HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-6980

FOR RELEASE AFTER:
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p1

REMARKS PREPARED FOR DELIVERY

By

George Romney, Secretary

U. S. Department of Housing and Urban Development

at the

29th Annual Convention Exposition

of the

National Association of Home Builders

Astroworld

Houston, Texas

January 8, 1973

The President's major domestic objectives are to reverse the centralization of decision-making and power in Washington; to end inflation; and to establish the fiscal control required to avoid further increases in exorbitant taxes.

We must reverse the ballooning trend to abject dependence on the Federal Government. For this is weakening the very foundations of freedom, weakening the freedom of individuals, weakening the role of State and local governments, weakening and threatening to destroy our system of free competitive enterprise.

Societies are most vulnerable when they are most successful -- and ours is the most successful ever. We became great as a people and a Nation with the Federal Government providing only the environment for localized and individual achievement. We must re-establish that pattern.

Many of our current governmental and social problems are rooted in previous Federal successes and in the growing shift of authority to Washington that began way back in the days of Lincoln. In World War I, the War Industry Board was so successful in organizing defense production that, when the Great Depression came along, men thought back to that experience and said if the Federal Government can mobilize the Nation for war, why can't it mobilize the Nation to overcome our economic and social problems.

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So, in the 30's, power shifted more rapidly to the Federal Government, and away from State and local government and the private sector. Some justification could be found in the lack of State and local government leadership and action, and the crisis existing in the private economy.

Following World War II, and the success of the Federal Government in again mobilizing a defense economy, the drift to greater and greater dependence on Washington accelerated until Federal spending reached an excessive stage in the Great Society programs. This was further accelerated by the Federal Government's earlier preemption of the progressive income tax which raised ever greater amounts of revenue.

Last summer the Brookings Institute estimated that Great Society programs in the Federal budget had grown from $1.7 billion in FY 1963 to $35.7 billion in FY 1973 -- a 2100 percent increase in 10 years.

The same report, authored by former key architects of that same Great Society, has now evaluated the Federal program thrust as highly ineffective and to some extent counter-productive. Common sense has reached and supports the same conclusion.

Now against that background, for the fourth year I am prepared to spell out for you the Administration's annual housing goals. You will recall that, in 1970, the housing outlook was very bleak. Predictions that 1970 housing starts could dip below one million units were widespread. With the President's approval, I indicated that the Administration was determined

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to prevent housing starts from dropping below 1,400,000 for the year. With your cooperation, Congressional cooperation and Administration leadership, actual starts for the year were 1,467,000.

In January of 1971, at a time when predictions for the year were in the area of 1,700,000 to 1,800,000, I said the Administration's goal was between 1,800,000 and 2,000,000 -- the higher figure depending on success in curbing the soaring rate at which housing costs were increasing. Housing cost increases were somewhat curbed, and actual 1971 starts did reach 2,082,100.

In both 1970 and 1971, HUD subsidized housing starts were a big part of the total for those years. In 1970, there were 375,475 HUD subsidized units, or 25.6% of the total; and in 1971, there were 354,920 HUD subsidized units, or 17.0% of the total.

A year ago, I predicted that housing starts would total between 2,100,000 units and 2,300,000 units, depending on the impact of our drive for quality in HUD subsidized units. In other words, I indicated that subsidized housing units might be down as much as 200,000 from 1971 as a result of three factors: one, the need to curb the speculators and suede shoe artists that swarmed in to take advantage of F.H.A.'s move into the central cities; two, the new 1968 Housing Act programs, 235 and 236; and three, our drive to achieve the Congressionally set national housing goal of 26,000,000 new or rehabilitated units by 1978.

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The final figures for 1972 are not yet available, but it is evident that for the third consecutive year the Administration's goal will have been exceeded. Starts for the year will be more than 2,400,000 housing units -- this despite the fact that HUD subsidized housing units will be down by more than 100,000 units, to 249,969, as a result of the drive for quality. Thus, instead of subsidized HUD housing units constituting 25.6% as they did in 1970, or 17.0% of total starts as they did in 1971, they will constitute only 10.4% in 1972.

This is a very healthy development. It means that the private conventional housing market has demonstrated its basic capacity to meet the Nation's housing needs. This is particularly true when you add this year's output of almost 600,000 mobile homes. I should also note that, in addition to HUD subsidized units, the Department of Agriculture subsidized 57,784 starts in 1970, 74,638 in 1971 and 90,800 in 1972.

Four years ago, housing starts were declining precipitously toward sub-depression levels. Today the housing industry is enjoying its greatest production in history. 1972 was the second straight year in which housing starts established a new all-time record.

My prediction is that housing starts this year will exceed 2,000,000 units for the third year in a row. This, too, will be a new record for any three year period.

Unquestionably the major reason for these record breaking performances has been the curbing of both inflation and inflationary expectations, as well as the stabilization, expansion and abundance of mortgage financing.

Now, recent weeks have been filled with many rumors and stories as to the future level of Federal support for housing and community development programs. Until now, it has not been wise to comment specifically on the rumors because final fiscal decisions had not been made. On last Friday afternoon final decisions were made, and today I am going to tell you what their overall impact will be.

Because the rumors and stories have dealt with our Community Development programs as well as our housing programs, I'm going to comment on both.

First, with respect to the Community Development programs, the President has proposed for the past two years that the present categorical programs be folded into a Community Development Special Revenue Sharing package. The President remains firm in his commitment to this approach at a significant level of funding, and will so indicate in his forthcoming budget message. However, we have ordered a temporary holding action on new commitments for water and sewer grants, open space grants, and public facility loans until these activities are folded into the Special Revenue Sharing program.

With regard to Community Development programs as a whole, continued substantial levels of program activity are assured as a result

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of already approved Community Development projects and the refunding of ongoing programs such as urban renewal and model cities during the balance of this fiscal year.

Further, as of January 5, 1973, unexpended obligations already made in Community Development programs exceeded five and one-half billion dollars, and as of June 30, 1973, this total will reach $7.3 billion. These activities, of course, will be carried out to completion.

With regard to the housing programs, in my judgment, the time has come to pause, to re-evaluate, and to seek out better ways. But you can count on this: where HUD has made commitments to builders, sponsors, and local governments, we're going to keep those commitments. We, of course, will honor recent public housing operating subsidy commitments as well.

In the HUD subsidized housing programs, the size of our current pipeline of approved applications means we are already assured of a substantial level of production well into the future. In this calendar year of 1973, we expect at least a quarter of a million subsidized housing starts and that equals HUD subsidized housing starts in calendar year 1972. Based on the present pipeline of approved applications and other program commitments that will need to be carried out, HUD also expects to approve and finance in FY 1973 approximately 250,000 housing units. HUD subsidized housing starts in FY 1974 are projected at about that level as well. That means the pace of HUD subsidized housing starts of already approved Community Development projects and the refunding of ongoing programs such as urban renewal and model cities during the balance of this fiscal year.

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over the last 12 months will continue for the next 18 months. What happens after that depends on the timing of results from the study and evaluation of present programs.

However, during this coming period of searching evaluation, and hopefully new program enactment, it is not considered prudent to continue business-as-usual with respect to new commitments -- because business-as-usual is not the road to fundamental reform. Therefore, HUD field offices have today been directed to place a temporary hold on all applications which have not reached the feasibility approval stage as of close-of-business last Friday. All applications which have received feasibility approval -- or, in the case of public housing, a preliminary loan contract approval -- will proceed to completion.

In addition, those projects which are necessary to meet statutory or other specific program commitments will be approved in coming months.

These budget decisions represent a positive response by the Administration to the concerns and recommendations I have been voicing in public and private on deficiencies in our existing housing and community development programs.

It became crystal clear by 1970 that the patchwork, year-by-year, piecemeal addition of programs over a period of more than three decades, had created a statutory and administrative monstrosity that could not possible yield effective results even with the wisest and most professional management systems. It was clear that literally billions and billions

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of dollars of hard-earned tax-payer money were being wasted, particularly in our Central Cities, and that hundreds of thousands of our most needy and disadvantaged citizens, for whom the tax-payers were generously making important financial sacrifices, not only would not benefit, but would be victimized and disillusioned.

I am delighted that the Administration is willing to face this urgent need for a broad and extensive evaluation of the entire Rube Goldberg structure of our housing and community development statutes and regulations. I am confident that Congress will join in this thorough evaluation and study of present programs that have now been volume tested to determine whether they should be improved, replaced or terminated.

Dependent upon such determination to improve, replace or terminate existing programs, there will be available in Fiscal '74 sufficient funding for a substantial level of activity in subsidized and public housing programs. Such funding will be available in the form of carryover funds from prior authorizations.

While Section 235 and 236 programs appear to be working well in many parts of the country, these programs are not subject to the needed competitive market disciplines. As a result, they have too frequently been abused and made the vehicle of inordinate profits gained through shoddy construction, poor site location, and questionable financing arrangements. To curb these malpractices, stringent regulation, or red tape, has been applied.

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The public housing area also is in crisis. Some very fundamental mistakes have been made. By imposing a ceiling on tenant income and liberalizing eligibility requirements, it became certain that the most upwardly mobile, stable families would be moving out. The public housing units began to fill up with welfare families and many who exhibited anti-social behavior. Gradually criminal elements, drug addicts, and other problem elements came to dominate the environment of these units, and in our large cities they became a menace to the neighborhoods in which they were located.

Both of these problem areas, subsidized housing and public housing, are tied in the main to the crisis of our central cities. The same kind of Gresham's Law -- the bad driving out the good -- is operating in our central cities as in our public housing units. Our central cities are becoming a concentration point for families with problems. Stable families with the capacity to improve their lot are moving to the outer edges of our cities and, increasingly, joining the suburban migration as they become financially able. The plight of those left and unable to flee becomes constantly more desperate. Twenty years ago, the stable families, the concerned families in the ghetto, were able to control and dominate the influence of the criminal elements -- the mugger, the rapist, pimp, the drug pusher. Today, as the criminal element increasingly dominates such neighborhoods and few dare to testify against the criminals, fear rules in silence."

And the process spreads like a cancer from neighborhood to neighborhood. The central city population and job decrease makes a housing surplus available, and families move as rapidly as they can from areas of violence and deterioration. But the process follows them, and they move again and again. The abandoned houses are soon vandalized and the result is vast areas that look like they have been bombed.

Now, let me point out, also, that just as there are some stable families still in public housing, so there are many areas of our central cities where the process of social and physical decay has not taken over. But, unless we can find the policies and leadership to stop the ever-onward march of the destruction of our neighborhoods in the central city, these presently stable pockets will be destroyed in the years ahead, and not many years at that.

If we have learned anything, it is that housing by itself cannot solve the problems of people who may be suffering from bad habits, lawlessness, laziness, unemployment, inadequate education, low working skills, ill health, poor motivation and a negative self-image.

We need a new, integrated system of housing and social service at the local level. And only State, local and private agencies will ever be able to accomplish this, if it is to be done at all. This is why the urgent

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emphasis in the Nixon Administration on strengthening State, local and private effort is of such historic importance. Housing assistance must be tied to law enforcement, education, skills training, job placement, health care and other forms of help. We need (at the local level) a systems approach to individual human need.

Just throwing more billions at these problems without reorganizing our basic attack will perpetuate the waste of billions of taxpayers' dollars.

We need a realighnment of Federal, State, local and private responsibility in meeting our national housing goals, and meeting community development needs. Sound policies and programs should be based on encouraging and maximizing private effort. While privately built housing will always be less costly than government subsidized housing, no Nation can ignore the responsibility for a sound national housing strategy.

What are to be the roles of Federal, State, and local governments in the whole field of housing and community development?

At one extreme would be the termination of a direct Federal role in housing.

At the other extreme would be incremental changes in the present programs and governmental relationships.

There are a wide variety of alternative program combinations in between. But, after careful consideration, I believe the following are essential elements that must be given the most serious consideration.

Our governmental structure is Federal in character. There are two basic institutions with authority to act: the Federal and State Governments.

The Federal role is clear: establishing long-range and annual housing goals, removing the obstacles to the free movement of building materials and housing technology in interstate commerce, leadership in eliminating racial and other discrimination, providing supplementary insurance support, and stimulating needed State, local and private effort.

But it is time to require the States to step up to their responsibility. This is absolutely essential because local government is the creature of the State. Instead of bypassing the function and authority of State government, which administers most social and community development programs, the Federal Government must strengthen State authority and functioning capability, act in cooperation with it, and through it reach the desired local communities.

It is also time to recognize that our housing, transportation, water and sewer, education, health and many other public service needs cannot be met effectively and economically in our new "Real City" or metropolitan areas within the present fragmented, balkanized structure of local government. It is as impossible as it would have been for the United States, following its birth, to have survived as 13 separate, independent, completely sovereign states. On the average, each of our metropolitan

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areas now has 100 separate, independent local governments with taxing authority. Some have thousands.

The Federal Government has been trying to overcome this balkanization with Metropolitan Councils of Government that do not have as much relative authority as our original national government had under the Articles of Confederation.

It is obvious that the Federal Government ought not to play the "governing role" in this growing crisis of local government "parochialism." Actually, it can't, because the constitutional authority here is vested in the State.

In the decade ahead, our society must make some hard, tough decisions. Some of the hardest of these will be in the area of housing and community development.

The President's 1974 Budget is designed to avoid another cosmetic face lift and to summon the courage and strength to face underlying critical issues we have postponed for too long.

Whether these issues can be fully resolved now, only time will tell. In my opinion it depends primarily on the extent to which the people understand the issues, relevant facts and needed solutions.

There was published recently a very informative study entitled "State of the Nation." Discussing the national domestic policies in this century, it observed:

> "A whole new mode of national life that was introduced with the New Deal in the 1930s has been little altered in the past forty years. The 1930s liberals, and the more recent 'new pragmatists,' have all been problem-solvers (or, more accurately, aspiring problem-solvers). All too often, in fact, they have not dealt with the roots of the problems themselves, but with their symptoms.
>
> "And none of them, from Franklin D. Roosevelt to Richard M. Nixon, developed an encompassing system of political and social philosophy to explain and rationalize actions on the operational front of government. They have seen a problem or a symptom, and have simply moved, in varying ways and with varying degrees of enthusiasm, to alleviate it -- by legislation and, above all, by massive governmental spending. We have had government by crisis, not government by plan."

President Nixon is seeking to change this. But whether it can be done successfully in the immediate future may hinge on this concluding point made in the same study's chapter on the urban crisis:

> "The prevailing view in mid-1972 was that what has happened to American cities is one of the great traumas of our time -- one that is crying out for a rational solution that can only be reached through the consent of an informed and concerned majority."

Complicating the adequacy of needed reform at this time is the warning recently voiced by Father Hesburgh, President of Notre Dame, and until recently Chairman of the United States Civil Rights Commission:

> "*****The price of solving our domestic problems, especially the problem of color inherent in most of them is very high. The price of delay is ever larger problems and ultimately a larger human cost. No nation will have true civil peace -- and freedom -- unless it expends every possible effort to achieve justice for everyone, and, most of all, for the poor and powerless."

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Unfortunately, there is still another aspect of national policy that requires action if our housing and Community Development problems are to be adequatedly addressed. As you know, housing costs are still increasing alarmingly. Furthermore, meeting our housing and community development needs is affected more seriously and adversely by inflation than are any other major economic or governmental efforts. Here, too, we must summon the courage and strength to face underlying issues we have postponed for too long -- as pointed out last week by Dr. Arthur Burns, the sagacious Chairman of the Federal Reserve Board. In a talk given in Toronto, Canada, he said:

> "The single most important need at the present time is to curb the explosive growth that has marked Federal spending in recent years."
>
> He added: "There has been much discussion recently of the need for structural reform -- by some, because they see evidence of abuse of economic power by large business firms; by others, because they see trade unions forcing up wage rates well beyond productivity gains and raising costs otherwise through restrictive work practices; by still others, because they see a multiplicity of governmental regulations that restrict productivity and impede the workings of competition. While opinions may differ as to which of these several areas merits primary attention, I believe that informed observers of the current economic scene would agree that structural reforms are needed in all of these areas in the interest of weakening the built-in forces of inflation.... It will take courage for the Congress and the Executive to deal with the issues of structural reform in forthright fashion.... But I see no real alternative if our national aspiration for prosperity without inflation is to be realized, while free enterprise and individual choice are being preserved."

To summarize, a completely adequate national strategy to meet our housing and community development needs will require:

1. Greater State responsibility;
2. Equal citizenship opportunity and freedom of choice for all Americans;
3. Structural economic reform that prohibits abuse of excess private economic power -- such as that built into the building codes, zoning, and property tax policies which deny American home buyers and renters the benefits of modern methods that can only be effective on a volume basis for volume markets.

Hopefully, the President's 1974 Budget will now bring about at least the first of the needed basic reforms I have just mentioned. Unfortunately, achieving the other two will depend, in my opinion, on a greater public understanding than currently exists. Hopefully, in each of these cases, the needed reform can be achieved before we have to pay the cost of the grave crises which present inadequate national policies are fueling. I have concluded that crises in both of these areas can only be avoided if an effective means is found to do what Jefferson said was essential in a free society. He said:

> "The only safe depository of the ultimate power of society is the people themselves, and if we consider them not sufficiently enlightened to exercise that power with due discretion, and answer is not to take it from them but to enlighten them."

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My principal lesson from being Governor and a Cabinet Member is that we are too dependent for basic reform on a crisis to enlighten the people. I believe it is absolutely essential to develop a means not yet available to enlighten the people concerning life and death problems such as those just mentioned, before we pay the price of coming crises.

Continued problem-solving through crisis is a risk to our national survival. It could prove fatal in a world where those who would gladly destroy us now represent the vast majority of mankind.

It was this concern, and a desire to do something about it, that caused me to initiate discussions with the President before his trip to Peking, about my desire to leave the Cabinet. As soon as my successor is confirmed, I will plunge into organizing a " ConcernedCitizens' Movement" for that purpose.

Thank you for your friendship and support over the past four years. Hopefully many of you are "Concerned Citizens." If you are, and want to help me in my next task, my new office will be located at 1625 Massachusetts Avenue, N.W., Washington, D. C., -- and you can write me at Post Office Box 1813, Washington, D.C. 20013. Concerned citizens and contributions will be very welcome.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-9
Phone (202) 755-5277
(Spiegel)

NOTICE OF PUBLICATION
FOR RELEASE:
Friday
January 12, 1973

HUD ISSUES SURVEY REPORT
ON PLANNED VARIATIONS PROGRAM

A survey of the first year of the Planned Variations Demonstration program was issued today by the U. S. Department of Housing and Urban Development.

The program, now is in its second and final year, was designed to demonstrate what local government can accomplish in solving urban problems when given greater freedom from Federal regulations.

Titled Planned Variations: First Year Survey, the 211- page report was completed under the direction of HUD Assistant Secretary Floyd H. Hyde whose Office of Community Development has responsibility for the Model Cities program from which the Planned Variations demonstration evolved.

Announced by President Nixon July 29, 1971, the Planned Variations program is the result of efforts to improve the Federal grant-in-aid process, and is the forerunner of Community Development revenue sharing which will be considered by Congress in the current session.

The main objectives of the program, which includes 20 Model Cities, are to enable cities to improve their coordination of Federal funds in solving urban problems, to increase their ability to set local priorities, and to reduce paperwork and overcome delay.

The first year study was made by the Evaluation Division of HUD's Office of Community Development, in conjunction with nine HUD Regional offices, and is part of a continuing study.

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In issuing the report Mr. Hyde said "the study has not yet had the opportunity to demonstrate the ultimate success or failure of Planned Variations, but it has clearly shown its potential, has verified my conviction that local government, given the resources and the authority is best qualified to identify and satisfy the needs of urban America, because it is the level of government that is in most direct touch with the people."

Copies of the report may be obtained for $2.75 each, from the Superintendent of Documents, U. S. Government Printing Office, Washington, D.C. 20402.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-17
Phone (202) 755-5277
(Farley)

FOR RELEASE:
Wednesday
January 17, 1973

SYSTEMS ANALYSIS CAN HELP
TO SOLVE URBAN PROBLEMS

The systems analysis approach may be useful in helping to solve urban problems, but to be successful it must have the wholehearted commitment and support of the city's planners and managers, according to a report to the U. S. Department of Housing and Urban Development.

The report, submitted by the International City Management Association with an $80,000 grant from HUD's Comprehensive Planning and Research Demonstration Program, is based on a case study of three cities in which systems analysis was applied to particular problems.

The demonstration, using existing personnel, proved worthwhile in only one of the three cities -- East Lansing, Mich., where a study was made to find the best locations for fire stations to protect a population of 47,540 and steadily growing.

It failed in Poughkeepsie, N. Y., where the problem was to achieve a better housing code compliance system in a rehabilitated section of the city. Both the city manager and project director left before the project got well underway.

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It failed also in resolving a community service center problem in Charlotte, N. C., largely because of political considerations.

The report concluded that experienced technical personnel are needed, but it is essential for top local government executives to have a working familiarity with the system if its technique is to have any value in decision-making for cities.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-10
(202) 755-5270
(Ervin)

FOR RELEASE:
Tuesday
January 23, 1973

HUD ISSUES NEW GUIDE ON MANAGING HOUSING FOR ELDERLY

What has been learned from several years of experience in the management of housing projects for the elderly?

How do these projects remain viable and achieve appropriate living environments for an older population?

The answers are found in a guide, Management of Housing For The Elderly, issued recently by the U. S. Department of Housing and Urban Development for the benefit of private nonprofit sponsors developing or managing insured multifamily projects and for local housing authorities operating housing for the elderly.

The new HUD guide complements earlier issuances on management: "Guide for the Management of HUD-Insured Multifamily Projects under Section 221 (d)(3) and Section 236" (July 1971); and, "Guide to Management of Congregate Housing (July 1972)."

While recognizing individual differences among persons 62 and older, the new HUD guide emphasizes that "many elderly individuals, particularly those in the upper age brackets, have problems that are different from those of the average person in the average family and housing management must recognize and reflect these differences."

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The publication clearly delineates these differences. Increased responsibility faces the manager of elderly housing who must combine a fiscally sound operation with applied awareness of the needs of older people and provide needed services within the paying ability of the elderly tenant.

Additional guidance is provided potential sponsors through a discussion on desirable neighborhood characteristics and features of design that assure comfort and safety. A chapter is also presented on the current problem of tenant safety in neighborhoods where violence and crime are present.

The publication also highlights, for the benefit of potential sponsors, available resources to increase income, to provide socialization, to tap health and recreation potentials of the community and national programs that reach into the community.

The point is made that "it is useful to remember that the older person has the time, the skill and the experience to make an excellent participant in the self-governing process of the development--a socialization process that is profoundly meaningful to the older person."

The manual points out that as tenants age, more or different services are required and sums up the goal of a well managed project for the elderly with these words: "Properly operated housing for the elderly adds a valuable resource to the community and makes years of independent living possible and satisfying for people after retirement."

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Single copies of the guide are available without charge from the HUD Publications Services Division, Room B-258, 7th & D Streets, S.W. Washington, D.C. 20410.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-32
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Tuesday
January 23, 1973

REVISED HUD REGULATIONS STRENGTHEN FIRE PROTECTION

Additional requirements for life-saving fire protection devices and systems in homes, apartments and high-rise buildings, will be included in the newly revised Minimum Property Standards being issued by the U. S. Department of Housing and Urban Development.

According to the Department the new requirements are the results of many months of study by the HUD-FHA Office of Technical and Credit Standards. When in use they will offer vastly increased protection to occupants from death due to fires.

The purpose of the revisions will be to give early warning to occupants of the presence of fire, the confinement of fire, safe refuge areas, and early fire control through the use of sprinklers in selected areas, as well as furnish realistic, safe and economical fire protection.

Application of the new requirements will permit increased fire protection of high-rise elevator buildings on the basis of a system analysis, leading to the best solution for each structure. No radical change of mechanical systems or architectural details should be necessary.

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Some of the devices include improved smoke detection monitors, fire containment designs, sprinkler systems, automatic door closers, elevator control and communication and warning systems.

As one example of the new specifications, an occupant of an apartment in an elevator structure built to these standards would find that each dwelling unit had been equipped with a unique and sensitive smoke detecting device. It should give the occupant a loud warning in enough time to leave the premises before the gases generated by a smoldering fire impair his functioning. The device also sounds an alarm in the unit, trips the building alarm, registers the apartment number on a panel in the management area, and sends all elevators to the ground floor.

This pinpoints the fire for the firemen and gives them swift access to it. Moreover, a required door-closer contains the fire in its place of origin, thus preventing it from spreading to other parts of the building because an escaping occupant may have left a door open.

Also, an overhead sprinkler system in the corridor will contain the fire. One or more smoke-activated fire doors in the hallway will divide the corridor into compartments, thus permitting persons near the fire to escape to the far end of the corridor and make their way downstairs. Since one of the things the smoke detection system will do is send all elevators to the ground floor, the stairways will be the only means of exit.

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For walkup apartments the requirement would be for a smoke detector in each unit and a manually activated building alarm station in the hallway.

Smoke detectors will also be required in new single family dwellings. However, due to limited industry production capacity at the present time, they will not be mandatory for about one year after the effective date of the MPS revisions.

Announcement of the proposal will appear in the Federal Register shortly. Copies of the proposed revision will be available for public examination at all HUD field offices.

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HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-5284
(Savage)

FOR IMMEDIATE RELEASE:
Wednesday
February 14, 1973

NOTICE TO NEWS MEDIA

The Department of Housing and Urban Development today sent to its field offices a telegram in further clarification of previous instructions on handling the subsidized housing programs whose temporary suspension was announced on January 8. A summary of the new instructions is shown below.

Section 235 Program

"Over-the-counter" transactions in which houses had been started, and, in some cases, sold to eligible purchasers, in anticipation of subsidy assistance under the Section 235 program can now be approved in most cases.

Preliminary reservations of Section 235 contract authority will be limited to the number of units for which conditional commitments have been issued as of February 13.

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Section 236 and Rent Supplement Programs

A number of feasibility letters issued under the Section 236 and rent supplement programs between December 15, 1972, and January 5, 1973, will be withdrawn where review has shown that applications and supporting documentation was not complete or where the economic soundness of the projects and their sponsors was not fully established. Reviews will be made in those offices where there appeared to be a major breakdown in quality processing to determine the causes and affix responsibility.

Project sponsors whose feasibility letters are withdrawn will be notified promptly. Requests for consideration of exceptions to such withdrawals of feasibility letters may be mailed by project sponsors to the Office of the Secretary of Housing and Urban Development.

Low-Rent Public Housing Program

Local housing authorities are to be notified that they are not authorized to issue advertisements for HUD "Turnkey" housing proposals until further notice.

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SECTION 235 -- INTEREST SUPPLEMENTS
ON HOME MORTGAGES

A program to enable lower-income families to buy a home or a membership in a cooperative housing project.

HUD makes monthly payments to the mortgagee to reduce interest costs to as low as one percent on a home mortgage insured by the Federal Housing Administration. The homeowner must pay at least 20 percent of his adjusted monthly income on the mortgage. Amounts of subsidies vary according to the income of the individual homeowner and the total amount of the mortgage payment at the market rate of interest. Family income and mortgage limits are established for eligibility in each locality. Assistance may be provided for new or substantially rehabilitated homes and, in a limited number of cases, for existing homes without rehabilitation.

SECTION 236 -- INTEREST SUPPLEMENTS
ON RENTAL AND COOPERATIVE HOUSING MORTGAGES

A program to reduce costs on certain rental and cooperative housing projects designed for occupancy by low-income families.

HUD makes monthly payments to mortgagees, on behalf of mortgagors, of a part of the interest on market-rate mortgages financing rental or cooperative housing projects for lower-income families. Interest-reduction payments may also be made on rental or cooperative housing projects owned by private nonprofit, limited-dividend, or cooperative entities which are financed under a State or local program providing assistance through loans, loan insurance, or tax abatement.

Interest-reduction payments cannot exceed the difference between the amount required for principal, interest, and mortgage insurance premium on a market-rate mortgage and the amount required for principal and interest on a mortgage at one percent interest. The purpose of the payments is to bring the monthly rental charges down to a level that low-income families can afford to pay with at least 25 percent of their adjusted monthly income.

RENT SUPPLEMENTS

A program to make decent housing available to low-income individuals and families.

Federal rent supplement payments are made to owners of certain private housing projects. The rent supplement payment for a tenant amounts to the difference between 25 percent of his income and the fair market rental for the unit he occupies. As the tenant's income changes, the rent supplement is increased or decreased accordingly. If his income rises to the point where he can pay the the full rent, he may continue living in the same unit without rent supplement.

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LOW-RENT PUBLIC HOUSING (INCLUDING TURNKEY)

A program to help public agencies provide decent, safe, and sanitary housing for low-income families at rents they can afford.

Financial and technical assistance is provided by HUD to local housing authorities to plan, build and/or acquire, own, and operate low-rent public housing projects. Federal annual contributions are made to cover the debt service on local authority bonds sold to pay for the development or acquisition of public housing. HUD financial assistance is also provided in the form of preliminary loans to the authority for planning and temporary loans to build low-rent housing, as well as the annual contributions subsidies.

The local housing authority provides housing in various ways -- by construction, by rehabilitation of existing structures, by purchase from private developers or builders (the Turnkey method), and through lease from private owners -- and then rents these dwellings to low-income families. Special provisions allow for the purchase of such housing by low-income families under a variety of homeownership programs.

There are special provisions for people of limited income which apply in the public housing program; in particular, there are special subsidies for those displaced by urban renewal or other governmental action or by natural disasters, for the elderly and the handicapped, and for families of unusually low income or with more than four minors.

# # #

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-63
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Friday
February 16, 1973

HUD GUARANTEES 15th NEW TOWN, SHENANDOAH, NEAR ATLANTA, GA.

Approval of a $40 million Federal guarantee to help build Shenandoah, a new town for 70,000 residents near Atlanta, Ga., was announced today by Secretary James T. Lynn of the U.S. Department of Housing and Urban Development.

The new community will be developed over a 20-year period on a 7,200-acre site bordering Interstate Highway I-85 in Coweta County, 35 miles south of downtown Atlanta. Its 23,000 homes will house families of all income levels, including 6,900 units for persons of low and moderate income and the elderly.

Twenty-five percent of the land in the new town will be developed for recreational and open space uses.

Secretary Lynn said Shenandoah, the 15th project to receive a Federal commitment for new community assistance, will "provide a full range of housing, educational, employment, health, recreational and cultural opportunities" for its residents "in an area now largely bypassed by development."

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A key ingredient in the development plan, he said, is a water supply system from the Flint River, 30 miles away, to serve the new town and the nearby city of Newnan.

The 925-acre industrial center and the 445 acres planned for commercial development are expected to create 29,000 permanent jobs in Shenandoah in addition to those arising from construction and development of the new town.

A sewage treatment plant will be built to serve the new town, while industrial wastes will be pre-treated to provide additional protection against possible ground and water pollution.

Housing for Shenandoah will be clustered around 11 neighborhood activity centers, each with an elementary school on a 15 to 25-acre site containing parks, playgrounds, community facilities and neighborhood shopping. A number of day-care centers also are proposed.

Seventy-five percent of the homes will be multi-family structures, including townhouses, garden apartments and medium-rise elevator apartments. No elementary school student will have to walk more than a half-mile from home to school.

Three junior high schools and three senior high schools, each accommodating 1,200 students, are planned for Shenandoah. An 18-hole golf course also will be constructed. The development will contain seven man-made lakes for fishing, swimming and boating. Gasoline-powered boats will be banned.

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A town center will be developed near I-85 with retail stores, offices, restaurants and other public facilities.

Private developers of Shenandoah are Long Acre Development, Inc., of Atlanta, and Unionamerica, Inc., a Los Angeles-based financial and banking firm active in real estate investment and development throughout the United States. Principals in Long Acre are D. Scott Hudgens and Herman J. Russell. Hudgens is a large-scale developer of homes, shopping centers, industrial parks and commercial complexes in the South. Russell is the owner of a large contracting and property management firm and has been active in the Atlanta area for the past 20 years.

The Shenandoah site, once cotton and cornfields abandoned by farmers and tenants in the 1930's, is now largely wooded. Wherever possible, trees will be retained during development. Building will be banned on steep slopes and low areas subject to erosion or flooding.

Shenandoah and the 14 other new towns assisted to date under HUD's New Communities Development program ultimately will provide housing, jobs, schools and recreational opportunities for 900,000 residents. One of every four homes in these new towns will be for residents of low and moderate income. The major thrust of HUD's New Communities program is Federal guarantees covering the debts of new town developers for land acquisition and development. These guarantees, in amounts up to $50 million per community, now exceed $290 million. Developers pay fees to HUD for the guarantee of debt.

- more -

The Federal commitment for guarantee assistance is further subject to approval of a project agreement between the developer and HUD outlining the development plan and steps to monitor project progress over the entire development period.

# # #

(Summary attached)

SUMMARY

1. Project Name: Shenandoah New Community
2. Developer: Long Acre Development, Inc., of Atlanta, Ga., and Unionamerica, Inc., a Los Angeles-based financial and banking firm.
3. Location: Shenandoah is 35 miles southwest of downtown Atlanta, and 22 miles southwest of Atlanta Municipal Airport, in Coweta County.
4. Acres: Approximately 7,200 acres.
5. Terrain: Gently rolling terrain, consisting largely of woodlands and farmland, with scattered housing and limited agricultural uses.
6. Access: Highway: to Atlanta via Interstate 85 and Georgia State Highway 34; Rail: via the Atlanta and West Point Railroad and the Central of Georgia Railroad; Air: Atlanta Municipal Airport, 22 miles northeast.
7. Population: Approximately 70,000 residents within 20 years.
8. Dwelling Units: 23,000 housing units at maturity, at least 30 percent of them (6,900 units) for low- and moderate-income families.

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9. Land Use:

	Acres	Percent of Total
Residential	2,300	31.9
Commercial	445	6.2
Industrial	925	12.8
Recreation/Open Space	1,800	24.9
Community Facilities	490	6.8
Roadways, bicycle and hiking trails, bridle paths	890	12.3
Reserve	370	5.1
Total:	7,220	100.0

10. Housing Mix:

Houshold Income Levels	Percentage of Total Units	Number of Units
Under - $5,000	3	690
$5,000 - $7,999	10	2,300
$8,000 - $9,999	17	3,910
$10,000 - $11,999	18	4,140
$12,000 - $14,999	20	4,600
$15,000 - $24,999	22	5,060
$25,000 and over	10	2,300
Total Units:	100%	23,000

# # #

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-109
Phone (202) 755-5277
(Farley)

FOR RELEASE:
Sunday
April 1, 1973

THE FEDERAL CRIME INSURANCE PROGRAM

Questions and Answers

1. Q. What is the purpose of the Federal Crime Insurance Program?

A. The program was established under Title VI of the Housing and Urban Development Act of 1970 which authorizes the Federal Government, as an insurer, to provide crime insurance at an affordable price in any State which after August 1, 1971, has a critical crime insurance availability problem and does not have an appropriate State program to provide a solution. The program became effective on August 1, 1971. Reduced rates were made applicable to policies issued after August 1, 1972.

2. Q. In which States is the program available?

A. In Connecticut, Illinois, Kansas, Maryland, Massachusetts, Missouri, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Tennessee, and the District of Columbia.

3. Q. Who is responsible for operation of the program?

A. The Secretary of HUD has delegated administration of the program to the Federal Insurance Administrator in the U. S. Department of Housing and Urban Development (451 Seventh Street, S. W., Washington, D. C. 20410). Acting for the Secretary, the Federal Insurance Administrator conducts a continuing nationwide review of the market availability situation. In those States in which he concludes that a critical problem exists which is not being resolved at the State level, the Federal Insurance Administrator provides insurance against losses due to burglary and robbery through licensed property insurance agents and brokers and private insurance companies acting as servicing companies for the Federal Insurance Administration.

4. Q. Will the program be expanded to additional States?

A. If the Federal Insurance Administrator finds a critical problem of availability in additional States which is not being resolved at the State level, he will designate such additional States as eligible for the purchase of crime insurance. Since the program began, Tennessee, New Jersey, and Kansas have been added on August 1, 1972, February 15, 1973, and April 1, 1973, respectively.

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5. Q. Who can buy Federal crime insurance?

A. A property owner or tenant or businessman within an eligible State or the District of Columbia may apply for crime insurance by (a) signing an application, and (b) paying a 6-month premium installment due at time of application. To be eligible for burglary insurance coverage, his premises must meet the protective device requirements of the program referred to in Questions 14 and 15 below. Such requirements do not apply to commercial insurance against robbery only.

6. Q. Where does a property owner or tenant obtain an application form?

A. Federal crime insurance applications may be obtained from any licensed property insurance agent or broker in any eligible State in which the premises to be insured are located or from the appropriate servicing company in that State as follows:

CONNECTICUT	- Aetna Casualty & Surety Company 111 Pearl Street, Hartford, Connecticut 06103
DISTRICT OF COLUMBIA	- Aetna Casualty & Surety Company 1700 K Street, N. W., Washington, D. C. 20006
ILLINOIS	- Insurance Company of North America 10 South Riverside Plaza, Chicago, Illinois 60606
KANSAS	- Insurance Company of North America 911 Main Street, Kansas City, Missouri 64199 (Forms only can be obtained from INA at 445 R. H. Garvey Bldg., Wichita, Kansas 67202)
MARYLAND	- Insurance Company of North America 303 E. Fayette Street, Baltimore, Maryland 21202
MASSACHUSETTS	- Aetna Casualty & Surety Company 10 Post Office Square, Boston, Massachusetts 02109
MISSOURI	- Aetna Casualty & Surety Company 112 N. 4th Street, 1600 Pierce Building St. Louis, Missouri 63102
NEW JERSEY	- Aetna Casualty & Surety Company 494 Broad Street, Newark, New Jersey 07102
NEW YORK	- Aetna Casualty & Surety Company 151 William Street, New York, New York 10038
OHIO	- Aetna Casualty & Surety Company Union Commerce Building, 925 Euclid Avenue Cleveland, Ohio 44114

-more-

PENNSYLVANIA	- Insurance Company of North America 625 Walnut Street Philadelphia, Pennsylvania
RHODE ISLAND	- American Universal Insurance Company 144 Wayland Avenue, Box 6328 Providence, Rhode Island 02904
TENNESSEE	- Insurance Company of North America 480 James Robertson Parkway Nashville, Tennessee 37219

7. Q. What kind of criminal acts and losses can be covered by Federal crime insurance?

A. (a) Burglary and larceny incident thereto, which means the stealing of property from within a premises which has been forcibly entered by means which leave physical marks of such forcible entry at the place of entry.

(b) Robbery, which means the stealing of personal property from the insured in his presence and with his knowledge both inside the premises and outside the premises. The term robbery includes observed theft.

(c) Damage to the premises committed during the course of a burglary or robbery, or attempted burglary or robbery.

(d) In the case of the residential insurance policy, the burglary of an enclosed locked storage compartment of an automobile, i.e., the trunk compartment.

(e) In the case of commercial insurance against burglary, the theft from a night depository and burglary of a safe, subject to a $5,000 limit on claims with respect to safes of less than insurance Class E quality.

8. Q. How much insurance can an individual buy?

A. Residential insurance coverage may be purchased in amounts up to $10,000. Commercial insurance may be purchased in amounts up to $15,000. Such limits apply on a per-occurrence basis.

9. Q. Can an applicant choose the peril he wants to be insured against?

A. The residential insurance policy is a combination burglary and robbery package policy that is not sold in separate parts. However, a commercial applicant can purchase robbery insurance only or burglary insurance only or combinations of both. A policy that protects against robbery only costs 60% of the cost of a package burglary and robbery policy. A policy that protects against burglary only costs 50% of the package policy rate. Robbery and burglary coverage purchased in a combination of different amounts costs the sum of the rates for the separate parts.

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10. Q. What kind of personal property is covered?

A. The residential policy insures against loss of all personal property including jewelry, after application of the $75 deductible. However, loss of money is covered only up to $100. The commercial policy can insure against burglary and larceny of merchandise, furniture, fixtures and equipment and against stealing of money, securities, and merchandise by safe burglary and against robbery of money, securities, merchandise, fixtures and equipment.

11. Q. Are claims payments subject to deductibles?

A. (a) Claims under the residential policy are subject to a deductible of $75 or 5% of the gross amount of the loss, whichever is greater.

(b) Claims under the commercial policy are subject to minimum deductibles which vary according to the annual gross receipts of the insured, as shown in the following table, or to 5% of the gross amount of the loss, whichever is greater:

Gross receipts	Deductible
Less than $25,000	$ 50
$25,000 - $49,999	75
$50,000 - $99,999	100
$100,000 - $299,999	150
$300,000 or over	200

The deductible for nonprofit or public property risks is $100 or 5% of the gross amount of the loss, whichever is greater.

12. Q. How does a property owner or tenant report claims for losses?

A. Losses which exceed the applicable deductible should be reported to the agent or broker through whom the application was submitted, or directly to the servicing company designated for the State in which the premises are located. A sworn proof of loss statement must be submitted.

13. Q. Will policies be cancelled or not renewed if insureds submit claims?

A. No. The Federal crime insurance program was established to make crime insurance more readily available in areas where people have been unable to buy or retain crime insurance. Federal crime insurance therefore will not be denied to any eligible insured because of the frequency or amount of his claims.

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14. Q. What protective devices are required on a residential property before it is eligible for Federal crime insurance?

A. For a residential property to be eligible for Federal crime insurance, its exterior doors, other than sliding doors, must be equipped with either a dead bolt, or a self-locking dead latch. Dead bolts or self-latching dead latches must have a throw of at least 1/2 inch or be equipped with interlocking bolts and striker. (The term "dead" bolt refers to the fact that the bolt cannot be made to retract except by turning a knob or key. The term "throw" refers to the distance which the bolt or latch protrudes from the body of the lock when the bolt or latch is in a locked position.)

All sliding doors and windows opening onto stairways, porches, platforms or other areas affording easy access to the premises, must also be equipped with some type of locking device.

15. Q. What protective devices are required on a commercial property before it is eligible for Federal crime insurance?

A. For a commercial property to be eligible for Federal crime insurance against burglary, its doorways or doors and accessible openings must be adequately protected during nonbusiness hours. The commercial requirements, which are more extensive than those for residential properties, vary by types of business. They are listed on the commercial application form and will be explained by the agent or broker. Such requirements do not apply to insurance against robbery only.

16. Q. What is the result if the requirements are not followed?

A. Failure to comply fully with substantive requirements or the making of a false statement will result in refusal of coverage or cancellation and the denial of claims for losses. Intentionally false or misleading statements, either in the application or in connection with the submission of a claim, may also result in criminal prosecution.

17. Q. What are the rates for residential or personal coverage?

A. Annual rates for residential crime insurance coverage are the following:

Amount of coverage	In lowest crime areas	In average crime areas	In highest crime areas
$1,000	$20	$30	$40
$3,000	30	40	50
$5,000	40	50	60
$7,000	50	60	70
$10,000	60	70	80

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18. Q. What are the rates for nonresidential or commercial coverage?

A. These rates cannot be shown on a simple table since they are based on the class and location of the business and reflect the gross receipts from the previous year, as well as the amount of coverage selected by the insured. Complete details are contained in the program manual but, for example--

(1) A grocery store having gross receipts of under $100,000 located in a high crime exposure territory such as New Bedford, New York City, or Trenton would pay annual rates as follows (only 1/2 of the shown amount must be paid in advance):

Amount of coverage	Burglary and robbery in equal amounts (Option 1)	Robbery only (Option 2)	Burglary only (Option 3)
$1,000	$120	$72	$60
$5,000	480	288	240
$10,000	660	396	330
$15,000	690	414	345

Option 4 (varied amounts of both coverages): Assuming a selection of $1,000 robbery and $5,000 burglary, the premium would be $72 plus $240, or $312.

(2) A drug store having gross receipts of between $100,000 and $299,999 located in an average crime exposure territory such as the District of Columbia, Baltimore, Boston, Chicago, Cleveland, Hartford, Memphis, Newark, Philadelphia, Providence, St. Louis, and Wichita would pay annual rates as follows (only 1/2 of the shown amount must be paid in advance):

Amount of coverage	Burglary and robbery in equal amounts (Option 1)	Robbery only (Option 2)	Burglary only (Option 3)
$1,000	$150	$90	$75
$5,000	600	360	300
$10,000	825	495	413
$15,000	863	518	432

Option 4 (varied amounts of both coverages): Assuming a selection of $1,000 robbery and $10,000 burglary, the premium would be $90 plus $413, or $503.

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(3) A book store having gross receipts of under $100,000 located in a low crime exposure territory such as Elmira, New York; Meriden, Connecticut; Reading, Pennsylvania; and Steubenville, Ohio; would pay annual rates as follows (only 1/2 of the shown amount must be paid in advance):

Amount of coverage	Burglary and robbery in equal amounts (Option 1)	Robbery only (Option 2)	Burglary only (Option 3)
$1,000	$70	$42	$35
$5,000	280	168	140
$10,000	385	231	193
$15,000	403	242	202

Option 4 (varied amounts of both coverages): Assuming a selection of $1,000 robbery and $5,000 burglary, the premium would be $42 plus $140, or $182.

The cost increases for stores having higher gross receipts.

# # #

HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-117
Phone (202) 755-5277
(Spiegel)

FOR RELEASE:
Wednesday
April 4, 1973

The U.S. Department of Housing and Urban Development today reported it has approved $1,939,728,400 for the Model Cities Program from its inception in 1967 through December 31, 1972.

At year-end, 147 cities were at various stages of the demonstration program which is being phased out during FY 1973 and 1974. No new Federal commitments will be made for the program after June 30, 1973, and local activities may be continued during FY 1974 at the option of the cities, using funds available from previous commitments.

Model Cities-type activities will continue to be eligible for Federal assistance under the proposed Better Communities Act, which is scheduled to begin on July 1, 1974. Assistance under the Better Communities Act will replace funding presently being offered by HUD under seven categorical community development programs.

The total of funds approved includes $22,222,400 in planning grants, and $1,917,506,000 in supplemental grants permitting the localities involved to carry out the programs approved by HUD.

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The supplemental amount included $1,777,521,000 for action-year grants, $119,000,000 for Planned Variations grants, and $20,985,000 in relocation grants to reimburse persons and businesses displaced by Model Cities activities.

Twenty cities were involved in the Planned Variations demonstration which permitted them to extend their activities citywide, to institute a local chief executive review and comment procedure for all Federal programs involving the city, and to reduce Federal administrative and review requirements connected with Model Cities activities.

Of the Model Cities, five are still involved in their first year action programs, 36 in their second year, 75 in their third year, and 31 in their fourth year.

# # #

To Accompany HUD-No. 73-117

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY DEVELOPMENT

MODEL CITIES GRANTS
APPROVED THROUGH 12/31/72
(PV = Planned Variations Grant)

The first grant listed for each city is the planning grant, made in FY 1968 or 1969. Others are supplemental grants.

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
ALABAMA				
	Huntsville		$ 141,500	
	(1st year)		1,969,000	5-29-69
	(2nd year)		1,969,000	6-6-70
	(3rd year)		1,969,000	6-10-71
	(4th year)	7/72	1,969,000	5-11-72
	Tuskegee		77,000	
	(1st year)		1,766,000	6-29-70
	(2nd year)		1,766,000	9-22-71
	(3rd year)	9/72	1,766,000	9-72
ALASKA				
	Juneau		74,000	
	(1st year)		938,000	6-17-70
	(2nd year)		938,000	1-27-72
	(Relocation)		30,000	6-72
	(3rd year)	11/72	938,000	12-5-72
ARIZONA				
	Gila River Indian Community		74,000	
	(1st year)		916,000	6-24-70
	(2nd year)		916,000	10-4-71
	(3rd year)	10/72	916,000	9-72
	Tucson		178,000	
	(1st year)		3,117,000	6-24-70
	(2nd year)		3,117,000	6-17-71
	(PV)		5,500,000	2-3-72
	(3rd year)	8/72	3,117,000	8-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
ARKANSAS				
	Little Rock		$ 132,000	
	(1st year)		1,902,000	5-28-70
	(2nd year)		1,902,000	6-23-71
	(3rd year)	7/72	1,902,000	6-72
	North Little Rock		105,000	
	Texarkana		116,772	
	(1st year)		1,899,000	6-30-69
	(2nd year)		1,899,000	6-30-70
	(3rd year)		1,899,000	6-30-71
	(4th year)	8/72	1,899,000	7-72
CALIFORNIA				
	Berkeley		126,000	
	(1st year)	9/71	1,403,000	6-3-71
	Compton		111,000	
	(1st year)		1,297,000	6-9-70
	(2nd year)		1,297,000	12-6-71
	(Relocation)		250,000	6-72
	(3rd year)	10/72	1,297,000	10-72
	Fresno		143,630	
	(1st year)		2,818,000	10-3-69
	(2nd year)		2,818,000	3-3-71
	(3rd year)	3/72	2,818,000	3-15-72
	(PV)		4,900,000	2-7-72
	(Relocation)		70,000	6-72
	Los Angeles City		284,000	
	(1st year)		26,345,000	2-26-71
	(2nd year)	11/72	26,345,000	11-8-72
	Los Angeles County		268,000	
	(1st year)		8,181,000	6-30-70
	(2nd year)		8,181,000	11-23-71
	(3rd year)	10/72	8,181,000	10-72
	Oakland		201,590	
	(1st year)		4,944,000	6-30-70
	(2nd year)	4/72	4,944,000	5-72
	Pittsburg		83,000	
	(1st year)		1,600,000	6-30-71
	(Relocation)		153,000	6-72
	(2nd year)	9/72	1,600,000	9-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
CALIFORNIA (cont'd.)				
	Richmond		$ 122,540	
	(1st year)		1,820,000	6-19-69
	(2nd year)		1,820,000	10-30-70
	(3rd year)		1,820,000	10-28-71
	(Relocation)		338,400	6-72
	(4th year)	11/72	1,820,000	11-72
	San Diego		242,000	
	(1st year)		6,654,000	6-29-70
	(2nd year)	2/72	6,654,000	5-72
	(Relocation)		185,886	6-72
	San Francisco		259,000	
	(1st year)		7,351,000	6-30-71
	(2nd year)	9/72	7,351,000	9-72
	San Jose		189,000	
	(1st year)		3,086,000	2-26-71
	(PV)		100,000	10-71
	(PV)		100,000	2-72
	(2nd year)	4/72	3,086,000	4-18-72
	(PV)		200,000	12-72
COLORADO				
	Denver		272,021	
	(1st year)		5,766,000	6-29-69
	(2nd year)		5,766,000	12-30-70
	(3rd year)		5,766,000	2-3-72
	(Relocation)		1,500,000	6-72
	(4th year)	1/73	5,766,000	12-14-72
	Trinidad		83,272	
	(1st year)		1,225,000	6-26-69
	(2nd year)		1,225,000	9-4-70
	(3rd year)		1,225,000	8-13-71
	(4th year)	9/72	1,225,000	9-72
CONNECTICUT				
	Bridgeport		160,300	
	(1st year)		1,409,000	3-6-70
	(2nd year)		1,409,000	6-30-71
	(3rd year)	7/72	1,409,000	6-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
CONNECTICUT (cont'd.)				
	Hartford		$ 125,650	
	(1st year)		2,284,000	4-13-70
	(2nd year)		2,284,000	11-2-71
	(3rd year)	11/72	2,284,000	11-72
	New Haven		133,650	
	(1st year)		1,838,000	12-17-70
	(2nd year)	3/72	1,838,000	3-16-72
	New London		91,000	
	(1st year)		1,443,000	10-19-70
	(2nd year)	2/72	1,443,000	2-8-72
	Waterbury		122,000	
	(1st year)	5/71	1,894,000	3-15-71
DELAWARE				
	Wilmington		137,000	
	(1st year)		1,706,000	6-24-70
	(2nd year)		1,706,000	10-28-71
	(PV)		100,000	10-71
	(PV)		100,000	4-72
	(Relocation)		60,000	6-72
	(3rd year)	9/72	1,706,000	8-72
DISTRICT OF COLUMBIA				
	Washington		220,200	
	(1st year)		(6,382,722)	1-14-70
	Increase		(3,242,278)	6-3-70
	Total		9,625,000	
	(2nd year)	2/72	9,625,000	2-11-72
	(Relocation)		2,000,000	6-72
FLORIDA				
	Dade County		191,727	
	(1st year)		9,616,000	9-29-69
	(2nd year)		9,616,000	6-16-71
	(3rd year)	6/72	9,616,000	6-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
FLORIDA (cont'd.)				
	Tampa		$ 210,675	
	(1st year)		4,086,000	6-26-69
	(2nd year)		4,086,000	7-17-70
	(3rd year)		4,086,000	6-28-71
	(PV)		7,100,000	12-71
	(Relocation)		908,000	6-72
	(4th year)	10/72	4,086,000	12-72
	(PV)		7,100,000	12-72
GEORGIA				
	Alma-Bacon County		72,000	
	(1st year)		1,237,000	6-24-70
	(2nd year)		1,237,000	6-25-71
	(3rd year)	9/72	1,237,000	6-72
	Athens		97,500	
	(1st year)		2,601,000	3-11-70
	(2nd year)		2,601,000	6-4-71
	(3rd year)	6/72	2,601,000	6-72
	Atlanta		245,500	
	(1st year)		7,175,000	5-10-69
	(2nd year)		7,175,000	6-6-70
	(3rd year)		7,175,000	1-28-72
	(4th year)	1/73	7,175,000	12-29-72
	Gainesville		90,500	
	(1st year)		1,330,000	10-15-69
	(2nd year)		1,330,000	3-26-71
	(3rd year)	3/72	1,330,000	3-13-72
	Savannah		136,000	
	(1st year)		2,603,000	6-26-70
	(2nd year)		2,603,000	6-24-71
	(3rd year)	9/72	2,603,000	9-72
HAWAII				
	Honolulu City/Co.		240,530	
	(1st year)		(2,263,270)	6-27-69
	Increase		(4,377,730)	12-18-69
	Total		6,641,000	
	(2nd year)		6,641,000	12-31-70
	(3rd year)	1/72	6,676,000	1-7-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
IDAHO				
	Boise		$ 102,000	
	(1st year)		1,281,000	6-17-70
	(2nd year)		1,281,000	1-7-72
	(3rd year)	11/72	1,281,000	12-72
ILLINOIS				
	Carbondale		81,000	
	(1st year)		1,075,000	5-28-70
	(2nd year)		1,075,000	6-29-71
	(3rd year)	9/72	1,075,000	6-72
	Chicago		201,000	
	(1st year)		38,159,000	6-26-69
	(2nd year)		38,159,000	6-30-71
	(3rd year)	7/72	38,159,000	9-72
	East St. Louis		129,000	
	(1st year)		2,083,000	6-30-69
	(2nd year)		2,083,000	10-12-70
	(3rd year)		2,083,000	10-7-71
	(PV)		3,800,000	10-71
	(4th year)	10/72	2,083,000	8-16-72
	Rock Island		101,000	
	(1st year)		1,346,000	6-10-70
	(2nd year)		1,346,000	6-28-71
	(3rd year)	8/72	1,346,000	9-72
INDIANA				
	Gary		148,333	
	(1st year)		2,669,000	10-3-69
	(2nd year)		2,669,000	3-1-71
	(3rd year)	2/72	2,669,000	3-16-72
	(Relocation)		726,000	6-72
	Indianapolis		225,000	
	(1st year)		6,243,000	6-24-70
	(2nd year)		6,243,000	10-1-71
	(PV)		8,500,000	10-71
	(Relocation)		800,000	6-72
	(3rd year)	1/73	6,243,000	10-72
	(PV)		8,500,000	10-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
INDIANA (cont'd.)				
	South Bend		$ 134,000	
	(1st year)		1,455,000	7-16-70
	(2nd year)		1,455,000	6-29-71
	(3rd year)	8/72	1,455,000	6-72
	(Relocation)		279,000	6-72
IOWA				
	Des Moines		185,000	
	(1st year)		2,065,000	10-13-69
	(2nd year)		2,065,000	3-1-71
	(PV)		3,700,000	11-71
	(3rd year)	2/72	2,065,000	6-72
	(Relocation)		710,000	6-72
KANSAS				
	Kansas City		128,000	
	(1st year)		1,964,000	6-4-70
	(2nd year)	10/71	1,964,000	11-5-71
	(Relocation)		765,000	6-72
	Wichita		185,000	
	(1st year)		3,955,000	9-24-69
	(2nd year)		3,955,000	3-1-71
	(3rd year)	2/72	3,955,000	1-28-72
	(Relocation)		160,000	6-72
KENTUCKY				
	Bowling Green		103,500	
	(1st year)		(551,000)	12-31-69
	Increase		(598,000)	10-15-70
	Total		1,149,000	
	(2nd year)		1,149,000	3-24-71
	(3rd year)	4/72	1,149,000	4-14-72
	Covington		103,500	
	(1st year)		1,326,000	6-29-70
	(2nd year)	12/71	1,326,000	1-3-72
	(Relocation)		205,500	6-72
	Danville		78,000	

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
KENTUCKY (Cont'd.)				
	Pikeville		$ 84,500	
	(1st year)		(691,000)	10-15-69
	Increase		(59,000)	12-17-69
	Total		750,000	
	(2nd year)		750,000	1-4-71
	(3rd year)	3/72	750,000	3-13-72
LOUISIANA				
	New Orleans		245,000	
	(1st year)		9,249,000	6-29-70
	(2nd year)		9,249,000	6-30-71
	(3rd year)	9/72	9,249,000	10-72
MAINE				
	Lewiston		96,000	
	(1st year)		2,010,000	4-17-70
	(2nd year)		2,010,000	6-15-71
	(3rd year)	6/72	2,010,000	5-72
	Portland		120,650	
	(1st year)		1,826,000	6-11-69
	(2nd year)		1,826,000	6-30-70
	(3rd year)		1,826,000	6-28-71
	(4th year)	7/72	1,826,000	3-72
	(Relocation)		44,000	6-72
MARYLAND				
	Baltimore		204,000	
	(1st year)		10,554,000	6-26-69
	(2nd year)		10,554,000	4-26-71
	(3rd year)	3/72	10,554,000	5-22-72
	Prince George's County		233,000	
	(1st year)		2,865,000	2-26-71
	(2nd year)	7/72	2,865,000	6-72
MASSACHUSETTS				
	Boston		192,650	
	(1st year)		7,718,000	6-27-69
	(2nd year)		7,718,000	6-24-70
	(3rd year)		(7,718,000)	6-25-71
	Increase		(280,233)	3-71
	Total		7,998,233	
	(4th year)	8/72	7,718,000	6-72
	(Relocation)		1,426,650	6-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
MASSACHUSETTS (Cont'd.)				
	Cambridge		$ 117,650	
	(1st year)		1,523,000	6-26-69
	(2nd year)		1,523,000	7-29-70
	(3rd year)	11/71	1,523,000	11-16-71
	Fall River		118,000	
	(1st year)		1,953,000	8-19-70
	(2nd year)		1,953,000	11-1-71
	(3rd year)	11/72	1,953,000	11-72
	Holyoke		101,000	
	(1st year)		1,168,000	6-15-70
	(2nd year)		1,168,000	6-25-71
	(3rd year)	8/72	1,168,000	6-72
	(Relocation)		260,000	6-72
	Lowell		126,650	
	(1st year)		1,750,000	12-19-69
	(2nd year)		1,750,000	6-25-71
	(3rd year)	6/72	1,750,000	6-72
	Lynn		117,000	
	(1st year)		1,502,000	3-9-71
	(2nd year)	5/72	1,502,000	6-72
	New Bedford		128,650	
	(1st year)		2,109,000	11-14-69
	(2nd year)		2,109,000	3-1-71
	(3rd year)	2/72	2,109,000	2-4-72
	(Relocation)		119,000	6-72
	Springfield		128,650	
	(1st year)		2,091,000	6-9-70
	(2nd year)		2,091,000	6-28-71
	(3rd year)	8/72	2,091,000	6-72
	(Relocation)		148,280	6-72
	Worcester		131,850	
	(1st year)		2,125,000	12-31-69
	(2nd year)		2,125,000	6-28-71
	(3rd year)	7/72	2,125,000	6-72
	(Relocation)		224,000	6-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
MICHIGAN				
	Ann Arbor		$ 112,000	
	(1st year)		1,069,000	6-24-70
	(2nd year)	10/72	1,069,000	11-72
	Benton Harbor		93,000	
	(1st year)		1,340,000	6-10-70
	(2nd year)	3/72	1,340,000	6-72
	(Relocation)		139,000	11-72
	Detroit		223,333	
	(1st year)		20,545,000	5-28-69
	(2nd year)		20,545,000	4-9-71
	(3rd year)	5/72	20,545,000	6-72
	(Relocation)		506,000	6-72
	Genesee County (Flint)		200,000	
	(1st year)		3,574,000	10-15-69
	(2nd year)		3,574,000	6-9-71
	(3rd year)	6/72	3,574,000	5-11-72
	(Relocation)		237,000	6-72
	Grand Rapids		161,000	
	(1st year)		2,223,000	6-24-70
	(2nd year)		2,223,000	2-17-72
	(3rd year)	1/73	2,223,000	12-72
	Highland Park		110,000	
	(1st year)		1,724,000	6-11-69
	(2nd year)		1,724,000	11-17-70
	(3rd year)		1,724,000	11-11-71
	(4th year)	10/72	1,724,000	12-72
	Lansing		128,000	
	(1st year)		1,873,000	6-24-70
	(2nd year)		1,873,000	6-24-71
	(PV)		3,300,000	10-71
	(3rd year)	8/72	1,873,000	6-72
	(2nd PV)		3,300,000	6-72
	Saginaw		120,000	
	(1st year)		1,729,000	3-6-70
	(2nd year)	4/72	1,729,000	4-14-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
MINNESOTA				
	Duluth		$ 114,000	
	(1st year)		1,680,000	10-16-69
	(2nd year)		1,680,000	12-17-70
	(3rd year)		1,680,000	2-11-72
	(4th year)	12/72	1,680,000	12-72
	(Relocation)		105,000	12-72
	Minneapolis		193,300	
	(1st year)		4,603,000	4-1-70
	(2nd year)		4,603,000	10-28-71
	(3rd year)	9/72	4,603,000	10-12-72
	St. Paul		189,000	
	(1st year)		2,950,000	4-5-71
	(2nd year)	10/72	2,950,000	10-72
MISSOURI				
	Kansas City		163,272	
	(1st year)		8,706,000	9-11-69
	(2nd year)		8,706,000	11-6-70
	(3rd year)		8,706,000	12-1-71
	(Relocation)		406,586	6-72
	(4th year)	11/72	8,706,000	12-72
	St. Louis		279,272	
	(1st year)		(5,183,000)	6-30-69
	Increase		(4,302,000)	7-20-70
	Total		9,485,000	
	(2nd year)		7,000,000	3-16-71
	(3rd year)	4/72	9,485,000	6-72
	(Relocation)		580,000	6-72
MONTANA				
	Butte		95,640	
	(1st year)		1,656,000	6-19-69
	(2nd year)		1,656,000	6-6-70
	(3rd year)		1,656,000	6-18-71
	(PV)		1,500,000	10-71
	(4th year)	7/72	1,656,000	6-72
	(2nd PV)		1,500,000	6-72
	Helena		84,140	
	(1st year)		1,211,000	6-30-69
	(2nd year)		1,211,000	6-6-70
	(3rd year)		1,211,000	6-21-71
	(4th year)	7/72	1,211,000	6-72
	(Relocation)		88,000	6-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
NEW HAMPSHIRE				
	Manchester		$ 127,650	
	(1st year)		1,645,000	12-18-69
	(2nd year)		1,645,000	6-11-71
	(3rd year)	6/72	1,645,000	6-1-72
NEW JERSEY				
	Atlantic City		124,000	
	East Orange		111,000	
	(1st year)		1,452,000	11-19-70
	(2nd year)	5/72	1,452,000	5-22-72
	Hoboken		131,000	
	(1st year)		2,030,000	2-13-70
	(2nd year)		2,030,000	6-4-71
	(3rd year)	6/72	2,030,000	6-72
	(Relocation)		1,100,000	6-72
	Jersey City		183,000	
	(1st year)		3,151,000	3-25-71
	(2nd year)	11/72	3,151,000	12-72
	(Relocation)		127,000	12-72
	Newark		204,000	
	(1st year)		5,654,000	1-26-70
	(2nd year)		5,654,000	6-30-71
	(PV)		7,000,000	4-72
	(3rd year)	11/72	5,654,000	12-24-72
	(PV)		7,000,000	12-24-72
	Paterson		138,000	
	(1st year)		2,073,000	8-19-70
	(2nd year)		2,073,000	4-72
	(PV)		4,100,000	1-72
	(3rd year)	1/73	2,073,000	12-72
	(PV)		4,100,000	12-72
	Perth Amboy		92,000	
	(1st year)		1,333,000	2-26-71
	(2nd year)	7/72	1,333,000	6-72
	Plainfield		98,000	
	(1st year)		1,322,000	6-29-70
	(2nd year)		1,322,000	10-29-71
	(3rd year)	10/72	1,322,000	12-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
NEW JERSEY (Cont'd.)				
	Trenton		$ 134,800	
	(1st year)		1,768,000	10-3-69
	(2nd year)		1,768,000	3-1-71
	(3rd year)	2/72	1,768,000	6-72
NEW MEXICO				
	Albuquerque		154,272	
	(1st year)		2,826,000	8-13-69
	(2nd year)		2,826,000	11-23-70
	(3rd year)		2,826,000	11-26-71
	(4th year)	10/72	2,826,000	12-72
	Santa Fe		94,000	
	(1st year)		1,466,000	6-10-70
	(2nd year)	9/71	1,466,000	11-3-71
NEW YORK				
	Binghamton		110,000	
	(1st year)		1,280,000	6-29-70
	(2nd year)		1,280,000	11-26-71
	(3rd year)	11/72	1,280,000	12-27-72
	Buffalo		234,650	
	(1st year)		5,360,000	5-28-70
	(2nd year)		5,360,000	6-29-71
	(3rd year)	8/72	5,360,000	6-72
	Cohoes		91,950	
	(1st year)		1,845,000	2-20-70
	(2nd year)		1,845,000	5-6-71
	(3rd year)	5/72	1,845,000	6-72
	Mount Vernon		110,000	
	(1st year)		1,322,000	3-10-71
	(2nd year)	9/72	1,322,000	11-72
	New York City		283,650	
	(1st year)		65,000,000	6-11-69
	(2nd year)		65,000,000	4-7-71
	(3rd year)	4/72	65,000,000	5-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
NEW YORK (cont'd.)				
	Poughkeepsie		$ 131,650	
	(1st year)		1,685,000	2-3-70
	(2nd year)		1,685,000	11-2-71
	(3rd year)	10/72	1,685,000	12-72
	(Relocation)		234,000	12-72
	Rochester		151,650	
	(1st year)		2,985,000	6-24-70
	(2nd year)	2/72	2,985,000	1-27-72
	(PV)		200,000	2-72
	(Relocation)		719,000	6-72
	Syracuse		166,000	
	(1st year)		2,521,000	11-19-70
	(2nd year)	4/72	2,521,000	4-11-72
	(Relocation)		600,000	6-72
NORTH CAROLINA				
	Asheville		105,000	
	(1st year)		2,254,000	10-8-70
	(2nd year)	2/72	2,254,000	3-27-72
	Charlotte		177,500	
	(1st year)		3,168,000	5-29-69
	(2nd year)		3,168,000	2-2-71
	(3rd year)		3,168,000	3-72
	(4th year)	1/73	3,168,000	12-29-72
	High Point		106,000	
	(1st year)		1,770,000	5-28-70
	(2nd year)		1,770,000	6-29-71
	(3rd year)	8/72	1,770,000	6-72
	Winston-Salem		103,500	
	(1st year)		1,895,000	10-3-69
	(2nd year)		1,895,000	3-1-71
	(PV)		3,300,000	12-71
	(3rd year)		1,895,000	2-72
	(Relocation)		40,000	6-72
	(4th year)	1/73	1,895,000	12-29-72
	(PV)		3,300,000	12-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
NORTH DAKOTA				
	Fargo		$ 100,000	
	(1st year)		1,112,000	5-28-70
	(2nd year)		1,112,000	9-30-71
	(3rd year)	12/72	260,711	12-72
OHIO				
	Akron		188,000	
	(1st year)		3,407,000	5-28-70
	(2nd year)		3,407,000	6-17-71
	(3rd year)	7/72	3,407,000	6-72
	Cincinnati		219,000	
	(1st year)		7,607,000	6-13-71
	(Relocation)		690,000	6-72
	(2nd year)	10/72	7,607,000	12-72
	Cleveland		266,000	
	(1st year)	10/72	9,314,000	6-30-71
	Columbus		165,000	
	(1st year)		5,906,000	10-3-69
	(2nd year)		5,906,000	6-30-71
	(3rd year)	7/72	5,906,000	6-72
	Dayton		175,333	
	(1st year)		2,949,000	6-11-69
	(2nd year)		2,949,000	10-27-70
	(3rd year)		2,949,000	10-7-71
	(PV)		5,200,000	10-71
	(Relocation)		488,000	6-72
	(4th year)	10/72	2,949,000	12-72
	Martins Ferry		77,000	
	(1st year)		1,240,000	3-30-70
	(2nd year)		1,240,000	6-15-71
	(3rd year)	6/72	1,240,000	6-72
	(Relocation)		120,000	6-72
	Toledo		184,000	
	(1st year)		4,410,000	6-26-69
	(2nd year)		4,410,000	12-16-70
	(3rd year)		4,410,000	1-27-72
	(4th year)	12/72	4,410,000	11-72
	Youngstown		145,000	
	(1st year)		1,850,000	5-13-71
	(2nd year)	7/72	1,850,000	9-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
OKLAHOMA				
	Lawton		$ 108,000	
	(1st year)		2,067,000	6-9-70
	(2nd year)		2,067,000	6-18-71
	(3rd year)	7/72	2,067,000	6-72
	McAlester		81,000	
	(1st year)		1,831,000	12-17-69
	(2nd year)		1,831,000	3-17-71
	(3rd year)		1,831,000	3-20-72
	(4th year)	1/73	1,831,000	12-72
	Tulsa		168,272	
	(1st year)		3,553,000	6-27-69
	(2nd year)		3,553,000	3-1-71
	(3rd year)		3,553,000	3-16-72
	(4th year)	1/73	3,553,000	12-72
OREGON				
	Portland		244,700	
	(1st year)		(1,262,987)	6-30-69
	Increase		(851,000)	7-15-70
	Increase		(809,077)	10-10-70
	Increase		(821,936)	2-15-71
	Total		3,745,000	
	(2nd year)		3,745,000	6-15-71
	(3rd year)	7/72	3,745,000	6-72
	(Relocation)		500,000	6-72
PENNSYLVANIA				
	Allegheny County		$ 236,000	
	(1st year)		6,725,000	6-24-70
	(2nd year)		6,725,000	11-4-71
	(3rd year)	11/72	6,725,000	11-8-72
	Bradford		78,000	
	Erie		134,000	
	(1st year)		1,606,000	6-17-70
	(2nd year)		1,606,000	6-29-71
	(3rd year)	7/72	1,606,000	6-72
	(PV)		2,900,000	1 & 6 - 72
	Lancaster		104,000	
	(1st year)		1,662,000	6-16-70
	(2nd year)		1,662,000	12-6-71
	(3rd year)	1/73	1,662,000	12-31-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
PENNSYLVANIA (Cont'd.)				
	Philadelphia		$ 203,000	
	(1st year)		(3,296,000)	6-30-69
	Increase		(5,677,000)	3-25-70
	Increase		(3,462,000)	6-20-70
	Increase		(12,854,052)	6-30-70
	Total		25,289,052	
	(2nd year)		(5,239,825)	6-30-71
	Increase		(19,873,175)	8-71
	Total		25,113,000	
	(3rd year)	1/73	23,413,000	12-31-72
	Pittsburgh		200,500	
	(1st year)		6,108,000	12-31-69
	(2nd year)		6,108,000	11-4-71
	(3rd year)	12/72	6,108,000	11-30-72
	Reading		99,000	
	(1st year)		1,383,000	6-11-69
	(2nd year)		1,383,000	11-16-70
	(3rd year)	3/72	1,383,000	5-18-72
	Scranton		N/A	
	(1st year)	9/71	1,647,000	6-30-71
	Wilkes-Barre		83,700	
	(1st year)		1,603,000	2-13-70
	(2nd year)		1,603,000	11-1-71
	(3rd year)	10/72	1,603,000	11-72
PUERTO RICO				
	San Juan		249,500	
	(1st year)		7,114,000	9-11-69
	(2nd year)		7,114,000	6-29-71
	(3rd year)	7/72	7,114,000	6-72
RHODE ISLAND				
	Pawtucket		112,000	
	(1st year)		1,632,000	4-13-70
	(2nd year)		1,632,000	6-11-71
	(3rd year)	6/72	1,632,000	5-19-72
	Providence		156,000	
	(1st year)		2,205,000	6-11-69
	(2nd year)		2,205,000	8-25-70
	(3rd year)		2,205,000	8-27-71
	(4th year)	10/72	2,205,000	10-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
SOUTH CAROLINA				
	Rock Hill		$ 89,000	
	(1st year)		2,106,000	5-12-70
	(2nd year)		2,106,000	6-11-71
	(3rd year)	7/72	2,106,000	6-72
	Spartanburg		98,000	
	(1st year)		2,223,000	9-16-70
	(2nd year)		2,223,000	9-23-71
	(3rd year)	11/72	2,223,000	11-72
TENNESSEE				
	Chattanooga		131,000	
	(1st year)		2,075,000	2-26-71
	(2nd year)	4/72	2,075,000	4-6-72
	(Relocation)		8,000	6-72
	Cookeville		78,000	
	(1st year)		1,266,000	6-29-70
	(2nd year)		1,266,000	9-24-71
	(3rd year)	10/72	1,266,000	9-72
	Nashville-Davidson County		268,500	
	(1st year)	1/71	5,451,000	10-7-70
	Smithville-DeKalb County		107,700	
	(1st year)		(1,435,000)	5-29-69
	Increase		(145,000)	12-18-69
	Total		1,580,000	
	(2nd year)		1,580,000	9-29-70
	(3rd year)		1,580,000	9-24-71
	(Relocation)		47,000	6-72
	(4th year)	10/72	1,580,000	9-72
TEXAS				
	Austin		168,000	
	(1st year)		3,454,000	10-5-70
	(2nd year)	3/72	3,454,000	3-72
	(Relocation)		187,000	6-72
	Eagle Pass		79,272	
	(1st year)		1,776,000	6-19-69
	(2nd year)		1,776,000	6-30-70
	(3rd year)		1,776,000	6-9-71
	(4th year)	7/72	1,776,000	6-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
TEXAS (Cont'd.)				
	Edinburg		$ 82,000	
	(1st year)		1,796,000	3-30-70
	(2nd year)		1,796,000	5-7-71
	(3rd year)	6/72	1,796,000	5-29-72
	Houston		268,500	
	(1st year)		13,383,000	6-24-70
	(2nd year)	11/71	13,383,000	11-2-71
	(PV)		200,000	11-71
	Laredo		106,000	
	(1st year)		(725,000)	3-25-71
	Increase		(1,535,000)	11-71
	Total		2,260,000	
	(2nd year)	5/72	2,260,000	6-11-72
	(Relocation)		240,000	6-72
	San Antonio		177,772	
	(1st year)		9,590,000	6-18-69
	(2nd year)		9,590,000	9-9-70
	(3rd year)		9,590,000	10-20-71
	(4th year)	9/72	9,590,000	9-72
	Texarkana		102,328	
	(1st year)		(1,558,000)	6-30-69
	Increase		(449,000)	8-4-69
	Total		2,057,000	
	(2nd year)		2,057,000	12-16-70
	(3rd year)		2,057,000	12-15-71
	(4th year)	11/72	2,057,000	11-72
	Waco		100,772	
	(1st year)		2,642,000	5-10-69
	(2nd year)		(1,285,000)	6-30-70
	Increase		(1,357,000)	10-16-70
	Total		2,642,000	
	(3rd year)		2,642,000	6-16-71
	(PV)		4,600,000	9-71
	(4th year)	7/72	2,642,000	6-72
	(2nd PV)		4,600,000	6-72
	(Relocation)		106,000	6-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
UTAH				
	Salt Lake City & County		$ 182,000	
	(1st year)		3,082,000	1-25-71
	(2nd year)	5/72	3,082,000	5-11-72
VERMONT				
	Winooski		92,150	
	(1st year)		788,000	6-26-69
	(2nd year)		788,000	9-16-70
	(3rd year)		788,000	8-27-71
	(Relocation)		84,000	6-72
	(4th year)	9/72	788,000	9-72
VIRGINIA				
	Norfolk		221,000	
	(1st year)		4,524,000	8-13-69
	(2nd year)		4,524,000	6-6-70
	(3rd year)		4,524,000	6-28-71
	(4th year)	7/72	4,524,000	6-72
	(PV)		8,000,000	6-72
	(Relocation)		150,000	6-72
	Richmond		169,000	
	(1st year)		3,324,000	12-17-70
	(2nd year)	7/72	3,324,000	6-72
WASHINGTON				
	Seattle		209,720	
	(1st year)		5,215,000	5-10-69
	(2nd year)		5,215,000	6-6-70
	(3rd year)		5,169,000	6-24-71
	(PV)		5,200,000	6-72
	(4th year)	7/72	5,215,000	10-72
	Tacoma		141,000	
	(1st year)		1,849,000	2-26-71
	(2nd year)	10/72	1,849,000	10-72
WISCONSIN				
	Milwaukee		262,000	
	(1st year)		8,257,000	2-26-71
	(2nd year)	7/72	8,257,000	6-72
	(Relocation)		271,000	6-72

STATE	CITY	START OF LAST ACTION YEAR	AMOUNT OF CONTRACT	DATE ANNOUNCED OR TENDERED
WYOMING				
	Cheyenne		$ 100,000	
	(1st year)		1,296,000	10-5-70
	(2nd year)		1,296,000	1-7-72
	(3rd year)	1/73	1,296,000	12-20-72

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Flood IWS

HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No.73-221
Phone (202) 755-5277
(Farley)

FOR RELEASE:
Wednesday
June 20, 1973

A $933,272 contract to identify flood-prone areas along 500 miles of rivers and streams in the Susquehanna River Basin was announced jointly today by Secretary James T. Lynn of the Department of Housing and Urban Development and Secretary of the Interior Rogers C.B. Morton.

The first study of its kind to be undertaken on such a massive scale, the project is financed by HUD's Federal Insurance Administration, and will be managed by the Susquehanna River Basin Commission, of which Secretary Morton, the Federal member, is chairman.

Detailed maps will be prepared for 91 cities and towns bordering the Susquehanna and its tributaries in Pennsylvania, New York and Maryland. The maps will form the basis for supplying technical data preliminary to establishing flood insurance rates and improved land use regulations for these high hazard areas.

The project is expected to be completed in 18 months, with priority given to Wilkes-Barre and adjoining towns in Pennsylvania's Wyoming Valley devastated last year by Tropical Storm Agnes.

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At a joint signing ceremony (2:30 P.M. today) Secretaries Morton and Lynn hailed the contract as "answering the need for vigorous Federal-State planning and action to meet the challenge of such natural disasters."

"When completed," they said, "this will be the most completely mapped river basin anywhere detailing flood hazards for the protection of people living in such an area."

George K. Bernstein, Administrator of the flood insurance program, said many communities in the tri-State area are already participating in the program. The technical data developed in the survey will be useful, he said, in determining flood insurance zones and setting actuarial rates for new construction in those areas.

The Commission administers the Susquehanna River Basin Compact, an agreement among the three States and the Federal Government for the protection of water resources. The Compact was signed into law by President Nixon Dec. 24, 1970.

The HUD funds are supplemented through additional Federal, State and Commission mapping programs. Using HUD emergency funds, New York State will finance a $146,579 additional mapping program in eight areas, and Pennsylvania is extending the mapping project to 26 additional areas through a coordinated $298,200 grant financed by the Appalachian Regional Commission.

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NOTE TO EDITORS: A similar release is being issued by the Department of Interior.

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-230
Phone (202) 755-5277
(Spiegel)

NOTICE OF PUBLICATION
FOR RELEASE:
Wednesday
June 27, 1973

The U.S. Department of Housing and Urban Development has published a report on the experience of Model Cities using supplemental funds intended to permit cities more innovative programming.

Titled The Federal Grant Process, the 48-page report covers the local use of model city funds as a suppment to, and replacement for, categorical grant-in-aid funds. The supplemental funds were flexible resources provided to local government besides their usual funding under the Model Cities Act.

The report examines the actual use of such funds, the relationship between supplemental funds and categorical programs, and funds that become part of local Model Cities programs.

The report also analyzes the use of joint-funding sources for model city projects, the use of supplement funds as "seed" money to obtain categorical grants, and the program transfers from model city to categorical funds.

Also examined are the various ways in which cities used these flexible supplemental funds that might be applicable to future use of revenue sharing funds that may replace categorical grant programs.

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The report was completed under the direction of Deputy Assistant Secretary Warren H. Butler, whose office is responsible for administering Model Cities, as well as other Community Development programs.

The study was conducted by the HUD Community Development Evaluation Division under contract with consulting firms. The results are based on interviews obtained from Federal and local goverment personnel. The result is a composite view of current Federal funding programs, improvements in grant processes, and the implications for further development.

Single copies may be obtained free by writing to:

Director, Division of Evaluation
Department of Housing and Urban Development
Room 8140
Washington, D.C. 20410

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-234
Phone (202) 755-5284
(Beckerman)

FOR RELEASE:
Tuesday
July 3, 1973

HUD SURVEY PROVIDES DATA
ON UNSOLD NEW HOMES

Detailed data on 1972 completions of homes built in developments in 334 localities--and the number unsold as of January 1, 1973--were released today by the U. S. Department of Housing and Urban Development.

The figures came from HUD's annual Survey of Unsold New Houses. Conducted as of last January 1, the survey covers all Standard Metropolitan Statistical Areas and a number of small cities and counties.

The survey does not provide a complete count of all new houses built. Woodward Kingman, Acting Assistant Secretary for Housing Production and Mortgage Credit-FHA Commissioner, pointed out that the survey covered only subdivisions with five or more completions during the year. This would probably exclude about one-third of all privately built single-family homes for which building permits were issued, he said. In areas where ten or more percent of the sales housing units were supplied by condominiums, cooperatives, and planned unit developments, these types of units were included in the survey.

The accompanying tables provide detailed data on completions and unsold units in subdivisions for 334 localities in which five or more units were completed in 1972 in at least five subdivisions. Nine localities were reported as having no subdivisions with five or more completions, and fewer than five subdivisions were reported in 20 localities. The data for the localities covered in the survey are presented by HUD administrative region and alphabetically within HUD Area and Insuring Office jurisdictions.

For each area surveyed, data are provided pertaining to the number of qualifying subdivisions covered, the total number of houses completed in 1972, and the number of completed houses sold before the start of construction. Data also are reported on the number of houses completed in

-more-

1972 which had been started without prior sale (speculative construction) and the number and percent of such houses that were reported unsold as of the survey date. The varying character of subdivision activity is indicated by the relationship of presold houses to speculative construction. In 124 localities, prior sales exceeded the volume of speculative construction.

In addition, information is included relating to the distribution of unsold completed houses by the number of months unsold. This distribution also shows the number of completed houses which remained unsold for more than 12 months. Of the 334 localities for which data are tabulated, 119 had from one to 311 speculative units remaining unsold over 12 months; in 29 localities, there were 25 or more of these unsold homes. Within the reporting subdivisions, the number of houses under construction and the number of those unsold January 1, 1973, also are recorded.

The unsold inventory ratio is an important analytical tool in measuring and evaluating the significance of the stock of unsold new houses. For example, a ratio of 10 percent would indicate somewhat more than a one-month supply of new speculatively built houses based on past experience; a 25 percent ratio would indicate about a three-month supply. Among localities with at least 100 speculative houses completed in 1972, 53 areas recorded unsold ratios of 10 percent or less; there were 56 localities with a ratio of 25 percent or more. In comparison, in 1971 there were 64 areas with 100 or more speculative homes each, which recorded ratios of 10 percent or less; and 28 areas which had a ratio of 25 percent or more.

The ratios based on these surveys should be interpreted with caution in the light of knowledge of local market practice and experience, as well as climatic conditions. Because of the many regional and local differences, a one-month supply of completed speculative houses might be considered a norm in a specific area, whereas a two-month supply may be normal in other areas.

HUD Area or Insuring Offices will release locally the survey results for each of the localities in their respective jurisdictions. The data for each area will be similar in substance and detail to the summary information shown in the accompanying tables. In addition, offices are authorized to release a tabular summary of the sale price distributions of homes completed in 1972.

Excluded from the survey are unsold houses completed for more than 12 months in presently inactive subdivisions as well as completions on scattered lots or in small subdivisions. Also, because of omission of numerous localities, the summation of the individual results to derive totals either for regions or for the Nation would not provide valid measurement of the unsold inventory of new houses on a regional or national basis.

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To Accompany HUD-No. 73-234

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region I HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972: Total Completions	No. Sold before Const. Start	Speculative Houses: Completions	Speculative Houses: No. Unsold	Speculative Houses: % Unsold	Unsold Houses, by Months Unsold: 1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Houses under Construction January 1, 1973: Total	Unsold
Connecticut-Hartford													
Bridgeport, SMSA1/	45	1,493	1,369	124	16	13	4	12	-	-	-	695	173
Bristol, SMSA	9	118	86	32	10	31	2	1	-	7	-	13	10
Danbury, SMSA2/	16	244	116	128	25	20	9	2	14	-	-	21	16
Hartford, SMSA3/	115	3,117	1,448	1,669	362	22	47	71	239	5	2	778	408
Meriden, SMSA4/	12	490	444	46	8	17	4	3	1	-	-	270	204
New Britain, SMSA5/	31	536	268	268	108	40	16	5	40	47	-	134	56
New Haven, SMSA6/	33	907	716	191	19	10	3	8	6	2	-	517	271
Norwalk, SMSA7/	16	464	265	199	61	31	-	27	34	-	-	256	98
Norwich-Groton-New London, SMSA	16	197	116	81	21	26	18	2	-	1	-	30	19
Springfield-Chicopee-Holyoke, Mass.-Conn., SMSA (Conn. portion)	No subdivisions with five or more completions in 1972 reported.												
Stamford, SMSA8/	21	202	114	88	37	42	1	1	35	-	-	47	17
Waterbury, SMSA9/	22	616	273	343	14	4	-	3	8	3	-	292	172
Maine-Bangor													
Lewiston-Auburn, SMSA	6	56	38	18	9	50	3	6	-	-	-	2	2
Portland, SMSA	16	248	155	93	5	5	1	4	-	-	-	54	30
Massachusetts-Boston													
Boston, SMSA	78	872	348	524	23	4	7	9	3	4	-	219	128
ockton, SMSA	30	649	392	257	41	16	14	26	1	-	-	94	54
ll River, Mass.-R.I. SMSA (Mass. portion)	19	470	333	137	14	10	5	2	7	-	-	39	17
Fitchburg-Leominster, SMSA	5	47	20	27	-	-	-	-	-	-	-	13	13
Lawrence-Haverhill, Mass.-N.H. SMSA (Mass. portion)	9	134	50	84	-	-	-	-	-	-	-	20	17
Lowell, SMSA	19	365	228	137	12	9	1	8	2	1	-	92	20
New Bedford, SMSA	Fewer than five subdivisions reported.												
Pittsfield, SMSA	Fewer than five subdivisions reported.												
Providence-Warwick-Pawtucket, R.I.-Mass., SMSA (Mass. portion)	27	259	110	149	30	20	22	8	-	-	-	53	40
Springfield-Chicopee-Holyoke, Mass.-Conn., SMSA (Mass. portion)	24	462	236	226	14	6	4	10	-	-	-	73	40
Worcester, SMSA	27	269	98	171	23	13	3	7	13	-	4	27	19

Note: The above summary of results of the Survey of Unsold New Houses includes condominium and cooperative sales housing units and sales units in planned unit developments. The number of these types of units included in each housing market area is indicated by appropriate footnotes below.

1/ Condominiums	23	1,249	1,214	35	-	-	-	-	-	-	-	663	155
2/ Condominiums	5	76	36	40	14	35	-	-	14	-	-	4	4
3/ Condominiums	17	1,009	281	728	215	30	-	-	215	-	-	379	247
4/ Condominiums	4	317	304	13	-	-	-	-	-	-	-	210	190
5/ Condominiums	Includes 232 units - fewer than five projects reported.												
6/ Condominiums	14	623	531	92	-	-	-	-	-	-	-	466	251
7/ Condominiums	6	315	166	149	59	40	-	25	34	-	-	256	98
8/ Condominiums	11	130	95	35	27	77	-	-	27	-	-	27	6
9/ Condominiums	Includes 179 units - fewer than five projects reported.												

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region I HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972: Total Completions	No. Sold before Const. Start	Speculative Houses: Completions	Speculative Houses: No. Unsold	Speculative Houses: % Unsold	Unsold Houses, by Months Unsold: 1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Houses under Construction January 1, 1973: Total	Unsold
New Hampshire-Manchester													
Dover	12	103	32	71	30	42	1	7	14	8	30	11	11
Keene	5	41	17	24	6	25	1	3	1	1	1	7	5
Lawrence-Haverhill, Mass.-N.H., SMSA (N.H. portion)	26	377	134	243	1	a/	-	-	1	-	-	94	69
Manchester, SMSA	12	151	45	106	16	15	6	7	2	1	-	14	10
Merrimack	21	333	141	192	17	8	-	7	6	4	-	119	76
Nashua, SMSA	19	381	102	279	12	4	-	7	4	1	-	130	100
Rhode Island-Providence													
Fall River, Mass.-R.I. SMSA (R.I. portion)	8	194	51	143	4	3	-	4	-	-	-	28	28
Providence-Warwick-Pawtucket, R.I.-Mass., SMSA (R.I. portion)	80	1,023	226	797	3	a/	1	2	-	-	13	126	113
Vermont-Burlington													
Chittenden County	30	389	129	260	129	50	64	56	9	-	5	73	49

a/ Less than one-half of one percent.

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region II HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972: Total Completions	No. Sold before Const. Start	Speculative Houses: Completions	No. Unsold	% Unsold	Unsold Houses, by Months Unsold: 1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Houses under Construction January 1, 1973: Total	Unsold
New Jersey-Camden													
Atlantic City, SMSA	24	673	458	215	18	8	-	14	4	-	-	298	115
Philadelphia, Pa.-N.J., SMSA (N.J. portion)	57	3,137	2,123	1,014	100	10	85	15	-	-	2	1,124	285
Trenton, SMSA	26	874	795	79	14	18	5	9	-	-	-	141	87
Vineland-Millville-Bridgeton, SMSA	11	246	177	69	7	10	5	2	-	-	-	26	11
Wilmington, Del.-N.J.-MD., SMSA (N.J. portion)	Fewer than five subdivisions reported.												
New Jersey-Newark													
Allentown-Bethlehem-Easton, Pa.-N.J., SMSA (N.J. portion)	9	66	59	7	-	-	-	-	-	-	-	-	-
Hunterdon County	10	157	152	5	-	-	-	-	-	-	-	-	-
Jersey City, SMSA	No subdivisions with five or more completions in 1972 reported.												
Long Branch-Asbury Park, SMSA	17	501	458	43	-	-	-	-	-	-	-	-	-
Newark, SMSA	16	203	178	25	-	-	-	-	-	-	-	-	-
New Brunswick-Perth Amboy-Sayreville, SMSA	14	363	353	10	-	-	-	-	-	-	-	-	-
Paterson-Clifton-Passaic, SMSA	15	140	133	7	-	-	-	-	-	-	-	-	-
Somerset County	12	148	140	8	-	-	-	-	-	-	-	-	-
Sussex County	5	52	50	2	-	-	-	-	-	-	-	-	-
'ork-Albany													
any-Schenectady-roy, SMSA	94	1,605	1,263	342	14	4	14	-	-	-	-	295	122
Binghamton, N.Y.-Pa., SMSA (N.Y. portion)	12	183	109	74	-	-	-	-	-	-	-	65	41
Poughkeepsie, SMSA	19	524	398	126	47	37	24	19	4	-	-	103	58
Syracuse, SMSA	39	669	465	204	22	11	8	5	9	-	1	192	45
Utica-Rome, SMSA	16	159	125	34	4	12	-	-	-	4	-	40	9
New York-Buffalo													
Buffalo, SMSA	94	2,262	1,988	274	42	15	14	9	8	11	5	208	52
Rochester, SMSA	80	1,721	1,302	419	75	18	23	24	14	14	10	384	85
New York-Hempstead													
New York, SMSA1/	280	8,014	6,535	1,479	372	25	133	72	76	91	68	1,392	242
Orange County	14	330	212	118	15	13	10	-	4	1	-	143	89
Puerto Rico-San Juan													
Caguas, SMSA	9	649	647	2	2	100	-	2	-	-	-	542	-
Mayaquez, SMSA	Fewer than five subdivisions reported.												
Ponce, SMSA	14	1,749	982	767	42	5	-	25	3	14	-	1,242	371
San Juan, SMSA	43	4,262	3,449	813	387	48	12	5	363	7	-	2,329	150
1/ Condominiums	8	1,165	1,021	144	92	64	65	13	11	3	5	328	23

Note: The above summary of results of the Survey of Unsold New Houses includes condominium and cooperative sales housing units and sales units in planned unit developments. The number of these types of units included in each housing market area is indicated by appropriate footnotes below.

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

To Accompany HUD-No. 73-234

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region III HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972: Total Completions	No. Sold before Const. Start	Speculative Houses: Completions	No. Unsold	% Unsold	Unsold Houses, by Months Unsold: 1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Houses under Construction January 1, 1973: Total	Unsold
Delaware-Wilmington													
Wilmington, Del.-N.J.-Md., SMSA (Del. portion)	34	1,626	695	931	167	18	72	59	23	13	-	845	237
District of Columbia													
Washington, D.C.-Md.-Va., SMSA	144	10,404	7,856	2,548	194	8	133	47	14	-	-	5,176	2,487
Maryland-Baltimore													
Allegany County	5	50	34	16	-	-	-	-	-	-	-	27	3
Baltimore, SMSA	156	4,660	4,051	609	198	33	64	49	59	26	-	1,318	376
Frederick County	13	250	235	15	15	100	-	-	15	-	3	164	-
Salisbury	13	195	96	99	18	18	-	11	7	-	-	21	13
Washington County	8	127	71	56	17	30	-	-	-	17	-	35	-
Wilmington, Del.-N.J.-Md., SMSA (Md. portion)	Fewer than five subdivisions reported.												
Pennsylvania-Philadelphia													
Allentown-Bethlehem-Easton, Pa.-N.J., SMSA (Pa. portion)	10 a/	287	169	118	9	8	-	8	1	-	-	64	12
Binghamton, N.Y.-Pa., SMSA (Pa. portion)	No subdivisions with five or more completions in 1972 reported.												
Harrisburg, SMSA	14	327	300	27	3	11	1	2	-	-	-	93	3
Lancaster, SMSA	14	146	78	68	28	41	26	-	2	-	-	50	29
Philadelphia, Pa.-N.J., SMSA (Pa. portion)	58	2,161	1,364	797	136	17	29	62	26	19	25	542	27
Reading, SMSA	12	199	49	150	10	7	-	10	-	-	-	7	
Scranton, SMSA	5	117	107	10	3	30	-	1	-	2	-	14	14
Wilkes-Barre-Hazleton, SMSA	Survey data not available.												
York, SMSA	14	225	160	65	3	5	1	2	-	-	-	-	-
Pennyslvania-Pittsburgh													
Altoona, SMSA	No subdivisions with five or more completions in 1972 reported.												
Butler	23	137	116	21	10	4	3	4	3	-	-	15	3
Erie, SMSA	42	872	575	297	19	6	3	8	8	-	15	93	52
Johnstown, SMSA	10	107	84	23	12	52	7	4	1	-	-	34	10
Pittsburgh, SMSA	179	3,156	2,556	600	128	21	34	37	40	17	113	326	62
Virginia-Richmond													
Lynchburg, SMSA	11	166	-	166	19	11	7	12	-	-	-	14	14
Newport News-Hampton, SMSA	43	900	297	603	90	15	70	20	-	-	-	560	361
Norfolk-Virginia Beach-Portsmouth, SMSA	22	1,004	415	589	14	2	4	7	2	1	-	715	346
Petersburg-Colonial Hts.-Hopewell, SMSA	14	122	40	82	4	5	4	-	-	-	-	70	47
Richmond, SMSA	32	1,094	690	404	74	18	32	20	16	6	-	269	152
Roanoke, SMSA	21	656	153	503	6	1	5	1	-	-	3	175	143

a/ Area coverage is not comparable to area coverage reported in January 1972 survey.

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* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region III HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972: Total Completions	No. Sold before Const. Start	Speculative Houses: Completions	No. Unsold	% Unsold	Unsold Houses, by Months Unsold: 1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Houses under Construction January 1, 1973: Total	Unsold
West Virginia-Charleston													
Charleston, SMSA	19	179	50	129	12	9	-	9	3	-	-	54	25
Huntington-Ashland, W. Va.-Ky.-Ohio, SMSA (W. Va. portion)	5	84	29	55	1	2	-	-	-	1	-	26	25
Parkersburg-Marietta, W. Va.-Ohio, SMSA (W. Va. portion)	6	36	8	28	10	36	7	1	-	2	-	3	3
Steubenville-Weirton, Ohio-W. Va., SMSA (W. Va. portion)	6	67	20	47	1	2	1	-	-	-	-	7	1
Wheeling, W. Va.-Ohio, SMSA (W. Va. portion)	Fewer than five subdivisions reported.												

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

To Accompany HUD-No. 73-234

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region IV HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972: Total Completions	No. Sold before Const. Start	Speculative Houses: Completions	No. Unsold	% Unsold	Unsold Houses, by Months Unsold: 1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Houses under Construction January 1, 1973: Total	Unsold
Alabama-Birmingham													
Birmingham, SMSA	118	1,934	638	1,296	82	6	20	60	2	-	-	712	534
Columbus, Ga.-Ala., SMSA (Ala. portion)	11	248	31	217	61	28	4	33	22	2	-	73	70
Florence, SMSA	27	446	119	327	96	29	42	35	19	-	2	75	64
Gadsden, SMSA	16	99	32	67	9	13	5	4	-	-	-	28	12
Huntsville, SMSA	48	599	179	420	261	62	126	103	26	6	-	189	150
Mobile, SMSA	96	1,280	491	789	142	18	67	70	5	-	6	260	148
Montgomery, SMSA	41	1,658	453	1,205	12	1	-	3	1	8	-	85	82
Tuscaloosa, SMSA	35	524	153	371	123	33	44	57	21	1	3	122	107
Florida-Coral Gables													
Fort Lauderdale-Hollywood, SMSA1/	154	18,203	10,400	7,803	1,440	18	865	464	63	48	-	10,498	7,476
Fort Myers, SMSA-Naples - Port Charlotte2/	107	5,292	3,866	1,426	222	16	54	85	75	8	11	2,207	982
Miami, SMSA3/	84	8,769	6,212	2,557	573	22	535	14	24	-	-	876	278
Monroe County	Fewer than five subdivisions reported.												
West Palm Beach, SMSA4/	97	9,610	6,862	2,748	628	23	375	110	137	6	-	6,096	1,712
Florida-Jacksonville													
Fort Walton Beach	11	343	106	237	-	-	-	-	-	-	-	65	[illegible]
Gainesville, SMSA	12	340	93	247	21	9	10	8	3	-	1	112	[illegible]
Jacksonville, SMSA	73	1,486	415	1,071	115	11	47	31	16	21	7	582	[illegible]
Ocala	10	184	100	84	1	1	-	-	1	-	-	17	3
Palatka	5	39	5	34	5	15	-	5	-	-	-	10	10
Panama City	Fewer than five subdivisions reported.												
Pensacola, SMSA	31	578	145	433	138	32	16	43	68	11	7	165	105
St. Augustine	Fewer than five subdivisions reported.												
Tallahassee, SMSA	30	561	39	522	126	24	30	59	34	3	6	173	128
Florida-Tampa													
Daytona Beach, SMSA5/	53	1,793	842	951	97	10	11	73	-	13	3	398	126
Lakeland-Winter Haven, SMSA6/	55	1,069	282	787	39	5	30	4	5	-	-	330	182
Melbourne-Titusville-Cocoa, SMSA7/	56	1,961	803	1,158	183	16	127	-	25	31	-	519	114
Orlando, SMSA8/	162	5,385	1,925	3,460	463	13	181	198	69	15	1	2,244	1,059
Sarasota, SMSA9/	71	2,650	1,432	1,218	155	13	8	104	43	-	3	919	302
Tampa-St. Petersburg, SMSA10/	247	10,814	2,385	8,429	1,383	16	734	363	232	54	185	5,757	3,370

Note: The above summary of results of the Survey of Unsold New Houses includes condominium and cooperative sales housing units and sales units in planned unit developments. The number of these types of units included in each housing market area is indicated by appropriate footnotes below.

1/ Condominiums	107	8,478	4,843	3,635	1,206	33	709	439	12	46	-	4,031	2,543
2/ Condominiums	50	2,221	1,477	744	178	24	21	83	68	6	11	1,109	694
3/ Condominiums	40	4,978	3,897	1,081	331	31	331	-	-	-	-	450	232
4/ Condominiums	50	5,279	3,273	2,006	474	24	329	39	102	4	-	3,921	1,410
5/ Condominiums	23	1,020	397	623	71	11	7	51	-	13	-	170	62
6/ Condominiums	Includes 101 units - fewer than five projects reported.												
7/ Condominiums	33	1,143	85	1,058	162	15	127	-	9	26	-	114	34
8/ Condominiums	13	726	4	722	221	31	46	125	44	6	-	518	346
9/ Condominiums	39	1,641	616	1,025	150	15	8	103	39	-	2	601	227
10/ Condominiums and cooperatives	73	5,728	428	5,300	1,259	24	665	319	223	52	184	3,894	2,480

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region IV HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972: Total Completions	No. Sold before Const. Start	Speculative Houses: Completions	No. Unsold	% Unsold	Unsold Houses, by Months Unsold: 1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Houses under Construction January 1, 1973: Total	Unsold
Georgia-Atlanta													
Albany, SMSA	36	527	78	449	41	9	1	32	7	1	7	125	115
Atlanta, SMSA	514	10,718	2,400	8,318	1,696	21	563	895	203	35	100	3,428	2,680
Augusta, Ga.-S.C., SMSA (Ga. portion)	34	991	110	881	126	14	11	66	44	5	3	94	72
Columbus, Ga.-Ala., SMSA (Ga. portion)	48	826	218	608	122	20	48	42	23	9	7	259	192
Macon, SMSA	39	608	218	390	73	19	1	61	11	-	-	50	44
Savannah, SMSA	34	747	316	431	65	15	24	17	3	21	6	106	68
Kentucky-Louisville													
Cincinnati, Ohio-Ky.-Ind., SMSA (Ky. portion)	30	605	255	350	149	43	21	42	86	-	-	91	34
Evansville, Ind.-Ky., SMSA (Ky. portion)	5	82	12	70	1	1	-	-	1	-	-	16	15
Huntington-Ashland, W. Va.-Ky., Ohio, SMSA (Ky. portion)	7	79	42	37	4	11	-	4	-	-	-	11	4
Lexington, SMSA	21	759	493	266	34	13	8	19	7	-	-	386	220
Louisville, Ky.-Ind., SMSA (Ky. portion)	96	3,231	1,189	2,042	302	15	23	177	65	37	2	724	487
Owensboro, SMSA	10	415	302	113	7	6	1	6	-	-	-	126	41
sissippi-Jackson													
Biloxi-Gulfport, SMSA	31	743	63	680	110	16	43	32	15	20	5	170	153
Jackson, SMSA	56	1,155	300	855	73	9	15	46	9	3	-	339	214
North Carolina-Greensboro													
Asheville, SMSA	21	268	3	265	51	19	1	33	14	3	-	43	26
Charlotte, SMSA	44	1,253	280	973	258	27	90	118	41	9	4	468	361
Durham, SMSA	6	117	2	115	9	8	1	5	3	-	2	82	71
Fayetteville, SMSA	25	451	126	325	40	12	25	11	2	2	1	179	143
Gastonia, SMSA	6	107	13	94	32	34	1	16	2	13	-	35	27
Greensboro--Winston-Salem--High Point, SMSA	48	1,218	70	1,148	256	22	80	73	73	30	6	573	504
Raleigh, SMSA	24	436	39	397	73	18	18	16	29	10	8	286	210
Wilmington, SMSA	19	297	17	280	63	23	39	23	1	-	1	19	6
South Carolina-Columbia													
Augusta, Ga.-S.C., SMSA (S.C. portion)	20	288	27	261	37	14	6	15	15	1	-	89	86
Charleston, SMSA	43	1,051	56	995	104	11	13	38	36	17	3	391	362
Columbia, SMSA	71	2,957	198	2,759	399	15	41	148	139	71	14	1,014	886
Greenville, SMSA	50	1,034	81	953	152	16	16	69	48	19	-	444	427
Spartanburg, SMSA	22	556	33	523	70	13	9	34	20	7	-	244	220
Tennessee-Knoxville													
Chattanooga, Tenn.-Ga., SMSA (Tenn. portion)	68	1,022	160	862	148	17	108	22	17	1	-	241	207
Knoxville, SMSA	88	1,402	176	1,226	276	23	5	118	115	38	35	554	461
Tennessee-Memphis													
Memphis, Tenn.-Ark, SMSA (Tenn. portion)	88	3,454	488	2,966	320	11	89	91	18	122	19	1,882	1,322
Tennessee-Nashville													
Nashville, SMSA	87	2,517	359	2,158	612	28	53	409	125	25	6	968	680

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region V	No. of	Houses Completed during 1972					Unsold Houses, by Months Unsold					Houses under Construction January 1, 1973	
HUD Area or Insuring Office	Subdivisions Covered*	Total Completions	No. Sold before Const. Start	Speculative Houses Completions	Speculative Houses No. Unsold	Speculative Houses % Unsold	1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Total	Unsold
Illinois-Chicago													
Chicago, SMSA	70	4,845	2,713	2,132	344	16	66	143	110	25	12	1,975	847
Davenport-Rock Island-Moline, Iowa-Ill., SMSA (part)	Fewer than five subdivisions reported.												
Rockford, SMSA	16	333	287	46	8	17	4	2	1	1	-	81	17
Illinois-Springfield													
Bloomington-Normal, SMSA	13	308	159	149	64	43	58	6	-	-	-	66	45
Champaign-Urbana, SMSA	29	306	210	96	31	32	3	4	21	3	1	38	30
Davenport-Rock Island-Moline, Iowa-Ill., SMSA (part)	17	75	53	22	2	9	2	-	-	-	-	14	5
Decatur, SMSA	19	267	128	139	19	14	1	2	14	2	1	2	1
Peoria, SMSA	48	797	418	379	133	35	89	44	-	-	-	144	49
St. Louis, Mo.-Ill., SMSA (Ill. portion)	34	652	229	423	86	20	52	14	11	9	-	141	112
Springfield, SMSA	22	623	530	93	25	27	18	3	1	3	-	69	41
Indiana-Indianapolis													
Anderson, SMSA	8	123	46	77	9	12	4	1	4	-	-	46	34
Cincinnati, Ohio-Ky.-Ind., SMSA (Ind. portion)	Fewer than five subdivisions reported.												
Evansville, Ind.-Ky., SMSA (Ind. portion)	12	151	90	61	15	25	2	10	2	1	1	47	36
Fort Wayne, SMSA	31	591	281	310	83	27	61	22	-	-	-	269	187
Gary-Hammond-East Chicago, SMSA	19	545	404	141	33	23	-	20	13	-	-	75	49
Indianapolis, SMSA	84	2,432	1,357	1,075	316	29	50	235	20	11	18	576	266
Lafayette-West Lafayette, SMSA	10	287	225	62	12	19	3	5	2	2	6	15	11
Louisville, Ky.-Ind., SMSA (Ind. portion)	13	288	114	174	53	30	3	12	31	7	-	147	114
Muncie, SMSA	15	179	142	37	2	5	-	1	1	-	-	26	7
South Bend, SMSA	27	357	283	74	29	39	8	12	7	2	4	59	4
Terre Haute, SMSA	7	126	69	57	9	16	1	8	-	-	1	14	-
Michigan-Detroit													
Ann Arbor, SMSA 1/	6	370	51	319	46	14	-	10	30	6	-	129	57
Bay City, SMSA	Fewer than five subdivisions reported.												
Detroit, SMSA 2/	70	4,566	1,513	3,053	838	27	70	312	373	83	169	1,679	873
Flint, SMSA	70	1,556	537	1,019	316	31	2	66	7	241	27	335	233
Saginaw, SMSA	25	227	120	107	38	36	-	9	6	23	20	56	30
Toledo, Ohio-Mich., SMSA (Mich. portion)	Fewer than five subdivisions reported.												

Note: The above summary of results of the Survey of Unsold New Houses includes condominium and cooperative sales housing units and sales units in planned unit developments. The number of these types of units included in each housing market area is indicated by appropriate footnotes below.

1/ Single-family attached units	Includes 62 units - fewer than five projects reported.												
2/ Single-family attached units	6	1,048	126	922	367	40	51	149	167	-	158	125	75

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region V HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972: Total Completions	No. Sold before Const. Start	Speculative Houses: Completions	No. Unsold	% Unsold	Unsold Houses, by Months Unsold: 1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Houses under Construction January 1, 1973: Total	Unsold
Michigan-Grand Rapids													
Battle Creek, SMSA	Fewer than five subdivisions reported.												
Berrien County	7	217	181	36	10	28	4	4	2	-	-	43	10
Grand Rapids, SMSA	36	1,491	887	604	119	20	27	44	35	13	26	289	126
Jackson, SMSA	Fewer than five subdivisions reported.												
Kalamazoo, SMSA	11	342	267	75	24	32	3	8	10	3	28	93	30
Lansing-East Lansing, SMSA	38	759	359	400	112	28	19	29	33	31	-	232	89
Muskegon-Muskegon Hts., SMSA	Fewer than five subdivisions reported.												
Minnesota, Minneapolis-St. Paul													
Duluth-Superior, Minn.-Wisc., SMSA (Minn. portion)	No subdivisions with five or more completions in 1972 reported.												
Fargo-Moorhead, N.D.-Minn, SMSA (Minn. portion)	No subdivisions with five or more completions in 1972 reported.												
Minneapolis-St. Paul, SMSA1/	78	2,548	1,817	731	174	24	8	44	73	49	15	901	386
Rochester, SMSA	No subdivisions with five or more completions in 1972 reported.												
[illegible]o,Cincinnati													
ncinnati, Ohio-Ky.-Ind., SMSA (Ohio portion)	51	988	731	257	82	32	22	34	19	7	4	220	20
Dayton, SMSA (part)	55	1,270	917	353	88	25	2	53	13	20	72	381	136
Hamilton-Middletown, SMSA	17	247	130	117	3	3	1	1	-	1	-	80	44
Ohio-Cleveland													
Akron, SMSA	25	1,147	694	453	84	19	26	37	19	2	8	301	93
Canton, SMSA	28	517	310	207	21	10	2	9	7	3	6	106	38
Cleveland, SMSA2/	186	6,460	2,461	3,999	1,195	30	164	222	213	596	56	1,681	1,029
Lima, SMSA (part)	No subdivisions with five or more completions in 1972 reported.												
Lorain-Elyria, SMSA	29	908	483	425	93	22	-	63	25	5	-	310	231
Mansfield, SMSA	16	118	37	81	2	3	2	-	-	-	-	118	74
Steubenville-Weirton, Ohio-W. Va., SMSA (Ohio portion)	No subdivisions with five or more completions in 1972 reported.												
Toledo, Ohio-Mich., SMSA (Ohio portion)	40	904	587	317	124	39	6	59	49	10	-	297	130
Youngstown-Warren, SMSA	51	1,057	571	486	69	14	46	18	4	1	-	218	85

Note: The above summary of results of the Survey of Unsold New Houses includes condominium and cooperative sales housing units and sales units in planned unit developments. The number of these types of units included in each housing market area is indicated by appropriate footnotes below.

1/ Single-family attached units	12	334	204	130	36	28	-	4	12	20	11	348	209
2/ Condominiums	55	3,685	553	3,132	1,094	35	139	179	187	589	36	932	765

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

To Accompany HUD-No. 73-234

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region V HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972					Unsold Houses, by Months Unsold					Houses under Construction January 1, 1973	
		Total Completions	No. Sold before Const. Start	Speculative Houses: Completions	Speculative Houses: No. Unsold	Speculative Houses: % Unsold	1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Total	Unsold
Ohio-Columbus													
Columbus, SMSA1/	120	3,634	1,790	1,844	353	19	73	182	57	41	84	2,209	1,209
Dayton, SMSA (part)	7	207	141	66	22	33	3	12	7	-	-	63	18
Huntington-Ashland, W. Va.-Ky.-Ohio, SMSA (Ohio portion)	16	139	87	52	27	52	16	8	3	-	-	31	31
Lima, SMSA (part)	11	127	67	60	7	12	-	4	3	-	-	16	5
Parkersburg-Marietta, W. Va.-Ohio, SMSA (Ohio portion)	7	111	78	33	7	21	2	3	2	-	-	22	18
Springfield, SMSA	11	410	319	91	54	59	22	24	8	-	-	51	8
Wheeling, W. Va.-Ohio, SMSA (Ohio portion)	9	48	24	24	3	13	3	-	-	-	-	26	22
Wisconsin-Milwaukee													
Appleton-Oshkosh, SMSA	67	592	466	126	9	7	-	6	2	1	-	57	27
Duluth-Superior, Minn.-Wis., SMSA (Wis. portion)	No subdivisions with five or more completions in 1972 reported.												
Green Bay, SMSA2/	33	569	367	202	70	35	23	35	10	2	-	90	48
Kenosha, SMSA	26	335	222	113	20	18	13	2	5	-	-	46	22
LaCrosse, SMSA	14	270	207	63	9	14	5	4	-	-	-	36	20
Madison, SMSA	24	437	233	204	-	-	-	-	-	-	3	148	[illegible]
Milwaukee, SMSA3/	202	3,860	2,250	1,610	645	40	222	349	29	45	2	627	[illegible]
Racine, SMSA	46	583	391	192	63	33	4	47	5	7	-	90	[illegible]

Note: The above summary of results of the Survey of Unsold New Houses includes condominium and cooperative sales housing units and sales units in planned unit developments. The number of these types of units included in each housing market area is indicated by appropriate footnotes below.

1/ Condominiums and single-family attached	15	576	92	484	72	15	30	42	-	-	-	668	447
2/ Condominiums	Includes 54 units - fewer than five projects reported.												
3/ Condominiums	22	1,752	549	1,203	598	50	218	318	17	45	-	530	307

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region VI HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972 Total Completions	No. Sold before Const. Start	Speculative Houses Completions	No. Unsold	% Unsold	Unsold Houses, by Months Unsold 1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Houses under Construction January 1, 1973 Total	Unsold
Arkansas-Little Rock													
Ft. Smith, Ark.-Okla., SMSA (Ark. portion)	9	227	91	136	29	21	14	8	2	5	-	37	22
Jonesboro	12	127	3	124	1	1	-	-	-	1	-	53	34
Little Rock-North Little Rock, SMSA a/	87	2,259	567	1,692	460	27	257	159	42	2	9	797	596
Memphis, Tenn.-Ark., SMSA (Ark. portion)	8	195	21	174	21	12	20	-	1	-	-	75	41
Pine Bluff, SMSA	10	105	30	75	26	35	13	12	1	-	-	33	24
Texarkana, Tex.-Ark., SMSA	18	235	34	201	26	13	4	9	9	4	14	36	24
Louisiana-New Orleans													
Baton Rouge, SMSA	46	1,213	331	882	393	45	191	132	52	18	33	330	200
Lafayette, SMSA	11	311	112	199	54	27	28	11	10	5	-	28	16
Lake Charles, SMSA	12	137	39	98	37	38	8	28	1	-	-	14	11
New Orleans, SMSA	111	4,699	2,814	1,885	222	12	80	94	30	18	19	1,347	529
Louisiana-Shreveport													
Alexandria, SMSA	21	281	180	101	17	17	1	15	-	1	-	69	41
Monroe, SMSA	36	534	162	372	100	27	25	30	33	12	12	154	119
Shreveport, SMSA	20	780	253	527	154	29	44	49	47	14	6	199	171
Mexico-Albuquerque													
Albuquerque, SMSA	64	2,992	1,801	1,191	94	8	23	48	15	8	9	856	310
Oklahoma-Oklahoma City													
Altus	10	121	29	92	3	3	-	3	-	-	3	33	25
Lawton, SMSA	20	724	32	692	119	17	18	95	3	3	2	219	216
Oklahoma City, SMSA 1/	116	3,574	915	2,659	542	20	121	232	97	92	9	1,209	904
Oklahoma-Tulsa													
Ft. Smith, Ark.-Okla., SMSA (Okla. portion)	5	43	17	26	3	12	2	-	1	-	-	9	9
Tulsa, SMSA	118	3,353	265	3,088	936	30	572	322	39	3	16	667	565
Texas-Dallas													
Dallas, SMSA	291	11,694	4,525	7,169	2,290	32	477	670	592	551	222	2,615	1,534
Greenville	10	65	29	36	14	39	2	6	4	2	14	10	5
Killeen-Temple, SMSA	39	969	371	598	63	11	46	16	1	-	-	87	35
Sherman-Denison, SMSA	20	171	85	86	24	28	-	9	15	-	6	47	30
Tyler, SMSA	14	139	73	66	8	12	-	-	6	2	1	30	19
Waco, SMSA	18	242	72	170	69	41	36	30	3	-	5	21	12
Texas-Fort Worth													
Abilene, SMSA	10	105	33	72	20	28	4	11	5	-	-	35	33
Fort Worth, SMSA	165	4,519	1,904	2,615	924	35	430	309	171	14	3	846	729
San Angelo, SMSA	8	214	47	167	19	11	17	2	-	-	-	45	22
Wichita Falls, SMSA	15	151	25	126	18	14	13	5	-	-	-	59	55

a/ Includes city of Jacksonville which was reported separately in the January 1972 survey.

Note: The above summary of results of the Survey of Unsold New Houses includes condominium and cooperative sales housing units and sales units in planned unit developments. The number of these types of units included in each housing market area is indicated by appropriate footnotes below.

1/ Condominiums Includes 17 units - fewer than five projects reported.

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region VI HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972: Total Completions	Houses Completed during 1972: No. Sold before Const. Start	Speculative Houses: Completions	Speculative Houses: No. Unsold	Speculative Houses: % Unsold	Unsold Houses, by Months Unsold: 1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Houses under Construction January 1, 1973: Total	Houses under Construction January 1, 1973: Unsold
Texas-Houston													
Beaumont-Port Arthur-Orange, SMSA	21	268	74	194	38	20	17	19	-	2	-	46	46
Galveston-Texas City, SMSA	11	377	36	341	159	47	73	50	20	16	-	143	95
Houston, SMSA	209	14,167	1,978	12,189	2,311	23	640	1,113	757	301	176	5,606	4,043
Texas-Lubbock													
Amarillo, SMSA	22	515	60	455	107	24	67	36	3	1	2	120	107
El Paso, SMSA	59	2,894	268	2,626	580	22	535	45	-	-	1	1,030	905
Lubbock, SMSA	28	921	42	879	190	22	157	33	-	-	-	125	117
Midland, SMSA	8	141	30	111	12	11	7	5	-	-	-	20	17
Odessa, SMSA	7	177	28	149	13	9	11	2	-	-	-	21	19
Texas-San Antonio													
Austin, SMSA	83	2,924	905	2,019	495	25	180	219	83	13	25	986	765
Brownsville-Harlingen-San Benito, SMSA	15	242	87	155	9	6	2	5	2	-	-	47	25
Corpus Christi, SMSA	32	905	133	772	211	27	14	74	74	49	17	224	174
Laredo, SMSA	Fewer than five subdivisions reported.												
McAllen-Pharr-Edinburg, SMSA	11	197	29	168	3	2	2	-	1	-	-	58	3[illegible]
San Antonio, SMSA	102	6,400	580	5,820	1,335	23	386	483	226	240	31	2,031	1,4[illegible]

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region VII HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972: Total Completions	No. Sold before Const. Start	Speculative Houses: Completions	Speculative Houses: No. Unsold	Speculative Houses: % Unsold	Unsold Houses, by Months Unsold: 1 Mo. or Less	1.1- 3.0 Mos.	3.1- 6.0 Mos.	6.1- 12.0 Mos.	Over 12 Mos.	Houses under Construction January 1, 1973: Total	Unsold
Iowa-Des Moines													
Cedar Rapids, SMSA	18	271	113	158	27	17	6	15	5	1	3	49	40
Davenport-Rock Island-Moline, Iowa-Ill., SMSA (Iowa portion)	20	333	194	139	40	29	16	16	1	7	3	35	30
Des Moines, SMSA	43	595	211	384	55	14	9	26	19	1	1	81	65
Dubuque, SMSA	5	60	29	31	-	-	-	-	-	-	-	16	11
Omaha, Neb.-Iowa, SMSA (Iowa portion)	9	80	27	53	-	-	-	-	-	-	-	21	13
Sioux City, Iowa-Neb., SMSA (Iowa portion)	13	85	25	60	14	23	7	-	-	7	-	25	18
Waterloo, SMSA	9	126	15	111	37	33	-	16	11	10	13	11	11
Kansas-Kansas City													
Boliver	6	116	39	77	27	35	13	13	1	-	-	21	16
Joplin	31	577	162	415	77	19	58	19	-	-	-	134	100
Kansas City, Mo.-Kan., SMSA	236	3,614	1,792	1,822	450	25	154	150	90	56	9	876	434
Lebanon	Fewer than five subdivisions reported.												
St. Joseph, SMSA	12	108	60	48	20	42	18	2	-	-	-	8	-
Sedalia	11	134	88	46	14	30	12	-	-	2	-	11	-
ringfield, SMSA	63	992	172	820	319	39	209	100	10	-	-	242	218
rrensburg	6	97	21	76	-	-	-	-	-	-	-	-	-
Kansas-Topeka													
Junction City	Fewer than five subdivisions reported.												
Salina	8	104	71	33	6	18	-	6	-	-	-	17	2
Topeka, SMSA	42	547	258	289	132	46	59	42	31	-	1	105	76
Wichita, SMSA	42	604	229	375	148	39	128	8	11	1	-	89	62
Missouri-St. Louis													
Columbia, SMSA	24	308	102	206	42	20	24	16	1	1	-	52	32
St. Louis, Mo.-Ill., SMSA (Mo. portion)1/	180	5,746	4,503	1,243	585	47	101	311	148	25	16	1,201	357
Nebraska-Omaha													
Lincoln, SMSA	38	776	536	240	27	11	16	7	3	1	4	202	43
Omaha, Neb.-Iowa, SMSA (Neb. portion)	93	1,548	422	1,126	246	22	133	52	34	27	6	404	305
Sioux City, Iowa-Neb., SMSA (Neb. portion)	Fewer than five subdivisions reported.												

Note: The above summary of results of the Survey of Unsold New Houses includes condominium and cooperative sales housing units and sales units in planned unit developments. The number of these types of units included in each housing market area is indicated by appropriate footnotes below.

1/ Condominiums	8	418	219	199	105	53	1	4	100	-	-	228	126

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

To Accompany HUD-No. 73-234

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region VIII HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972: Total Completions	Houses Completed during 1972: No. Sold before Const. Start	Speculative Houses: Completions	Speculative Houses: No. Unsold	Speculative Houses: % Unsold	Unsold Houses, by Months Unsold: 1 Mo. or Less	Unsold Houses, by Months Unsold: 1.1-3.0 Mos.	Unsold Houses, by Months Unsold: 3.1-6.0 Mos.	Unsold Houses, by Months Unsold: 6.1-12.0 Mos.	Unsold Houses, by Months Unsold: Over 12 Mos.	Houses under Construction January 1, 1973: Total	Houses under Construction January 1, 1973: Unsold
Colorado-Denver													
Colorado Springs, SMSA	73	3,685	1,911	1,774	141	8	70	53	12	6	39	669	387
Denver, SMSA	158	11,937	8,936	3,001	321	11	105	195	16	5	-	4,924	1,880
Pueblo, SMSA	11	331	303	28	3	11	1	2	-	-	-	55	20
Montana-Helena													
Billings, SMSA	20	489	386	103	31	30	31	-	-	-	-	164	23
Great Falls, SMSA	18	119	53	66	-	-	-	-	-	-	-	30	2
Missoula	14	194	53	141	14	10	4	5	5	-	-	68	52
North Dakota-Fargo													
Fargo-Moorhead, N. Dak.-Minn., SMSA (N.D. portion)	17	143	102	41	11	27	11	-	-	-	-	112	112
South Dakota-Sioux Falls													
Sioux Falls, SMSA	9	212	55	157	2	1	-	1	1	-	-	108	44
Utah-Salt Lake City													
Ogden, SMSA	27	435	258	177	21	12	20	-	-	1	3	107	63
Provo-Orem, SMSA	70	750	472	278	25	9	6	14	2	3	-	183	57
Salt Lake City, SMSA	157	4,218	3,277	941	105	11	65	32	6	2	12	969	2
Wyoming-Casper													
Casper	8	219	117	102	15	15	10	4	-	1	-	97	33
Cheyenne	10	262	106	156	12	8	10	2	-	-	-	103	38

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region IX HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972: Total Completions	No. Sold before Const. Start	Speculative Houses: Completions	No. Unsold	% Unsold	Unsold Houses, by Months Unsold: 1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Houses under Construction January 1, 1973: Total	Unsold
Arizona-Phoenix													
Phoenix, SMSA	282	18,727	9,660	9,067	1,331	15	544	413	256	118	64	4,712	1,756
Tucson, SMSA	79	3,629	1,234	2,395	260	11	77	131	35	17	1	1,124	618
California-Los Angeles													
Bakersfield, SMSA	20	592	-	592	66	11	14	4	7	41	-	34	29
Los Angeles-Long Beach, SMSA	84	5,079	-	5,079	919	18	158	280	236	245	162	1,449	969
Oxnard-Simi Valley-Ventura, SMSA	39	2,082	-	2,082	336	16	63	78	132	63	39	1,123	726
Santa Barbara-Santa Maria-Lompoc, SMSA	12	443	-	443	39	9	39	-	-	-	-	69	27
California-Sacramento													
Marysville-Yuba City1/	20	293	133	160	57	36	-	39	13	5	-	41	35
Sacramento, SMSA2/	227	5,939	1,932	4,007	1,053	26	115	200	313	425	47	1,002	476
Stockton, SMSA3/	43	908	568	340	62	18	6	13	4	39	2	242	84
California-San Diego													
Imperial County	8	475	-	475	26	5	-	26	-	-	-	67	31
San Diego, SMSA4/	479	19,045	1,687	17,358	3,596	21	491	673	1,556	876	311	9,343	6,036

Note: The above summary of results of the Survey of Unsold New Houses includes condominium and cooperative sales housing units and sales units in planned unit developments. The number of these types of units included in each housing market area is indicated by appropriate footnotes below.

1/ Condominiums and PUD's Includes 80 units - fewer than five projects reported.

2/ Condominiums and PUD's	51	2,243	306	1,937	706	36	37	74	210	385	37	286	127

3/ Condominiums and PUD's Includes 111 units - fewer than five projects reported.

4/ Condominiums and PUD's	106	4,246	291	3,955	1,094	28	87	130	637	240	151	2,846	1,930

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region IX HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972: Total Completions	No. Sold before Const. Start	Speculative Houses: Completions	No. Unsold	% Unsold	Unsold Houses, by Months Unsold: 1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Houses under Construction January 1, 1973: Total	Unsold
California-San Francisco													
Fresno, SMSA1/	11	1,058	971	87	59	68	-	59	-	-	-	247	213
Merced County	13	390	326	64	11	17	-	11	-	-	-	15	4
Modesto, SMSA	32	1,182	660	522	50	10	4	16	30	-	-	247	134
Salinas-Seaside-Monterey, SMSA2/	20	890	317	573	59	10	10	40	5	4	-	219	93
San Francisco- Oakland, SMSA3/	214	11,967	3,620	8,347	1,560	19	991	296	224	49	160	3,551	1,404
San Jose, SMSA4/	72	8,887	2,956	5,931	1,806	30	110	646	417	633	244	3,173	1,683
Santa Cruz, SMSA5/	17	403	105	298	29	10	16	7	-	6	3	353	144
Santa Rosa, SMSA6/	20	798	435	363	70	19	-	30	40	-	-	571	235
Tulare County	25	498	394	104	11	11	-	10	1	-	-	26	14
Vallejo-Fairfield-Napa, SMSA7/	45	2,279	881	1,398	220	16	10	122	70	18	39	925	278
California-Santa Ana													
Anaheim-Santa Ana-Garden Grove, SMSA8/	499	17,347	-	17,347	1,225	7	271	405	307	242	-	6,614	2,932
Riverside-San Bernardino-Ontario, SMSA9/	285	5,067	-	5,067	846	17	107	280	194	265	227	4,193	3,018
Hawaii-Honolulu													
Honolulu, SMSA10/	100	4,880	2,957	1,923	278	14	1	1	-	276	-	4,884	1,08
Nevada-Reno													
Las Vegas, SMSA11/	119	5,423	1,325	4,098	1,258	44	746	411	60	41	-	1,298	571
Reno, SMSA12/	32	1,594	782	812	46	6	31	11	2	2	-	502	249

Note: The above summary of results of the Survey of Unsold New Houses includes condominium and cooperative sales housing units and sales units in planned unit developments. The number of these types of units included in each housing market area is indicated by appropriate footnotes below.

1/ PUD's	5	212	130	82	56	68	-	56	-	-	-	112	112
2/ PUD's	7	501	235	266	26	10	1	25	-	-	-	109	28
3/ PUD's	41	4,631	1,045	3,586	916	26	518	212	159	27	101	1,829	1,031
4/ PUD's	33	2,806	282	2,524	1,063	42	76	376	181	430	153	863	568
5/ PUD's	12	168	17	151	12	8	-	7	-	5	3	301	109
6/ PUD's	4	455	251	204	45	22	-	24	21	-	-	223	77
7/ PUD's	12	295	27	268	46	17	-	5	24	17	-	286	36
8/ Condominiums	63	3,499	-	3,499	526	15	1	137	212	176	-	1,295	699
PUD's	72	3,087	-	3,087	336	11	128	118	56	34	-	1,314	753
PUD's-single-family detached	32	1,472	-	1,472	20	1	20	-	-	-	-	626	268
9/ Condominiums	63	1,620	-	1,620	374	23	2	163	73	136	161	1,935	1,438
PUD's	14	171	-	171	34	20	34	-	-	-	63	205	139
10/ Multifamily structures	71	3,153	1,302	1,851	277	15	1	-	-	276	-	4,119	1,040
11/ Multifamily structures	26	1,574	437	1,137	516	45	343	164	9	-	-	293	174
12/ Multifamily structures	8	468	244	224	25	11	16	7	1	1	-	202	137

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

Summary of Results of FHA Survey of Unsold New Houses
As of January 1, 1973

Region X HUD Area or Insuring Office	No. of Sub-divisions Covered*	Houses Completed during 1972: Total Completions	No. Sold before Const. Start	Speculative Houses: Completions	No. Unsold	% Unsold	Unsold Houses, by Months Unsold: 1 Mo. or Less	1.1-3.0 Mos.	3.1-6.0 Mos.	6.1-12.0 Mos.	Over 12 Mos.	Houses under Construction January 1, 1973: Total	Unsold
Alaska-Anchorage													
Anchorage, SMSA	33	821	249	572	85	15	44	29	7	5	-	251	163
Idaho-Boise													
Boise, SMSA	46	796	273	523	47	9	18	24	5	-	-	267	188
Oregon-Portland													
Eugene-Springfield, SMSA	40	541	431	110	11	10	2	4	4	1	-	83	14
Portland, SMSA	210	3,649	1,730	1,919	371	19	46	221	91	13	2	741	497
Salem, SMSA	34	579	200	379	83	22	12	61	7	3	-	80	49
Washington-Seattle													
Seattle-Everett, SMSA	164	2,107	641	1,466	277	19	42	149	52	34	14	501	297
Tacoma, SMSA	40	591	174	417	76	18	10	59	7	-	1	74	45
Yakima, SMSA	6	63	18	45	9	20	-	4	5	-	-	14	7
Washington-Spokane													
Richland-Kennewick, SMSA	29	280	98	182	46	25	18	6	17	5	-	32	23
Spokane, SMSA	105	1,353	332	1,021	114	11	24	53	28	9	2	344	265

* Subdivisions and multifamily projects with five or more completions in the calendar year 1972.

Department of Housing and Urban Development
Housing Production and Mortgage Credit
Economic and Market Analysis Division

HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-240
Phone (202) 755-5277
(Beckerman)

FOR IMMEDIATE RELEASE:
Monday
July 2, 1973

The following telegram was released today to all U.S. Department of Housing and Urban Development field offices regarding the Federal Housing Administration's authority which expired at midnight Saturday, June 30, 1973.

Text follows:

HUD-FHA's authority to insure mortgages under the National Housing Act expired at the close of business, June 30, 1973. The Congress has now recessed without extending such authority.

Therefore, effective immediately:

No home mortgage conditional commitments are to be issued or reissued and expired commitments are not to be reopened.

Firm commitments for home mortgages may be issued where the conditions of an outstanding conditional commitment are met.

You may continue to amend outstanding conditional or firm home mortgage commitments.

You may continue to issue insurance certificates on home mortgage cases presented for insurance.

-more-

No project firm commitments are to be issued or reissued and expired commitments are not to be reopened.

You may continue to amend outstanding letters of feasibility and conditional and firm project commitments.

New project feasibility letters or conditional commitments may be issued, but the following sentence shall be added to such letters or commitments: "This feasibility letter (or conditional commitment) is further conditioned upon the extension by the Congress of authority to insure under this section of the National Housing Act."

You may continue initial and final closings on project mortgages.

You may continue to receive and process home mortgage applications up to commitment, but the commitments are not to be issued.

This telegram does not alter any other outstanding instructions eliminating authority to issue commitments or letters of feasibility under the subsidized programs.

All sales contracts for the sale of a Secretary-held property executed by an authorized representative of HUD after June 30, 1973, must contain the following provision under Item H of the contract: "If this sale is to be financed by an FHA insured mortgage, the acceptance of this contract by HUD is contingent upon the authority of HUD to insure the mortgage at the time the sale is closed."

-more-

Please notify approved mortgagees located in your area. We will notify you when Congress has reinstated the insurance authority. All questions or points of clarification should be directed to Harold Denton, HPMC, Central Office.

* * *

Another telegram was sent to all Title I lenders, which stated:

This Department's authority to insure loans under Title I of the National Housing Act expired at close of business June 30, 1973. Loans made before expiration are insurable even though reported later.

The Congress is presently considering measures to promptly reinstate authorization to continue insuring Title I loans.

Loans made after June 30, 1973, may be reported for insurance in usual manner with understanding that they will be processed for insurance registry when Congress reinstates HUD's authority.

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INTEREST RATES

HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-241
Phone (202) 755-5277
(Beckerman)

FOR IMMEDIATE RELEASE
Thursday
July 5, 1973

In anticipation of an extension of the FHA authority by Congress when it reconvenes, Secretary James T. Lynn of the U. S. Department of Housing and Urban Development today announced his intention to increase the maximum allowable interest rate permitted for mortgages insured by HUD's Federal Housing Administration to 7-3/4 percent. "This increase will keep FHA as a mortgage money source for American home buyers, and will sharply reduce the amount of 'points' -- in effect, prepaid interest -- people must pay in selling their homes at the present time," stated Secretary Lynn.

The new rate was determined after consultation with Donald Johnson, Administrator of the Veterans Administration, who simultaneously announced a similar increase in the maximum rate of GI home mortgage loans.

Prior to today, the maximum allowable rate on FHA and VA mortgage loans was 7 percent.

Secretary Lynn further announced that HUD's tandem plan for FHA-insured housing is being suspended because it will not be needed as discounts are reduced with the higher interest rate. He added, however, to avoid inequity in this move, tandem assistance would continue as to HUD's subsidized housing in process which requires such assistance to remain economically viable.

# # #

To Accompany HUD-No. 73-241

Q. How will the increase in the FHA interest ceiling affect the person who is trying to sell his house?

A. Presently, 7 percent FHA and VA mortgages are selling at least 8 percent discount. This discount must be paid by the person selling the house. Taking this action means that the seller will not be forced to increase the price of his house to pay that discount.

Q. How will it affect the buyer?

A. It will restore FHA-VA as a financing alternative for many buyers. Under present market conditions a seller must pay at least 8 "discount points" to make the FHA mortgage marketable. When this is added to the 6 percent sales commission and other related costs, most sellers find this an unacceptable option. Therefore, FHA financing has not been available to many who depend on it.

In addition, this action will make for healthier home-buying practices. First, when a seller has to pay discount points he compensates by factoring this cost into the selling price of his property. The buyer accepts this because, in most cases, he has no other home-buying alternative. Second, since the points are in effect pre-paid interest for the full term of the mortgage, if the buyer sells the home prior to the full life of the mortgage, a windfall accrues to the lender. The action we are taking will remove the source of this built-in inflation of selling prices.

Q. What is meant by "paying points" and what does this have to do with the cost of a house?

A. While the FHA-VA interest rate was fixed at 7 percent, mortgage interest rates for housing financed in the conventional mortgage market rose to well over 8 percent. Concurrently, other money rates also escalated substantially. In order to attract money into FHA-VA mortgages, lenders have had to be offered discount points that would make up the difference between the 7 percent FHA-VA rate and the "going rate" in the market. Paying points amounts in practice to prepaying the difference between the FHA-VA rate and the market rate. Without this discount, no lender would have any incentive to invest in FHA-VA mortgages.

Q. Who gets the extra three-fourths of a percent of interest?

A. The mortgage money lender seeks the market level rate and he gets it either through discount or through interest. In effect there is no "extra" three-fourths of a percent interest, because that amount simply takes the place of discount points.

Q. How much will this extra three-fourths of a percent add to the cost of an average home over the life of the mortgage?

A. With the higher rate of interest offset by the lower selling price, mortage payments should remain about the same.

Q. Won't this action drive even more low- and moderate-income families out of the homeownership market?

A. No. In fact it should make FHA and VA financing available to more people. Why? Because sellers will not have to pay heavy discounts and because our interest rates will be closer to the open market rate. That should increase the availability of FHA insured mortgage funds.

Q. How will this affect the availability of housing for the average home buyer?

A. It should make more homes available.

Q. Will this make it possible for builders to build more housing? How so?

A. Yes. Because builders, as sellers, will not have to pay large discounts.

Q. Why did you raise the interest rate at a time when all other costs are supposed to be frozen? Why couldn't you wait until after the price freeze?

A. Because of the elimination of discount points, the rise in the interest rate will not result in a higher over-all costs for the home buyer. The action was taken at this time to attract more loan money into the FHA-VA market so that that kind of financing will be available to more people. Furthermore, the action will eliminate the built-in inflation in the selling price of houses purchased with FHA-VA mortgages involving substantial points.

Q. What was the last time the FHA interest rate was raised? When last lowered?

A. January 5, 1970. Last time lowered was February 18, 1971.

Q. When is the rate likely to come down again?

A. When the demand for money decreases. There is really no way of estimating when that will be.

Q. Was this action approved by the Cost of Living Council?

A. It was discussed with all appropriate government agencies including the Chairman of the Cost of Living Council and the Committee on Interest and Dividends.

Q. How will this affect the sale of subsidized housing? Unsubsidized housing?

A. No appreciable effect on subsidized or unsubsidized housing.

Q. How much did it cost the government to support the mortgage market with the Tandem Plan? How much of this supported subsidized houses and how much unsubsidized houses?

A. 1. About $65 million during the last 12 months. If the present 7 percent rate were to continue, the cost of the Tandem Plan in FY '74 transactions would be about one-half billion dollars. The difference is due to the increase of interest rate of the open market.

2. About two-thirds subsidized and one-third unsubsidized.

Q. Why is there no longer a need for Tandem Plan support of a secondary market for FHA-insured mortgages on unsubsidized housing?

A. Because Tandem was a program whereby the government subsidized discounts, and this action should decrease discounts below the Tandem Plan support level.

Q. Is the rise in the FHA-VA ceiling consistent with the Committee on Interest and Dividends desire to hold down mortgage interest rates?

A. The relaxation of the FHA-VA ceiling will have little impact on the true cost of mortgage funds. Because effective rates of interest are now higher than the old FHA-VA ceiling rate, lenders did not provide funds to FHA-VA mortgages unless they were allowed to charge "points". In other words, the net amount of money paid out by the lender was less than the face value of the mortgage. Legally, the seller of the house and not the buyer was supposed to bear the burden of paying this difference, but he would refuse to sell to an FHA-VA mortgagor unless he could recoup the value of the points by increasing the price of the house. Consequently, the buyer ended up bearing the cost of the points and as a result his effective interest rate burden was raised above the FHA-VA ceiling.

Q. If the FHA-VA ceiling is nullified by the practice of paying "points", why is there any need to raise it?

A. When the ceiling rate is lower than the effective market rate of interest, lenders tend to avoid FHA-VA mortgages because there is an aversion to the complications which result whenever points must be charged. This, in turn, greatly reduced the effectiveness of the FHA-VA programs.

Crime
IWS

HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No.73-249
Phone (202) 755-5284
(Farley)

FOR IMMEDIATE RELEASE:
Thursday
July 12, 1973

Storekeepers will find it easier to purchase Federal crime insurance under a new regulation announced today by George K. Bernstein, Federal Insurance Administrator of the Department of Housing and Urban Development.

Effective July 1, protective devices on commercial properties will be inspected free as a prerequisite to the issuance of insurance coverage against burglary losses. Since HUD guidelines require applicants for Federal crime insurance to adequately secure their doors and accessible openings during nonbusiness hours, the inspection will enable applicants to know in advance whether they qualify for the insurance.

"Since numerous insurance agents and brokers have indicated their reluctance to offer the Federal commercial burglary insurance without a prior inspection," Mr. Bernstein said, "we believe that this new inspection service will encourage them to provide this important coverage to the small businesses which up to now have been unable to obtain this insurance at affordable rates."

Those who already hold Federal crime insurance policies may also obtain inspections at a nominal charge. If their properties do not meet the requirements, they will be given 30 days in which to qualify and all covered claims will be paid during the 30-day period.

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Since there are no protective device requirements for applicants who want commercial insurance against only robbery losses, no inspection will be made for such policies.

The Federal Crime Insurance Program provides storekeepers with insurance against losses due to burglary or robbery or both in amounts from $1,000 to $15,000. For a business with gross receipts under $100,000, depending upon the type of business and the area's crime rate, the annual premium for $1,000 of coverage is only $40 to $60 for burglary insurance, and $48 to $72 for robbery insurance. The premium for $1,000 of burglary and robbery insurance combined is only $80 to $120. Deductibles range from $50 to $200, or five percent of the gross amount of the loss, whichever is higher.

Up to $10,000 of residential burglary and robbery insurance coverage is also available for premiums ranging from $20 to $80, but inspections are not required for such policies.

The Federal program operates in 12 States, including Maryland (but not Virginia), and the District of Columbia and policies can be purchased from any property insurance agent or broker in those States.

Mr. Bernstein also announced that effective July 1, 1973, the Insurance Company of North America has been selected by competitive bidding to act as the servicing company in the States of Connecticut, Illinois, Kansas, Maryland, Massachusetts, Missouri, New York, Ohio, Pennsylvania, Rhode Island, Tennessee, and the District of Columbia. The Aetna Casualty and Surety Company will continue to serve in the State of New Jersey. Interested individuals may obtain rates and other program materials from the following servicing companies for the respective States:

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Servicing Companies

CONNECTICUT	--	Insurance Company of North America 999 Asylum Avenue, Room 500, Hartford, Connecticut 06105
DISTRICT OF COLUMBIA	--	Insurance Company of North America 5225 Wisconsin Avenue, N.W., Washington, D.C. 20015
ILLINOIS	--	Insurance Company of North America
Chicago	--	10 South Riverside Plaza, Chicago, Illinois 60606
E. St. Louis	--	7710 Carondelet Ave., Suite 444, Clayton, St. Louis, Missouri 63105
Peoria	--	411 Hamilton Blvd., Suite 1600, Savings Bldg., Peoria, Ill. 61602
KANSAS	--	Insurance Company of North America 911 Main Street, Kansas City, Missouri 64199 (To obtain forms only, contact INA at 445 R.H. Garvey Building, Wichita, Kansas 67202)
MARYLAND	--	Insurance Company of North America
Baltimore	--	303 East Fayette Street, Baltimore, Maryland 21202
Wash. Suburbs	--	5225 Wisconsin Avenue, N.W., Washington, D. C. 20015
MASSACHUSETTS	--	Insurance Company of North America 1 Center Plaza, Boston, Massachusetts 02108
MISSOURI	--	Insurance Company of North America 911 Main Street, Kansas City, Missouri 64199 7710 Carondelet Ave., Suite 444, Clayton, St. Louis, Missouri 63105
NEW JERSEY	--	Aetna Casualty and Surety Company 494 Broad Street, Newark, New Jersey 07102
NEW YORK	--	Insurance Company of North America
Albany	--	1510 Central Avenue, Albany, New York 12205
Buffalo	--	15 Court Street, Western Building, Buffalo, New York 14202
Long Island	--	100 Ring Road West, Roosevelt Field, Garden City, L.I., N.Y. 11530
New York	--	79 John Street, New York, New York 10038
Syracuse	--	750 James Street, Syracuse, New York 13203
White Plains	--	1 North Broadway, White Plains, New York 10601
OHIO	--	Insurance Company of North America
Cincinnati	--	1800 DuBois, Tower Building, Cincinnati, Ohio 45202
Cleveland	--	14701 Detroit Avenue, Lakewood, Ohio 44107
PENNSYLVANIA	--	Insurance Company of North America
Harrisburg	--	1300 Plaza West, 1300 Market Street, Lemoyne, Penna. 17043
Philadelphia	--	625 Walnut Street, Philadelphia, Pennsylvania 19105
Pittsburgh	--	875 Green Tree Road, INA Building, Pittsburgh, Penna. 15220
Suburban Phila.	--	137 West Wayne Avenue, Wayne, Pennsylvania 19087
RHODE ISLAND	--	Insurance Company of North America 1 Center Plaza, Boston, Massachusetts 02108
TENNESSEE	--	Insurance Company of North America 480 James Robertson Parkway, Nashville, Tennessee 37219

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-252
Phone (202) 755-5277
(Spiegel)

NOTICE OF PUBLICATION
FOR RELEASE:
MONDAY
July 16, 1973

The U.S. Department of Housing and Urban Development today announced publication of a report on efforts of communities to build local professional staff capacity.

The 75-page report, The Changing Demand for Local Capacity, is the 12th in HUD's Community Development Evaluation Series.

The analysis includes data on local development of new skills such as programming, budgeting, resource allocation, and evaluation. It also examines the policy planning in which these new skills have been used.

This analysis was completed under the direction of HUD Deputy Assistant Secretary Warren H. Butler, whose office is responsible for administrating the Model Cities program as well as Urban Renewal, Water and Sewer, and other community development grant and loan programs.

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The report began as an investigation of the staff capacity needs of Model City Demonstration Agencies. This led to the broader study of the skills required in local general government.

The study investigated the organization, process, and staffing for programming and policy planning in five cities: Memphis, Tenn.; Tucson, Ariz.; Pasco, Wash.; Tampa, Fla., and San Jose, Calif. Included in the report are case studies of the organization and capacity building efforts in each of these cities.

The investigation and report were conducted for HUD's Community Development Evaluation Division under contract with consulting firms.

Copies may be obtained at $1.50 each from: Superintendent of Documents, U.S. Government Printing Office, Stock No. 2300-00209, Washington, D.C. 20402.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-253
Phone (202) 755-5277
(Bacon)

NOTICE OF PUBLICATION
FOR RELEASE:
Tuesday
July 31, 1973

The U.S. Department of Housing and Urban Development today announced publication of a report describing the design and development of 22 housing systems during Phase I of HUD's Operation BREAKTHROUGH.

Titled FEEDBACK, the 258-page report traces the system design process from early objectives, through industry involvement, to selection of those housing system producers whose design concepts later went into prototype units on nine BREAKTHROUGH sites in eight metropolitan areas across the country. The role of the National Bureau of Standards in developing guide criteria for evaluation of the BREAKTHROUGH systems is also covered.

Final reports by individual housing system producers, complete with artwork illustrating innovative design features, make up the major part of the FEEDBACK report.

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This Operation BREAKTHROUGH report was prepared for HUD by the Boeing Company, with the bulk of material provided by the housing system producers and the National Bureau of Standards. Copies of FEEDBACK can be obtained at $2.50 each ($2.85 postpaid) from: Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-267
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Friday
July 27, 1973

Award of Urban Studies Fellowships to 100 students working toward Masters degrees in urban studies was announced today by Secretary James T. Lynn of the U.S. Department of Housing and Urban Development.

Graduate students receiving the grants are enrolled in 46 colleges and universities across the Nation and come from 34 States, the District of Columbia and the Virgin Islands.

Urban Studies Fellowships cover a wide range of urban-related fields of graduate study for qualified students preparing for careers in urban public service at the State, areawide and local levels. Students pursue full-time degree work in studies involving social, economic and physical development of communities and regions, with emphasis on coordination of all aspects of community development.

Awards are based on such factors as commitment to public service, ability and financial need. Over 900 applications for Fellowships were received by HUD for the 1973-74 academic year. Forty-three women and thirty-seven Minority Fellows are included in this year's awardees.

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Grants are for $2,700 for a year of study, plus $500 for each dependent up to two. A cost-of-education allowance covering tuition and fees is paid directly to the institutions at which the Fellows are studying.

A majority of the grantees have elected to pursue Planning and Public Administration disciplines, 48 enrolling in the former and 23 in the latter. Other urban pursuits of the awardees are: Urban Law (9); Urban Sociology (8); Urban Studies (6); Architecture, Urban and Environmental Design (3); Urban Transportation (2); and Community Development (1).

Authorized by Title VIII of the Housing Act of 1964, the Urban Studies Fellowship Program was designed to increase the number of practitioners in fields of urban concerns available to urban organizations at all levels of government.

The HUD Fellows, their home addresses and the institutions they will attend during the 1973-74 academic year are as follows:

ALABAMA

Carol H. Abercrombie, Mt. Creek; Florida State University
Robert F. Kennedy, Centreville; Cornell University

ARIZONA

James M. Zelenski, 525 E. Loma Vista Dr., Tempe; Cornell University, College of Human Ecology

ARKANSAS

Leona M. Seawood, 1102 N. Spruce St., Pine Bluff; Northwestern University

CALIFORNIA

Diana M. Bradford, 1038 - 76 Ave., Oakland; Univ. of California, Los Angeles
Roberto J. Estrada, 411 N. Chapel, Alhambra; Claremont Graduate School
Carl V. Fields, 1622 W. Willits, Santa Ana; Yale University
Barbara J. Lee, 3170 Birdsall Ave., Oakland; Univ. of California, Berkeley
Jeff S. Luke, 3502 Strand, Hermosa Beach; Univ. of Southern California
Ernest G. Mello, 6110 Kenneth Ave., Fair Oaks; Harvard University
Warren T. Salmons, 5350 Amigo Ave., Tarzana; Univ. of California, Berkeley
Susan L. Stern, 1621 S. Wooster St., Los Angeles; University of Michigan
Mark A. Tajima, 635 E. Barry Pl., Altadena; Univ. of California, Los Angeles
Frances F. Williams, 1333 Thomas Ave., San Diego; U.S. International Univ.
Steven J. Yamada, 147 S. Bleakwood Ave., Los Angeles; U. of California, Berkeley

COLORADO

Larry L. Lucero, 8641 N. Ogden, Denver; Northwestern University
Luis Villarreal, 2515 W. 38th Ave., Denver; University of Illinois

CONNECTICUT

Richard S. Hyman, 49 Brookmoor Rd., West Hartford; Univ. of California, Berkeley

DISTRICT OF COLUMBIA
(Washington, D.C.)

Carol Robinson, 1722 - 19th St., N.W.; Boston University

FLORIDA

Gala Marie Brown, 1100 N.W. 61st St., Miami; Barry College

-more-

GEORGIA

Annette Y. Hutchins, 150 Payton Pl., Atlanta; Harvard University
Barbara F. Wilkerson, 3491 Revere Rd., S.W., Atlanta; Univ. of North Carolina
Patricia E. Williams, Madison; University of Southern California

HAWAII

Roger C. Evans, 938 Spencer St., Honolulu; University of Hawaii

ILLINOIS

Robert S. Chelseth, 3 Lincoln Court, Lombard; Cornell University
Toni J. Nathaniel, 2801 South King Dr., Chicago; Yale University
Mary K. Reilly, 7006 N. Monon, Chicago; University of Pittsburgh
Susan L. Wald, 199 Lester Rd., Park Forrest; Cornell University
Gordon H. West, 717 N. Loomis St., Naperville; Univ. of California, Berkeley

INDIANA

Ann L. Robison, Greenwood; University of California, Berkeley
Michael R. Sholders, 2202 E. Iowa St., Evansville; U. of North Carolina, Chapel Hill

IOWA

Stanley L. Rosenstein, 1812 Merle Hay Rd., Des Moines; U. of Southern California

KANSAS

Janice M. Carter Finch, 2505 Reva, Wichita; University of Washington
William H. Greig, 2855 Oregon Lane, Manhattan; Washburn University

KENTUCKY

William H. Matthews, 314 Transylvania Pk., Lexington; Univ. of Tennessee

MARYLAND

Mary E. Beard, 2318 Druid Park Dr., Baltimore; Georgia Institute of Technology
Tyson T. Jones, 3824 Regency Parkway, Suitland; University of Miami
Ronald B. Meier, 3305 Garrison Farms Rd., Baltimore; Washington U., St. Louis
Frederick J. Nastvogel, 7436 Durwood Rd., Baltimore; North Carolina State, Raleigh
Barbara C. Rhodes, 5212-D Bowleys Lane, Baltimore; Univ. of Illinois, Urbana

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MASSACHUSETTS

Paula R. Collins, 1925 Massachusetts Ave., Cambridge; Massachusetts Institute of Technology
Marilyn Ann Contreas, 141 Franklin St., Melrose; State Univ. of New York, Albany
Cheryl J. Dinneen, 421 Hanover St., Boston; Harvard University
Joanne K. Hilferty, 66 Dudley St., Arlington; Princeton University
George H. Hoessel, 13 Cayuga Dr., Hudson; University of Pennsylvania
Robert D. Ohlson, 1 Grady Court, East Boston; Boston University

MICHIGAN

Gary Lynn Abel, 3545 Taylor St., Jenison; Syracuse University
Laura M. Whidby, 19205 Freeland, Detroit; Wayne State University

MISSISSIPPI

Maurice I. Head, 3635 Skyline Dr., Jackson; Georgia Institute of Technology

NEW HAMPSHIRE

James J. Ladieu, 4 Wilson Ave., Concord; Univ. of North Carolina, Chapel Hill

NEW JERSEY

Barbara Joyce Andrews, 572 Trinity Pl., Roselle; Harvard University
Arnold S. Cohen, 346 Pennington St., Elizabeth; Rutgers University
Philip L. Hawkins, 26 High St., Montclair; Univ. of California, Los Angeles
Amy E. Margolis, 555 Lakeside Ave., Pompton Lakes; New School for Social Research
Thomas H. Massaro, 469 E. 31st St., Paterson; Harvard University
Monte M. Zucker, 24 Bentley Ave., Jersey City; Hunter College

NEW YORK

Mark G. Barksdale, 219-43 - 112th Rd., Jamaica; Columbia University
Debra Lee Borut, 156-11 Aguilar Ave., Flushing; New York University
Marsha R. Bradley, 225 E. 168th St., Bronx; Atlanta University
Cynthia D. Cain, 45 West 139 St., New York; Pratt Institute
David I. Deutsch, 2247 East 7 St., Brooklyn; Univ. of Wisconsin, Madison
Thomas J. de Wolf, 6 Hudson Ave., Albany; Univ. of Pittsburgh
Louis P. Diaz, 110 E. 1st St., New York; Univ. of Pennsylvania
Mady B. Gilson, 53 Brighton 2 Path, Brooklyn; Antioch Law School

-more-

NEW YORK (Cont'd.)

Jeremiah P. O'Brien, 210 Orchard Dr. West, N. Syracuse; Rensselaer Polytechnic Institute
Gary W. Reid, 119-41 - 231 St., Queens; Harvard University
Laura K. Richardson, Andes Rd., Delhi; University of Pennsylvania
Meah D. Rothman, 25 Georgian Lane, Great Neck; Columbia University
Lisa Jo Sarasohn, 67 Lambert Lane, New Rochelle; University of Pennsylvania
George P. Schaefer, 52 Winthrop Rd., Plainview; Syracuse University
Martin Singer, 45 Bay 28th St., Brooklyn; University of Pittsburgh
Edward M. Spiro, 3900 Bailey Ave., Bronx; Boston University
Ilene R. Wagner, 415 East 78th St., New York; Columbia University
Linda M. Yowell, 118 Seton Dr., New Rochelle; Columbia University

NORTH CAROLINA

Michael G. Nugent, Route 2, Raeford; University of North Carolina, Chapel Hill
William F. Pilkington, 113 N. Washington, St., Gastonia; North Carolina State University

NORTH DAKOTA

Robert W. McLaughlin, Fort Yates; Princeton University

OHIO

Lillian J. Ellis, 4432 Glenview Rd., Warrensville Heights; Michigan State U.
Ronald P. Miller, 5529 Clearview Ave., Cincinnati; Rutgers University

OREGON

Jonathan B. Brown, 1516 N.W. 25th Ave., Portland; Harvard University
Sheilah P. O'Brien, 300 First St., Lake Oswego; Cornell University
Jon Carlisle Pelkey, 718 E. 4th, Albany; Univ. of California, Berkeley

PENNSYLVANIA

James A. Clark, Atkinson Lane, Ambler; University of Pennsylvania
Patricia F. Edgerton, Lemont Furnace; Rutgers University
Beth Fisher, 5636 Aylesboro Ave., Pittsburgh; Harvard University
Bradford M. Freeman, 508 Prescott Rd., Merion; Univ. of Pennsylvania
William P. Hankowsky, 1215 Blue Jay Dr., Pittsburgh; Univ. of Pennsylvania
Steven Lebofsky, 7113 Oakland St., Philadelphia; Univ. of Pennsylvania
Judith C. Shribman, 512 Murdoch Rd., Philadelphia; Univ. of Michigan

-more-

SOUTH DAKOTA

Roger L. Mack, Route 1, Watertown; Southern Illinois University

TENNESSEE

Nancy Benziger Brown, 4023 Stillwood Dr., Knoxville; Univ. of Tennessee
Richard E. Hickman, 552 Mellen Rd., Knoxville; Syracuse University

TEXAS

Martin A. Dukler, 4823 Creekbend Dr., Houston; Univ. of Pennsylvania

UTAH

Rocky J. Fluhart, 920 Capitol, Ogden; University of Kansas

VIRGINIA

Hazel R. Bland, 537 Plum St., Cape Charles; George Washington University

VIRGIN ISLANDS

Verne R. Callwood, Jr., Est. Tu-Tu #173-74, St. Thomas; Rutgers University
Kathryn M. Villa, St. Thomas; University of Southern California

WASHINGTON

Mary Louise Davis, 3774 - 148th Ave., S.E., Bellevue; Univ. of Washington
Janel C. Egman, 1022 Corona Dr., Tacoma; San Diego State

WISCONSIN

Todd A. Berry, 9 Glenway St., Madison; Harvard University

# # #

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-283
Phone (202) 755-5277
(Creed)

FOR RELEASE:
Thursday
August 9, 1973

The library of the U.S. Department of Housing and Urban Development announces that beginning with the May-June 1973 issue of "Housing and Planning References" listings of HUD-sponsored Comprehensive Planning (701) Reports by topic and location will be included.

The topical index will be done by the KWIC (Key Word in Context) system, which indexes each key word in the title. For example, a New York State document titled "Urban Manpower Strategies: Manpower Supply and Demand for Human Services in Urban Development," may be found under the key words "urban manpower" and "urban development," "manpower strategies" and "manpower supply," "demand," "human," and "services." This type of indexing is especially useful for locating reports by subject.

The Comprehensive Planning Reports indexes normally comprise about one-quarter of the contents of the bimonthly, "Housing and Planning References," which also analyzes approximately a thousand recent books, reports and periodical articles. The one exception to

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this practice will be the July-August issue, which will consist entirely of Comprehensive Planning (701) Reports with KWIC and Geographic indexes, bringing up to date the record of such HUD Library's holdings.

"Housing and Planning References" is sold by the Government Printing Office, Washington, D.C. 20402. The subscription price is $9.00 a year for six issues; foreign mailings are $11.25.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-287
Phone (202) 755-5277
(Creed)

NOTICE OF PUBLICATION
FOR RELEASE:
Monday
August 13, 1973

The U.S. Department of Housing and Urban Development today announced publication of a Special Report on Techniques of Aided Self-Help Housing. The report describes some successful self-help housing programs carried out under the Agency For International Development, United Nations, and various housing development agency programs.

Prepared by Ervan Bueneman, newly-named Director of the European Operations Office of the International Cooperative Housing Development Association (ICHDA), the report describes self-help housing programs in West Germany, Puerto Rico, the Eastern Caribbean, Central America, East Africa, and the Virgin Islands.

Reaves Nahwooksy, Special Assistant in HUD's Office of Equal Opportunity, prepared "The Indian Reservation Housing Problem" section reviewing the types of public housing programs for Indians, and Indian housing in California section.

According to Bueneman, "aided self-help is an approach which must be tailored to the problems and the way of life of the people who will, in the final analysis, determine the success or failure of the program--the participants."

The 24-page report can be obtained free from the Office of International Affairs, Information Services Branch, Room 4140, U.S. Department of Housing and Urban Development, 451-7th Street S.W., Washington, D.C. 20410.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-293
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Monday
August 20, 1973

A public hearing on the model lease and grievance procedure for low-rent public housing projects will be held Monday, September 17, 1973, the U.S. Department of Housing and Urban Development announced today.

H.R. Crawford, Assistant Secretary for Housing Management, will conduct the hearing in the Department of Commerce Auditorium, 14th Street entrance, Washington, D.C., beginning at 9:00 A.M.

The hearing is part of the review and evaluation HUD is making of policy issued to all local housing authorities (LHAs) in early 1971.

The model lease and grievance procedure is applicable to the more than 2400 LHAs throughout the country which house almost 1,250,000 families.

The hearing is to focus on:

-- the effect of the implementation of HUD policies by LHAs on project management and operations; and,

-- the changes necessary, if any, to achieve the policy objectives of promoting better tenant-management relations and protecting the interests of the LHAs, tenants, and HUD.

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Individuals and organizations wishing to make oral presentations, or any other communications, regarding the September 17 hearing must file notice of such intentions with HUD by September 11th.

HUD's first notice of the review and evaluation of the model lease and grievance procedure, published in the Federal Register last June 19, resulted in 94 written responses. These responses, from individuals, organizations, and LHAs of all sizes, are mixed. Following the hearing, a further notice of proposed rule-making will be published in the Federal Register for written comment prior to final adoption by HUD.

Requests and communications regarding the hearing should be filed with the Director, Office of Housing Programs, Room 9112, HUD, 451 Seventh Street, S.W., Washington, D.C. 20410.

HUD reserves the right to limit the time of presentations and number of appearances, if necessary. Notice of the hearing was published in the Federal Register, Thursday, August 16, 1973.

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HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-296
Phone (202) 755-5284
(Anderson)

FOR RELEASE AFTER:
9:00 a.m. CDT
Friday,
August 24, 1973

(St. Louis, Mo., August 24) H. R. Crawford, HUD Assistant Secretary for Housing Management, today joined St. Louis Mayor John H. Poelker in announcing plans to vacate and raze the controversial and largely vacant Pruitt-Igoe public housing project.

He emphasized the importance of the move to residents remaining in the development and noted that all qualified residents would move into standard public housing units.

HUD modernization funds currently available to the housing authority, Mr. Crawford stated, are to be used to rehabilitate vacant units in other housing authority projects. Modernization of the needed units is to begin immediately with re-housing scheduled for completion by next spring.

"Demolition of Pruitt-Igoe," Mr. Crawford stressed, "is not meant to set a precedent. Nor does it signal a new HUD public housing policy."

Mr. Crawford said that the condition and mounting costs of Pruitt-Igoe were factors in the decision and noted the unacceptable living environment created by the expanse of desolate, abandoned areas in the 57 acre project.

HUD concurs, he continued, in the request of the housing authority's Board of Commissioners to vacate, and the Mayor's recommendation to raze, Pruitt-Igoe.

The city of St. Louis will provide funds to assist in this endeavor. Funds for demolition and debris clearance will be provided by HUD.

Every effort, Mr. Crawford said, will be made to assist the residents and minimize disruption caused by moving. With the exception of the units for elderly residents, units scheduled for re-housing Pruitt-Igoe tenants are scattered throughout various other housing authority projects.

A careful study will be made by the City in the coming year, Mr. Crawford said, of various land use possibilities for the Pruitt-Igoe site. Once cleared, the City is to maintain the land.

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HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-303
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Friday
August 31, 1973

Effective interest rates on FHA insured and VA guaranteed home loans rose sharply in August, the Department of Housing and Urban Development announced today. The average effective rate on Federally underwritten home loans closed in early August was 8.17 percent, compared to 7.81 percent in July and 7.76 percent in June. The August rate was the highest since the series was begun in June 1972.

The maximum contract interest rate on VA guaranteed loans was 7 3/4 percent during the period covered by the latest survey. (The higher rate did not go into effect for FHA insured loans until August 10, when FHA's authority to insure loans was extended.) The maximum rate was raised to 8 1/2 percent effective August 25th for both FHA insured and VA guaranteed loans.

For new commitments to homebuyers, the average effective interest rate on FHA-VA loans rose to 8.34 percent in August, 60 basis points higher than the July rate of 7.74 percent.

Among the major groups of mortgage lenders, the sharpest rate increases in August were on loans closed by mortgage companies with an average rate of 8.45 percent, compared to 7.94 percent in July.

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For savings and loan associations the average rate in August was 8.03 percent, compared to 7.78 percent a month earlier; for mutual savings banks the August rate was 7.45 percent, up from 7.28 percent in July; and for commercial banks the rate in August was 8.15 percent, compared to 7.84 percent in July.

The average effective interest rate on newly closed FHA-VA loans in the New York metropolitan area was 7.78 percent; in Philadelphia it was 8.54 percent; in Washington, D.C. 8.76 percent; in San Francisco 8.62 percent; and in Los Angeles 8.44 percent. Average rates for other major metropolitan areas are shown in Table 5.

The data are derived from a nationwide survey conducted by HUD with the assistance of the Veterans Administration.

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To Accompany HUD-No. 73-303

Table 1

Effective Interest Rates on
FHA Insured and VA Guaranteed Home Loans
National Summary

Type of Loan	1972 Sept.	1972 Dec.	1973 March	1973 June	1973 July	1973 Aug.
Loans Closed						
Total All FHA-VA Loans	7.64%	7.67%	7.68%	7.76%	7.81%	8.17%
New Properties	7.66	7.71	7.70	7.81	7.84	8.25
Existing Properties	7.63	7.67	7.67	7.74	7.80	8.14
FHA Loans - Total	7.64	7.70	7.70	7.81	7.83	7.93
New Properties	7.63	7.70	7.70	7.78	7.83	8.06
Existing Properties	7.64	7.71	7.70	7.83	7.83	7.87
VA Loans - Total	7.63	7.67	7.67	7.74	7.80	8.22
New Properties	7.67	7.71	7.71	7.81	7.86	8.30
Existing Properties	7.63	7.64	7.66	7.71	7.78	8.19
New Loan Commitments						
Total All FHA-VA Commitments	7.59	7.63	7.61	7.70	7.74	8.34
New Properties	7.57	7.68	7.58	7.70	7.71	8.45
Existing Properties	7.59	7.61	6.61	7.70	7.76	8.32
FHA Commitments - Total	7.59	7.67	7.61	7.68	7.76	8.16
New Properties	7.57	7.70	7.56	7.66	7.73	8.24
Existing Properties	7.60	7.67	7.63	7.70	7.77	8.13
VA Commitments - Total	7.59	7.60	7.61	7.70	7.74	8.37
New Properties	7.59	7.67	7.60	7.71	7.68	8.48
Existing Properties	7.59	7.59	7.61	7.70	7.74	8.34
Type of Lender						
Loans Closed						
Mortgage Companies	7.71	7.77	7.75	7.88	7.94	8.45
Commercial Banks	7.67	7.71	7.74	7.84	7.84	8.15
Mutual Savings Banks	7.27	7.28	7.29	7.28	7.28	7.45
Savings & Loan Assns.	7.56	7.60	7.63	7.71	7.78	8.03
New Loan Commitments						
Mortgage Companies	7.67	7.74	7.68	7.81	7.81	8.53
Commercial Banks	7.54	7.63	7.58	7.77	7.94	8.54
Mutual Savings Banks	7.23	7.26	7.29	7.30	7.38	7.81
Savings & Loan Assns.	7.54	7.60	7.60	7.67	7.73	8.24

Note: The data are for loans closed and loan commitments made during the first seven business days of the month. For further explanation, see notes following the tables.

To Accompany HUD-No. 73-303

Table 2

Average Prices of
FHA Insured and VA Guaranteed Home Loans
National Summary

Type of Loan	1972 Sept.	1972 Dec.	1973 March	1973 June	1973 July	1973 Aug. *
Loans Closed						
Total All FHA-VA Loans	95.3	95.1	95.0	94.5	94.1	
New Properties	95.2	94.8	94.9	94.1	93.9	
Existing Properties	95.4	95.1	95.1	94.6	94.2	
FHA Loans - Total	95.3	94.9	94.9	94.1	94.0	
New Properties	95.4	94.9	94.9	94.3	94.0	
Existing Properties	95.3	94.8	94.9	94.0	94.0	
VA Loans - Total	95.4	95.1	95.1	94.6	94.2	
New Properties	95.1	94.8	94.8	94.1	93.8	
Existing Properties	95.4	95.3	95.2	94.8	94.3	
New Loan Commitments						
Total All FHA-VA Commitments	95.7	95.4	95.5	94.9	94.6	
New Properties	95.8	95.0	95.7	94.9	94.8	
Existing Properties	95.7	95.5	95.5	94.9	94.5	
FHA Commitments - Total	95.7	95.1	95.5	95.0	94.5	
New Properties	95.8	94.9	95.9	95.2	94.7	
Existing Properties	95.6	95.1	95.4	94.9	94.4	
VA Commitments - Total	95.7	95.6	95.5	94.9	94.6	
New Properties	95.7	95.1	95.6	94.8	95.0	
Existing Properties	95.7	95.7	95.5	94.9	94.6	
Type of Lender						
Loan Closed						
Mortgage Companies	94.8	94.4	94.5	93.6	93.2	
Commercial Banks	95.1	94.8	94.6	93.9	93.9	
Mutual Savings Banks	98.0	97.9	97.8	97.9	97.9	
Savings & Loan Assns.	95.9	95.6	95.4	94.8	94.3	
New Loan Commitments						
Mortgage Companies	95.1	94.6	95.0	94.1	94.1	
Commercial Banks	96.0	95.4	95.7	94.4	93.2	
Mutual Savings Banks	98.3	98.1	97.8	97.8	97.2	
Savings & Loan Assns.	96.0	95.6	95.6	95.1	94.7	

Note: The data are for loans closed and loan commitments made during the first seven business days of the month. For further explanation, see notes following the tables.

* Not applicable because of varying contract interest rates.

To Accompany HUD-No. 73-303

Table 3

Average Loan Amounts for
FHA Insured and VA Guaranteed Home Loans
National Summary

Type of Loan	1972 Sept.	1972 Dec.	1973 March	1973 June	1973 July	1973 Aug.
Loans Closed						
Total All FHA-VA Loans	$21,060	$20,969	$21,240	$21,300	$21,090	$21,860
New Properties	23,820	24,205	24,300	24,730	24,270	24,380
Existing Properties	20,120	19,970	20,220	20,410	20,170	21,030
FHA Loans - Total	18,160	17,843	18,010	17,250	17,880	17,800
New Properties	21,820	21,871	21,660	22,120	20,710	20,030
Existing Properties	16,940	16,379	16,850	16,010	17,040	16,730
VA Loans - Total	22,760	22,415	22,830	22,980	23,130	22,670
New Properties	24,990	25,505	25,550	25,800	26,660	25,590
Existing Properties	22,000	21,535	21,910	22,240	22,140	21,790
New Loan Commitments						
Total All FHA-VA Commitments	20,680	21,315	21,250	21,750	20,740	21,480
New Properties	23,510	23,672	24,360	25,200	24,550	26,700
Existing Properties	19,830	20,621	20,460	20,760	19,770	20,050
FHA Commitments - Total	18,300	18,859	18,340	17,540	17,640	17,820
New Properties	21,660	21,534	21,320	22,120	21,870	21,020
Existing Properties	17,020	17,953	17,550	16,420	16,370	16,610
VA Commitments - Total	22,000	22,464	22,560	23,750	22,670	21,960
New Properties	24,910	24,848	25,810	26,420	26,610	27,680
Existing Properties	21,250	21,810	21,750	22,930	21,760	20,460
Type of Lender						
Loans Closed						
Mortgage Companies	21,080	21,080	21,330	21,140	21,430	21,830
Commercial Banks	20,480	21,583	22,010	22,120	20,850	21,860
Mutual Savings Banks	21,510	21,026	21,860	22,370	22,150	23,430
Savings & Loan Assns.	21,050	20,236	20,200	20,560	19,970	19,860
New Loan Commitments						
Mortgage Companies	21,150	21,199	21,090	22,080	21,650	21,960
Commercial Banks	21,120	23,330	20,770	22,990	19,360	22,900
Mutual Savings Banks	20,360	22,064	22,530	21,660	21,050	19,840
Savings & Loan Assns.	19,280	20,376	21,180	20,690	19,540	21,270

Note: The data are for loans closed and loan commitments made during the first seven business days of the month. For further explanation, see notes following the tables.

To Accompany HUD-No. 73-303

Table 4

Average Loan To Value Ratios for FHA Insured and VA Guaranteed Home Loans National Summary

Type of Loan	1972 Sept.	1972 Dec.	1973 March	1973 June	1973 July	1973 Aug.
Loans Closed						
Total All FHA-VA Loans	96.7%	96.9%	96.6%	96.5%	95.6%	96.9%
New Properties	96.3	96.1	95.9	97.0	95.8	97.1
Existing Properties	96.9	97.2	96.8	96.4	95.5	96.9
FHA Loans - Total	94.8	94.7	94.6	94.7	94.2	93.2
New Properties	93.6	93.9	93.6	93.7	93.4	94.1
Existing Properties	95.2	95.0	94.9	94.9	94.4	92.7
VA Loans - Total	97.9	97.9	97.5	97.3	96.5	97.7
New Properties	97.9	97.2	97.0	98.3	97.4	98.0
Existing Properties	97.9	98.1	97.7	97.0	96.2	97.6
New Loan Commitments						
Total All FHA-VA Commitments	96.9	97.0	97.1	96.7	96.1	97.6
New Properties	96.1	97.2	97.1	96.4	94.8	97.9
Existing Properties	97.1	97.0	97.0	96.8	96.4	97.5
FHA Commitments - Total	95.0	95.1	95.0	94.4	94.6	95.8
New Properties	93.7	94.7	94.8	92.9	92.8	95.3
Existing Properties	95.7	95.3	95.1	94.8	95.1	96.0
VA Commitments - Total	98.0	97.9	98.0	97.8	97.0	97.8
New Properties	97.9	98.6	98.2	97.8	96.4	98.3
Existing Properties	98.0	97.7	97.9	97.8	97.1	97.6
Type of Lender						
Loans Closed						
Mortgage Companies	97.0	97.2	97.0	97.3	96.0	97.8
Commercial Banks	96.4	97.2	96.7	96.2	96.7	96.2
Mutual Savings Banks	94.8	94.7	93.0	92.7	92.1	93.9
Savings & Loan Assns.	97.1	97.1	97.0	97.4	95.7	98.2
New Loan Commitments						
Mortgage Companies	97.0	97.8	97.8	97.7	97.1	98.8
Commercial Banks	96.2	96.3	96.1	95.7	95.4	97.7
Mutual Savings Banks	93.9	93.9	93.5	93.4	92.5	93.3
Savings & Loan Assns.	97.3	97.4	97.2	96.7	96.3	97.9

Note: The data are for loans closed and loan commitments made during the first seven business days of the month. For further explanation, see notes following tables.

To Accompany HUD-No. 73-303

Table 5

Effective Interest Rates on
FHA Insured and VA Guaranteed Home Loans Closed
25 Major Standard Metropolitan Statistical Areas

Name of SMSA	1972 Sept.	1972 Dec.	1973 March	1973 June	1973 July	1973 Aug.
Atlanta, Georgia	7.71%	7.74%	7.78%	7.91%	7.93%	8.59%
Boston, Massachusetts	7.36	7.38	7.34	7.34	7.41	7.39
Chicago, Illinois	7.67	7.74	7.79	7.81	7.96	n.a.
Cleveland, Ohio	7.79	7.72	7.78	7.75	7.52	8.54
Dallas, Texas	7.64	7.72	7.70	7.85	7.96	8.57
Denver, Colorado	7.69	7.75	7.71	7.88	7.99	8.83
Detroit, Michigan	7.77	7.86	7.85	7.92	7.96	8.65
Houston, Texas	7.76	7.81	7.78	7.89	7.87	8.10
Indianapolis, Indiana	7.68	7.80	7.78	7.79	7.87	8.56
Kansas City, Missouri	7.71	7.73	7.64	7.78	7.86	7.87
Los Angeles-Long Beach, Calif.	7.70	7.71	7.70	7.92	7.93	8.44
Miami, Florida	7.81	7.90	7.74	n.a.	n.a.	8.59
Minneapolis-St. Paul, Minn.	7.70	7.72	7.70	7.71	7.78	7.98
w York, New York	7.37	7.43	7.52	7.34	7.36	7.78
Philadelphia, Pennsylvania	7.69	7.70	7.76	7.86	7.99	8.54
Phoenix, Arizona	7.43	7.72	7.55	7.86	7.96	8.48
Pittsburgh, Pennsylvania	7.61	7.57	7.73	7.58	7.53	8.18
St. Louis, Mo.-Ill.	7.63	7.76	7.64	7.88	7.79	8.43
San Diego, California	7.68	7.70	7.69	7.78	7.99	8.64
San Francisco, California	7.70	7.66	7.78	7.81	7.98	8.62
San Jose, California	7.68	7.72	7.68	7.92	n.a.	n.a.
San Juan, Puerto Rico	7.21	7.75	n.a.	7.47	7.87	7.95
Seattle-Everett, Washington	7.66	7.64	7.60	7.83	7.99	8.40
Tampa-St. Petersburg, Florida	7.70	7.70	7.78	7.88	n.a.	8.39
Washington, D.C.	7.62	7.73	7.69	7.92	7.99	8.76

Note: The data are for loans closed during the first seven business days of the month. For further explanation, see notes following tables.

To Accompany HUD-No. 73-303

Explanatory Notes

Coverage

The data shown are for home mortgage loans insured by FHA under the Section 203(b) program and guaranteed by VA under the Section 1810 program. Conventional loans and loans insured or guaranteed under other FHA or VA sections are excluded. Also excluded are loans that are to be sold to GNMA or to another institution pursuant to the GNMA Program 22 "Tandem Plan."

The data are for loans closed and loan commitments issued during the first seven business days of the month. Loans closed include only long term, or permanent, loans closed directly by the institutions reporting in the survey. Commitments represent commitments for long term loans made to prospective homebuyers. They include only commitments for which the specific property and loan terms are known and which are made at least two weeks in advance of the expected loan closing date.

Notes to Tables

Loan price reflects the "discount points" paid by the home buyer (usually one percent) and by the seller of the home.

Effective interest rates are calculated for each loan based on the contract interest rate, maturity, and loan price (calculated as described above) for the individual loan, with an assumed prepayment in full at the end of 12 years.

All averages shown are weighted averages of amounts or percentages reported for individual loans. Weights reflect adjustments for varying sampling proportions among individual sample strata.

Loan price and effective yield for loan commitments are averages just for those commitments for which points to be paid were specified at the time the commitments were made.

Survey Procedure

Data are collected on the first 12 loans closed and the first 12 commitments issued during the first 7 business days of the month from a sample of mortgage originators drawn from a list of FHA approved mortgagees. The sample was drawn in three strata, based on volume of loan closings, with 100 percent coverage of large lenders, 50 percent coverage of intermediate size lenders and 10 percent coverage for small lenders.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-306
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Wednesday
September 5, 1973

From this Labor Day forward, under Federal law, advertising in the land development industry must reasonably reflect the true character and conditions of the property it proposes to sell, George K. Bernstein, Administrator, Office of Interstate Land Sales Registration, Department of Housing and Urban Development, announced today.

The truth in advertising guideline is one of a number of significant revisions made in OILSR's Full Disclosure Act for the purpose of offering more protection to the buying public.

Outlined in detail at a press conference by Administrator Bernstein, the new provisions are largely an outgrowth of the hearings held by OILSR in 17 cities last year at which witnesses testified to flagrant abuses by some segments of the industry. The new regulations also reflect HUD's experience during the last year of intensified enforcement of the Act.

To some extent, they are also the product of a public hearing held last June, when both opponents and supporters discussed the proposed revisions calling for fuller exposure in interstate land sales activities.

"The new regulations," Bernstein said, "do not impose an excessive burden on the legitimate, soundly financed developer. They do make it more difficult for the shady operator, promoter, or salesman to dupe an unwary buyer."

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The changes require more specific and substantive information both in the statement of record the developer must file with HUD and in the property report he must show the prospective purchaser before the deal is consummated. Among the highlights:

. Certified financial statements must be submitted on all offerings where the total sales of lots involve $500,000 or more. The developer also is required to give more details on his financing plans. And he must file new financial statements every 12 months if they show a material adverse effect on his financial status.

. The buyer must be given a separate document containing a "waiver of revocation rights" before he can waive his right to void certain contracts within 48 hours to avoid his signing something he is not aware of.

. The senior executive officer of the developer must sign the property report, making it admissible as evidence under the fraud statutes should that action be taken.

. The first page of the property report must be overprinted in large red letters with the warning, "PURCHASER SHOULD READ THIS DOCUMENT BEFORE SIGNING ANYTHING."

. The property report and statement of record must disclose records of lawsuits, health department or disciplinary actions and other material information which would affect the value of the property, such as violations, bankruptcies and litigations.

. The developer must clearly indicate whether or not he intends to be obligated to carry out any promises or proposals made in writing or whether the proposals are merely expectations.

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. The developer must disclose whether the purchaser is required to obtain a permit before he can build on his lot. He must also identify Federal, State and local agencies which have authority to issue permits, including environmental agencies.

. Legal descriptions pertaining to ownership must be clearly defined.

. The purchaser must be advised whether he is liable for the full amount of the contract if he defaults.

. An engineer's report is required on the adequacy of water supply. There must also be full disclosure on the availability of utilities, sewage, year-round fire protection, and flood insurance, with an estimate of its cost. Physical access by car, as well as legal access, must be disclosed.

The ban on misleading advertising sets up standards for acceptability and requires a disclaimer that HUD has not passed judgment on the value of the property.

Opposition to the advertising clause centered on the argument that it exceeded HUD's statutory authority, but Bernstein pointed out the Act specifically prohibits the use of any "artifice, scheme or device to defraud," or "to obtain money or property by means of a material misrepresentation with respect to any information . . . upon which the purchaser relies."

As a result of the public hearing in June, HUD modified some of its proposed revisions. Audited statements are now required for the last full fiscal year instead of every six months. A statement on the cost of comparable lots in the area was eliminated. And HUD's revised position on condominiums should exclude 99 percent of them from the jurisdiction of the Act, meeting the valid concerns of many builders.

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Bernstein pointed out that the new regulations offer concrete consumer protection, not previously available, which are a big step towards implementing the Congress' intent to provide full and fair disclosure to prospective purchasers.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-314
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(Vinciguerra)

FOR RELEASE:
Wednesday
September 12, 1973

Dr. Gloria E.A. Toote, Assistant Secretary for Equal Opportunity, U.S. Department of Housing and Urban Development, today launched a review of State and local fair housing laws and how they are being enforced.

Under Title VIII, of the 1968 Civil Rights Act, State and local governments are provided an opportunity to implement their own fair housing laws when persons alleging unfair housing practices seek remedies. Assistant Secretary Toote is charged with reviewing these laws, and making a determination as to whether a particular law is equivalent to Title VIII.

To date, 28 State and 16 local laws have been tentatively recognized as equivalent. In States that have not enacted laws or where a law is not equivalent, enforcement of the national policy of Fair Housing is subject to the provisions of the 1968 Civil Rights Act, under the administration of Dr. Toote.

"We are receiving far too many complaints that State and local fair housing laws are not being enforced," she said.

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One State declared a summer moratorium on processing allegations of housing discrimination on grounds of lack of staff and money to do an adequate job.

"This moratorium was declared at a crucial time when families are looking for homes in order to have the children settled in time for the opening of schools," Dr. Toote said. "I am anxious to find out how many State and local fair housing agencies, if any, are or have been operating under similar hardships and circumstances that prevent them from providing rights and remedies equivalent to Title VIII."

The State and local fair housing laws, she pointed out, must be "substantially equivalent" to the Federal law in enforcement machinery, administration and procedures for processing complaints.

"This is to guarantee that our citizens who appeal to these State and local units for remedies are not denied rights to which they are entitled under Federal law," Dr. Toote said.

She said State and local fair housing agencies are vital to success of the movement "toward delegating to local officials more governing responsibility."

Under the 1968 Civil Rights Act, the Assistant Secretary can withdraw previously granted HUD recognition of State and local fair housing laws found to be deficient in providing adequate remedies.

- more -

In conducting the "equivalency evaluations" of these State and local fair housing laws, Dr. Toote has enlisted the aid of HUD field offices throughout the Nation.

There should not be any interruption of redress for aggrieved persons during the review, Dr. Toote said. She pointed out that persons alleging discrimination in housing can take their complaint directly to court, or submit the complaint to HUD. Complaints requiring more than administrative action by HUD are turned over to the Justice Department for legal action.

The fair housing laws are designed to protect Americans seeking shelter from such practices as:

Refusal to rent or sell, or negotiate a sale or rental agreement; making a dwelling unavailable; discriminating in terms, conditions or privileges of sale or rental, or in the provision of services or facilities.

Also, advertising in a discriminatory manner; falsely representing that a dwelling is not available for inspection, sale or rental; block-busting, discrimination in financing and denying access to or membership or participation in multiple listing services, real estate brokers' association practices, or other services.

# # #

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-5277

FOR RELEASE:
Thursday
September 13, 1973

Remarks By

George K. Bernstein

Federal Insurance Administrator

to the

Continental Assurance Company

Reinsurance Conference

at the

Pick Congress Hotel

Chicago, Illinois

September 13, 1973

"BUT WHO DISPOSES?"

"Thro' Freedom's sons no more remonstrance rings,
Degrading nobles and controlling kings;
Our supple tribes repress their patriot throats,
And ask no questions but the price of votes;"

Samuel Johnson, 1749

What Samuel Johnson said two centuries ago is no less true today. The predictability of political decisions is not generally regarded as an issue of integrity or good faith--it is a fact of life. Decisions in the political arena are, at best, inevitably affected by a consideration of how the voters are likely to react and, at worst, wholly determined by that consideration.

When we reflect on this proposition, we should not be surprised. The instinct for survival, continuance, perpetuation, and self interest is very real in all of us--individuals and corporations. Nor are these tendencies, adequately balanced by effective countervailing forces and interests, necessarily destructive. Nevertheless, too frequently we tend to forget disturbing realities and voluntarily to submit our fortunes to the political process.

What emerges from that process often bears no resemblance to what was initiated. In the aftermath of disillusionment, one lesson is often evident--man may propose but the disposition is rarely Godlike.

In the past decade, we have experienced an intensification of the phenomenon of transfer of power from government to the governed. Not of the power vested in the public of ultimate control over their representatives and to express approval or disapproval of their performance through the Constitutionally guaranteed election process, but, rather, the power to exercise, on a continuing basis, the functions of governmental office. In a movement towards participatory and away from representative democracy, the general public has usurped administrative powers which it is unable to implement effectively and without chaotic and potentially disastrous results. In seemingly contradictory fashion, the very acquisition of authority by the public has rendered it powerless to control its destiny in any ordered fashion.

When any branch of government fails to withstand attempts of the mass to govern, and, instead looks primarily to consensus and polls, it abdicates not only its appropriate representative function, but the real public interest as well. Government cannot be conducted effectively without the willingness of its representatives to take stands on critical issues, on the basis of what they themselves believe to be the merits, rather than in terms of what is perceived to be the most popular position with the most or most vocal members of the public.

Unless and until this current political direction reverses, we must be particularly alert to avoid delegation to the public forum of those problems that can be resolved privately. To do otherwise will permit increased politicalization of vital issues and loss of prerogatives that may never be recovered.

This concern is most appropriate for the insurance industry and for the public it serves. Increasing areas of private domain have been publicly arrogated in recent years and an awesome array of further intrusions must be faced.

We have witnessed the creation of medicare where not only has the role of the private industry been relegated to a ministerial servicing function but where non-insurance principles have been introduced and have intruded into the private insurance area as well. As public expectation grows with new governmental indulgences, it is difficult to envision the continued self sufficiency of a private health insurance system which has been forced to incorporate the boot-strap cost increases of "usual and customary." No wonder that we hear increasing calls for government subsidization of premiums, especially in the absence of responsible voices explaining the ultimate cost of open-ended promises. The tragedy is not the creation of a health insurance system to provide adequate and necessary protection, but the fact that government insurance operations are not likely to retain the checks and balances of a profit motivated and competitive private system--and that the private sector could have successfully met the need for which medicare was established.

As increasing pressure grows for comprehensive national health insurance, amid the fulsome and often extravagant promises of total and economically painless security, one would hope that the lessons of private reluctance to act quickly and adequately, and of the excesses of even the best intended governmental response, will not be forgotten. There is little dispute with the capacity and ability of the insurance industry to protect the American public, but despite an impressive record of increasing private coverage, there seems to be an acquiescence by the industry in the inevitability of a governmental role.

This apparent acquiescence is manifested not so much by a failure to oppose harmful legislation, but by an absence of the broad-based initiatives through new and more comprehensive coverages which the industry is capable of providing. Catastrophic coverage for all Americans is certainly achievable within the private insurance industry, on a profit-making basis and without governmental coercion or involvement. The industry's rather disturbing alternative is to trust its fate to a political process that may be more responsive to uninformed mass opinion than to reasoned consideration of valid goals and the appropriate methods by which to achieve them.

It will be interesting, at least, to witness governmental response to the failure of more than a handful of States to enact the NAIC model life and accident and health insolvency bill, particularly after the recent Equity Funding failure. That collapse could provide fertile ground for governmental overreaction to stave off public outrage. It would appear advantageous to the insurance industry to utilize the existing State regulatory forum for resolution of insolvency related problems by enacting needed State laws rather than to expose itself to a Federal debate where judgments may well be affected by public clamor.

The difficulty in achieving dispassionate governmental disposition of issues is exacerbated when there is geniune public discontent, generated by the failure of the private sector to meet valid needs. In such instances, it is not unrealistic to anticipate the failure of government to exercise the independence expected by our founding fathers but which is too infrequently demonstrated today. It is almost a little surprising that Washington has thus far resisted the temptation to intervene in the area of automobile no-fault. Whether such resistance to organize public clamor is entirely on the merits, in recognition of State responsibility and capability in this field, or whether it represents acknowledgment of the power of other segments of the public is unclear. What is certain, however, is that only the most naive can expect extended Federal detachment in the face of continued State nonperformance. And if Federal reaction finally materializes, we cannot be confident that it will adequately reflect either differing circumstances in the various States or the complicated structure of the insurance business with which the States, had they the will and were they afforded real support from the industry, are, by experience, so much better able to cope.

At the same time, and despite the urging of the President's Commission on Workmen's Compensation and the efforts of the insurance industry to increase levels of required workmen's compensation benefits in the several States, inaction has been the rule. When we weigh the alternative of Federal legislation, unresponsive to varying and unique State requirements and conditions, we see evidence of the dangers of government far removed from the people and yet prepared to offer a generalized response to a real but inadequately understood dilemma--a response which could destroy the very system it seeks to improve. Nevertheless, we can certainly anticipate some Federal reaction to the growing public complaint of inadequate compensation for injured workers.

When the insurance industry urged the enactment of the Urban Protection and Riot Reinsurance Act in 1968, it envisioned the Federal Government as a silent partner in a purely fiscal endeavor. The industry sought and has secured financial security through the purchase of reinsurance--the type of protection it provides to its own customers--and, to that extent, it has accomplished its purpose and received fair value. But it is revealing that so few members of the industry anticipated the governmental encroachment that followed.

Despite the existence of State regulation of insurance and thus of the FAIR Plans required by the 1968 law, it soon became evident that even the possibility of Federal financial exposure required a corresponding Federal regulatory role. Neither Congress nor our office could ignore complaints that FAIR Plans were not effectively implementing the Act.

The ensuing legislation which established a Federal regulatory role in the Federal Insurance Administration, was not only necessary but inevitable. That our office has played a primary role in the upgrading of FAIR Plan performance is gratifying, but what is most significant in terms of the role of government, is that this series of events demonstrates again that government rarely recedes from the scene. Once the Federal presence intrudes, for whatever purpose, it tends to expand, and the ensuing growth may not always be beneficial.

To a very great extent, the National Flood Insurance Program may prove to be as destructive an example of the perversion of a proper Federal role as we have seen to date. That program, now in operation for more than four years, was predicated on the subsidization by taxpayers of flood insurance for structures already located in flood plains, in return for the enactment by local communities of land use measures to control new construction in those areas and thereby reduce future flood losses.

Today there is almost five billion dollars of Federal exposure and almost 300,000 Americans have coverage that would otherwise be unavailable. Over 2,500 communities have entered the program and are committed to enforcement of the required land use measures. Unfortunately, thousands of other communities are exposed to severe flood hazards and should be protecting their citizens, through the enactment of local flood plain measures, which would also qualify their people for the needed insurance. Similarly, thousands of individuals and businessmen in communities in the program have failed to purchase the coverage. We have seen repeated instances of communities and citizens who could have been protected but were not when the flood occurred.

If the flood insurance program does not result in the enactment of necessary land use measures and if billions of dollars are still required as disaster relief for those who are uninsured of their own choosing, it can never achieve its intended result. Thus, the President sent to Congress the Flood Disaster Protection Act of 1973.

This bill would significantly increase the amount of subsidized and total insurance available and equally importantly, it would also create economic incentives and sanctions so that more communities would enter the program and more homeowners and businessmen would buy the insurance. It would retain the strong land use measures in the current Act, which our office has been rigorously enforcing, and would not only increase the number of people protected by flood insurance, but also significantly curtail irresponsible new construction in flood prone areas.

Unquestionably, the proposal contains tough new requirements which will prohibit a community from permitting dangerous development of its flood plains while simultaneously expecting taxpayers across the country to underwrite the disaster relief made necessary by such construction. Just as certainly, and understandably, there are local interests who oppose such legislation and, instead, seek to avail themselves of both subsidized insurance and the ability to continue irresponsible use of the flood plain. Last week the House of Representatives passed the basic legislation but permitted the attachment of three amendments that, however well intentioned, would prevent enforcement of the land use requirements. As President Nixon said this week in his special State of the Union Message:

> "The Congress has moved rapidly on this bill; but unfortunately, in floor action this past week, the House added a number of amendments that would seriously hamstring the administration of the program and would badly erode its effectiveness. I hope that we can iron out our differences on these crippling amdnements in a spirit of constructive compromise that preserves the effectiveness of the bill for those who need it so badly."

Should we fail to achieve this objective we will be faced with legislation which would actually constitute a disincentive to sound flood plain management, because taxpayer-subsidized insurance would then become available to new construction at dangerously flood prone levels. The very existence of flood insurance would, without the sanctions which the amendments effectively suspend, encourage irresponsible use of the flood plain at great risk to property and to life. We have here a telling instance of the danger of a valid governmental role being distorted in the face of local pressures.

A classic situation where valid public discontent holds out the eventual likelihood of governmental response, and possible pervasive movement into territory which until now has constituted the sole domain of the private industry, is the whole area of residual property and casualty markets.

For this reason, and in response to the very real inequities of the residual market system, I first proposed, several years ago, the Full Insurance Availability system. Under this system, which would be adopted without Federal legislation or any role in its implementation, all insurable risks would be able to obtain full coverage from any licensed insurer at unsubsidized rates, established under the appropriate State rate making procedure and charged by that insurer for similarly classified risks. In turn, a reinsurance facility would be established to assure equity and financial security among insurers. The proposed program is far reaching but it can be accomplished privately and without intrusion by an overreaching government. A number of States are already moving in this direction and an increasing number of insurers are endorsing the principles of Full Insurance Availability.

The time for the private industry to solve the problems of its consumers in a framework that retains the prerogatives of private enterprise and the ability to make a profit is before an issue escalates to political levels where, too often, the players are subject to distorted rules which almost preordain the result.

Throughout this country's democratic tradition, we have been inculcated with the principle that the least government is often the best government. What we have not sufficiently understood, however, is that once government exists at all, weak government can constitute the most insidious threat to our liberties and well being. That weakness is no more dangerously manifested than where officials are overly responsive to mass will and forget that they were elected to represent their constituents, not to surrender to them the decision-making process.

In an era where property rights are derogated and in an atmosphere where participatory democracy, by whatever name, is extolled, it would seem advantageous for an industry affected with the public interest to make its peace with those who depend upon it privately, and to do so on equitable terms, rather than to permit the issues to be settled in a public forum where right does not always make might.

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-321
Phone (202) 755-5280
(Norris)

FOR RELEASE:
Tuesday
September 18, 1973

The latest mortgage market opinion survey was conducted by the U. S. Department of Housing and Urban Development as of September 1, just a week after the maximum allowable interest rate for mortgages insured by HUD's Federal Housing Administration was increased to 8 1/2 percent. Because of this recent change, the market had not had time to adjust to the new maximum and reliable data on secondary market prices for these securities were unavailable.

However, data have been compiled on the adequacy of funds available for financing Section 203(b) mortgages. As of September 1, more than half (55 percent) of the HUD area and insuring office Directors reported adequate funds were available, compared to 45 percent a month earlier. This gain was probably a result of the increase in the HUD-FHA maximum allowable interest rate and may also reflect the exemption of Government-backed mortgages from statutory maximum interest rates in many States.

The national average interest rate contracted to be paid by the borrowers on conventional first mortgages advanced to new-record highs of 8.85 percent for both new-and existing-home contracts. From a month earlier, these national rates were up by 45 basis points. Area increases ranged from 30 to 55 basis points with the largest gains reported from the Southwest and West. In these two areas of the country, usury laws are not as restrictive as those in other States.

More comparative data are shown in the following tables.

- more -

NATIONAL PERCENT OF HUD OFFICES REPORTING ADEQUATE MORTGAGE MONEY AVAILABLE FOR FINANCING HOME LOANS INSURED UNDER SECTION 203

Sept. 1, 1973	Aug. 1, 1973	Sept. 1, 1972
55%	45%	99%

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AVERAGE INTEREST RATES ON CONVENTIONAL FIRST MORTGAGES

	New-Home Loans			Existing-Home Loans		
Area	Sept. 1 1973	Aug. 1 1973	Sept. 1 1972	Sept. 1 1973	Aug. 1 1973	Sept. 1 1972
Northeast	8.35%	7.95%	7.40%	8.40%	7.95%	7.40%
Middle Atlantic	8.50	8.10	7.60	8.55	8.15	7.60
Southeast	8.75	8.40	7.60	8.75	8.40	7.65
North Central	8.60	8.25	7.60	8.65	8.35	7.70
Southwest	9.15	8.65	7.85	9.15	8.65	7.90
West	9.20	8.65	7.75	9.20	8.70	7.80
United States	8.85%	8.40%	7.65%	8.85%	8.40%	7.70%

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These data are not based on actual transactions but are compiled from the best information available to HUD Area and Insuring Office Directors throughout the United States. Weights are not used in tabulating the availability of funds or conventional interest rates.

# # #

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-340
Phone (202) 755-5277
(Spiegel)

FOR RELEASE AFTER:
12:00 P.M. (Noon) Friday
October 19, 1973

An official of the U.S. Department of Housing and Urban Development, in Indianapolis today outlined the provisions in President Nixon's proposed housing legislation as they apply to manufactured housing and called for their support.

David O. Meeker Jr., Assistant Secretary for Community Planning and Development, speaking to the annual convention of the Indiana Manufactured Housing Association, explained that under HUD's Title I mobile home insurance program, insured lenders may make loans for the purchase of mobile homes to be used as principal residences. At present, the maximum loan for single-wides is $10,000, with a maximum term of 12 years. Loans for double-wides can extend now to $15,000 for a maximum period of 15 years.

Under the terms of the President's bill (S2507), now in Congress, maturity would be set at 15 years for single and double-width mobile homes, Mr. Meeker said. This feature, which would have the effect of reducing the amount of the monthly payment to the purchaser, if approved, would

- more -

bring mobile home ownership within the reach of many more individuals and families of moderate income, he said.

A key feature in the bill would give to the Secretary the authority to set the Title I interest rates on mobile home loans. Presently, the Title I rate is set by law and is far below prevailing market rates, with the result that few lenders are willing to make HUD-insured mobile home loans.

"This important provision would give us the flexibility needed to set the rates for HUD-insured loans at current market interest levels, thus making insured loans a reality to consumers," Mr. Meeker said.

Assistant Secretary Meeker announced that two basic research projects, to be carried out by HUD in cooperation with the manufactured housing industry beginning in 1974, will hopefully help the industry in improving construction techniques and point the way to better mobile home park communities.

Following his luncheon address before the IMHA, Mr. Meeker visited the Indianapolis Area Office of HUD to confer with housing officials.

Mr. Meeker, formerly a Deputy Mayor for the City of Indianapolis, was sworn in as Assistant Secretary for Community Planning and Development on August 20, 1973. On September 5, he was appointed by Secretary James T. Lynn to represent the agency on the President's Domestic Council in the area of urban policies and to act as an interagency coordinator for programs affecting the Nation's cities.

# # #

Contact: Sam Stone - (317) 633-3371 (202) 755-6270

HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-347
Phone (202) 755-5277
(Creed)

FOR RELEASE:
Monday
October 29, 1973

HUD Secretary James T. Lynn today announced the appointment of W. Boyd Christensen, former vice chairman of the board of Allstate Insurance Companies and Allstate Enterprises, as Assistant Secretary for Administration of the U.S. Department of Housing and Urban Development, effective immediately.

Mr. Christensen, 48, will be administrative officer over HUD's offices of: management and performance; personnel; budget; advanced data processing systems; data systems and statistics; finance and accounting; and general services.

"I am enthusiastic about this opportunity for public service in a department that is most vital and directly affects the lives of so many of our people in a significant way," Mr. Christensen said.

He has served as vice chairman of the Allstate group since April, 1972. Before assuming that position, Mr. Christensen served as president since 1968. Previously he was executive vice president in charge of field operations, beginning in early 1967.

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Mr. Christensen began his Allstate career in 1951 in California as a management trainee. He held various assignments in the Allstate California regional offices and was promoted to the Home Office in 1956 where he was active in budgeting, long-range planning and corporate planning. He returned to California in 1959 as manager of the Sacramento regional office. He became assistant vice president in 1962 and vice president in 1963. He was named vice president of Allstate's 18-state Midwest zone in 1956.

Mr. Christensen was born in Logan, Utah, on December 3, 1924. He graduated from North Cache High School, Richmond, Utah, in 1942, and served in the U.S. Army from 1943 to 1945, becoming a first lieutenant. In 1948 he graduated from Utah State University where he majored in economics. He received his master's degree in business administration from Stanford in 1950.

He and his wife, Jean, have four children: Jeffery, Callie Jean, Peter and Janet.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-349
Phone (202) 755-5277
(Vinciguerra)

FOR RELEASE:
Thursday
November 1, 1973

The appointment of Alejandro Becerra as Spanish coordinator in the Office of Equal Opportunity, U. S. Department of Housing and Urban Development was announced today.

Mr. Becerra comes to HUD from the Cabinet Committee on Opportunities for Spanish Speaking Peoples, where he was Associate Director and Senior Analyst.

"Mr. Becerra brings to HUD the important experience and knowledge we need to fulfill our commitment to foster equal opportunities in housing, employment and business for minorities, including Spanish-surnamed people," said Dr. Gloria E. A. Toote, Assistant Secretary for Equal Opportunity.

The HUD Spanish coordinator previously worked at HUD in 1968 as an economist in the International Division, Federal Housing Administration (FHA). In 1969 he served as mortgage service specialist for FHA and later as training program officer-economist.

- more -

He joined the Cabinet Committee on Opportunities for Spanish-surnamed peoples in 1969 as housing economist-program officer, and in 1970 became Director of Housing.

In 1970, he joined the Peace Corps as assistant chief for programs and training, Latin American Region. In 1971, Mr. Becerra returned to the Committee on Opportunities for Spanish-surnamed people as associate director-senior analyst.

Becerra's appointment now gives EO three coordinators, for Spanish-surnamed people, for women and for Indians, whose activities are under direct supervision of the assistant secretary.

The Indian Coordinator is Reeves Nahwooksy and Women's coordinator, Mary Pinkard.

This office is working vigorously to give Spanish-surnamed people the special attention they deserve in our drive to bring equality to all minorities. "Mr. Becerra's talents will be of enormous significance." said Dr. Toote.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-352
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Friday
November 2, 1973

An unusual approach by New Bedford, Mass., to preserving the city's historic waterfront district...America's most important 19th century whaling center...and adapting the area to contemporary uses, is described in a report announced today by the Department of Housing and Urban Development.

As outlined in Preservation and Rehabilitation of a Historic Commercial Area, the New Bedford plan features special historic zoning, an urban design concept and a supporting civic design ordinance, all aimed at preserving the character of the entire 19-acre site and ensuring that future development enhances the historic and architectural qualities of the area.

According to the report, the urban design concept is a visual plan for the site, based on historic physical elements already in the area. Adherence to that plan, or improvements compatible with it, are enforced by the civic design ordinance, under which all plans for exterior revision, demolition or new construction have to be reviewed and approved by a civic design commission before work could be undertaken. These features in particular could be helpful

- more -

to other communities dealing with problems of historic commercial area preservation and revitalization, the report notes.

Other sections of the report describe the techniques developed in evaluating the preservation and historic potential of the entire area, and the follow-up appraisal of individual structures, with assignment of a preservation value rating for each building.

The intent of the study, the report emphasizes, is not to create an urban museum but to develop workable procedures that will help a city integrate such preservation into the process of growth and change.

The study was conducted for the New Bedford Redevelopment Authority by the Urban Design Group, a Newport, R. I. firm of planning consultants.

Single copies of the illustrated report are available free of charge from the New Bedford Redevelopment Authority.

For Further Information: Henry Z. Horn
Assistant Director
New Bedford Redevelopment Authority
21 South Sixth Street
New Bedford, Massachusetts 02740

Project No. Mass. D-4

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HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-353
Phone (202) 755-5277
(Beckerman)

FOR IMMEDIATE RELEASE:
Friday
November 2, 1973

Almost 69,000 units of subsidized multifamily housing for low-income families were today earmarked for funding by Secretary James T. Lynn of the U.S. Department of Housing and Urban Development.

"The housing we are starting to make available today is an interim step," said Mr. Lynn. "We consider it an important milestone in the Administration's demonstration of its concern with the housing problem."

"While we still have a long road to travel in fulfilling the Nation's commitment to a decent home and a suitable living environment for every American family," he added, "I feel confident that our housing program, when enacted by the Congress, will take major strides toward reaching that goal."

The 68,903 units will be distributed throughout the country, including the District of Columbia and Puerto Rico.

The housing was allocated in fulfillment of a pledge made by Secretary Lynn last March when he stated that HUD would carry out its obligation in certain categories, mainly Urban Renewal, Project Rehab and Operation BREAKTHROUGH.

-more-

The units will fall under one of two HUD programs, either Section 236 or Section 221(d)(3).

Section 236 provides for an interest subsidy to sponsors or mortgagees that permits them to pass along the benefit of the subsidy to their tenants in the form of lower rents. Section 221(d)(3) sets up financing at a below-market interest rate with the assistance of HUD's Government National Mortgage Association that also permits lower rents to tenants.

Of the units, approximately 55,000 will serve Urban Renewal, Project Rehab and Operation BREAKTHROUGH. The remaining 14,000 are designated for other programs.

Some of the projects that will receive the newly-released units have had applications presently on file; other units will be allocated to projects for which applications must be filed no later than June 30, 1974.

All applications, both those already on file, and those yet to come, will be closely examined during processing to make sure that they conform to the criteria for approval. The fact that certain projects have been specifically identified is no guarantee that they will receive ultimate approval.

# # #

File Disaster

HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-358
Phone (202) 755-55277
(Bacon)

FOR RELEASE:
Thursday
November 8, 1973

Housing systems that will do a better, faster and more economical job of housing disaster victims will be selected and later tested under simulated disaster conditions as result of a $178,818 research contract announced today by the U. S. Department of Housing and Urban Development.

Michael H. Moskow, HUD's Assistant Secretary for Policy Development and Research, said that under the contract two New York City firms will evaluate various types of temporary housing and recommend the most cost-effective system, or systems, that can be used to temporarily house families displaced by floods, hurricanes, tornadoes and earthquakes.

Whether the shelter should be disposable after one-time use, have a storage and reuse capability, or should be expandable into permament housing will be given special attention in the eight-month study. Other criteria for determining cost-effectiveness will include whether the units can be mass produced, easily transported and erected with minimum site preparation.

- more -

HUD-No. 73-358

The contractors, Abeles, Schwartz and Associates, and Beyer-Blinder-Belle, also will investigate use of temporary shelters to house migrants, and for other public uses such as bicentennials, olympics and expositions.

Their final report will include a recommended housing system, or set of systems, complete with appropriate plans, specifications and procurement documentation.

One or more of the recommended housing systems will be selected by HUD for a follow-on demonstration and final evaluation, Mr. Moskow reported. "The type of shelter ultimately chosen...one adapted specifically to disaster situations...will enable the Federal government to respond faster and more effectively, at less cost, to the emergency housing needs of families whose homes are destroyed by natural disasters", he said.

For Further Information:

Joseph Sherman
Director, Div. of Building Technology
and Site Operations, PD&R
Department of Housing and
Urban Development
451 Seventh Street, S. W.
Washington, D. C. 20410

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-358
Phone (202) 755-55277
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Washington, D. C. 20410

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-3966

FOR RELEASE AFTER:
9:30 P.M., Saturday
November 10, 1973

FHA plans

REMARKS PREPARED FOR DELIVERY

by

SHELDON B. LUBAR

Assistant Secretary for Housing Production

and Mortgage Credit - FHA Commissioner

at the

Awards Dinner

of the

National Association of Real Estate Editors

National Press Club

Main Ballroom

Washington, D.C.

November 10, 1973

FHA: WHAT HAVE THEY DONE TO YOU
and
WILL YOU GET WELL?

I'm really delighted to join you this evening at the Awards Dinner of the National Association of Real Estate Editors.

Actually, I've always tremendously admired all of you who write for the general public, in terms that they can comprehend, about all the complexities and subtleties and interrelationships encompassed in the deceptively simple term "real estate."

For my contribution to your vast store of background knowledge, I'd like to follow the current tradition of starting with the bad news and winding up with the good news.

The bad news is the sad state of FHA, and how it got that way. And the good news is how we at HUD, including your friendly Commissioner, are going to turn the situation around.

So first, as they say, the bad news.

But you know, it wasn't <u>always</u> bad. In fact, it started out as the best possible news. Created in the wake of the great Depression, the Federal Housing Administration was established in 1934 and has, since that time, been a principal instrument of national housing policy. By insuring loans for the purchase,

- more -

construction, repair and improvement of housing, the FHA has made homeownership available to millions of Americans who otherwise would not have been able to afford it; and contributed heavily to sound home financing practices, the expansion of the housing inventory, and the maintenance of an active national mortgage market. It was an organization so successful in its mission that its employees radiated a sense of pride and esprit de corps rarely found in any agency.

Over these 40 years, to put it in a nutshell, we have fostered almost 200 billion dollars in mortgages to house many millions of Americans -- at no cost to the taxpayers. If you factor in the "multiplier" effects -- added confidence in the entire market, stimulation of conventional mortgage lending, the rise of private mortgage insurance and the rest -- the benefits have been incalculable.

So what went wrong? Basically, with the best intentions in the world on the part of everyone concerned, the policies directing FHA began to change in the middle 1960s. Motivated by social problems and the turmoil in the cities, the mission changed from a business approach of economic soundness to one of assuming a "reasonable risk."

The approach was to go into the center cities and insure loans. These were often areas with declining or disappearing property values, and a vast host of uncertainties. "Reasonable risk" became more like a "calculated risk" under such circumstances -- but no one really knew how to calculate the actual degree of risk. We were not sure of the total impact of what we were doing then -- nor can we calculate it with any certainty to this day.

Then a few years later, with the Housing Act of 1968, the socially motivated homeownership and rental subsidy programs were further superimposed upon what had been a prudently business-oriented operation. The same law also mandated a numbers-game sort of goal -- 26 million housing units to be built during the decade 1969-1978, of which six million were to be for households of low and moderate income.

Naturally, as with any system of high quotas -- and the frantic effort to meet them -- the stage was set for short cuts and abuses to creep in. Among some speculators, developers and builders -- among some mortgagees -- and, sad to say, among some of our FHA people themselves.

And of course, the default and foreclosure rates, which for so many years had been at an actuarially sound level, started a steep, confidence-destroying rise.

Today, as I'm sure you've heard, we're holding about 208,000 properties and assigned mortgages as a result of defaults. And our best estimate is that the default rate, over the first ten years of the subsidized programs, will be approximately 16 percent in the case of Section 235 houses, and 20 percent for the Section 236 apartment projects.

To compound the problem, 1970 saw the first of three reorganizations which, in effect, dissolved the FHA as a separate, discrete operating agency. Other HUD personnel were mixed in and superimposed upon the organization, and part of FHA's former functions were fragmented out to Housing Management, Policy Development and Research, Administration and the Chief Counsel, among others. Further, authority was decentralized and diffused, first to regional offices and then to the area offices.

Add all that together and you go progressively from an FHA very successful in its mission, and justifiably proud of its solid achievements, to a syndrome of mass foreclosures; scandals; huge losses to the taxpayers; disillusioned homebuyers; confused legislators; and so much red tape, front-end processing requirements, and lack of confidence that positive action is only a dim and vaguely remembered thing of the past.

Against such a background, you might wonder: how can there be any good news? But there assuredly is. FHA is going to get well.

I can't promise that FHA as it was once known will ever be exactly the same. But I can promise that we will be effective again.

I have three fundamental priority objectives for my immediate sphere of influence -- the Assistant Secretariat for Housing Production and Mortgage Credit and the Federal Housing Administration. And I make the promise and the pledge that these objectives will be carried out with every ounce of energy and ability that I can command.

Before going into that, however, let me just mention that part of the many problems we face could be resolved with enactment of the President's proposed experimental program of direct cash housing assistance. If that should indeed prove to be the way to go, such programs as 235, 236 and Low Rent Public Housing would cease to exist -- and, with them, the sizable problems they helped to generate.

My three priority objectives for HPMC are: (1) Consumer Protection; (2) Program Effectiveness; and (3) Organizational Effectiveness. Let me briefly run down the things invloved in each category.

CONSUMER PROTECTION

Our consumer protection objectives begin -- aptly enough in the current climate -- with the conservation of energy. Here the approach is twofold: first, recommendations and actions to eliminate heat loss in homes through design techniques, insulation standards and use of building materials. And second, education of the consumer in the ways and means of reducing energy usage.

Next, we are going to be very active in the matter of construction warranties. Homebuyers should be protected, for a reasonable period of time, against defects in the mechanical, electrical, structural and support systems of new houses. Obviously, we would prefer that the initiative in such matters be borne by the private sector -- and the National Association of Home Builders, as you undoubtedly know, has already made a move in that direction. But if the private sector is not fully responsive to these consumer needs, be assured that the Federal Government will take whatever steps are necessary.

Truth in housing is another high priority. Full disclosure must be made to the buyer of all known defects in the structure, the title, and any other potential sources of later trouble. This is the least that any citizen, making probably the largest financial commitment of his life, deserves.

Next, we are pushing vigorously for the elimination of mortgage discounts. The practice of charging points has the inevitable effect of raising the overall cost of homeownership. So we want free market interest rates on Federally backed mortgages; competitively, this should reduce the homebuyer's financing costs to the lowest possible level.

We will be putting heavy emphasis on the safety of life through the use of property standards. We intend, for example, to have new and stricter fire standards; and we will be developing minimum property standards for mobile homes, which are a rapidly increasing source of housing for many American families.

Finally, under consumer protection, we see home purchase counseling as a basic tool in achieving maximum successful homeownership among our citizens. Homebuyers must be informed of the responsibilities and problems of homeownership; of what their rights and alternatives are; and what specific elements of home selection they should be aware of. Incidentally, the guide that you people and Fannie Mae worked on should be a great help in this area -- but I imagine Jim Lynn will be talking more to that on Monday evening at the Forum, so I won't steal his thunder.

PROGRAM EFFECTIVENESS

Next, there are a number of priority objectives aimed at making our programs more effective and, importantly, more relevant.

We will, for example, reorient our central city lending policy -- which, as I pointed out earlier, has resulted in many of our current problems. Changes in FHA underwriting techniques will be made in order to achieve a higher level of successful homeownership in these hard-pressed areas -- and to have favorable effects on neighborhoods instead of the opposite results.

We are embarking upon a neighborhood preservation strategy, founded upon the recognition that HUD cannot achieve the necessary goals in a unilateral way. We need a cooperative approach in which HUD, local city governments, local financial institutions and local citizens -- working together -- analyze, understand, and take appropriate actions to preserve and improve existing housing stocks.

Another vital necessity is to control defaults; toward that end, the determination of mortgagee eligibility, and the supervision of mortgagees must be tightened. We will set higher performance standards as well. They must perform in the public interest.

To those who meet the high performance standards, we propse to delegate processing responsibility, and to promote accelerated processing -- thus providing more timely service to borrowers.

In recognition of the growing importance of the condominium type of ownership in the United States -- and the changing life style it reflects -- we intend to design and put into effect a broader, more effective mortgage financing program for condominiums.

We will be strongly encouraging the further development and strengthening of the secondary mortgage market, supporting the co-insurance concept and the Federal guaranteeing of private mortgage insurance companies, in an effort to encourage their sound development.

And we're going to be giving a great deal more attention to those smaller communities of less than 25,000 population, which for too long have been overlooked or neglected by the housing and finance industries. Every effort will be exerted to direct mortgage capital and builder activity to these smaller towns.

Finally, we'll be making use, as I'm sure you've heard, of the Section 23 leased public housing program. This is an interim measure pending the establishment -- if the experiments prove the viability of the concept -- of a direct cash housing assistance program. Beyond that, Section 23 would be used where new construction for lower-income households is indicated, but with greater developer and lender responsibility for construction and operation of the project.

ORGANIZATIONAL EFFECTIVENESS

Briefly, those are the sorts of objectives we intend to achieve in the areas of consumer protection and program effectiveness. The last item on the menu is organizational effectiveness. All I will say about that at this time is that I am irrevocably committed to making the central and field office forces of FHA operate and perform in the most effective manner of which human effort is capable. The FHA, in its proud history, was undoubtedly one of the noblest and most successful experiments ever undertaken by the Government of the United States. Due, as the old saying goes, to circumstances beyond our control, a good deal of that shiny luster became tarnished. Acting upon the principles and objectives I have outlined for you this evening, I pledge to restore that luster.

You may quote me: FHA will again run smoothly!

Thank you.

# # #

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-380
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Thursday
November 29, 1973

Basic organizational changes have been made in the Federal Housing Administration of the U. S. Department of Housing and Urban Development.

Sheldon B. Lubar, Assistant HUD Secretary for Housing Production and Mortgage Credit and FHA Commissioner today announced the new organization, effective December 3.

"Our mission," said Mr. Lubar, "is to provide successful housing and home ownership for all our citizens. This new organization will make FHA more effective. Our structure will be simplified and functional. It is an effort to achieve quality underwriting and ultimately improved field operation.

"We believe," said the Commissioner," that applicants for HUD support, whether they be individual homebuyers, builders, sponsors, or mortgagees -- or in the case of Public Housing, Local Housing Authorities -- will welcome these changes.

"To the extent that we can help accelerate the conversion of their applications into housing sheltering people, we are serving the people and fulfilling our Congressional mandate."

- more -

Changes in personnel will be part of the reorganization.

"To reach our goals," said Mr. Lubar, "we need certain skills that do not now exist in sufficient numbers within our Department. Since we must operate within fixed personnel limits, we are faced with the problem of replacing some of our present employees with people who have particular skills that will be needed."

"Every effort will be made," he continued, "to place employees not suited to the new Central Office operations in positions either elsewhere in the HUD organization or in the Federal Government."

James C. Curvey, HUD's Director of Personnel, said, "Of the some sixty employees affected, we are confident that very few, if indeed any, will be involuntarily separated from Federal employment."

The objective of the reorganization is to make FHA's administration of the programs for which it is responsible more effective and to create closer and more productive communication between the Central Office and HUD field installations.

Some of the specifics are as follows.

Subsidized and unsubsidized mortgage insurance and housing production functions will be merged with technical standards into a new Office of Underwriting Standards.

(Omitted from this merger will be the Publicly Financed Housing Division and the Property Improvement and Mobile Home Division, each of which will report directly to the Commissioner.) Part of this new office will be the Architecture and Engineering Division and the Economic and Market Analysis Division. The Rehabilitation Division of the present office of Subsidized Housing Programs will be absorbed within the new Office.

Other changes are:

* Subsidized Mortgage Insurance Financial Services will go to the Budget Division of the FHA Office of Administration;
* FHA's Central Correspondence Branch will have its functions divided among the various program offices;
* The applications and records of approved mortgagees and their histories will form a Participant Control and Supervision Division.

"We intend this to be one of several steps to improve quality and service," Mr. Lubar said. "We believe this will move us toward the objective Congress set out for us.

"But let me point out," he added, "there will be a constant examination and re-evaluation of our new organization, and we shall not hesitate to make changes we believe will accelerate reaching our goals."

# # #

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-372
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Thursday
November 15, 1973

A Federal loan guarantee for $18 million signed today will help build the first federally approved new community in Ohio, Secretary James T. Lynn of the U.S. Department of Housing and Urban Development announced. Total offer of Federal guarantee assistance is $32 million.

Newfields is to be developed over a 20-year period on a 4,000 acre site northwest of Dayton, Ohio, and is expected to accommodate 40,000 residents.

Authorization of the Federal guarantee assistance by the Board of the Community Development Corporation (CDC) increases the number of New Communities approved to 16 in 10 States. The total value of the guarantees is now $325 million.

The developer, Newfields Development Corporation, is a subsidiary of the Donald L. Huber Development Corporation of Dayton. Located in the fastest growing county in Ohio, Newfields development plans have the support of local governmental entities. The developer is working with the Miami Valley Regional Planning Commission, a pioneer in providing voluntary fair share housing programs, to provide a full range of housing opportunities.

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"New Communities projects," said Secretary Lynn who chairs the CDC Board, "are designed to open up a better total living environment for all Americans. In the case of Newfields, it provides a superior alternative to the disorderly urban growth which would have otherwise occurred in the area."

Bonds to finance development of Newfields New Community totaling $18 million were underwritten by a group led by Salomon Brothers, Morgan Guaranty Trust Co., First Boston Corp., Merrill Lynch, Pierce, Fenner & Smith Inc. and Continental Illinois National Bank & Trust Co. of Chicago. The interest rate on the bonds was 7.9 percent.

CDC, established in HUD three years ago, is directed by a Board that establishes policy and authorizes the individual guarantee commitments in amounts up to $50 million for each new Community. Guarantees finance land assembly and some development costs, providing needed capital during the early years of development when front end costs are high.

Alberto F. Trevino Jr., General Manager and chief executive of CDC, said that Mr. Huber, who heads the Newfields Development Corporation, "has had experience with public housing projects and also built a wide range of commercial and residential buildings on a conventional basis. He is a third generation builder in the Dayton area and possesses a thorough knowledge of the building field that has been nationally recognized by the building industry."

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CDC Board members, in addition to Secretary Lynn and Mr. Trevino, are: William E. Simon, Deputy Secretary of the Treasury; and Raymond L. Watson, president of one of the largest private new community development firms, The Irvine Company of Newport Beach, Calif.

As required by New Communities policy, Newfields development plans include a full range of housing, employment, education, health, recreational, and cultural opportunities for its residents.

Newfields design proposes a community of four villages situated around a major town center. The villages, to be separated by a network of streams, parks, and recreational areas, will be connected by pedestrian pathways. Construction of the first village center is underway and scheduled for completion next fall.

The development process is expected to generate about 4,500 industrial and office jobs and some 10,200 secondary jobs. Additionally, it is expected to create an adequate tax base for schools and services.

Just over 50 percent of the land will be for some 12,500 housing units. The remaining land will accommodate industrial, commercial and office space, schools, community facilities, and recreational and open space areas.

The developer and the Miami Valley Regional Planning Commission, together with the cities of Dayton and Trotwood and Montgomery County, plan development of model regulations to minimize vehicular traffic and and to enhance air quality by careful roadway design.

# # #

To Accompany HUD-No. 73-372

SUMMARY

(1) PROJECT NAME: Newfields New Community

(2) DEVELOPER: Newfields Development Corp., an Ohio Corporation formed as a subsidiary of the Donald Huber Development Corporation.

(3) LOCATION: Newfields is seven miles northwest of downtown Dayton. It lies totally within Montgomery County.

(4) ACRES: 4,032 acres.

(5) TERRAIN: Gently rolling farmland. Creeks and streams traverse the site and special care is being taken to preserve the stream valleys, existing woodlots, archeological and historical sites.

(6) ACCESS: Newfields is within ten miles of Dayton's Cox Municipal Airport. The site is served by the Penn Central Railroad, I-70 as well as the proposed I-675 and the proposed State Route 35.

(7) RESIDENTIAL UNITS: 12,860 housing units at completion.

(8) POPULATION: Approximately 40,000 within the next 20 years.

(9) LAND USE:

	Acres	Percent of total
Residential	2,171	54
Commercial & Office Uses	138	3
Industrial	405	10
Open Space	806	20
Community Facilities (Schools, Local Centers, etc.)	139	4
Roads (arterial roads and expressways)	373	9
TOTAL:	4,032	100

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-374
Phone (202) 755-5284
(Gross)

FOR IMMEDIATE RELEASE:
Thursday
November 15, 1973

Subsidized housing funds for an additional 3,363 units of multifamily housing for low and moderate income families were earmarked yesterday by HUD Secretary James T. Lynn for the Washington metropolitan area to honor a commitment made by the U. S. Department of Housing and Urban Development (HUD) prior to the suspension of new approvals in January 1973 under HUD's subsidized housing programs. These funds permit HUD to enter into 40-year contracts to subsidize rents under the Section 236, Rent Supplement and Low-Rent Public Housing programs. The ultimate subsidy over the 40 years from the Federal Government may reach $150 million.

In his message to the Congress on September 19, 1973, President Nixon announced his Housing Policy Recommendations for the future for low income housing. "Our best information to date," according to the President, "indicates that direct cash assistance will in the long run be the most equitable, least expensive approach to achieving our goal of a decent house for all Americans--a goal I am committed to meeting." In the short run, however, the President indicated that--

> "During the period in which a new approach is being developed, there will be a continuing need to provide housing for some low income families....

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> During the remainder of fiscal year 1974, the Department of Housing and Urban Development... will process applications in cases where bona fide commitments have been made...[and] I am lifting the suspension of January 5 with respect to these Section 23 programs [under which new and existing housing is leased for low income families]."

To implement the President's policy in the Washington, D. C. metropolitan area, HUD Secretary James T. Lynn, and Associate Director of the President's Domestic Council, Dana G. Mead announced yesterday the availability of the added housing subsidy funds. The announcement was made to Martha V. Pennino, the Chairman of the Board of Directors of the Metropolitan Washington Council of Governments, prior to the monthly meeting on November 14 of the Board of Directors. On November 2 Secretary Lynn announced a total of 69,000 housing units throughout the country that were similarly earmarked in fulfillment of a pledge made by Secretary Lynn in March when he stated that HUD would carry out its obligations where bona fide commitments had been made.

The commitment in the Washington metropolitan area exists because former HUD Secretary George Romney provided his support in October 1971 for the pioneering efforts of the Washington Council of Governments to develop a "fair share" plan for the dispersal of low and moderate income subsidized housing throughout the metropolitan area. HUD's favorable response to the plan developed locally by the Council of Governments was consistent with the President's policy, enunciated in his July 1971 Message Relative to Equal Housing Opportunity, pertaining to the administration of the subsidized housing programs:

> "...we will carry out our program in a way that will be as helpful as possible to communities which are receptive to the expansion of housing opportunities for all of our people...[and]
>
> advance equal housing opportunity for people of all income levels on a metropolitan area-wide basis...[but] not attempt to impose federally assisted housing upon any community."

In June 1972, the Department earmarked subsidy funds for the Council of Governments for the fiscal year from July 1972 to June 1973 equivalent to 6,274 subsidized housing units. The commitment included 4,491 units--the level of support provided in the prior year for the metropolitan area--plus a 40 percent "bonus" of 1,783 units. The "Fair Share" formula adopted by the Board of Directors of the Metropolitan Washington Council of Governments in January 1972 was to provide the basis for distributing the 4,491 units among the units of local government in the metropolitan area. Additional implementation policies for the 1,783 "bonus" units were adopted in October 1972 by the Council of Governments in a resolution specifying that such units would permit the District of Columbia and Alexandria to meet their existing needs for subsidized housing in connection with their urban renewal projects. In addition, these "bonus" units would be distributed, where necessary, to supplement the "fair share" for various jurisdictions so that at least one economically feasible project in each jurisdiction might be funded.

Projects approved by the HUD Area Office in the District of Columbia prior to the January 1973 suspension amounted to about 1,256 units. Subsequently, authorizations were provided for an additional 1,656 housing units for which applications are currently under review in the office or are expected to be submitted in the near future. With the announcement yesterday of the additional earmarked funds equivalent to 3,363 housing units, the original commitment for 6,274 units of subsidized housing can now be met. The ultimate subsidy for these 6,274 units from the Federal Government over the next 40 years may exceed $300 million.

All applications are to be submitted prior to June 30, 1974 and, of course, will be closely examined during processing to make sure that they conform to HUD's criteria for approval. Consequently, the fact that the subsidy funds have been earmarked for the Washington metropolitan area is not equivalent to a guarantee that quality applications will ultimately be submitted which can be approved to utilize all such subsidy funds.

The "fair share" formula would provide the 15 cities and counties within the Council of Governments with varying proportions of the 4,491 units. For example, Montgomery County's share is 26.7 percent, Fairfax County's share is 24.4 percent, Prince Georges County's share is 10.9 percent, and Alexandria's share is 2.6 percent. Eight of the local governments' "fair shares" are not more than one percent--that is, not more than 45 units and the 1,783 "bonus" units may be used to provide for one economically feasible housing project for such jurisdictions.

Prior to the announcement of the additional 3,363 units, some of the jurisdictions had already received their "fair share." For example, Prince Georges County already had funds earmarked for projects equivalent to 490 units, which is exactly its "fair share."

The "fair share" for the District of Columbia, according to the Council of Governments' formula, is 20.3 percent of the 4,491 units available for distribution by formula throughout the metropolitan area--that is, 912 units. In addition, however, the District will receive a significant proportion of the 1,783 "bonus" units according to the Council of Governments' implementing policies.

Prior to the announcement of the 3,363 additional units for the metropolitan area, the District already had earmarked funds for over 1,200 units. These earmarked funds anticipate projects which have not yet been approved, such as 490 units for the Fort Lincoln "new town" urban renewal project and over 550 units in the 14th Street urban renewal project. With the announcement yesterday of the 3,363 additional units, however, the District will receive sufficient "bonus" units--under the Council of Governments' procedures--to assure a sufficient amount of subsidized housing in fiscal year 1974 to meet the plans of the Neighborhood Development Program. This annual program has been supported for four years by HUD and administered by the Redevelopment Land Agency with the approval of the D. C. City Council and the Mayor. HUD provided $29 million last June for the fourth year of the Neighborhood Development Program. The areas devastated in the 1968 disturbances, which are included in the boundaries of the Neighborhood Development Program, have been identified by the Mayor's Office of Bicentennial Preparedness and by the D. C. Bicentennial Commission and Assembly as one of the highest priorities for redevelopment for the American Revolution Bicentennial Celebration. The redevelopment of such areas has also been a top priority of the President since the early days of his Administration when he personally inspected the area.

# # #

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-378
Phone (202) 755-5277
(Spiegel)

FOR RELEASE AFTER:
3:00 P.M., Wednesday
November 21, 1973

An expanded program to restore, redevelop and preserve key areas of the Nation's Capitol, was announced today.

This latest phase in the redevelopment of these areas places special emphasis on the rehabilitation of existing housing through the type of "Partnership Venture" called for by the President in September in his Housing Policy Recommendations to the Congress.

The local government's role is supported by HUD and local financial institutions in furtherance of plans approved by the citizens of the neighborhoods involved.

A Memorandum of Understanding was signed this afternoon by the seven parties, announcing the intentions of each of the partners in the venture to be known as the Bicentennial Neighborhood Preservation Demonstration. The redevelopment of the neighborhoods surrounding the 14th Street, 7th Street, and H Street corridors--including the rehabilitation of housing--has already been identified as a priority community development objective for the District of Columbia's celebration of the American Revolution Bicentennial.

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The latest phase in the redevelopment of these neighborhoods builds upon four years of community development activity in these neighborhoods, during which time the local government and the redevelopment agency developed plans for the long-term future of these neighborhoods. HUD supported these local efforts with nearly $100 million in Federal funds to purchase properties to be rehabilitated or demolished, to provide relocation assistance to displaced persons, to pay for site improvements, and for other purposes.

Under today's agreement, additional Federal housing subsidies will be made available to the City--subject to acceptable applications--for rehabilitation of up to 1,000 units of low and moderate income housing during the current fiscal year. Additional financial support during the two following years prior to the Bicentennial will also be provided by HUD.

The HUD assistance includes low interest rehabilitation loans for homeowners (the Section 312 program), rehabilitation payments for rental housing for low income families (the Section 23 Leased Public Housing Program), the Rent Supplement program, and rehabilitation of rental housing for moderate income families (Section 236 program). HUD will also assist homeowners by co-insuring home improvement loans made by local financial institutions.

Signing the agreement were Mayor Walter Washington for the District of Columbia; Secretary James T. Lynn for the U.S. Department of Housing

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and Urban Development (HUD); George De Franceaux for the National Corporation for Housing Partnerships (NCHP); George C. McGhee for the Federal City Council (FCC); John J. Gunther for the Redevelopment Land Agency (RLA); Emmett J. Rice for the Federal City Housing Corporation (FCHC); and James Banks for the National Capital Housing Authority (NCHA).

Under the new partnership venture, the newly created, non-profit community-based Federal City Housing Corporation will facilitate and promote the rehabilitation of low and moderate income housing in the District of Columbia. The City and the RLA will continue to assume major responsibilities for creating viable, stable neighborhoods by providing public facilities and site improvements, as well as implementing a variety of regulatory and financing methods for housing improvement. Private developers, such as the National Corporation for Housing Partnerships, will assist in the rehabilitation of such housing units, some with HUD subsidies and others without subsidies.

Following are the major commitments of the signers of the new agreement:

* The City will designate the key areas within the approved Neighborhood Development Program boundaries, develop a program for upgrading commercial and municipal services in the areas, determine whether real estate tax abatement is feasible, and provide leadership for the management of the partnership venture.

- more -

* HUD will reserve funds sufficient for the rehabilitation of 1,000 housing units, insure mortgages, co-insurance Home Improvement Loans, and evaluate the demonstration.

* The NCHP will be a major developer of rehabilitation projects in the City.

* The FCC will serve as a catalyst with the local financial institutions and local businesses to assist in obtaining interim financing, mortgage financing, Home Improvement Loans, and technical assistance for developers and homeowners.

* The RLA will sell a substantial number of properties suitable for rehabilitation in the designated area, provide site improvements, process the low interest homeowners rehabilitation loans, and work with citizens in the designated areas to encourage appropriate participation.

* The FCHC will assist public officials, community groups, and non-profit and profit-making developers in the rehabilitation of housing units in the area.

* The NCHA will encourage the development of proposals by the NCHP and other developers for rehabilitation of housing under the Section 23 Leased Housing program and will administer subsidies provided under that program.

All parties will participate actively in the management and evaluation of this Bicentennial Neighborhood Preservation Demonstration.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 73-380
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HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

FILE COPY

HUD-No. 73-391
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Friday
December 7, 1973

An official of the U. S. Department of Housing and Urban Development discussed the Administration's proposed housing legislation, which he said would be of particular help to both the home buyer and the mobile home buyer during the current period of credit stringency.

Speaking at the Annual Convention of the Mobile Home--Recreational Vehicle National Credit Managers Association in Miami Beach, Woodward Kingman, president of HUD's Government National Mortgage Association, yesterday explained the mortgage credit proposals that were included in President Nixon's housing message of September 19.

Mr. Kingman pointed out that a plentiful source of mortgage money is now available through the "Ginnie Mae" mortgage-backed securities programs, even though many banks and thrift institutions are still turning down mortgage applicants because of tight money. The reason is that GNMA securities are very much in demand by pension funds which are relatively unaffected by the tightening of money in the banking system.

However, Mr. Kingman said, many home buyers will not be able to take advantage of the GNMA program unless the President's legislative proposals are adopted. GNMA can only guaranty securities that are backed by FHA or VA mortgages, and at present the ceiling amount on FHA mortgages is $33,000. Because of rising costs, many home buyers are, therefore, unable to find a suitable home within the eligibility limits of the GNMA financing program. The Administration's proposal would increase the ceiling to $45,000 per unit.

Simularly, GNMA has developed a program to finance FHA Title I mobile home loans, which would greatly benefit the consumer, particularly lower income groups that cannot afford conventional housing. However, the ceiling for Title I loans under the existing statute is 7.97 percent on amounts not over $10,000 for 12 years on a simple interest basis. Since most banks and finance companies can make conventional installment loans for home improvements on mobile homes at about 12 to 15 percent simple interest, they have little incentive to originate the Title I loans even though they are 90 percent insured by FHA, since they provide such a low interest rate.

On the other hand, banks and other investors want to invest in GNMA securities at a net yield of only about 8 percent. Therefore, the GNMA program for Title I FHA mobile home loans can offer two important advantages to the consumer. It assures the buyers a substantially lower down payment and monthly payments from 15 percent to 20 percent less than would be possible in conventional financing through banks or finance companies. In addition, because all mobile homes and mobile home sites financed under the program must meet FHA standards, the consumer will be assured a better product quality than might in some cases be obtained through conventional financing.

While several issues of the new GNMA securities for mobile home loans have been successfully issued, the program is inhibited by the ceiling rate for Title I loans. The reason is that out of the 7.97 percent maximum rate there must be taken .47 percent for an FHA insurance premium, 1.00 percent for a servicing fee by the issuer (who also does the collections), and .50 percent for the GNMA guarantee fee. This leaves 6 percent as the rate for the GNMA security.

Since the present market for GNMA securities requires approximately 8 percent in yield, the 6 percent GNMA security has to be discounted, and "points" must be charged. The existing statute precludes either the borrower or the mobile home dealer from paying "points." The manufacturers could pay the "points," but since it is difficult for them to allocate this marketing expense, they are reluctant to participate in the program.

However, under the Administration's proposed legislation, the Secretary of HUD could adjust the ceiling rate of interest for Title I loans just as he now can do for Title II mortgages. If the Secretary could raise the Title I ceiling rate to about 9-3/4 percent, the "points" problem would be eliminated and the consumer would have far less expensive financing then is now available conventionally.

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18 Month Outlook
ADMINISTRATION REVIEW OF HOUSING PROGRAMS
WILL NOT CURTAIL SUBSIDIZED HOUSING STARTS

HUD Secretary George Romney, speaking for the Administration, today declared that subsidized housing starts would continue at an annual rate of 250,000 for the next 18 months, despite a temporary halt in approving new commitments.

Addressing the annual convention of the National Association of Home Builders in Houston, Texas, the Secretary made his annual prediction of housing starts, declaring that starts in 1973 "will exceed 2 million units for the third year in a row."

"Recent weeks have been filled with many rumors and stories as to the future level of Federal support for housing and community development programs," he said. "Until now it has not been wise to comment specifically on the rumors because final fiscal decisions had not been made. On last Friday afternoon, final decisions were made..."

Mr. Romney declared that in the decisions on the housing programs "the time has come to pause, to re-evaluate and to seek out better ways."

"But you can count on this: where HUD has made commitments to builders, sponsors, and local governments, we're going to keep those commitments. We,

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of course, will honor recent public housing operating subsidy commitments, as well.

"In the HUD subsidized housing programs, the size of our current pipeline of approved applications means we are already assured of a substantial level of production well into the future.

" In this calendar year of 1973, we expect at least a quarter of a million subsidized housing starts and that equals HUD subsidized housing starts in calendar year 1972.

"Based on the present pipeline of approved applications and other program commitments that will need to be carried out, HUD also expects to approve and finance in Fiscal Year 1973 approximately 250,000 housing units.

"HUD subsidized housing starts in FY 1974 are projected at about that level as well. That means the HUD subsidized housing starts pace of the last 12 months will continue for the next 18 months. What happens after that depends on the timing of results from the study and evaluation of present programs."

The Secretary said there will be available in FY 1974, "sufficient funding for a substantial level of activity in subsidized and public housing programs. Such funding will be available in the form of carryover funds from prior authorizations."

Secretary Romney said HUD field offices were directed today to place a temporary hold on all applications which had not reached the feasibility approval stage as of the close of business January 5. "All applications which have received feasibility approval, or in the case of public housing, a preliminary loan contract approval, will proceed to completion," he said.

"In addition, those projects which are necessary to meet statutory or other specific program commitments will be approved in coming months."

Mr. Romney said that recent rumors also involved community development programs and pointed out that President Nixon for the past two years has urged that present categorical programs be folded into a Community Development Revenue Sharing package.

"The President remains firm in his commitment to this approach at a significant level of funding, and will so indicate in his forthcoming budget message," the Secretary declared.

" However, we have ordered a temporary holding action on new commitments for water and sewer grants, open space grants, and public facility loans until these activities are folded into the Special Revenue Sharing program."

He explained that "continued substantial levels of program activity" for community development programs as a whole "are assured as a result of already-approved community development projects and the refunding of ongoing programs, such as urban renewal and Model Cities during the balance of this fiscal year."

Mr. Romney pointed out that as of January 5, $ 5.5 billion dollars had been obligated -- but not yet spent -- in community development programs and this total would reach $7.3 billion by June 30. "These activities, of course, will be carried out to completion," he promised.

The Secretary said that by 1970 it had become crystal clear "that the patch-work, year-by-year piecemeal addition of programs" over a 30-year period had created "a statutory and administrative monstrosity that could not possibly

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yield effective results with the wisest and most professional management systems.

It also became clear, he went on, that billions of tax dollars were being wasted and that hundreds of thousands of needy and disadvantaged citizens "not only would not benefit, but would be victimized and disillusioned."

The Secretary said that during "this coming period of searching evaluation, and hopefully new program enactment, it is not considered prudent to continue business-as-usual with respect to new commitments -- because business-as-usual is not the road to fundamental reform."

"I am delighted that the Administration is willing to face this urgent need for a broad and extensive evaluation of the entire Rube Goldberg structure of our housing and community development statutes and regulations," Mr. Romney said. "I am confident that Congress will join in this thorough evaluation and study of present programs that have now been volume tested to determine whether they should be improved, replaced or terminated."

Mr. Romney went on to say that in the decade ahead, " our society must make some hard, tough decisions. Some of the hardest of these will be in the area of housing and community development."

"The President's 1974 budget is designed to avoid another cosmetic face lift and summon the courage and strength to face underlying critical issues we have postponed for too long."

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