

THE WHITE HOUSE

WASHINGTON

July 22, 1975

The President

of the Senate

Sir:

I ask the Congress to consider an amendment to the budget for the fiscal year 1976 in the amount of \$5,000,000,000 for the Department of Housing and Urban Development.

The details of this proposal are set forth in the enclosed letter from the Director of the Office of Management and Budget, with whose comments and observations I concur.

Respectfully,

Gerald R. Ford



Estimate No. _____
94th Congress 1st Session

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 22, 1975

The President

The White House

Sir:

I have the honor to submit for your consideration an amendment to the budget for the fiscal year 1976. The amendment requests the Congress to approve in an appropriation measure \$5,000,000,000 in mortgage commitment and purchase authority for the Department of Housing and Urban Development, as follows:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Housing Production and Mortgage Credit:
Government National Mortgage Association

Budget Appendix Page	<u>Heading</u>	1976 Pending <u>Request</u>	1976 Proposed <u>Amendment</u>	1976 Revised <u>Request</u>
480	Special Assistance Functions Fund:	-0-	5,000,000,000	5,000,000,000

(Add the following paragraph under the above heading:)

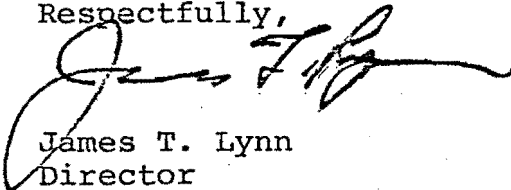
EMERGENCY MORTGAGE PURCHASE ASSISTANCE

The total amount of purchases and commitments authorized to be made pursuant to Section 313 of the National Housing Act, as amended (12 U.S.C. 1723e; 88 stat. 1364; P.L. 94-50), shall not exceed \$5,000,000,000 outstanding at any one time, which amount shall be in addition to balances of authorization heretofore made available for purchases and commitments pursuant to said section and which shall continue available after October 18, 1975: Provided, That the Association may borrow from the Secretary of the Treasury in accordance with said section, in such amounts as are necessary to carry out the purposes and requirements of said section as authorized herein.

The proposed amendment would provide standby authority to make commitments to purchase mortgages with below-market interest rates up to a maximum of \$5,000,000,000, should the Secretary of Housing and Urban Development find that economic conditions warrant use of the authority. Any commitment made would be financed by borrowing from the Treasury. The amendment is pursuant to the Emergency Housing Act of 1975 (P.L. 94-50), which, at the same time it extended the authority to make such commitments, made the authority subject to the appropriations process. This amendment would provide sufficient authority for the Administration to react quickly in assisting the housing industry, should conditions warrant it.

I have carefully reviewed the proposal contained in this document and am satisfied that this request is necessary at this time. I recommend, therefore, that this proposal be transmitted to the Congress.

Respectfully,

A handwritten signature in black ink, appearing to read "James T. Lynn", written in a cursive style.

James T. Lynn
Director