



DEPARTMENT OF THE INTERIOR
INFORMATION SERVICE

FISH AND WILDLIFE SERVICE

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UNITED STATES AID IN FISHING VESSEL CONSTRUCTION NOT INCLUDED
UNDER MORTGAGE INSURANCE PLAN

Federal financial assistance given toward the construction of a fishing vessel will not be included in arriving at the "actual cost" of the vessel for mortgage insurance purposes if an amended regulation proposed by the Department of the Interior becomes effective. The proposed amendment will be carried in the Federal Register in the near future. Final action will follow the usual 30-day period granted for comment, suggestions, and objections.

Two laws relative to fishing vessels, recently passed by the Congress and signed by the President, are being activated by the Bureau of Commercial Fisheries, Fish and Wildlife Service. One of these provides a program of financial assistance to vessels of American registry being constructed in this country. This is to offset the cheaper construction costs abroad and to provide auxiliary vessels in times of national emergency. American fishermen are not permitted by law to avail themselves of the lower foreign construction costs. The act permits a Federal grant of not more than one-third of the construction cost under certain restricted conditions. An annual authorization of \$2,500,000 is provided, but no funds have been appropriated as yet.

The other law provides for a mortgage insurance program for fishing vessels. Under this legislation, the Department, through the Bureau of Commercial Fisheries, may guarantee a mortgage up to 75 percent of the "actual cost" of the vessel. The amended regulation soon to appear in the Federal Register specifies that any Federal financial aid given toward the construction of a vessel shall not be included in determining the "actual cost" of the vessel as far as mortgage insurance is concerned.

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