I.D.-borrower review of the institution-development potential of the proposed program is an integral part of the pre-approval process. The second approach, and one rarely used now, is the competitive program which, 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. This approach was the primary tool in the earlier years of the program.



Administration and Organization



In 1972 the Office of Housing continued to modify its organization and develop its administrative procedures to carry out its world-wide responsibility. During the year, work was started on an updated Shelter Sector Strategy, which will reflect our latest thinking and guide A.I.D. policy in housing and shelter programs when it is completed and adopted.



To facilitate effective implementation of the program, regional field offices were set up in Addis Ababa, Ethiopia, and Abidjan, Ivory Coast. Regional offices had previously been established in Buenos Aires, Argentina; Caracas, Venezuela; and Guatemala City, Guatemala. Still in the future is a possible field office to implement Asian programs.

During 1972 new program development expenses continued to be heavy in Africa and Asia. Nevertheless, fee income for the year of \$2, - 426,631.73 was sufficient to cover operating expenses of \$2,345,942.24, leaving a surplus of \$80,689.49, which was added to the housing guaranty reserves.

In accordance with A.I.D. policy, the Office of Housing utilizes the services of private contractors. Substantial contribution to the year's achievements is attributable to the work of the following contractors:

The National League of Insured Savings Associations performs supervisory inspection of the operations of the fiduciaries that handle disbursements and collections in the host country, and performs underwriting surveys, studies for new projects and construction inspection 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.

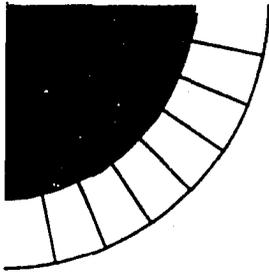
The American Savings and Loan Institute conducts a series of seminars, extension courses, and other training programs in savings and loan management.

The Federal Home Loan Bank Board provides economic research into housing finance in the developing countries and carries out technical assistance assignments in the United States and abroad as required.

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

Investors

During 1972 the pattern of the previous two years 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 investors in the program and in turn sell participation interests to individual savings and loan associations throughout the country. Commercial banks, insurance companies, and union pension funds which had invested in the program in its early years made no new commitments. During the year, the Office of Housing followed a policy of encouraging all U.S. investors to participate in the program, through public advertisements and mailings, and substantial interest was shown by investment bankers and institutional investors. Interest rates to the investor held steady during 1972, with most commitments being made at an interest rate to U.S. lender of 7½ %.

W Financial Report **Assets****Statement of
Financial Condition
As of December 31,
1972**

Funds with U.S. Treasury	\$50,267,589.04
Advances to Contractors	619,281.72
Advances to Investors	5,000.00
Accounts Receivable	419,602.52
Travel Advances	2,271.39
Subrogated Claims *	796,439.99
	<u>\$52,110,184.66</u>

* Includes \$109,422.98 paid during 1972.

Liabilities and Reserves

Accounts Payable	\$ 1,159.53
Accrued Expenses Payable	762,486.31
Devaluation Reserve	40,973.35
Total Liabilities & Reserves	<u>\$ 804,619.19</u>

Net Worth

Capital	\$50,692,916.00
Cumulative Net Income as of 6/30/72	516,719.34
Operating Gain (Loss) FY 1973 to Date	95,930.13
Total Net Worth as of 12/31/72	<u>\$51,305,565.47</u>
Total Liabilities & Net Worth	<u>\$52,110,184.66</u>

Fee Income

Latin America	\$ 2,105,261.41
Other Regions	321,370.32
Gross Income	<u>\$ 2,426,631.73</u>

Administrative Expenses

Personnel Compensation	\$ 683,484.23
Contractual Services	1,542,329.51
Travel & Related Costs	110,049.11
Misc. Administrative Costs	10,079.39
Total Administrative Expenses	<u>\$ 2,345,942.24</u>
Net Operating Gain	<u>\$ 80,689.49</u>

**Statement of
Contract Issuing
Authority and
Program Status
As of December 31,
1972**

I. Congressional Authority

A. World-Wide Housing Guaranties	
1. FAA 1969 (Section 221)	\$205,000,000
2. Prior Authority (See Section 223d)	25,100,000
B. Housing Projects in Latin American Countries (Section 222)	
	550,000,000
TOTAL CONGRESSIONAL AUTHORITY	\$780,100,000

II. Program Status

	No. of Projects	No. of Units	Dollar Amount
A. All Projects Authorized			
1. Projects Authorized and Under Contract:			
Latin America	68	51,367	\$301,727,682
Africa	8	12,022	50,219,300
Asia	3	12,741	59,755,000
TOTAL	79	76,130	411,701,982
2. Projects Authorized Not Yet Under Contract:			
Latin America	9	6,770	\$ 39,700,000
Africa	—	—	—
Asia	2	7,166	35,000,000
TOTAL	11	13,936	74,700,000
TOTAL PROJECTS AUTHORIZED	90	90,066	\$486,401,982
B. Total Authority Available:			
Latin America			\$208,572,318
Worldwide			85,125,700
TOTAL			\$293,698,018
C. Projects in Process Not Yet Authorized:			
Latin America	4		\$ 43,000,000
Africa	5		32,500,000
Asia	1		50,000,000
CO/SA	1		6,000,000
TOTAL	11		\$131,500,000

A. Africa

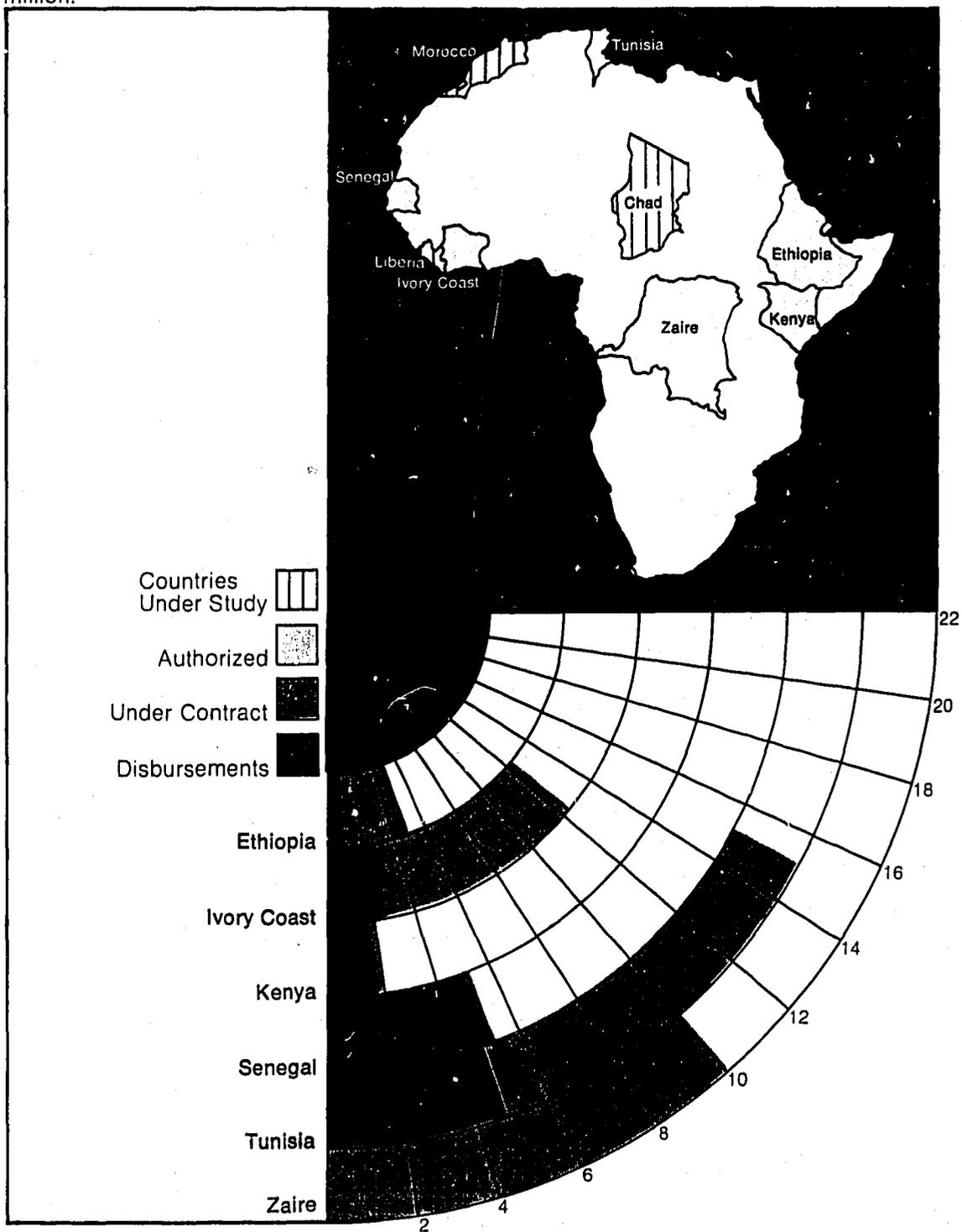
The thrust of the program in Africa for the year 1972 was to develop projects based on the preinvestment surveys completed in 1971. Programs totaling \$30 million in Housing Guaranty Authority were authorized and contracts signed in 1972 for projects in Zaire, Tunisia and the Ivory Coast, each for \$10 million.

Construction on the \$2 million Housing Guaranty project in Kenya, with the Nairobi City Council as the borrower, was completed in 1972. Progress on the construction of the Ethiopia project continued.

Pre-investment surveys were undertaken in Kenya, Uganda and Chad. In addition, a number of other housing programs are under consideration in Africa.

In summary, 1972 activity totalled:

1) Authorized	\$30,000,000.00
2) Under Contract	30,000,000.00
3) Disbursements	1,032,445.26



Chad

Approval in principle for a feasibility study for a \$1 million program was given in 1972. This program would be directed towards home improvement/house completion loans (80%-90% of program) for Chadians in the low income market. Studies will be completed in 1973.

Ethiopia

Statistics:

	1972	Total
Authorized	—	\$5,000,000
Under Contract	—	5,000,000
Disbursements	\$300,018.26	452,523

Programs

The Bole (663-HG-001) contract for a \$5 million program was signed September 15, 1970. To accommodate the market, the builder has made a number of major changes in the project which have resulted in a sale price range of \$7,553-\$10,128. The project Administrator is an A.I.D.-sponsored savings and loan association.

Ivory Coast

Statistics:

	1972	Total
Authorized	\$10,000,000	\$12,032,800
Under Contract	10,000,000	12,032,800
Disbursements	—	2,032,792

The Abidjan (681-HG-001) contract for \$3,000,000 was signed November 30, 1967 for detached, semi-detached, row houses and condominium apartments. The price range was \$4,781-\$10,924. The project is completed, using only a little more than \$2 million of the guaranty.

A \$10 million program with SOGEFIHA, a government housing corporation, as the Sponsor was authorized and the contract signed in 1972. SOGEFIHA will utilize \$6 million for construction of two projects which will provide housing for Ivoirians in the price range of \$2,700-\$6,200.

\$4 million will be utilized by SOGEFIHA to develop a savings division within its organization which will be directed towards financing low and middle income housing. In addition, the Government of the Ivory Coast will also provide seed capital in the amount of \$1.2 million. The project is now under construction.

Kenya

Statistics:

	1972	Total
Authorized	—	\$1,994,000
Under Contract	—	1,994,000
Disbursements	\$732,427.00	1,993,073

Programs

A contract for a \$2.1 million project to be carried out by the Nairobi City Council (615-HG-001) was signed on July 1, 1969. The project consisted of 345 2 and 3 bedroom detached houses priced between \$5,810-\$6,440. Construction was completed and the project occupied during 1972.

A pre-investment housing survey was undertaken in 1972 and approval in principle was given in September, 1972 for a \$15 million program developed in conjunction with the National Housing Corporation and the Nairobi City Council. The program will be directed primarily towards houses selling for less than \$3,300.

In addition to the \$15 million overall program for Kenya, a request was made in July, 1972, by Kenya Caneries, a subsidiary of Del Monte Corporation, for a \$2.5 million program which would provide home ownership for its employees. 75% of the houses to be built under this program will sell for an average of \$1,000, while the remaining 25%, for supervisors, will average about \$2,000. The housing program will be an integral part of the expansion of pineapple production in Kenya.

Liberia

A \$5 million program was approved in principle in November, 1971. This \$5 million, together with a contribution by the Government of Liberia, will be used as seed capital for the newly formed National Housing and Savings Bank of Liberia. In 1972, legislation for the Bank was approved, a board of directors appointed and a general manager selected.

Most of the capital channeled into the Bank will be loaned to the National Housing Authority, which is responsible for the overall housing policy for the country and for construction of low and middle priced housing units.

Morocco

Approval in principle for a \$10 million program was granted in September, 1971. This program will be carried out under the direction of the Ministry of Housing, Urban Development and Environment, and will be directed primarily towards individuals currently living in squatter developments. These housing units will sell for an average price of \$2,400.

Senegal

Statistics:

	1972	Total
Authorized	—	\$5,000,000
Under Contract	—	5,000,000
Disbursements	—	4,999,997

Programs

A \$5 million program was carried out in the Patte d'Oie project (685-HG-001) for the construction of a cluster-type housing project consisting of 2, 3, and 4 bedroom housing units. The project was completed in December, 1970. The price range of these units was between \$6,232-\$9,240. A \$1.2 million extension was planned for the project. However, because certain essential pre-conditions to the extension were not met, the guaranty was de-authorized in July, 1972.

Tunisia

Statistics:

	1972	Total
Authorized	\$10,000,000	\$15,000,000
Under Contract	10,000,000	14,992,500
Disbursements	—	4,992,498

Programs

The Carnoy (664-HG-001) contract for \$5 million was signed November 1, 1966. Five hundred and sixty-five 3-bedroom detached homes were built priced from \$8,810 to \$10,060. The project is completed.

SNIT, the Tunisian Housing Authority, signed a contract for a \$10 million program in December, 1972. The project will consist of approximately 5,100 1, 2 and 3-bedroom expandable row houses arranged in clusters at prices between \$1,736-\$5,148. This project is now under construction.

Zaire

Statistics:

	1972	Total
Authorized	\$10,000,000	\$10,000,000
Under Contract	10,000,000	10,000,000
Disbursements	—	—

Programs

CNECI, the newly formed National Savings and Loan Bank, signed a contract for a \$10 million program in July, 1972. The \$10 million, together with a \$2 million contribution from the Government of Zaire, will serve as seed capital for the Bank. This program will be directed towards financing low and middle income housing, home improvement loans and house completion loans.

B. Asia

Two new projects were authorized in Asia in 1972 based on feasibility studies done during the year, one for a \$25 million workers' housing project in Iran and another for \$10 million in Korea. The contracts covering these projects were being negotiated at year end. The contracts for the \$50 million

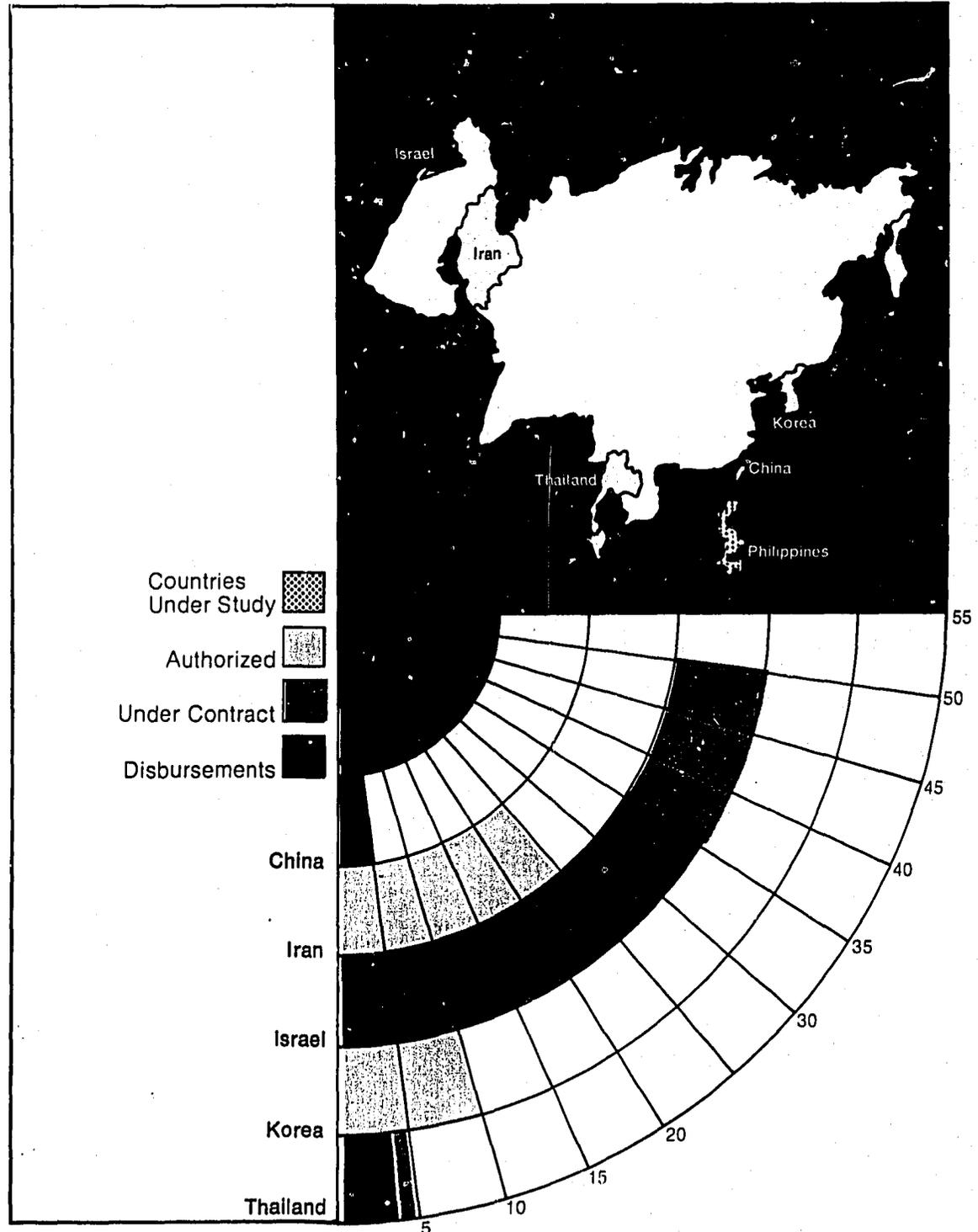
in Israel were signed in February, 1972 and by December 31, \$35 million had been disbursed.

A feasibility study was initiated during the year for a \$50 million program in support of the Five Year Plan for Housing in Iran. Subsequent to the 1971 pre-investment survey for Thailand, a sup-

plementary Housing Survey Report was completed in October, 1972. A possible program in Thailand resulting from these studies awaited the establishment of a new National Housing Authority.

In summary 1972 activity totalled:

Authorized	\$35,000,000
Under Contract	50,000,000
Disbursements	35,000,000



Republic of China**Statistics:**

	1972	Total
Authorized	—	\$4,794,000
Under Contract	—	4,794,000
Disbursements	—	4,793,417

Programs

The Union Villa II (484-HG-001/2/3), contract for \$5,000,000 was signed November 15, 1965 for 1,064 2 and 3 bedroom condominium apartments priced \$4,500 to \$5,600. The project is completed.

The Government of the Republic of China requested that A.I.D. update its pre-investment survey made in 1971 for a new program to reflect current priorities in the housing sector. This survey is scheduled for early 1973.

Iran**Statistics:**

	1972	Total
Authorized	\$25,000,000	\$25,000,000
Contract	—	—
Disbursements	—	—

Programs

A.I.D. signed a \$25 million guaranty authorization on April 18, 1972 for a project sponsored by the Iran Industrial Development and Reconstruction Organization. The project is for construction of approximately 5,500 cooperative housing units for employees of industries currently established in the cities of Tabriz and Arak as part of a program of decentralization of industry in Iran. The contract documents were in the final stages of negotiation at the end of the year.

A request was received from the Minister of Housing and Development to utilize housing guaranty resources to assist in Iran's Five Year Housing Development Plan. A detailed feasibility study was initiated during December to examine the financing for substantial new construction of homes for low and middle income families in a number of Iranian cities including Tehran and substantial support to the Government of Iran's housing goals, particularly during the early years of the housing development plan.

Israel**Statistics:**

	1972	Total
Authorized	—	\$50,000,000
Contract	\$50,000,000	50,000,000
Disbursements	35,000,000	35,000,000

Programs

Guaranty and related agreements for a \$50 million loan (271-HG-001) from private U.S. savings and loan associations were signed on February 15, 1972 after authorization in 1971. The loan to the Tefahot Israel Mortgage Bank will, upon full disbursement of the loan, finance some 11,000 homes, primarily for condominium apartments, for middle and lower middle income families, mostly new immigrants to Israel. By the end of 1972, \$35 million had been disbursed.

The Government of Israel proposed a new Housing Guaranty program, amounting to \$100 million to be disbursed over the next several years. This proposal was under consideration and detailed feasibility study was planned for early 1973.

Korea

Statistics:

	1972	Total
Authorized	\$10,000,000	\$10,000,000
Under Contract	—	—
Disbursements	—	—

Programs

On November 10, 1972, A.I.D. authorized the issuance of a \$10 million housing guaranty to the Korea Housing Corporation for the financing of a middle income housing project based on a feasibility study done early in the year. The Korea Housing Corporation is wholly owned by the Government of Korea. The project will finance approximately 1,490 condominium apartments in a 34 building complex in the Seoul area. Contract documents were being drafted at year end.

Philippines

The pre-investment survey for the Philippines begun in 1971 was completed and distributed to Philippine government officials for review and comment prior to any further A.I.D. action.

Thailand

Statistics:

	1972	Total
Authorized	—	\$4,961,000
Contract	—	4,961,000
Disbursements	—	4,960,149

Programs

The Soi On Nuj (493-HG-002A/B/C) contract for \$5 million was signed June 30, 1965 for 677 detached and duplex 2 and 3 bedroom homes. The project is completed.

In January, 1972, \$6 million was approved in principle for a new program in Thailand, \$3 million for a sites and services project and \$3 million for low-income homes under Ministry of Public Welfare sponsorship. Additional guaranty authorization for a savings and loan system and mortgage insurance system was also contemplated. During 1972 the Office of Housing updated its previous pre-investment survey for Thailand to incorporate the Government of Thailand revised priorities for increased housing production and changes in its housing institutional base.

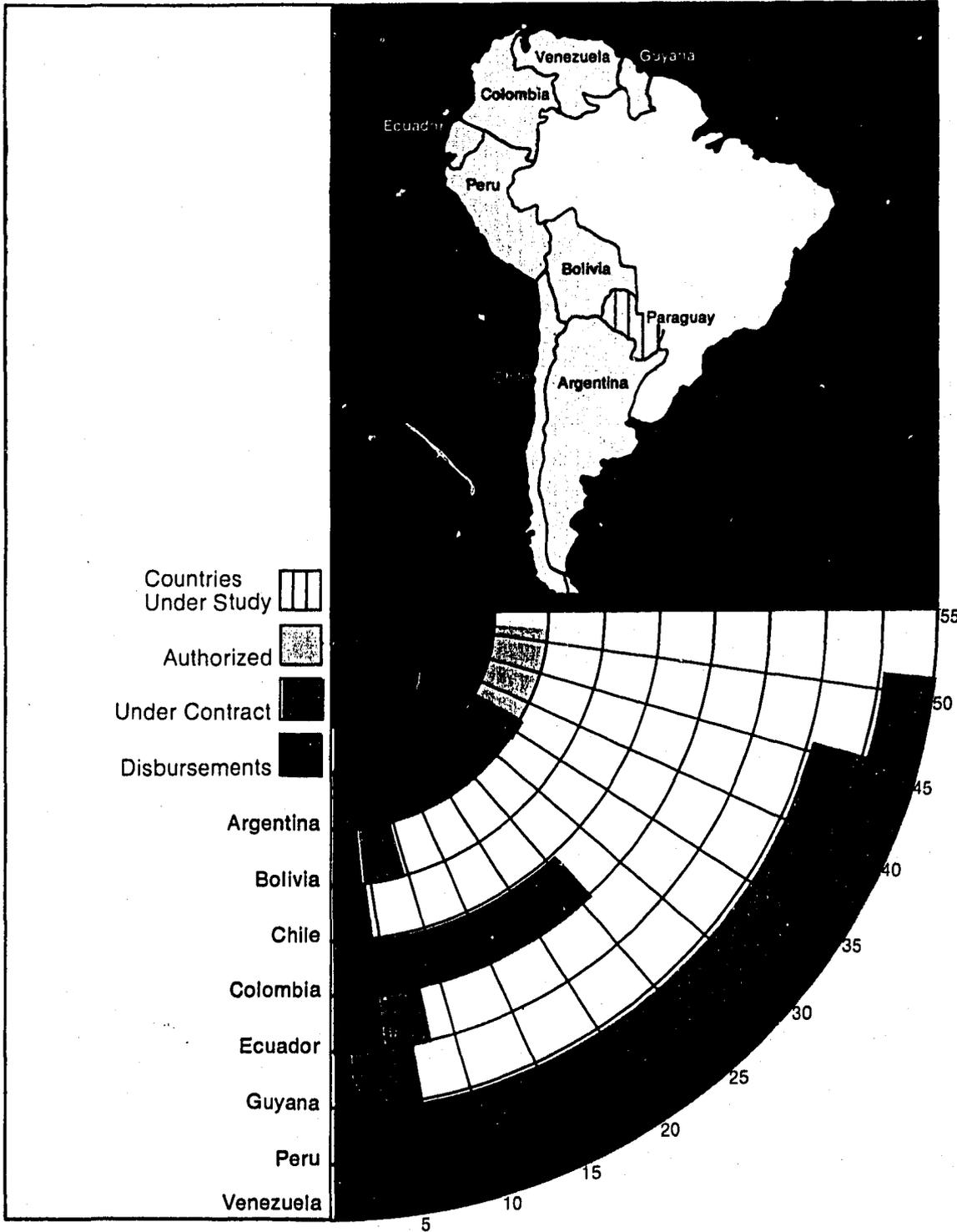
C. Latin America

Introduction:

Latin America saw over \$42 million of new housing guaranty loans authorized in 1972 including an innovative \$11 million model community program in Central America and additional assistance for general relending to established housing banks in Argentina and Bolivia.

In summary, 1972 Activity

Totalled:	
Authorized	\$42,282,442
Under Contract	15,282,447
Disbursements	30,694,471



i. South America

Argentina

Statistics:

	1972	Total
Authorized	\$10,000,000	\$54,322,000
Under Contract	—	39,722,000
Disbursements	8,000,000	33,721,394

Programs

The Field Argentina (510-HG-001) contract for \$4,922,000 was signed September 15, 1964. 655 single-family detached homes were built priced at \$7,668-\$9,125. The project is completed. During 1972, discussions were held with the government of Argentina concerning renegotiation of the terms and conditions of the mortgages. These discussions continued into 1973.

The AIFLD (510-HG-003) contract for \$13,000,000 was signed May 1, 1968. Under trade union sponsorship, 1,667 condominium apartments were built on eight sites priced from \$6,835-\$11,120. The project is completed.

The S.U.P.E. (510-HG-004A) contract for \$1,100,000 was signed January 15, 1969. Under union sponsorship, 122 condominium apartments were built, priced \$5,500. The project is completed.

The U.P.C.N. (510-HG-004B) contract for \$2,400,000 was signed on January 15, 1969. Under trade union sponsorship, 324 condominium apartments were built, priced \$7,303. The project is completed.

The UNIMEV (510-HG-004C) contract for \$2,300,000 was signed January 15, 1969. Under trade union sponsorship, 498 condominium apartments were built, priced from \$4,285-\$5,051. The project is completed.

The Plan VEA (510-HG-005) contract for \$10,000,000 was signed October 6, 1970. The project formed part of the Argentine government's low-cost housing program, for general relending for the construction of 4,300 units of various types on numerous sites, priced \$2,589-\$9,345. The project is completed.

The UNIMEV II (510-HG-006) contract for \$3,000,000 was signed September 1, 1971. Under trade union sponsorship, 450 semi-detached and row houses are proposed, priced at \$8,500, as a continuation of the earlier program. The project is under construction.

The SITRA (510-HG-007) contract for \$3,000,000 was signed September 1, 1971. Under union sponsorship, 440 condominium apartments are proposed priced at \$8,500. The project is under construction.

The AIFLD II (510-HG-003) proposal for \$4,600,000 was authorized in 1966. Under trade union sponsorship, 733 individual dwelling units are proposed priced from \$3,400-\$6,000. The project is under review.

The Plan VEA II (510-HG-008) proposal for \$10 million was authorized on June 9, 1972, to provide additional funding for general relending through the National Mortgage Bank's Plan VEA. The loan will produce approximately 2,000 units priced at \$6,000 and below.

Bolivia

Statistics:

	1972	Total
Authorized	\$6,000,000	\$9,600,000
Under Contract	6,000,000	9,600,000
Disbursements	1,450,000	3,600,000

Programs

The Caja Central (511-HG-003) contract for \$3,600,000 was signed September 5, 1969. This was a seed capital loan to the savings and loan system and was used for financing 887 units on various sites, priced below \$7,500, through relending to individual savings and loan associations. The project was completed in 1972.

The Los Pinos (511-HG-004) \$6,000,000 contract was signed September 28, 1972. This is a project of 1,060 condominium apartments to be developed in La Paz under the auspices of the Bolivian savings and loan system. Construction has not yet started.

Chile

Statistics:

	1972	Total
Authorized	—	\$4,690,000
Under Contract	—	4,690,000
Disbursements	—	4,690,000

Programs

The La Libertad (513-HG-003) contract for \$1,000,000 was signed September 15, 1968. The loan was channeled through the "La Libertad" Savings and Loan Association for the financing of 273 single-family houses ranging in price from \$4,000 to \$6,500. The project is completed.

The Concepcion (513-HG-004) contract for \$1,690,000 was signed July 15, 1968. 470 single-family houses were built, priced \$6,000-\$6,773. The project is completed.

The INVICA (513-HG-005) contract for \$2,000,000 was signed March 15, 1969. 492 single-family houses were proposed, priced \$6,225-\$7,099. The project is under construction.

Colombia

Statistics:

	1972	Total
Authorized	—	\$26,867,000
Under Contract	—	26,867,000
Disbursements	—	26,866,084

Programs

The VIPASA (514-HG-001) contract for \$8,179,000 was signed November 14, 1963. 1,578 townhouses were built, priced \$5,677-\$7,770. The project is completed.

The La Esmeralda (514-HG-002) contract for \$10,207,000 was signed November 28, 1966. 1,268 townhouses were built, priced \$6,200-\$8,123.

A very active Homeowners Association assures continuing excellent maintenance. The project is completed.

The Castilla (514-HG-003) contract for \$8,841,000 was signed May 1, 1967. 1,256 townhouses were built, priced \$5,135-\$8,916. The project is completed.

Ecuador

Statistics:

	1972	Total
Authorized	—	\$7,400,000
Under Contract	—	7,400,000
Disbursements	\$1,436,960	3,296,726

Programs

The La Chala (518-HG-003) contract for \$1,400,000 was signed September 1, 1969. 355 single family, semi-detached units were built, priced \$3,750. The project is completed.

The B.E.V. (518-HG-004) contract for \$6,000,000 was signed July 23, 1970. Funds were made available for relending through the country's 10 savings and loan associations for financing of over 1,000 homes of various types, priced \$6,000 to \$8,500. The project is under construction.

Guyana

Statistics:

	1972	Total
Authorized	—	\$6,000,000
Under Contract	—	6,000,000
Disbursements	\$70,357	1,398,245

Programs

The AIFLD (504-HG-001) contract for \$2,000,000 was signed November 1, 1966. Under trade union sponsorship, 363 detached homes

were built, priced \$3,705-\$5,095. The project is completed, using \$1,185,935 of authorization.

The Mackenzie (504-HG-002) contract for \$4,000,000 was signed January 31, 1968. 728 detached homes for workers were proposed, priced \$6,415-\$7,182. Only 100 units were built, and the project has been terminated.

Paraguay

A program of \$4,000,000 was given preliminary approval in 1971 for projects to supplement the new A.I.D.-assisted savings and loan system. The next step is a feasibility study in 1973.

Peru

Statistics:

	1972	Total
Authorized	—	\$46,022,000
Under Contract	—	46,022,000
Disbursements	\$3,981,000	21,623,876

Programs

The Apollo (527-HG-001/I) contract for \$1 190,000 was signed April 22, 1963. 405 detached units were built, priced \$4,605. The project is completed.

The Apollo (527-HG-001/II) contract for \$1,024,000 was signed May 15, 1965. 405 detached units were built, priced \$5,489. The project is completed.

The Jardines Viru (527-HG-002) contract for \$3,826,000 was signed May 1, 1964. 898 single-family homes were built, priced \$6,230-\$7,207. The project is completed.

The VIPSE (527-HG-003) contract for \$8,701,000 was signed February 1, 1966. 1,352 single-family homes were built, priced \$6,083-\$11,498. The project is completed.

The Salamanca (527-HG-004) contract for \$2,300,000 was signed August 26, 1966. 504 single-family units were built, priced \$4,893-\$7,217. The project is completed.

The Alto de Luna (527-HG-006) contract for \$2,900,000 was signed January 1, 1967. 546 single-family dwellings were planned, priced \$4,916-\$5,938. The project was terminated after the construction of 132 units with the disbursement of less than \$700,000.

The B.V.P. (527-HG-008/5) contract for \$28,281,000 was signed November 12, 1971. This is a program designed to aid earthquake and flood victims. 8,640 units are proposed in new subdivisions for reconstruction and sites and services, as well as related community facilities. Unit prices range from \$1,000-\$8,000. The project is under construction.

Venezuela

Statistics:

	1972	Total
Authorized	—	\$51,463,100
Under Contract	—	51,463,100
Disbursements	\$719,325	37,335,649

Programs

The Guacara I Ciudad Alianza (529-HG-001) contract for \$6,294,000 was signed August 1, 1964. 724 single-family detached homes were built, priced \$10,793. The project is completed.

The INRESA (529-HG-002) contract for \$4,715,000 was signed April 15, 1965. 425 condominium apartments were built, priced \$7,173-\$19,128. The project is completed.

The Puerto Ordaz (529-HG-003) contract for \$1,854,000 was signed April 1, 1966. 147 two-bedroom and three-bedroom houses were built, priced \$11,444-\$14,811. The project is completed.

The Guacara III, Ciudad Alianza (529-HG-003B) contract for \$2,910,000 was signed March 1, 1969. 444 single-family detached homes were built, priced \$7,500. The project is completed.

The Guacara II (529-HG-005) contract for \$778,000 was signed January 16, 1967. 80 single-family detached homes were built, priced \$10,793. The project is completed.

The CORACREVI (529-HG-006) contract for \$5,912,100 was signed January 24, 1969. Under sponsorship by a trade union credit institution 815 condominium apartments were built, priced \$6,000-\$10,000. The project is completed.

The Flor Amarillo (529-HG-008) contract for \$3,000,000 was signed July 15, 1969. 550 semi-detached and detached dwelling units were built, priced \$5,750-\$6,244. The project is under construction.

The BANAP (529-HG-012) contract for \$20,000,000 was signed December 15, 1970. Through the Venezuelan savings and loan system, financing is being provided for 2,800 homes priced from \$8,500-\$9,500. The project is under construction.

The INVICA (529-HG-013) contract for \$6,000,000 was signed July 29, 1971. The Venezuelan Foundation for Cooperative Housing, under the supervision of the Banco Obrero, will develop 1,000 cooperative housing units, priced at \$8,500. The project is under construction.

2. Central America and the Caribbean

Central American Bank for Economic Integration — CABEI

Statistics:

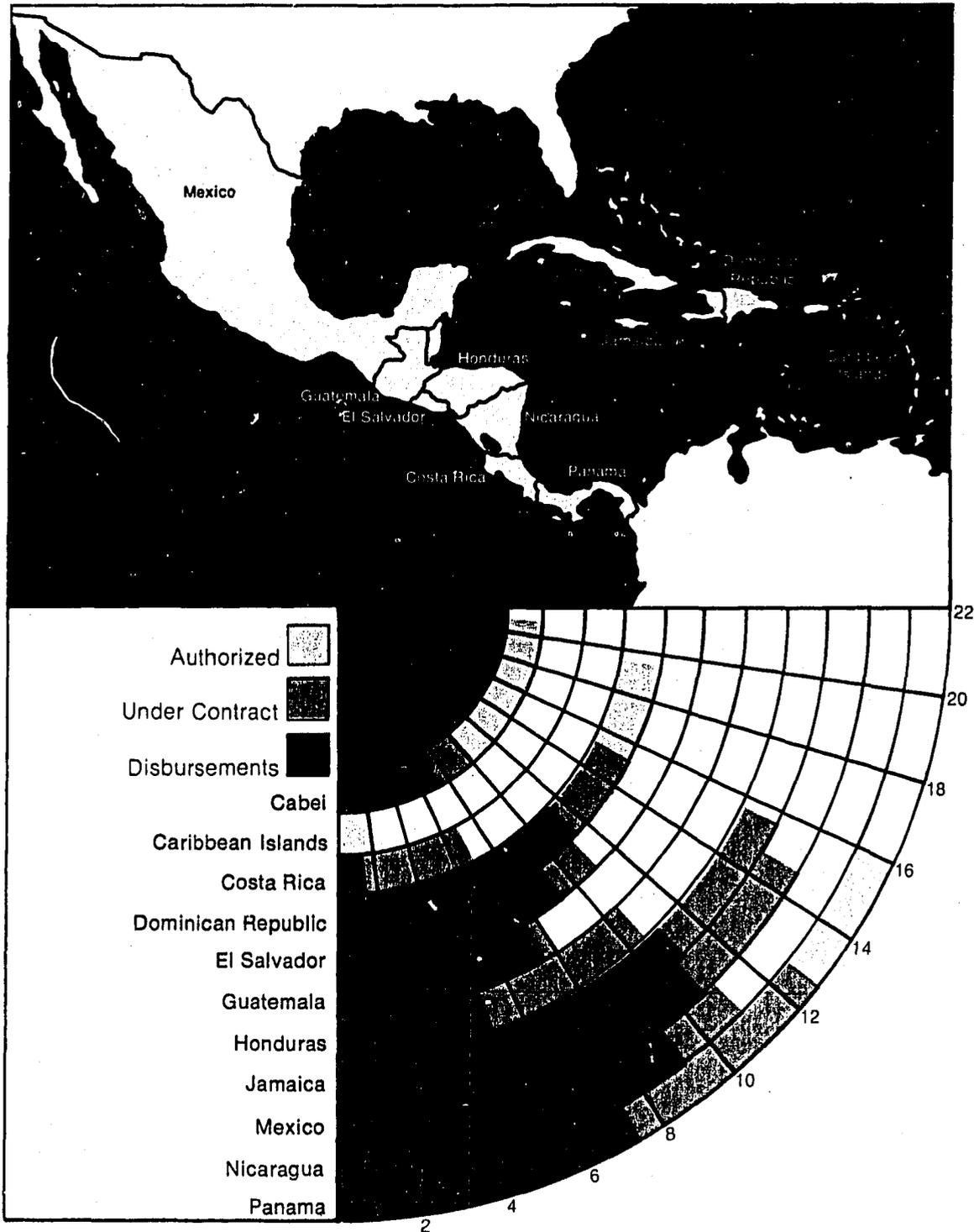
	1972	Total
Authorized	\$11,000,000	\$21,000,000
Under Contract	—	10,000,000
Disbursements	4,150,000	7,850,000

Programs

The CABEI (596-HG-001) contract for \$10,000,000 was signed March 25, 1970. The program established a secondary mortgage market operation for savings and loan systems of participating

countries, and is intended to finance 1,800 homes, priced from \$5,000 to \$6,500. Sub-projects are under construction.

The Model Communities Program (596-HG-002) includes two projects authorized on June 13, 1972 for model communities in San Jose,



Costa Rica, and San Salvador, El Salvador, to finance approximately 2,200 units with sales prices between \$2,900 and \$8,500 in planned communities which will include light industrial and commercial facilities integrated with the new residential construction to be financed by this loan.

Caribbean Islands

Statistics:

	1972	Total
Authorized	\$2,000,000	\$2,000,000
Under Contract	—	—
Disbursements	—	—

Programs

The Caribbean Development Bank (CDB) (538-HG-001) guaranty for \$2,000,000 was authorized on August 3, 1972. In combination with a \$4,000,000 A.I.D. development loan and a \$3,000,000 contribution from CDB, it will be used to create a secondary mortgage window within the CDB to serve the needs of primary lending institutions in the eastern Caribbean islands.

Costa Rica

Statistics:

	1972	Total
Authorized	\$4,600,000	\$6,600,000
Under Contract	4,600,000	6,600,000
Disbursements	719,320	1,999,992

Programs

The Desarrollo Urbano (515-HG-003) contract for \$2,000,000 was signed May 15, 1969. 480 row and detached dwellings were built, priced from \$3,928-\$4,662. The project is completed.

The Jardines De Tibas, S.A. (515-HG-004) contract for \$2,500,000 was signed December 1, 1972 for 440 single unit dwellings to cost between \$5,100 and \$5,500. Construction has not yet begun.

The INVECO, S.A. (515-HG-005) contract for \$2,100,000 was signed December 15, 1972. for 414 single unit dwellings to cost an average of \$7,500. Construction has not yet begun.

Dominican Republic

Statistics:

	1972	Total
Authorized	\$7,500,000	\$19,035,000
Under Contract	3,500,000	15,035,000
Disbursements	4,228,000	11,449,726

Programs

The COINFO (517-HG-003) contract for \$3,400,000 was signed September 30, 1964. 348 single-family detached homes were built, priced \$9,860-\$10,820. The project is completed.

The La Agustina (517-HG-005) contract for \$2,135,000 was signed June 1, 1968. 354 single-family detached homes were built, priced from \$7,077-\$8,424. The project is completed.

The B.N.V. (517-HG-006) contract for \$6,000,000 was signed April 30, 1969. An institution-building effort to promote an internal savings and loan system and secondary market, the program involves 1249 units in various projects, priced from \$7,155-\$15,851. The projects are under construction.

The Falcondo (517-HG-007) contract for \$3,500,000 was signed November 9, 1972. 500 units of workers' housing are proposed for a large nickel mining (Falconbridge) operation under a general all-purpose cooperative, priced from \$6,000-\$8,500. Construction has not yet begun.

The B.N.V. (517-HG-008) guaranty for \$4,000,000 was authorized November 1, 1972. This is an extension of the \$6,000,000 program for primary lending through the savings and loan associations. 700 units are contemplated, priced from \$6,500-\$9,500.

El Salvador

Statistics:

	1972	Total
Authorized	—	\$11,049,250
Under Contract	—	11,049,250
Disbursements	\$909,791	9,441,472

Programs

The Miramonte (519-HG-001) contract for \$4,493,000 was signed May 15, 1964. 462 two- and three-bedroom single-family homes were built, priced \$9,369-\$11,828. The project is completed.

The Jardines de Guadalupe (515-HG-002/3) contract for \$4,566,250 was signed December 15, 1966. 508 single-family homes were built, priced \$7,840-\$11,477. The project is completed.

The Viviendas Cooperativas (519-HG-005) contract for \$2,000,000 was signed January 30, 1971. This cooperative housing program proposes the construction of 463 semi-detached and detached homes, priced from \$6,800 to \$7,332. The project is under construction.

Guatemala
Statistics:

	1972	Total
Authorized	—	\$7,817,000
Under Contract	—	7,817,000
Disbursements	\$900,000	7,753,675

Programs

The Capital City Silver (520-HG-001/I) contract for \$1,817,000 was signed September 30, 1964. 262 detached and semi-detached homes were built, priced \$6,927-\$8,289. The project is completed.

The Capital City Silver (520-HG-001/II) contract for \$3,000,000 was signed March 16, 1967. 452 detached and semi-detached homes were built, priced \$6,660-\$7,070. The project is completed.

The Banco Granai and Townson (520-HG-002) contract for \$1,500,000 was signed July 15, 1969. Under savings and loan sponsorship, 290 homes were built, priced at \$5,000. The project is completed.

The Banco Inmobiliario (520-HG-003) contract for \$1,500,000 was signed July 15, 1969. 395 homes were built, priced \$5,500. The project is completed.

Honduras
Statistics:

	1972	Total
Authorized	—	\$10,581,332
Under Contract	—	10,581,332
Disbursements	\$510,555	4,881,470

Programs

The Miraflores (522-HG-001) contract for \$2,878,732 was signed December 1, 1964. 762 three-bedroom duplex homes were built, priced from \$3,350 to \$6,672. The project is completed.

The Jardines Loarque (522-HG-002) contract for \$1,502,600 was signed October 26, 1964. 332 single-family detached and semi-detached homes were built, priced from \$3,563 to \$6,248. The project is completed.

The Composa Colonia Rio Grande (522-HG-002B) contract for \$4,000,000 was signed June 10, 1970. 535 two-, three- and four-bedroom homes were proposed, priced at \$7,568. The project is under construction.

The FEHCOVIL (522-HG-004) contract for \$2,200,000 was signed December 28, 1971. Under national cooperative federation sponsorship 400 single-family detached homes were proposed, priced \$5,632-\$5,780. The project is under construction.

Jamaica
Statistics:

	1972	Total
Authorized	\$1,182,447	\$15,602,000
Under Contract	1,182,447	15,602,000
Disbursements	1,367,478	11,336,402

Programs

The Independence City (532-HG-001) contract for \$7,500,000 was signed August 1, 1967. 1,100 single-family detached homes were proposed, priced \$6,000-\$9,520. The first phase of 969 units was completed, using \$6,317,553 of guaranty. A contract for an additional \$1,182,447 was signed November 9, 1972 to be used for an extension of the project. An additional 161 units are proposed, priced at \$8,580 per unit.

The Ensom City (532-HG-002) contract for \$5,102,000 was signed September 15, 1968. 611 single-family detached homes were proposed, using industrial-type on-site cast concrete construction, priced \$6,708-\$9,000. The project is under construction.

The Montego Bay (532-HG-008) contract for \$3,000,000 was signed May 16, 1970. 500 single-family detached and duplex homes were proposed, priced \$12,001-\$12,764. Construction has not yet begun.

The Jamaica Mortgage Bank (JMB) submitted a \$10,000,000 application, which was approved in principle in April, 1972. This institution-building loan is to be channelled through the primary mortgage window of the Bank for the long-term financing of lower-middle income houses, priced \$7,000-\$12,000.

Mexico

Statistics:

	1972	Total
Authorized	—	\$14,500,000
Under Contract	—	14,500,000
Disbursements	—	10,760,032

Programs

The AIFLD-JKF (523-HG-004) contract for \$10,000,000 was signed July 31, 1964. Under trade union sponsorship, 2,931 two- and three-bedroom units in four-story walk-up apartments were built, priced from \$3,440 to \$7,000. The project is completed.

The Matamoros (523-HG-006) contract for \$4,500,000 was signed January 15, 1967. 874 single-family detached homes were proposed, priced from \$5,268-\$6,565. Only 126 units were built using \$760,032 of guaranty.

Nicaragua

Statistics:

	1972	Total
Authorized	—	\$10,926,000
Under Contract	—	10,926,000
Disbursements	\$225,000	8,389,814

Programs

The El Porvenir (524-HG-001) contract for \$6,926,000 was signed March 1, 1966. 757 single-family detached and semi-detached homes were built, priced from \$8,110-\$10,322. The project is completed.

The B.N.V. (524-HG-002A) contract for \$2,000,000 was signed March 15, 1970. Through the National Housing Bank, financing is proposed for 228 homes, priced at \$6,000. The project is under construction.

The Inmobiliaria (524-HG-002B) contract for \$1,000,000 was signed March 15, 1970. 230 homes, priced at \$6,337 were financed through the National Housing Bank. The project is completed.

The Centro Americana (524-HG-002C) contract for \$1,000,000 was signed March 15, 1970. Through the National Housing Bank, financing was proposed for 64 homes, priced \$6,303. The project is completed.

Panama

Statistics:

	1972	Total
Authorized	—	\$15,953,000
Under Contract	—	12,453,000
Disbursements	\$2,026,685	7,486,579

Programs

The La Gloria (525-HG-002) contract for \$2,953,000 was signed June 1, 1966. 386 three-bedroom single-family detached homes were built, priced at \$8,600. The project is completed.

The Corindag (525-HG-003) contract for \$3,500,000 was signed December 1, 1967. 700 two- and three-bedroom semi-detached homes were proposed, priced from \$7,600-\$9,950. The project is under construction.

The Villa Catalina (525-HG-004) contract for \$3,000,000 was signed March 25, 1970. 382 two- and three-bedroom single-family detached homes were proposed, priced from \$8,290-\$12,732. The project is under construction.

The Viviendas Nacionales (525-HG-005) contract for \$3,000,000 was signed November 15, 1969. 488 two- and three-bedroom condominium apartments in four-story walk-up buildings were proposed, priced from \$6,476-\$10,971. The project is under construction.

The National Maritime Union (525-HG-006) Guaranty for \$3,500,000 was authorized November 2, 1971. Sponsored by the National Maritime Union, the project contemplates single-family detached and duplex homes, priced around \$7,500. Authorization has been made, and contract negotiations are under way.

An application has been received and a feasibility study conducted for a program permitting the Instituto de Fomento de Hipotecas Aseguradas, as the country's savings and loan regulatory agency, to relend through S&Ls and other primary lenders for housing throughout Panama in the \$5,000-\$10,000 range. The program is under consideration.

**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 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 authorities 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."

1961 Congress originated the A.I.D. Housing Guaranty Program in the Foreign Assistance Act of 1961 to encourage demonstration housing projects in Latin America. The initial guaranty authority of \$10 million was increased to \$250 million by 1964.

1965 The year 1965 marked an important milestone in the program's development. At the request of A.I.D., Congress expanded the program to include institution-building components, which have since been central to the program's activities, and authorized issuance of guaranties outside of Latin America. Congress voted \$150 million additional authority for Latin America.

Simultaneously, a Housing and Urban Development Division was created within the Latin America Bureau of A.I.D.

That same year the first housing guaranty project outside of Latin America was authorized. Subsequently, guaranties totaling \$25.1 million were authorized for six projects in the Far East and Africa.

1969 Congress voted \$130 million additional authority to initiate a new world-wide program outside of Latin America. A.I.D. created a new centralized Office of Housing, utilizing the Latin American staff as its nucleus, to carry out the expanded responsibilities.

1970 The Office of Housing was organized under the Assistant Administrator for Program and Management Services and began its world-wide operations.

**Agency for
International
Development
Washington, D.C. 20523**

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Deputy Administrator: Maurice J. Williams
Assistant Administrator for Program and Management
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Regional Housing and Urban Development Office
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