HUD NEWS

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

HUD-No. 74-6
Phone (202) 755-5284
(Anderson)

FOR IMMEDIATE RELEASE:
Tuesday
January 8, 1974

The problems hindering realization of fair housing, business and employment equal opportunity program objectives, and a discussion of solutions, are the focus of a seminar starting Wednesday, January 9 in Los Angeles.

The "Fair Housing-Equal Opportunity Regional Seminar," January 9 through 11, is sponsored by the Office of Equal Opportunity, U. S. Department of Housing and Urban Development. Seminar participants include Federal, State, and local governmental officials, and representatives of business, professional, and civil rights organizations from California, Arizona, Nevada, and Hawaii.

"For great numbers of poor, of women, blacks, Indians, and Spanish speaking minorities, equal opportunity is not yet a way of life. In the seminar, specific problems relating to their housing, employment, and business efforts will be aired," said Dr. Gloria E. A. Toote, HUD Assistant Secretary for Equal Opportunity.

Dr. Toote said that using the technique "of these important seminars, we will properly utilize the total expertise and resources of HUD's Equal Opportunity Office to combat all discrimination."

The Los Angeles-based seminar is one of a series scheduled for each of the 10 HUD regions.

Sessions are open to the public and start daily at 9:00 A.M., at the Marriott Hotel, Century Boulevard at Airport Boulevard.

Assistant Secretary Toote will deliver the opening address on Wednesday. The opening session on Wednesday will focus on the Fair Housing Law, neighborhood stabilization, and blockbusting problems.

Thursday's meeting will take up HUD's relationship with State and local civil rights enforcement agencies; affirmative fair housing marketing; minority business enterprise; exclusionary land use controls; and fair share in community development programs.

The Friday agenda will cover employment discrimination; corporate responsibility for equal housing; job training and business opportunities for HUD's project area residents and businesses; and women, their equality and goals in employment in Federal, State , and local governments.

Dr. Toote said that the comprehensiveness of the seminar reflects the broad area of responsibilities of HUD's Office of Equal Opportunity.

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"Every facet of responsibility," said Dr. Toote, "will be discussed, studied, and reviewed, including the upward mobility for women in government."

Seminar discussions will highlight the role of equal opportunity in the new areas of proposed legislation now before the Congress -- The Better Communities Act, the new Housing Program, Responsive Governments' Act and the Direct Cash Assistance Program.

The Assistant Secretary noted that in connection with all of the proposed legislation, HUD Secretary James T. Lynn has assigned to her Office of Equal Opportunity an expanded list of duties and responsibilities.

"We do not take this challenge lightly, for there is much to be done to erase the effects of past discrimination while fulfilling new responsibilities envisaged in the proposed legislation, "said Assistant Secretary Toote.

A special Saturday session to inform the practicing attorney about a new field of civil litigation - fair housing discrimination cases -- will be held at the University of Southern California School of Law. The day long seminar, "The Fair Housing Law and the Practicing Attorney," starts at 9:00 A.M., in the Hancock Auditorium, Univeristy and Childs Way.

Seminar sponsors with HUD include local bar associations, lawyers clubs and law schools.

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The legal seminars, designed for attornies who represent real estate firms, landlords, brokers, realtors, banks, and the potential homeseeker, are held in conjunction with each of HUD's "Fair Housing - Equal Opportunity Regional Seminars."

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NOTE TO EDITORS: Other seminars:

Tentative schedule: Philadelphia, Jan. 30; Seattle, Feb. 20; Atlanta, March 13; Denver, April 3; Dallas, April 24; Boston, May 8; Kansas City, Mo. May 22; Columbus, Ohio, June 12.

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

HUD-No. 74-12
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Monday
January 14, 1974

Substantially reduced premium rates, as well as greatly expanded limits of coverage, will be available under the National Flood Insurance Program as a result of the recently-enacted Flood Disaster Protection Act of 1973, Federal Insurance Administrator George K. Bernstein said today.

"Federal flood insurance at subsidized rates was a good buy before," Mr. Bernstein said, "but it is an especially good buy today, particularly with rainfall up to 75 percent above normal along the Mississippi River, huge tides threatening the Atlantic and Pacific Coasts, and the water level in the Great Lakes the highest it has been in 200 years."

Announcing the new rates, Administrator Bernstein said homes of all sizes in communities participating in the program can now be more adequately insured against property damage at the flat annual rate of 25 cents for each $100 of insurance. Under the old program the rates started at 25 cents and increased on a sliding scale.

The contents of homes are now insurable for 35 cents per $100, as opposed to the old sliding scale which rose to 45 cents.

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For business and other non-residential structures, the rate is now a uniform 40 cents per $100, 20 cents below the top for such buildings in the old program. These buildings include businesses, churches, municipal structures, and hotels and motels.

The rate for contents of the non-residential properties is 75 cents per $100, the same as was charged previously.

The expanded limits of coverage were announced by President Nixon and HUD Secretary James T. Lynn last New Year's Eve, the day the Administration bill was signed into law by the President.

For single family homes the limit of coverage at the subsidized rates is raised from $17,500 to $35,000 on the structure. For multi-family homes, coverage increases from $30,000 to $100,000. Contents for all homes and apartments can now be insured up to $10,000, double the previous limits.

For non-residential property, available subsidized coverage on the structure increases from $30,000 to $100,000, and the contents from $5,000 to $100,000.

For residents of communities where acturial rates have been established, an additional layer of coverage is available at actuarial rates.

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

HUD-No. 74-14
Phone (202) 755-5277
(Vincinguerra)

FOR RELEASE:
Friday
January 18, 1974

The future of New Communities in America is tied to acceptance by and approval of State and local governments, Alberto F. Trevino Jr., General Manager, Community Development Corporation, HUD, told a New Towns Symposium today in San Diego.

Mr. Trevino said New York State has taken the lead in officially recognizing the growing importance of New Towns by creating a State agency -- the Urban Development Corporation -- whose operations include New Towns.

The Department of Housing and Urban Development official told the New Towns Symposium, sponsored by the California State University, that New Communities may be the laboratories in which solutions will be discovered for some of the more perplexing problems now threatening continued urbanization of America.

He said the New Community concept is new, and is breaking new ground. "We in this field," he stated, "are encountering many pitfalls. But I ask today for the cooperation of State and local governmental units, which alone can give the New Community concept the real

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test it needs to determine whether we have here potentially proper and practical answers to many of America's crucial community problems."

As for HUD, Mr. Trevino asserted that the New Communities program is not a "token effort" of the Federal Government. Rather, HUD is marshalling administrative and operational resources to streamline and quicken the time span of New Communities, from creation to fruition, Mr. Trevino said.

Reviewing efficiency measures underway in his office, Mr. Trevino said the time to process a New Community application, now requiring up to two years, will be cut to less than a year.

Also, said Mr. Trevino, the program is being wired into an inter-agency network of allied interests on the Federal, State and local levels, the academic community and the private sector, developers, architects, planners and environmentalists.

"Rapid transportation, recycling for energy conservation, continued industrialization, environmental needs and pollution control demand that we in New Communities come up with the best answers to solving these problems," Mr. Trevino asserted.

The HUD official urged States and counties "get involved." He said "We at HUD are going to do our part. Our thrust will be to make local governmental units aware of the great challenge of New Communities. We very much want their cooperation."

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HUD NEWS

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

HUD-No. 74-15
Phone (202) 755-5284
(Farley)

FOR IMMEDIATE RELEASE:
Friday
January 18, 1974

Federal Insurance Administrator George K. Bernstein issued a warning today of heavy flooding along the Mississippi River from Iowa south to Louisiana.

He coupled the warning with a plea to property owners to avert possible disaster by signing up for protection under the federally subsidized flood insurance program, administered by his office in the Department of Housing and Urban Development.

Last year, Mr. Bernstein pointed out, the Mississippi was in flood stage for 89 days, from March through June. That record may be eclipsed this year, he said, if any more rain increases the river's already swollen waters.

The Mississippi is now 20 feet above normal in Cairo, Ill., and 11 feet above normal in New Orleans, he added, and the levees have had no opportunity to dry out.

The Administrator said a great number of flood-prone communities have not yet become eligible to participate in the program, leaving them unprotected if the flooding continues.

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Mr. Bernstein urged these communities to enroll in the program, so that property owners will then be able to obtain coverage through their local insurance agent or broker.

To qualify, he explained, the community must submit an application to his office, HUD, Washington, D. C. 20410, certifying it has adopted minimum land use measures to abate damage from future floods.

Once the application is accepted, insurance is available to residents of the community within a week. The policies are effective immediately through the first 30 days of the community's eligibility. After that there is a 15-day waiting period.

The program covers losses both from the overflow of rivers and streams from the rapid accumulation or runoff of surface waters from any source, as well as tidal flooding.

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HUD NEWS

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

Phone (202) 755-6980

FOR RELEASE AFTER:
4:00 P.M. EDT
Monday, January 21, 1974

REMARKS PREPARED FOR DELIVERY

By

JAMES T. LYNN

Secretary

U. S. Department of Housing and Urban Development

at the

Annual Convention

of the

National Association of Home Builders

Astrohall

Houston, Texas

January 21, 1974

I welcome this opportunity to be with you. Still, I am reminded of Al Capp's reaction when he was invited to speak at a Harvard commencement in the heyday of campus unrest. The politically conservative cartoonist agreed to appear -- but only if the university would give him an extra thousand dollars "combat pay" to face the dissident students.

For a great many of you, these are rough times. I could try to console you by making something of the fact that, in the decade of the 1960s, average housing starts did not even reach the one-and-a-half million mark. But it would just recall to your minds that old division of statisticians into three categories: liars, damned liars, and statisticians. You might even be tempted to add a fourth category - government officials with rose-tinted vision.

I don't want to play that game. It wouldn't be honest, and it wouldn't be productive. It wouldn't win me any new friends; it might even cost me those I have. And it would not help the home builders or the home buyers, two groups whose well-being is of great concern to me.

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You have certainly done your part. Over the past few years, especially, you have proved again the capacity of the private sector to respond to the needs and demands of our people. Your flexibility and resourcefulness were shown in a spectacular way when you boosted residential construction from the 1970 level of 1,469,000 starts to the 1972 record of 2,378,500, a 62 percent increase in just two years.

And it wasn't easy. To cite just two examples, first-rate craftsmen in sufficient numbers aren't easy to come by, and materials are sometimes impossible to buy at any price. But, to quote Colonel Pickering in _My Fair Lady_, "By George, you did it!"

On January 21, 1974, however -- that's today -- no one could fault many of you for asking yourself, "How did a nice guy like me get into a business like this? Here I am" (you might say) "with organization, people and investment geared to a market of two million-plus units a year, and suddenly the bottom drops out. What happened? And even more important, what will happen next?"

Before getting into a discussion of the problems and what can be done about them, I want to make something very clear: I do give a damn. I care about providing housing that will realize the dreams as well as meet the basic needs of our people. I care about the thousands upon thousands of jobs a healthy housing market can generate, both directly and indirectly. And I care about the fate of the home builders who make all this possible.

This isn't just my feeling. Let me read the message the President gave me last Thursday to deliver to you personally:

> "It is the firm belief of my Administration that the housing industry is a key factor in our national economy and the essential element in the ultimate attainment of the goal first established in the Housing Act of 1949: a decent home and a suitable living environment for every American family. In this spirit I greet the members of the National Association of Home Builders at your annual convention.
>
> "I am pleased that Secretary Lynn will be with you on this occasion to reaffirm first hand our sustained commitment to the objectives of my housing message of last September 19. We are more determined than ever to increase the availability of mortgage credit in the current market, to improve the overall credit picture for the long term and to find a sensible way to help meet the housing needs of families with low incomes.
>
> "The constant new developments affecting the housing situation make it imperative that we have the flexibility to deal with each new change. This flexibility will surely be most effectively achieved if we have a healthy housing industry. May your deliberations provide useful direction and incentive for your members to meet their challenge in this critical task."

He -- and, in fact, everyone in the Administration who is involved in housing -- recognizes that you face a host of problems. Among these most surely are: the money situation; inflation generally; for some, the suspension of the subsidy programs; environmental problems; "no-growth" policies; the energy crisis, my friend Bill Simon's domain; and last but not least, economic uncertainty. Now I can't cover all of these extensively today, but I will spend a fair amount of time on some and at least touch on the others.

First and foremost among your problems has been money. For a while, the problem of the shortage of construction and mortgage loan money at practically any price. Money flowed out of the savings and loan associations. Now that it's flowing back in -- for example, S&Ls gained $3.1 billion in deposits in December -- the shortage of funds for lending has been easing, but interest rates on home loans are still considerably above those of a year ago -- in most cases more than 100 basis points.

The economic gurus look into their crystal balls or computers and predict that although interest rates on long-term debt (which includes mortgages, of course) may come down somewhat in the months ahead, they will not come down much. So be it -- I don't envy those who have to make their livings making such predictions -- but I am firmly convinced that HUD should set an example for the rest of the market wherever it can.

Accordingly, I am pleased to announce, on behalf of myself and Don Johnson, the head of the Veterans Administration that effective tomorrow the maximum interest rate for FHA-insured and VA-guaranteed loans is being reduced from 8-1/2 percent to 8-1/4 percent. And I assure you that if market adjustments to the new 8-1/4 percent ceiling and the interest rate outlook in the period ahead appear to make further reduction feasible, we'll do it without hesitation. My objective is to have FHA "lead a little."

Frankly, as the President points out in his September message on housing, the law should be amended to let the FHA and VA rates float and eliminate "points," the prepaid interest that actually hurts the buyer and certainly doesn't benefit the seller. But as long as we must operate under the present archaic system requiring the FHA and the VA to guess constantly as to what markets will do and peg an interest rate, I'll do my best to make it work.

Let me move on to Tandem. You will recall that in his message last Fall President Nixon announced a revived GNMA Tandem Plan to provide assured financing on FHA and VA insured loans bearing an 8-1/2 percent stated interest rate for up to 100,000 units of new residential construction. We haven't done much business under that program. But the slow response proved an important point: the then shortage of funds for residential lending was only a part of the problem. Tandem assured the funds. But at the 8-1/2 percent rate, there were relatively few takers. This says to me that through Tandem we've got to offer a better interest rate -- substantially better.

Therefore, I am even more pleased to announce that effective tomorrow a revised and expanded Tandem Plan will authorize GNMA to commit up to $6.6 billion to purchase at 96 FHA and VA-insured mortgages on 200,000 units of newly-constructed single and multifamily dwellings, bearing a stated interest rate of 7-3/4 percent.

I don't have to tell you what a significant commitment this is... There will be real punishment on resale of these mortgages by GNMA if the mortgage money trends are the wrong way. Given the present slump in the housing market, however, we have little choice. It makes sense, and it must be done, both to help the home builder and the home buyer alike.

How effective will this new program be? I hope, I expect, indeed I am convinced that it will do substantial good. If Congress were to act promptly to remove some related constraints on the statute books, the new Tandem Plan could be assured of success. I am referring to the FHA ceiling on mortgage amounts and the loan-to-equity ratio limits. These provisions, however well advised they were when the law was last changed in 1968, just aren't realistic in 1974. As the President's September housing message states, these limits must be increased immediately.

What else can be done on this interest problem? For the months immediately ahead, I think the answer is "not much," but over the long term, "a lot." The key is to give housing funds a competitive edge against other demands for long-term money.

How do we do it?

One proposal would give depositors in savings and loan associations a tax break on interest earned. But this would only increase the reliance of housing on one sector of the financial market.

Don't get me wrong. Over the years, the S&Ls have done a good job of providing funds for housing; their health and growth are vital to the home buyer and the housing industry. And the President's proposals for financial institution reform aim to ensure that health and growth, including certain needed flexibility in making construction loans and achieving financial balance.

But what I want to see -- and what I know all of you want to see -- are effective ways of tapping every long-term credit source available, particularly when money is tight. That means opening a competitive wedge in all markets, not just with the savings and loan depositor.

The mortgage interest tax credit proposed to the Congress by the President would do just that. Under this proposal, the larger the proportion of total assets invested in residential mortgages, the higher the tax credit, up to 3-1/2 percent when the mortgage proportion of the assets reaches 70 percent. If, for example, a bank already holds 8 percent of its total assets in residential mortgages, an increase of only 2 percent will give the bank a 1-1/2 percent tax credit on the entire 10 percent, which results in a significantly higher yield on the incremental investment. That's quite an incentive.

Such a tax credit would also apply to pools of mortgages put together in the private sector. With the credit, such pools would have a substantial advantage in issuing their notes in the secondary market.

I know it sounds complicated. But it should work. Incidentally, it's not cheap. Preliminary estimates indicate that even if mortgages do not rise above the level of, say, 1972, the subsidy involved, in lost revenues to the Treasury would be near $200 million, and the potential revenue loss is much more.

Moreover, the whole scheme would function without government bureaucrats. I can't say the same for other proposals I've heard -- like the one that the Federal Government should restrict consumer credit for purchases other than housing, or restrict business credit, both for the purpose of forcing investment into housing. Who is the genius in Washington who would fine-tune such regulation? Is it really fair to the consumer to say Uncle Sam knows best? To say you really shouldn't buy as many home appliances or vacation trips, so enough money will be freed for housing?

Is is really in the best interest of the housing industry to restrict the credit needed by our industrial sector to conduct research or to improve productivity by investment in new plantsand equipment? These things are vital to the better jobs and higher real incomes necessary to pay for better housing.

This brings me to the second problem I mentioned at the outset: inflation. Lenders feel they need higher interest rates to compensate for expected diminished purchasing power of the dollar when the principal comes back years later. Yet inflation affects not only interest rates but everything else too -- land, materials and labor.

Equally important, inflation saps the demand for better housing when the potential home buyer has to spend more of his pay check for food, gasoline and practically everything else. We can and we must get inflation under better control. How?

As you know, food costs have been the biggest single culprit. The Administration has taken a number of steps that we expect to increase supply and moderate price hikes.

The soaring cost of fuel is another, newer culprit.

To hold down inflation, Federal spending must conform to reasonable limits. Easy to say yet almost five years in government have taught me how hard it is.

Every group, it seems, has its own cause -- very often a perfectly legitimate one. But there is simply no way to give all groups the money they want without raising taxes or printing money, which simply means more inflation.

So we must establish priorities and set limits. That's what this annual budget battle is all about.

Incidentally, I just can't buy the proposition that an easy way out is available to us -- that all we have to do is cut defense.

Without a strong defense, mutual reduction of arms is a pipe dream. Without a strong defense position the free community of nations will not endure. Freedom, liberty, can too easily be taken for granted, especially when we have had it as long as we have. And I've sat in enough Cabinet meetings to know that we have whacked as much out of the defense budget as possible in favor of domestic program priorities. It's not a pleasant prospect -- particularly when you have the job I have or Cap Weinberger's job at HEW -- but we will need more money for defense than Congress appropriated last year, not less.

While we are on the subject of budget allocations, I would like to talk a little on the issue of subsidized housing for lower-income families. Whether we look at the decade of the '60s or go back to the '50s, it is clear that as a nation we have made remarkable progress toward the goal -- first articulated by the Congress in 1949 and reconfirmed in the President's September housing message -- of a decent home and a suitable living environment for every American family. The main reason for our success is the growth in jobs -- higher real incomes -- coupled with a strong housing industry and credit availability.

Notwithstanding this progress, however, many families still live in housing that by any standard is substandard.

The issue is how to overcome this problem. This is what the housing study we completed in September is all about.

I'm not going to try to explain in detail here why we concluded that we don't stand a chance of achieving our national housing goal for substantially all those still without decent shelter through the old programs. Chapter Four of the book incorporating the results of the study, a volume called Housing in the Seventies, does that better than I could here.

Suffice it to say that even if all the other negative factors were ignored, solving the housing problems of all those eligible under the old subsidy programs for lower-income families would cost, we estimate, some $34 billion a year. Allocating that much of the Federal budget to these needs just isn't possible. New approaches are necessary.

The Administration is committing some $200 million to the housing allowance -- direct cash assistance -- experiments. In this and other ways, we are attempting to devise a practical program to get at the basic problem -- lack of sufficient income to pay for decent, safe and sanitary existing housing.

Even though this cash assistance approach would make maximum use of existing housing, the expenditure involved would be far greater than anything this Nation has seen before -- an estimated $1-1/2 billion for the first phase, covering the elderly poor, and an estimated $9 to $11 billion annually when the program is fully operative. But the difference is we would be helping the vast majority of the poor get better housing rather than helping a relatively small proportion get new housing while the rest are left to wait and wait.

This doesn't mean that we are standing dead in the water pending final decision on direct cash assistance, a decision scheduled for the end of this year or maybe early next year.

In addition to the 100 thousand-plus units under the old programs that are still being processed, another 200,000 units of subsidized housing were announced in the President's September housing message.

Approximately 70,000 of this 200,000 are allocated to meet bona fide commitments under the old programs. The balance, about 130,000, are earmarked for our revised Section 23 leasing program -- 50,000 units of existing housing and 80,000 of new construction.

In devising these new Section 23 programs, Assistant Secretary and FHA Commissioner Lubar and his people have been in contact with developers and others knowledgeable about subsidized housing. And the regulations will be published for comment tomorrow. These new programs, refined as we gain experience, and hopefully improved by the legislation we seek from Congress to modify them further, should avoid many of the flaws in the old programs and provide a sound interim approach while the work on better long-term approaches proceeds.

The budget for fiscal 1975, to be published shortly, will seek authority for an additional number of units for these new Section 23 programs. But the programs simply won't work without you. We need your help.

I have discussed tight money, high interest rates, inflation and helping the poor. Before I close, just a few words on the other problems I mentioned.

FHA processing. Once and for all, let me state it flatly: There will be a need for FHA for a long, long time. The private mortgage insurers perform an important function, and I will do all I can to foster the service they give. But for the foreseeable future, there will always be good mortgage risks that require FHA assistance.

One of my top priorities for the period immediately ahead is once again to provide timely FHA processing service in the offices that fail to do so. We know from the good performance of some offices that FHA can provide prompt service without sacrificing the important social goals built into the law, such as equal opportunity and environmental protection. Accordingly, on direct authority from me signed last Friday, Shel Lubar is putting together teams of experts -- including representation from better offices -- who, in coordination with the regional offices, will, in the weeks ahead, go directly into the area and insuring offices that appear to need the help and do what needs to be done.

For the longer term, Congressional adoption of some of the President's other proposals will also greatly assist and help streamline FHA operations. Co-insurance, the practicability of which was proved by VA long ago, will help. And it goes almost without saying that the greater your own sense of responsibility in selecting the projects you offer, the better your own work in the application process and in meeting your commitments, the easier it will be for us to streamline our own procedures.

The environment. We have been working closely with the Environmental Protection Agency to get a better handle on the facts, to separate the real problems from the illusions and address them. And as expected, the NAHB staff has welcomed our overture to work with your organization along the same lines.

No growth. Some of the communities moving toward growth restriction have legitimate reasons. But others don't. Whether they like it or not, the baby boom of the post-World War II period is now becoming the family formation boom of the Seventies and early Eighties. These people must have homes where the jobs are, and we at HUD will work with you toward achievement of that goal.

Energy. I know the problems you face -- the effect of the energy crisis on availability of materials, on fuel for construction, on Sunday driving to inspect homes, on the willingness of customers to buy while question marks hang over such things as heating and gasoline supply.

That's why I have brought Doug Parker on board to be my Assistant for Energy Affairs. I hope as many of you as possible get to meet and know him while we are here in Houston. Doug will work closely with Bill Simon's shop, with you and with others to reduce as much as possible the impact of the energy crisis on housing.

Let me close with what I said in my first line. I welcome the opportunity to be with you. I chose those words carefully. I didn't say the usual "It's a great pleasure to be with you." In the sense of satisfaction with the current state of housing affairs, it cannot be a pleasure -- surely not for you and certainly not for me.

But I do welcome the opportunity to be with you.

I wanted to hear about your concerns at first hand. I wanted to discuss specific problems and predictions with you directly. And I wanted to present in person a partial solution at least to one of your principal current difficulties -- interest rates.

There are, amidst the serious problems, some good signs. When I look at those family formations on the charts, at the basic strength of our economy, at its capacity to create more and better jobs (with all that means to the prospects for better housing) and at your demonstrated ability to provide that housing, I perceive promise for a high level of housing construction, not just for the balance of this decade, but also into the 1980s. And I pledge to the people of this country, and to you today, that as Secretary of HUD, I will do my utmost to help.

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

HUD-No. 74-16
Phone (202) 755-5980
(Kinkor)

FOR RELEASE AFTER:
4:00 P.M. (EDT), Monday
January 21, 1974

Secretary James T. Lynn of the Department of Housing and Urban Development today announced important steps to enable more families to qualify for home ownership, and to stimulate home building.

Addressing the annual convention of the National Association of Home Builders in Houston, Texas, Secretary Lynn announced:

-- A reduction from 8-1/2 percent to 8-1/4 percent in the maximum allowable interest rate for mortgages insured by the Federal Housing Administration.

-- Expansion of the tandem plan of the Government National Mortgage Association (GNMA) that will assist in the construction of 200,000 housing units by providing below-market interest rate mortgages up to a possible total of $6.6 billion.

To be eligible under the expanded program, mortgages must be for new construction, bear an interest rate of 7-3/4 percent, and have received conditional commitment for FHA insurance or VA guarantee on or after January 22, 1974.

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The 200,000 units of housing will be produced under a revision of GNMA's Special Assistance Programs for the purchase of unsubsidized FHA-insured and VA-guaranteed home and project mortgages.

Other GNMA tandem plans will be unchanged except that mortgages will be accepted at the new interest ceiling rate of 8-1/4 percent unless covered by special exceptions.

The new interest rate ceiling of 8-1/4 percent was determined after consultation with Donald Johnson, Administrator of the Veterans Administration, who simultaneously announced a similar decrease in the allowable rate for GI home mortgage loans.

The rate ceiling had been at 8-1/2 percent since August 25, 1973.

Secretary Lynn also announced that HUD is embarking on a total effort to simplify processing and office procedures relating to FHA insurance programs. Teams from HUD's Washington headquarters will be working with field offices nationwide in a coordinated attack upon processing bottlenecks and other obstacles to speedy and effective service. The Secretary pointed out that this effort to achieve better service and use of resources will in no way de-emphasize equal opportunity or environmental requirements, other designated national or community social priorities, or quality standards for processing.

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

Phone (202) 755-6980

FOR RELEASE AFTER:
11:30 A.M., Tuesday
January 22, 1974

REMARKS PREPARED FOR DELIVERY

by

SHELDON B. LUBAR

Assistant Secretary for Housing Production

and Mortgage Credit -- FHA Commissioner

at the

30th Annual Convention-Exposition

of the

National Association of Home Builders

The Astrohall

Houston, Texas

January 22, 1974

TODAY'S MORTGAGE MARKET -- AND TOMORROW'S CONSUMER

It's a great pleasure to be here today, and to have a part in the 30th Annual Convention-Exposition of the National Association of Home Builders.

When you think back over some of the honest disagreement that has prevailed over the past few months, as between the NAHB and HUD, I wondered whether Houston was in for another Super Bowl when we got together here. But that match-up, as you recall, was a pretty one-sided affair. I would hope that we can all come out of <u>this</u> gathering with a better appreciation of each other's views. That way, everyone wins.

In that context, I have taken a slight liberty with the theme of this panel. My text will be "Today's Mortgage Market -- <u>And</u> Tomorrow's Consumer." Clearly, the interdependence between the two requires that they be considered together.

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In so doing, however, I am mindful of what George F. Will wrote in The Washington Post of a week ago. "In government, as in everything else," he said, "wisdom begins with knowing what it is that we do not know."

Nonetheless, let me begin with what we do know with some certainty. Mortgage interest rates are running at a level that is high in relation to what we've become accustomed to since the end of World War II. But so is everything else; that is part of the price we have paid for our enormous growth. Even so, we can characterize these rates as fairly well stabilized over the past three months.

In fact, during this period interest rates have shown small but consistent declines; savings flows have increased; and money has generally been available. Let's look at some of the numbers.

Taking the total of all FHA/VA-backed loans, the effective interest rate went from 9.37 percent in September to 8.97 percent in October, to 8.81 percent in November -- and 8.78 percent in December. At the last FNMA auction on January 14th, 1974, the average rate was 8.71 percent.

As for the savings flow: there was a net savings inflow (including interest credited) of 11.3 billion dollars to the thrift institutions in the first quarter of calendar year 1973. By the second quarter, the inflow was down to 7.5 billion. The third quarter saw a net outflow of 146 million dollars. But this had turned around by the fourth quarter -- based partially on December estimates by the National Association of Mutual Savings Banks and the Federal Home Loan Bank Board -- to a net inflow of 6.7 billion dollars. The trend is unmistakable.

As far as the availability of mortgage money is concerned, I'm sure my distinguished colleagues on the panel will have something to say about that. Mr. Kingman will be mentioning that Ginnie Mae issued 3 billion dollars in mortgage-backed pass-through securities in 1973, and that 80 percent has been going into pension funds since early Spring. The shortage has not been one of funds, but of FHA mortgages.

That's what we do know. When we try to say precisely what it all means for the next year, however, our crystal ball grows somewhat cloudy. Yet, despite considerable uncertainty in the economy -- compounded by the energy outlook -- there seems to be fairly general agreement that there will be an adequate supply of long-term mortgage funds through 1974, at perhaps slightly declining interest rates. At a recent FHLBB symposium, for example, most analysts felt that interest rates might decline slightly, but that there was probably a basic floor of about 8 percent below which they would not fall this year. I would tend to agree.

They also forecasted an unusually broad range of new starts for 1974 -- anywhere from 1.5 to 1.9 million. My own feeling at one time was nearer the top of that range, but with today's added uncertainties, we may be in for a tough year.

The main reason is that, if the outlook for mortgage fund availability and interest rates is relatively clear, the attitudes and actions of consumers present us with a difficult set of imponderables. In the words of high-technology engineers, we have graduated from the "known unknowns" to the "unknown unknowns."

By this I mean that in times of uncertainty for the consumer, he is most likely to make very few buying decisions. That would seem to promise that savings flows will be healthy.

Yet, on the other hand, we see the trend -- in Japan, for example, and probably to some extent in this country as well -- toward compulsive buying and hoarding. Grab everything you can get hold of, in effect, because you might not be able to get it again -- or it will cost you more later. Whatever the <u>actual</u> rate of inflation, in other words, inflationary <u>expectations</u> -- coupled with real or imagined shortages -- could strongly influence consumer expenditures, and thus the savings rate. But even with plenty of mortgage money around, potential home buyers may well postpone housing decisions.

So -- how will American consumers react to the higher prices that will inevitably result from the increasing costs of energy, food, and virtually every other commodity on this earth? How will they adjust to the harsh realization that they have in effect been subsidized through the abundance of cheap resources and commodities in this country and the undeveloped nations of the world? How will they accommodate to the fact that many other affluent peoples around the world are now competing with us -- and competing hard -- for scarce and finite resources? And finally, will energy problems lead to a complete reassessment of housing preferences and life styles, and a reversal of past trends?

No one can answer these questions with any pretense of certainty. Nor can we rely with too much confidence on past experience because, in truth, we are now in a global environment that has no real precedent.

My own feeling is that, if our citizens are given the straight facts to the degree that the facts can be known, and if we explain to them what our plan is -- and why -- the American people can adjust successfully. For one thing, our economic outlook is going to have to change from a worship of GNP to an intelligent and realistic determination of priorities in the use and development of resources. Change is already under way. Detroit -- the new car city -- knows it. Certainly the NAHB has felt it; it is exemplified by the "no growth" movement you are all so well aware of. Indeed, all of us are beginning, however reluctantly, to make adjustments to a new reality. We are learning about the Law of the Constant Variable: "Change is the only thing that remains constant."

And that means learning to live with some ambiguity and uncertainty. At times like these, the people turn increasingly to their government for answers. But obviously, not all the answers are there; they never have been. Certainly the role of the government as planner, guide, and maker of broad policy cannot be minimized -- and all of us in the Federal Government are keenly aware of our responsibilities in these areas.

However, to go too far beyond that stance, to cause further disruptions in the natural interactions of the free marketplace, would be a critical mistake. If anything, at least part of our present trouble derives from too much government involvement. The idea that the government can solve everything is simply unrealistic.

Now obviously there are a great number of things that can _only_ be done at the Federal level. But _most_ of the things that affect the daily lives and living of the American people _must_ be the responsibility of the people -- of individuals -- of you.

In the case of home builders, as with everyone else, these are times that demand imagination and creativity. It is you, more than anyone else, who must gauge the consumer's pulse, and react to his needs and demands in the way that has made American home building the great industry it is.

We in the Federal Government are doing what is within our province and power to help. We are trying to reform the financial institutions, to create an efficient and dependable mortgage market. We are doing our utmost to make the FHA more effective, with both administrative and legislative innovations. And we are striving to provide decent housing for our less fortunate citizens in the most efficient and most equitable way.

We need your help and support so that these things _can_ come to pass. And when they do, we are convinced that they will help to make your business more viable, far healthier, and much more stable.

Thank you.

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

HUD-No. 74-21
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Friday
January 25, 1974

A Federal District Court in Texas has issued an injunction against the King's Country land development near Texarkana banning further sales of property because the developers were in violation of the Interstate Land Sales Full Disclosure Act.

Under the terms of the injunction, announced by Interstate Land Sales Administrator George K. Bernstein, the Stephens Development Corporation of Mount Pleasant, in Franklin County, must arrange a suitable plan to refund purchasers who bought lots at King's Country while the Corporation operated in disregard of the Act. It must also comply with the full disclosure requirements of the Act.

Specifically, the Court found that the Corporation was selling property without an effective registration with the U. S. Department of Housing and Urban Development, and therefore all sales may be voided.

Also, said the Court, the developers distributed a document entitled "Property Report Required by Federal Law," although the document was never approved by HUD.

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The Corporation must now notify all purchasers of their right to get their money back, and must place in escrow sufficient funds for full repayment of all claims made under the Act.

Mr. Bernstein said the plan for refunds must be acceptable to HUD before the developers can dispose of any of their assets, including the further sale of lots.

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HUD NEWS

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

HUD-No. 74-26
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Tuesday
January 29, 1974

The unique problems poor and minority citizens experience seeking fair housing opportunities and equal business and employment opportunities, and a discussion of solutions, are the emphasis of a five-State seminar opening in Philadelphia tomorrow, Wednesday, January 30.

Open to the public, the "Fair Housing-Equal Opportunity Regional Seminar" is sponsored by the Office of Equal Opportunity, U. S. Department of Housing and Urban Development. Participants in meetings which run through February 1, include governmental officials and respresentatives of business, professional and civil rights organizations from Delaware, the District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia.

"Realization of the promise of equal opportunity still eludes great number of citizens -- the poor, women, blacks, Indians, and Spanish speaking minorities," said Dr. Gloria E. A. Toote, HUD Assistant Secretary for Equal Opportunities. "The specific problems relating to their housing, employment, and business efforts will be aired in the seminar."

The Philadelphia-based seminar, one of a series scheduled for each of the 10 HUD regions, will deal with the particular problems of the geographic area.

The seminars, Dr. Toote continued, are an important means for bringing specific problems into focus so that "we may properly utilize the total expertise and resources of HUD's Equal Opportunity Office to take those corrective steps necessary to assure compliance with Federal fair housing laws."

Assistant Secretary Toote will open the seminar on Wednesday. Sessions start daily at 9:00 A.M., at the Bellevue Stratford Hotel, Broad and Walnut Streets, in the 18th floor Rose Garden Room.

Wednesday's session will focus on the Fair Housing Law, neighborhood stabilization, and blockbusting problems.

The Thursday agenda deals with HUD's relationship with State and local civil rights enforcement agencies; affirmative fair housing marketing; minority business enterprises; exclusionary land use controls; and fair share in community development programs.

Friday's meeting will take up employment discrimination; corporate responsibility for equal housing; job training and business opportunities for HUD's project area residents and businesses; and problems of women, their equality and goals in employment in Federal, State, and local governments.

"The comprehensiveness of the seminar," Dr. Toote said, "reflects the broad area of responsibilities of HUD's Office of Equal Opportunity. Our discussions will also center on the role of equal opportunity in the new areas of proposed legislation now before the Congress -- The Better Communities Act, the new Housing Program, Responsive Governments Act, and the Direct Cash Assistance Program."

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

HUD-No. 74-28
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Tuesday
January 29, 1974

If you're an innovative developer planning a residential-commercial complex, would you be interested in a single on-site plant providing a full range of utilities to your entire development? If so, the Department of Housing and Urban Development wants to hear from you.

In a preliminary search for possible sources and sites for future demonstration of its multi-purpose MIUS (Modular Integrated Utility System), HUD is soliciting "expressions of interest" from organizations and consortia willing to incorporate a MIUS into their planned new developments. The invitation also seeks responses from municipalities and utility companies.

The information solicited will be considered in preparing criteria for a formal Request for Proposal (RFP) on the cooperative demonstration at a later date.

According to HUD Assistant Secretary Michael H. Moskow, whose Office of Policy Development and Research is developing the concept, MIUS takes the total energy process "one step beyond; it can supply not only the normal range of utilities...electricity, air conditioning and heating...but

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also can treat water, process solid wastes and treat liquid wastes, and use residual and recycled energy to do a large part of the job."

MIUS capabilities, he explained, far outstrip those of the conventional power plant, which wastes about 65 percent of fuel energy in generating electricity. "In an integrated system, better than half of this waste energy can be recovered and used for space heating, air conditioning, domestic hot water, and water and liquid waste treatment...with an extra five to ten percent reduction in fuel requirements gained from recycling solid waste for its energy content. At the same time, the process reduces the volume of solid waste to be disposed of from about two cubic feet per family to a small residue."

Appearing this week in publications across the country, HUD's advertisement inviting "expressions of interest" lists the following requirements a potentially eligible residential-commercial complex must have:

1. Principally residential and primarily medium-to-high density.
2. Located in the continental United States and intended for year-round occupancy.
3. Desired project size approximately 300 to 1,000 dwelling units.
4. Project presently in active planning stage.
5. Project scheduled for occupancy approximately 1976.
6. Project must meet HUD economic criteria for financing MIUS overcosts which consist of the excess cost of utilities over conventional costs and some R&D.
7. Project site plans and specifications sufficiently flexible to incorporate MIUS concept modification.
8. Space to house the MIUS.

Responses may be made by municipalities, utilities, developers and builders, individually or in consortia, and should include organizational arrangement and management plans, plus financing and institutional considerations and licensing requirements, if available.

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Responses to HUD's advertisement should be directed to: Duane Murray, Contracts and Agreements Division, Room 2148, HUD, 451 Seventh Street S.W., Washington, D.C. 20410. Deadline for receipt of responses is February 20, 1974.

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

HUD-No. 74-29
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Wednesday
January 30, 1974

The Welder's Training School, developed through a partnership of labor, government, and industry, and the Navajo Nation, officially opened today at Window Rock, Arizona.

Thomas O. Jenkins, Acting Deputy Assistant Secretary for Equal Opportunity, U.S. Department of Housing and Urban Development said during opening ceremonies the "joint effort making the Navajo welder training program a reality is the kind of partnership that can serve as a model and a challenge for future programs."

Certified completion of the one year training course assures the participants jobs at established wages in a bona fide apprenticeship program. The school will accommodate 30 trainees per year each for the next three years.

HUD's Office of Labor Relations, in cooperation with the United Association of Journeymen and Apprentices of Plumbing and Pipe Fitting Industry of the United States and Canada, designed the training project launched today.

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The United Association presented HUD an award during ceremonies marking the opening of the Welder's Training School in recognition of the Department's efforts and help "in designing the program and aiding U.A. Locals 412 (N.M.) and 469 (Phoenix) identify funding to get the program underway." Charles T. Muntain, HUD Assistant to the Secretary for Labor Relations accepted the award.

Mr. Jenkins said that the Training School program "is not 'training for training's sake'. It is a complete and realistic program that will enable trainees to realize economic stability and independence."

The project was funded under a grant of $152,000 by the Four Corners Regional Commission, U.S. Department of Commerce, with a like amount from the Department of Labor for trainee subsistence and wages for trainees during the training period.

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

February 1, 1974

QUESTIONS AND ANSWERS
FEDERAL FLOOD INSURANCE PROGRAM

Q. What is the National Flood Insurance Program?

A. It is a federally-subsidized program authorized by Congress in 1968 to protect property owners who up to that time were unable to get coverage through the private insurance industry. The program, for the first time, made flood insurance available to individuals at affordable rates. In return for the Federal subsidy, State and local governments are required to adopt certain minimum land use measures to reduce or avoid future flood damage within their flood-prone areas.

Q. Has the program been changed since then?

A. Yes. In December 1973 Congress passed the Flood Disaster Protection Act, greatly expanding the available limits of flood insurance coverage and imposing two new requirements on property owners and communities.

Q. What are the new requirements?

A. First, after March 1, 1974, property owners in communities where flood insurance is being sold must purchase flood insurance to be eligible for any new or additional Federal or federally-related financial assistance for any buildings located in areas identified by HUD as having special flood hazards. Second, all identified flood-prone communities must enter the program by July 1, 1975.

Q. What happens if a property owner fails to buy the required insurance, or a community fails to meet the deadline?

A. Federal and federally-related financial assistance for buildings in the flood plain will be unavailable to any community or property owner that does not comply with the Act.

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Q. What is generally meant by Federal and federally-related financial assistance?

A. All forms of loans and grants, including mortgage loans and disaster assistance loans, from either a Federal agency such as FHA, VA, or the Small Business Administration, or banks or savings and loan institutions.

Q. Who is eligible to purchase flood insurance?

A. Any property owner in a community that has had its application approved by HUD.

Q. Where can a property owner obtain a policy?

A. From any licensed property and casualty insurance agent or broker.

Q. How does a community become eligible for the program?

A. By submitting a complete application to the Federal Insurance Administration, HUD Building, Washington, D.C. 20410. Application forms may be obtained from the same address.

Q. What types of structures are eligible for coverage?

A. All types of buildings and their contents.

Q. What types of losses are covered?

A. Losses caused by (1) a general and temporary flooding condition of normally dry land areas or (2) erosion resulting from abnormally high water levels in conjunction with a severe storm, or (3) flood-related mudslides involving a mudflow.

Q. How much coverage can I buy, and what will it cost?

A. Under the expanded program the limits of subsidized coverage are doubled, tripled, or more, while rates have been substantially reduced. For example, the homeowner may purchase $20,000 of flood insurance coverage for as little as $50 a year. Property owners already protected under the original program can greatly increase their coverage at a very low cost. If you live in a community where HUD has already completed a rate study, you can further increase your protection by paying the actuarial (non-subsidized) premium rates for the additional amounts of coverage.

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The following table sets forth the limits of subsidized coverage and the applicable premium rates:

	Limits of Coverage and Subsidized Rates			
Type of Structure	Structure Coverage	Structure Rates	Contents Coverage (per unit)	Contents Rate
Single family residential	$ 35,000	$0.25	$ 10,000	$0.35
All other residential	$ 100,000	$0.25	$ 10,000	$0.35
All nonresidential*	$ 100,000	$0.40	$100,000	$0.75

* Includes hotels and motels with normal occupancy of less than six months.

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

HUD-No. 74-25
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Friday
February 1, 1974

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, Florida, 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

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began, Tennessee, New Jersey, Kansas, and Florida have been added on August 1, 1972, February 15, 1973, April 1, 1973, and February 1, 1974, respectively. The State of Delaware will also become eligible in March 1974.

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 15-19 below. The protective device 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 - Insurance Company of North America
999 Asylum Avenue, Room 500, Hartford, Conn. 06105

DISTRICT OF COLUMBIA - Insurance Company of North America
5225 Wisconsin Avenue, N. W., Wash., D. C. 20015

FLORIDA - Aetna Casualty and Surety Company
5200 Kennedy Boulevard, Tampa, Florida 33609

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 Building, Wichita, Kansas 67202)

MARYLAND - Insurance Company of North America
303 East Fayette Street, Baltimore, Maryland 21202

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

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NEW JERSEY	-	Aetna Casualty and Surety Company 494 Broad Street, Newark, New Jersey 07102
NEW YORK	-	Insurance Company of North America 79 John Street, New York, New York 10038
OHIO	-	Insurance Company of North America 14701 Detroit Avenue, Lakewood, Ohio 44107
PENNSYLVANIA	-	Insurance Company of North America 625 Walnut Street, Philadelphia, Penna. 19105
RHODE ISLAND	-	Insurance Company of North America 1 Center Plaza, Boston, Massachusetts 02108
TENNESSEE	-	Insurance Company of North America 480 James Robertson Parkway, Nashville, Tenn. 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. Will a burglary claim be paid if there are no visible marks of forcible entry at the place of entry?

A. The Federal crime insurance policies do not cover mere disappearance of property. There must be signs of an entry by force evidenced by visible marks upon or physical damage to the exterior of the premises at the place of such entry.

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9. 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.

10. 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.

11. 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 $50 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.

12. Q. Are claims payments subject to deductibles?

   A. (a) Claims under the residential policy are subject to a deductible of $50 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 $100,000	$ 50
$100,000 - $299,999	100
$300,000 - $499,999	150
$500,000 or over	200

The deductible for nonprofit or public property risks is $50 or 5% of the gross amount of the loss, whichever is greater.

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13. 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.

14. 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.

However, the making of a false statement in the application or in connection with the submission of a claim will result in refusal of coverage or cancellation and the denial of claims. Intentionally false statements may also result in criminal prosecution.

15. Q. What protective devices are required on a residential property such as a home or apartment 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-locking dead latches must have a throw of at least 1/2 inch, unless the lock utilizes a vertical interlocking bolt 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.) Horizontal or vertical dead bolts provide far better protection than a self-locking dead latch and the greater the distance of the throw, the less chance there is that the door can be pried open.

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. Locking devices which utilize a key lock, while not required, are strongly recommended. See page 9 of this bulletin for illustrations of residential locking device requirements.

16\. Q. Will claims be paid if a residential premises does not have the required locking devices.

A. Unprotected residences are not eligible for Federal crime insurance and a claim cannot be paid if a residential premises does not meet the protective device requirements.

17\. Q. How can a residential applicant know whether his house or apartment meets the protective device requirements?

A. The residential requirements are listed on the residential application form and illustrations of the locking devices are shown on page 9 of this bulletin. By comparing the locks on his exterior doors and windows to those shown in the pictures, the applicant can quickly verify whether his house or apartment meets the minimum requirements. In addition, any property insurance agent or broker or the servicing company can explain the residential requirements.

18\. 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. Illustrations of the locking devices referred to above are shown on page 10 of this bulletin.

19\. Q. How can a commercial applicant know whether his property meets the protective device requirements?

A. The servicing company will make a physical inspection of the premises of every new applicant who applies for a commercial policy which includes burglary coverage. Such policies will be issued only if the inspection confirms that the premises meets the protective device requirements. If the property does not meet the requirements, the inspector will tell the applicant what he needs to do in order to comply. After a commercial premises has been inspected and a policy issued, claims for losses will be paid provided the insured has not removed or altered the protective devices previously approved by the inspector. Insurance coverage on all premises which meet the protective device requirements becomes effective at noon of the day after the application is signed by the applicant.

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20. 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

21. 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 Miami, 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.

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(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.

(3) A book store having gross receipts of under $100,000 located in a low crime exposure territory such as Utica, 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.

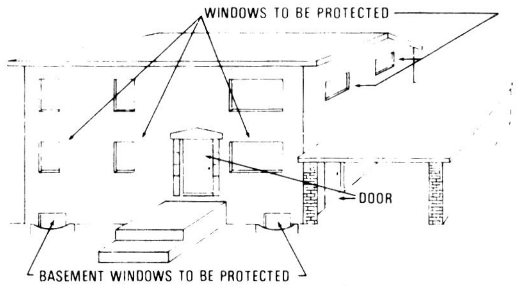
The cost increases for stores having higher gross receipts.

-more-

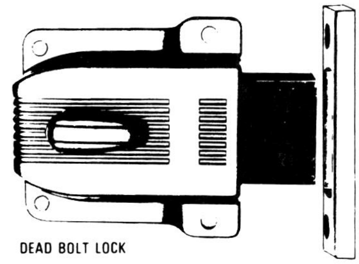
Federal Crime Insurance Program

RESIDENTIAL PROTECTIVE DEVICE REQUIREMENTS

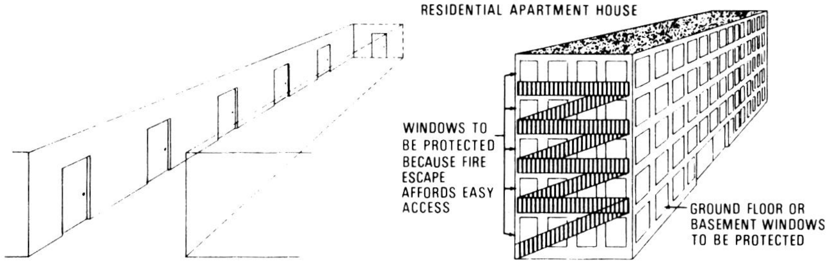
(EXAMPLES OF ACCESSIBLE OPENINGS AND LOCKING DEVICES REFERRED TO IN THE PROTECTIVE DEVICE REQUIREMENTS)



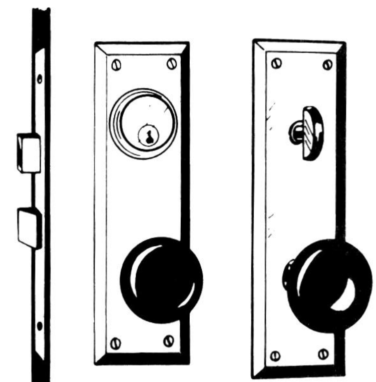
EXTERIOR DOORS AND DOOR LEADING INTO HOUSE FROM GARAGE AREA TO BE PROTECTED



DEAD BOLT LOCK



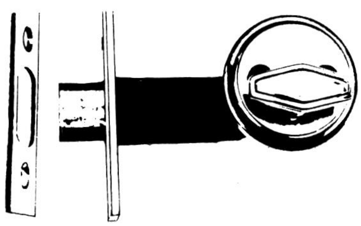
EXTERIOR DOORS OF APARTMENTS LEADING OUTDOORS OR INTO PUBLIC HALLWAY TO BE PROTECTED



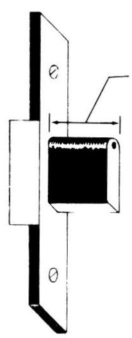
OUTSIDE INSIDE

MORTISED DEAD BOLT LOCK

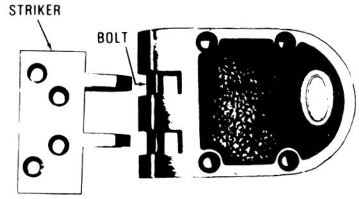
(Recessed into the edge of the door instead of the side)



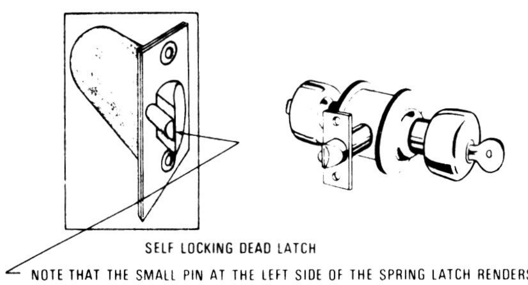
SINGLE CYLINDER DEAD BOLT LOCK, OPERATED BY KEY OUTSIDE AND KNOB INSIDE



THE THROW OF THE LOCK IS ILLUSTRATED BY THE DISTANCE WHICH THE BOLT EXTENDS FROM THE EDGE OF THE DOOR WHEN THE LOCK IS IN A LOCKED POSITION MINIMUM OF ½" FOR RESIDENTIAL

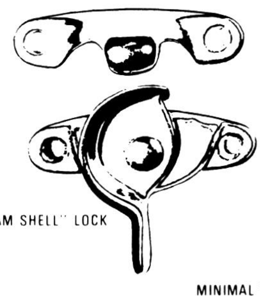


DEAD BOLT LOCK UTILIZING INTERLOCKING VERTICAL BOLTS AND STRIKER

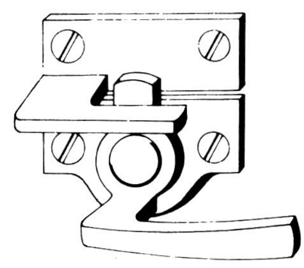


SELF LOCKING DEAD LATCH

NOTE THAT THE SMALL PIN AT THE LEFT SIDE OF THE SPRING LATCH RENDERS THE LATCH IMMOBILE WHEN THE LOCK IS IN THE LOCKED POSITION



"CLAM SHELL" LOCK

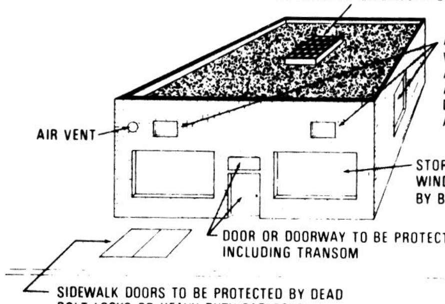


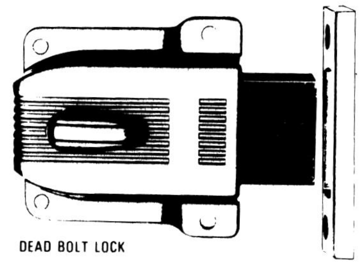
MINIMAL TYPE WINDOW LOCKS

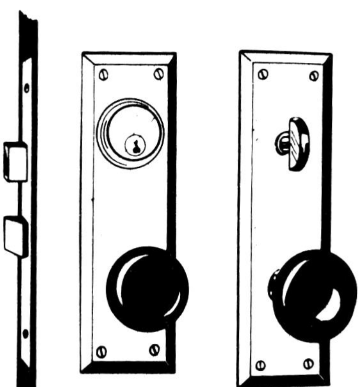
Federal Crime Insurance Program

COMMERCIAL PROTECTIVE DEVICE REQUIREMENTS

(EXAMPLES OF ACCESSIBLE OPENINGS AND LOCKING DEVICES REFERRED TO IN THE PROTECTIVE DEVICE REQUIREMENTS)

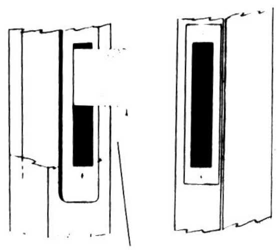


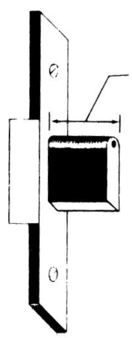

DEAD BOLT LOCK

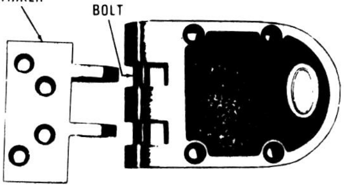


MORTISED DEAD BOLT LOCK
(Recessed into the edge of the door instead of the side)

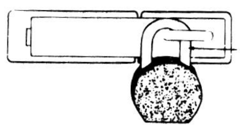
DEAD BOLT LOCK
FOR NARROW FRAME DOORS





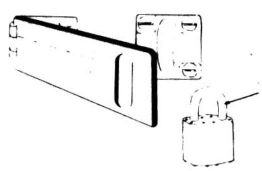


DEAD BOLT LOCK UTILIZING INTERLOCKING VERTICAL BOLTS AND STRIKER

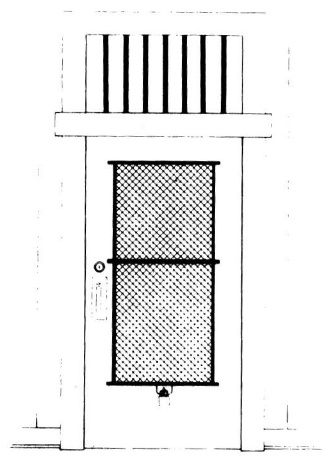


A HEAVY DUTY PADLOCK (3/8" Case hardened steel shackle) FIVE PIN TUMBLER OPERATION

THE STEEL BAR AND STAPLE OF THE HASP SHOULD BE CASE HARDENED AS IS THE PADLOCK SHACKLE. RECESSED SCREWS SHOULD BE CONCEALED WHEN THE HASP IS CLOSED



EXAMPLE OF BARS AND GRILLWORK



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

HUD-No. 74-31
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Friday
February 1, 1974

James T. Lynn, Secretary, Department of Housing and Urban Development, today announced the start-up of a total energy plant in New Jersey, launching a research project that could meet some of the Nation's energy needs.

Located in a HUD-assisted development in downtown Jersey City, the $2.7-million packaged energy plant will demonstrate and, for the first time in the United States, evaluate the economy, efficiency and reliability of a total energy system as compared to conventional utility plants. Though other such plants exist in this country, none has conducted a scientific evaluation of cost and reliability data, from design through long-term operation, Mr. Lynn said.

Total energy basically involves getting the most out of every drop of fuel used to generate power. Much like the housewife whose Christmas bird starts out as slices and ends as hash, total energy uses leftovers...in this case, waste heat...to warm and cool buildings. Typically about 70 percent of the heat from an electric power plant's burning fuel is discharged into the air or into lakes and rivers. A total energy system, on the other hand, puts this waste by-product to use by rechanneling it throught the system.

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"It operates somewhat like your automobile engine when you use the heater", Secretary Lynn explained, "except that the total energy system recovers waste heat, or exhaust, as hot water and uses it to heat buildings or cool them with absorption air conditioners."

At full operation, the total energy plant will produce on site enough electricity, heat, hot water and airconditioning for 486 apartments, a school and a commercial area within the Summit Plaza Apartments.

HUD experts predict the total energy system will knock one-third off the amount of fuel needed to service the site conventionally, and cut 25 percent from the annual cost of operating and maintaining a conventional utility plant. Additionally, a total energy system can be expanded as needed to serve a growing development.

The Jersey City installation will be evaluated by the National Bureau of Standards under contract to HUD. This evaluation will include determining and documenting performance, cost and reliability of the system, as well as detailed evaluation of energy use by building and apartment. Environmental effect, if any, on the development and surrounding area also will be determined.

HUD's involvement in the energy field stems from its responsibility for improving the quality of life in existing communities of the Nation, as well as those yet to be built, Mr. Lynn stated. "We must ensure that the

- more -

qualities and types of energy needed to satisfy present and future population needs are available. One way of providing that energy, with more efficient use of natural resources, is by use of total energy systems."

HUD's total energy system was built entirely from available components, Secretary Lynn said. "No attempt was made to develop advanced hardware. When data from the Jersey City demonstration starts to create a market, we are confident that industry will develop for that market the advanced systems required."

The total energy system and the development have been designed and built to serve as a national energy test facility. For example, the plant will be able to evaluate new generating systems, in actual service, as they are developed by industry. Future plans call for installation of an incinerator with waste heat recovery to recycle trash generated within the development into useful energy. Further, the commercial building serviced by the total energy plant has been designed for use as a test building to evaluate the potential of solar energy systems.

Parallel to these initiatives in the energy field, HUD has completed a study on the economic feasibility of total energy systems on a national scale, and a report based on that analysis is now available free to developers and others interested in the total energy field. Titled Economic Evaluation of Total Energy - Guidelines, the report permits quick assessment of a total

- more -

energy system's potential for any size development at any location. With this knowledge, a developer could decide whether a detailed engineering feasibility analysis should be undertaken.

Expanding on the total energy concept, HUD has initiated the multi-agency MIUS program to meet foreseeable shortages in utility areas, as well as energy. The MIUS (Modular Integrated Utility System) is designed to supply not only the normal range of utilities -- electricity, air conditioning and heating---but also can treat water, process solid wastes and treat liquid wastes, and will use residual and recycled energy to do a large part of the job.

For further information:

Gerald S. Leighton
Utility Systems Program Manager-
Director, MIUS Program
Office of Policy Development
and Research, HUD
451 Seventh Street S.W.
Washington, D.C. 20410

# # #

To Accompany HUD-No. 74-31

TOTAL ENERGY

Fact Sheet

Housing and Energy

HUD's concern for energy conservation and the efficient use of energy sources stems from two important facts:

Housing accounts for one-third of the energy consumed in the United States; and

HUD is responsible, by Congressional mandate, for improving the quality of life in the nation's communities...existing communities as well as those yet to be built.

Within the framework set by these imperatives, HUD is responsible not only for shaping the Nation's future urban growth but also for ensuring that energy is available to serve the people involved in it.

This is the objective of HUD research in the energy field: to ensure that the quantities and types of energy needed to satisfy current and future population demands are available. Along with this basic objective is the need to provide energy with minimum environmental and ecological impact.

One way of providing that energy, with more efficient use of dwindling resources, is by use of total energy systems.

- more -

WHAT HUD IS DOING

In addition to total energy, HUD has a number of major research activities underway or planned, all of them aimed at identifying new demands that the energy crisis will impose on current and future urban development, and developing alternative strategies for meeting them. This research focuses on:

* Identification of present residential energy consumption patterns and possible conservation measures;
* Future demonstration and evaluation of an energy-saving Modular Integrated Energy System (MIUS) and its potential role in community development;
* Demonstration of the potential for large-scale recycling of solid wastes to generate steam and electricity for residential use; and
* Demonstration of the potential of solar energy as an alternative energy source for housing.

THE DEMONSTRATION:

What it's doing - Providing all of the energy requirements for Summit Plaza, a HUD-insured development near the central business district of Jersey City (intersection of Kennedy Boulevard and Newark Avenue, at the northern edge of Journal Square). The 6.5-acre project includes 486 apartments, 45,000 square feet of commercial area and an elementary school.

- more -

How it works - Diesel engines generate electricity for distribution to various buildings in the development, and waste heat from the generation process is recovered and used to supply heat for all buildings, domestic hot water, and energy for absorption refrigeration machines which in turn provide chilled water for air-conditioning of all buildings in the development. In the event sufficient waste heat is not available to meet needs of the site, boilers are fired to provide supplemental thermal energy.

Innovative features - Since efficiency of electrical generation by the total energy system is comparable to that of a conventional system, the energy requirements for hot water, heating and air-conditioning are essentially free.

A higher degree of service is provided than that normally found in such developments. For example, Summit Plaza residents will not swelter or shiver on unseasonable hot or cold days. Set to the outside temperature, HUD's total energy system automatically provides heating or cooling as needed. Thus, apartments on the shaded, cool side of a building could be heated while, simultaneously, other units on the opposite side, overheated by the sun, could be cooled.

TECHNICAL DESCRIPTION AND MAJOR EQUIPMENT

Installed Capacity (Continuous Rating) 3000 Kilowatts

Projected Peak Demand 1500 Kilowatts

Engines: (5) Caterpillar Model D-398TA

Controls: Exide

Chillers: (2) Trane 546 Tons each

Boilers: (2) Cleaver Brooks 400 HP Each

Switchgear: General Electric

Temperature Controls: Barber-Coleman

Hot & Chilled Water Distribution:

Fiberglass reinforced, factory-insulated pipe ("Bondstrand")

Mechanical Engineer: Gamze-Korobkin-Caloger, Inc.
205 West Wacker Drive
Chicago, Ill. 60606

Installing Contractor C.W. Johnson, Inc.
335 Anthony Trail
Northbrook, Ill. 60062

To Accompany HUD-No. 74-31

Cost Summary
(in $1000's)

Item	Electrical System	Heating & Air Conditioning	Total
Central Equipment Bldg.	100	250	350
Engine-Generators	316	-	316
Electrical Controls	101	-	101
Cooling Towers	-	57	57
Fuel Storage	100	48	148
Mechanical Installation	250	1,200	1,450
Distribution Systems	120	200	320
	$987	$1,755	$2,742

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

HUD-No. 74-34
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Friday
February 1, 1974

Effective today, February 1, residents and businessmen in Florida will be eligible to buy burglary and robbery insurance under the Federal Crime Insurance Program administered by the U. S. Department of Housing and Urban Development.

The announcement was made jointly by Federal Insurance Administrator George K. Bernstein of HUD and Florida Insurance Commissioner Thomas D. O'Malley.

Following a joint review by the Federal and State Agencies, and a recommendation from Commissioner O'Malley, Mr. Bernstein concluded that Federal coverage should be offered because Florida residents and businessmen have experienced difficulty in obtaining affordable crime insurance coverage from other sources.

Federal policies can be purchased through any licensed Florida property insurance agent or the Servicing Company designated for that State, Aetna Casualty and Surety Company, with offices at 5200 Kennedy Boulevard, Tampa, Fla.

The Federal policies will be available to all residents and businessmen, regardless of their location, and will not be cancelled or nonrenewed because of losses. Other than payment of the premium, the only requirement is that the premises meet the program's protective device requirements for such entry points as doors and windows. The premises of commercial applicants will be inspected so that applicants may know for sure that they meet the requirements.

-more-

Federal rates are based upon the overall metropolitan area statistics so that the cost of coverage in the inner city is the same as in the suburbs. For example, an individual desiring coverage on a residential premises in Jacksonville, Miami, or Tampa, would pay $40 annually for $1,000 of coverage; $60 for $5,000; and $80 for $10,000.

Commercial rates vary, depending upon gross receipts and type of business, but the rates are equally affordable. A grocer in the above cities with annual gross receipts under $100,000 can obtain a $1,000 package of burglary and robbery insurance for only $120 a year. Coverage for $1,000 of robbery insurance would cost him $72, and $1,000 of burglary insurance would cost $60 a year. Coverage for $5,000 of burglary and robbery insurance would cost $480 a year; $5,000 of robbery insurance, $288; and $5,000 of burglary insurance, $240.

Affordable rates for larger businesses and additional amounts of insurance, up to $15,000 in coverage, are also available.

Florida residents and businessmen will also benefit from a reduction in deductibles under the program which became effective January 21. The deductible on residential claims has been reduced to $50 or 5% of the gross amount of the loss, whichever is greater. Commercial deductibles have been lowered to $50 or 5% of the gross amount of the loss, whichever is greater, for all applicants with annual gross receipts of less than $100,000. Corresponding reductions for commercial applicants with annual gross receipts of less than $500,000 have also been made.

Administrator Bernstein and Commissioner O'Malley noted that crime losses from burglary and robbery contribute greatly to the deterioration of communities and a decline in business opportunities. They urged local officials and insurance agents to help publicize the programs, making them readily available to citizens who need protection against the economic consequences of crime.

Federal crime insurance is currently available in Connecticut, District of Columbia, Florida, Illinois, Kansas, Maryland, Massachusetts, Missouri, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Tennessee.

As of January 30, over 20,000 Federal crime insurance policies were in force in these States.

# # #

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

HUD-No. 74-39
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Monday
February 4, 1974

Mortgage interest rates for FHA and VA loans are declining, according to the U. S. Department of Housing and Urban Development. The effective rate on FHA-insured and VA-guaranteed home loans closed in early January was 8.99 percent, down from 9.03 percent a month earlier and 9.06 percent in November.

A somewhat sharper decline was registered for interest rates on new loan commitments, which are usually made several weeks in advance of loan closing and consequently are a better indicator of current developments. The effective rate on FHA-VA home loan commitments declined to 8.93 percent in January, seven basis points lower than in December and one quarter of a percent below the 9.18 percent in October.

The lower rates are primarily attributable to the improved availability of funds at thrift institutions such as savings and loan associations that apparently have shown renewed interest in buying home mortgage loans from mortgage companies. The effective rate on loans closed by mortgage companies declined to 9.00 percent in January from 9.07 percent in December and 9.27 percent in early October. Meanwhile, rates charged

- more -

by other lenders were not significantly changed from a month ago: commercial banks 9.16 percent, mutual savings banks 8.71 percent, and savings and loan associations 8.95 percent. Rates on new commitments in January were lower for all lender groups except commercial banks.

Among major metropolitan areas, the effective interest rate on FHA-VA home loans closed in early January was: Boston 8.68 percent, Denver 9.00 percent, Los Angeles-Long Beach 8.99 percent, New York 8.93 percent, and Washington, D. C. 9.07 percent.

The data are derived from a nationwide survey conducted by HUD with the assistance of the Veterans Administration covering loans closed and loan commitments made during the first seven business days of the month. The maximum contract interest rate on FHA-VA loans during the period covered in the latest survey was 8-½ percent. The maximum contract rate was lowered to 8-¼ percent effective January 22, 1974.

- more -

To Accompany HUD-No. 74-39

Table 1

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

Type of Loan	1973 July	Aug.	Sept.	Oct.	Nov.	Dec.	1974 Jan.
Loans Closed							
Total All FHA-VA Loans	7.81%	8.17%	8.86%	9.03%	9.06%	9.03%	8.99%
New Properties	7.84	8.25	8.76	8.92	8.80	8.82	8.86
Existing Properties	7.80	8.14	8.90	9.05	9.12	9.09	9.02
FHA Loans - Total	7.83	7.93	8.94	9.02	9.07	9.05	8.97
New Properties	7.83	8.06	8.76	9.00	8.77	8.90	8.75
Existing Properties	7.83	7.87	8.98	9.03	9.13	9.08	9.00
VA Loans - Total	7.80	8.22	8.84	9.03	9.05	9.02	9.00
New Properties	7.86	8.30	8.76	8.89	8.81	8.80	8.89
Existing Properties	7.78	8.19	8.87	9.06	9.12	9.09	9.03
New Loan Commitments							
Total All FHA-VA Commitments	7.74	8.34	9.07	9.18	9.10	9.00	8.93
New Properties	7.71	8.45	8.93	9.10	8.90	8.83	8.86
Existing Properties	7.76	8.32	9.10	9.19	9.13	9.03	8.94
FHA Commitments - Total	7.76	8.16	9.14	9.11	9.11	8.96	8.93
New Properties	7.73	8.24	8.95	8.98	8.83	8.83	8.92
Existing Properties	7.77	8.13	9.18	9.13	9.14	8.98	8.93
VA Commitments - Total	7.74	8.37	9.04	9.21	9.10	9.02	8.93
New Properties	7.68	8.48	8.92	9.14	8.93	8.82	8.85
Existing Properties	7.74	8.34	9.07	9.23	9.13	9.05	8.95
Type of Lender							
Loans Closed							
Mortgage Companies	7.94	8.45	9.13	9.27	9.18	9.07	9.00
Commercial Banks	7.84	8.15	8.44	8.94	8.84	9.14	9.16
Mutual Savings Banks	7.28	7.45	7.88	8.02	8.49	8.72	8.71
Savings & Loan Assns.	7.78	8.03	8.69	8.79	9.04	8.95	8.95
New Loan Commitments							
Mortgage Companies	7.81	8.53	9.20	9.25	9.15	9.02	8.93
Commercial Banks	7.94	8.54	8.84	9.09	9.19	8.97	9.03
Mutual Savings Banks	7.38	7.81	8.49	8.73	8.79	8.85	8.78
Savings & Loan Assns.	7.73	8.24	9.03	9.06	9.07	9.03	8.97

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. 74-39

Table 2

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

Type of Loan	1973 July	Aug.*	Sept.*	Oct.*	Nov.*	Dec.*	1974 Jan.*
Loans Closed							
Total All FHA-VA Loans	94.1						
New Properties	93.9						
Existing Properties	94.2						
FHA Loans - Total	94.0						
New Properties	94.0						
Existing Properties	94.0						
VA Loans - Total	94.2						
New Properties	93.8						
Existing Properties	94.3						
New Loan Commitments							
Total All FHA-VA Commitments	94.6						
New Properties	94.8						
Existing Properties	94.5						
FHA Commitments - Total	94.5						
New Properties	94.7						
Existing Properties	94.4						
VA Commitments - Total	94.6						
New Properties	95.0						
Existing Properties	94.6						
Type of Lender							
Loan Closed							
Mortgage Companies	93.2						
Commercial Banks	93.9						
Mutual Savings Banks	97.9						
Savings & Loan Assns.	94.3						
New Loan Commitments							
Mortgage Companies	94.1						
Commercial Banks	93.2						
Mutual Savings Banks	97.2						
Savings & Loan Assns.	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.

Accompany HUD-No. 74-39

Table 3

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

Type of Loan	1973 July	Aug.	Sept.	Oct.	Nov.	Dec.	1974 Jan.
Loans Closed							
Total All FHA-VA Loans	$21,090	$21,860	$22,340	$21,580	$21,500	$22,220	$21,880
New Properties	24,270	24,380	25,270	25,850	26,370	25,770	25,830
Existing Properties	20,170	21,030	21,300	20,540	20,320	21,250	21,010
FHA Loans - Total	17,880	17,800	18,260	17,900	17,960	19,260	18,340
New Properties	20,710	20,030	22,770	21,830	22,680	22,240	22,300
Existing Properties	17,040	16,730	17,060	17,080	17,110	18,660	17,800
VA Loans - Total	23,130	22,670	23,810	23,180	23,270	23,630	23,700
New Properties	26,660	25,590	25,950	27,310	27,670	26,950	26,890
Existing Properties	22,140	21,790	22,970	22,110	22,050	22,590	22,860
New Loan Commitments							
Total All FHA-VA Commitments	20,740	21,480	21,940	21,610	21,660	21,420	22,780
New Properties	24,550	26,700	26,790	26,450	26,020	25,840	28,420
xisting Properties	19,770	20,050	20,680	20,430	21,020	20,590	21,960
FHA Commitments - Total	17,640	17,820	18,900	19,100	18,840	18,990	19,560
New Properties	21,870	21,020	23,940	21,690	23,350	22,680	22,310
Existing Properties	16,370	16,610	17,640	18,610	18,240	18,400	19,310
VA Commitments - Total	22,670	21,960	23,210	23,010	23,250	22,650	24,430
New Properties	26,610	27,680	27,930	28,380	27,360	27,140	30,210
Existing Properties	21,760	20,460	21,960	21,520	22,630	21,740	23,420
Type of Lender							
Loans Closed							
Mortgage Companies	21,430	21,830	22,210	22,380	21,600	22,090	22,100
Commercial Banks	20,850	21,860	23,020	21,300	23,500	23,610	20,920
Mutual Savings Banks	22,150	23,430	24,500	19,360	21,030	21,940	20,540
Savings & Loan Assns.	19,970	19,860	21,190	20,060	19,620	21,560	22,000
New Loan Commitments							
Mortgage Companies	21,650	21,960	22,500	22,380	22,290	22,040	23,190
Commercial Banks	19,360	22,900	22,170	22,110	23,370	20,400	24,470
Mutual Savings Banks	21,050	19,840	22,210	19,650	20,630	20,260	22,340
Savings & Loan Assns.	19,540	21,270	20,150	19,230	19,490	20,340	18,760

N..e: 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. 74-39

Table 4

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

Type of Loan	1973 July	Aug.	Sept.	Oct.	Nov.	Dec.	1974 Jan.
Loans Closed							
Total All FHA-VA Loans	95.6%	96.9%	96.7%	96.2%	96.3%	95.8%	96.2%
New Properties	95.8	97.1	96.7	97.2	96.4	96.5	96.6
Existing Properties	95.5	96.9	96.8	95.9	96.2	95.6	96.1
FHA Loans - Total	94.2	93.2	94.5	93.6	94.5	92.9	93.5
New Properties	93.4	94.1	93.2	95.1	92.6	92.7	93.7
Existing Properties	94.4	92.7	94.8	93.2	94.8	92.9	93.5
VA Loans - Total	96.5	97.7	97.6	97.3	97.2	97.2	97.6
New Properties	97.4	98.0	97.6	97.9	97.7	97.8	97.5
Existing Properties	96.2	97.6	97.6	97.1	97.0	97.0	97.6
New Loan Commitments							
Total All FHA-VA Commitments	96.1	97.6	96.9	96.2	95.9	96.5	96.1
New Properties	94.8	97.9	96.5	96.9	96.0	96.6	95.8
Existing Properties	96.4	97.5	97.0	96.1	95.9	96.5	96.1
FHA Commitments - Total	94.6	95.8	94.8	93.6	93.8	93.5	92.9
New Properties	92.8	95.3	92.8	93.7	93.2	92.0	88.3
Existing Properties	95.1	96.0	95.3	93.6	93.9	93.7	93.4
VA Commitments - Total	97.0	97.8	97.8	97.7	97.1	98.0	97.7
New Properties	96.4	98.3	98.0	98.1	97.5	98.5	98.1
Existing Properties	97.1	97.6	97.7	97.6	97.1	98.0	97.6
Type of Lender							
Loans Closed							
Mortgage Companies	96.0	97.8	97.1	96.5	97.1	96.7	96.4
Commercial Banks	96.7	96.2	96.6	97.7	96.3	96.2	97.1
Mutual Savings Banks	92.1	93.9	93.7	91.7	91.6	92.0	93.2
Savings & Loan Assns.	95.7	98.2	97.4	97.2	95.7	93.9	95.6
New Loan Commitments							
Mortgage Companies	97.1	98.8	97.6	97.0	96.9	97.2	96.8
Commercial Banks	95.4	97.7	97.5	94.9	95.5	95.7	95.7
Mutual Savings Banks	92.5	93.3	91.6	92.9	90.9	92.1	92.9
Savings & Loan Assns.	96.3	97.9	97.0	95.5	95.0	97.2	93.6

e: 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. 74-39 Table 5

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

Name of SMSA	1973 July	Aug.	Sept.	Oct.	Nov.	Dec.	1974 Jan.
Atlanta, Georgia	7.93%	8.59%	8.80%	9.20%	9.27%	9.02%	9.10%
Boston, Massachusetts	7.41	7.39	7.95	8.08	8.42	8.67	8.68
Chicago, Illinois	7.96	n.a.	9.05	9.46	9.17	9.16	9.19
Cleveland, Ohio	7.52	8.54	8.83	9.37	9.35	9.34	9.05
Dallas, Texas	7.96	8.57	8.95	9.01	8.97	8.89	8.72
Denver, Colorado	7.99	8.83	9.39	9.29	9.01	9.02	9.00
Detroit, Michigan	7.96	8.65	9.49	9.14	9.36	9.37	9.11
Houston, Texas	7.87	8.10	8.99	8.96	8.72	8.69	8.85
Indianapolis, Indiana	7.87	8.56	9.37	9.52	9.36	9.23	9.06
Kansas City, Missouri	7.86	7.87	8.49	8.92	9.17	8.73	8.87
Los Angeles-Long Beach, Calif.	7.93	8.44	9.25	9.39	9.17	9.01	8.99
Miami, Florida	n.a.	8.59	9.42	9.23	9.42	9.19	9.12
Minneapolis-St. Paul, Minn.	7.78	7.98	8.53	9.02	8.60	8.93	8.98
New York, New York	7.36	7.78	8.42	8.68	8.83	9.18	8.93
Philadelphia, Pennsylvania	7.99	8.54	9.49	9.49	9.47	9.41	9.18
Phoenix, Arizona	7.96	8.48	8.83	9.10	9.32	8.87	8.79
Pittsburgh, Pennsylvania	7.53	8.18	9.13	9.31	8.96	9.19	9.10
St. Louis, Mo.-Ill.	7.79	8.43	8.88	8.76	8.71	8.96	8.81
San Diego, California	7.99	8.64	8.94	9.30	9.21	9.05	8.86
San Francisco, California	7.98	8.62	9.17	9.43	9.26	9.14	9.02
San Jose, California	n.a.	n.a.	9.34	9.48	9.30	9.02	8.96
San Juan, Puerto Rico	7.87	7.95	n.a.	8.60	9.54	8.86	8.94
Seattle-Everett, Washington	7.99	8.40	9.04	9.21	9.13	8.85	8.75
Tampa-St. Petersburg, Florida	n.a.	8.39	9.38	9.39	9.27	9.13	9.05
Washington, D.C.	7.99	8.76	9.51	9.46	9.17	9.08	9.07

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. 74-39

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

HUD-No. 74-48
Phone (202) 755-5284
(Hall)

FOR RELEASE:
Friday
February 8, 1974

H. R. Crawford, Assistant Secretary for Housing Management, U. S. Department of Housing and Urban Development, said today that Black college graduates should become increasingly involved in the business world.

Mr. Crawford spoke in Washington, D. C. to a Conference for Black Students co-sponsored by the National Business League and the Howard University School of Business and Administration.

"There was a time when Blacks were so locked in by discrimination that it was almost impossible to break out," he said, "but we slowly built a foundation of professionals -- doctors, dentists, teachers, social workers and lawyers."

He said that the next big push should be in business "not only because that's where the money and the action can be found, but because from a public service viewpoint, business skills are badly needed to upgrade society."

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Mr. Crawford said that a major problem in low and moderate income housing developments was a lack of trained, business-oriented managers.

"It is a profession that needs good people, trained in business, men and women who understand such basic things as cash flow and how to read the bottom line," he said. "I know from my own experience that the lives of the low-income families who live in public housing projects would be much more pleasant if our developments were efficiently managed and run in a businesslike manner."

He said that no matter how sympathetic a housing manager may be to his tenants, if he doesn't collect the rents and the project fails, everybody loses.

"That same principle applies in all kinds of situations that relate to low and moderate income families, from social services to transportation systems," Mr Crawford said. "Good management and the application of sound business practices are essential supports to a well-functioning society."

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

HUD-No. 74-56
Phone (202) 755-5284
(Anderson)

FOR IMMEDIATE RELEASE:
Thursday
February 14, 1974

The first Fair Housing Administrative Meeting to gather testimony and information on discrimination in housing will he held February 14 and 15 in Washington, D. C.

Focus on this fact finding session is the problem of minority military servicemen and their families in locating suitable off-base housing.

The public meeting will be conducted by Dr. Gloria E. A. Toote, HUD Assistant Secretary for Equal Opportunity, as authorized by Title VIII of the Civil Rights Act of 1968, which prohibits discrimination in the sale or rental of housing on the basis of race, color, religion, or national orgin.

The discriminatory practices minority military personnel experience with rental housing, with trailer housing, and in the sale and financing of housing, are to be explored.

"Our purpose in calling these meetings," said Dr. Toote, "is to determine the extent, if any, to which alleged discrimination exists. Administrative

- more -

Meetings are part of the statutory obligation, and a tool we intend to use to expose the problems and determine the enforcement programs-- Federal, State or local -- to be utilized in combating identified discrimination."

The military housing Administrative Meeting opens Thursday, February 14, at 6:00 P. M., in the first floor Auditorium of the General Services Administration Regional Building III at 7th and D Streets, S. W., Washington, D. C. The meeting will reconvene Friday, February 15, at 9:00 A. M., in the same meeting place.

Participants include: servicemen; HUD, Department of Defense, and other Federal Departments and Agencies; State and local agencies; real estate industry; individuals; and fair housing organizations.

"We are working closely with the Department of Defense in a cooperative effort to make freedom of choice and fair housing opportunities a reality for minority military families," Dr. Toote said.

This first Administrative Meeting called under the authorizing legislation will be followed in the coming months by meetings on: problems of Spanish speaking people; Indian housing on and off Reservations; and housing finance.

# # #

NOTE TO EDITORS: Federal Regulations governing media coverage of Fair Housing Administrative Meetings stipulate "no witness shall be televised, filmed, or photographed during the meetings without his consent, nor shall his testimony be broadcast or recorded for broadcasting if he objects."

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

HUD-No. 74-62
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Wednesday
February 27, 1974

The developers of Rio Vista, near Ocala, Fla., have agreed not to sell any more lots on their property until 45 days after filing appropriate documents with the Office of Interstate Land Sales Registration, Administrator George K. Bernstein announced today.

The documents consist of a statement of record and property report accurately describing the property.

In a stipulation signed by Astor West, Inc. developers of Rio Vista, they further agreed that in the event the documents are accepted by HUD as effective, the developers will supply OILSR with the names and addresses of purchasers who bought lots while the company was in violation of the Interstate Land Sales Act.

As part of the agreement the buyers would be notified of their rights to a refund and payments, if requested, would be made in full without undue delay.

If the company complies with the terms of the stipulation, Mr. Bernstein said his office will dismiss a law suit it has instigated against the developers.

# # #

See p. 10-13

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

Phone (202) 755-5277

FOR IMMEDIATE RELEASE:
Friday
March 1, 1974

NEW DIRECTIONS IN THE FEDERAL FUNDING OF URBAN PROGRAMS

REMARKS PREPARED FOR DELIVERY

By

Michael H. Moskow

Assistant Secretary for Policy Development and Research
U. S. Department of Housing and Urban Development

at the

Regional Conference on the
Urban Involvement of Higher Education

of the

American Council on Education

Washington, D. C.

March 1, 1974

The subject of this conference --- the urban involvement of higher education --- is one I approach with great fascination if not a little trepidation. The conflict between town and gown, after all, is almost as ancient as the battle of the sexes. And since HUD, to my knowledge, has contributed little to a resolution of the latter, you are perhaps entitled to some skepticism about its prescriptions for resolving the former.

In times past, the mutual suspicion and tension between university and city has been cast in almost apocalyptic terms. It was the conflict between good and evil no less, between the worldly and the innocent, between the untrammeled pursuit of truth and beauty and the contaminating temptations and brutalizing diversions of the real world.

That view was reflected in the decidedly rural bias that shaped the locational pattern of American colleges and universities --- a bias that only now is being washed away by the vaulting growth of an Urban America. The founders of the University of North Carolina, just as an illustration, has such deep-felt concern that a townsite would contaminate academic activities that their charter --- which was written in 1789 --- stipulated the university could not be located within five miles of any seat of government or any place where law and equity courts met.

Today, of course, such anecdotes amuse us. It is difficult for most of us to fathom the heat that men could bring to such concerns when all around us we see the blurring --- even the disappearance -- of fixed institutional roles and the erosion of traditional lines of jurisdiction in the face of extraordinarily rapid social change.

Obviously, there is now an enormous communications belt between the academic world and government. The heavy traffic between the universities and Washington, together with the heavy flow of Federal research money that inspires much of it, long has stood as mute testimony to the growing, if still uneasy, partnership forged between Federal policy-makers and the university community.

That partnership, of course, did not really flourish until after Sputnik, but it was supported by a reasonably long tradition of public service in the universities going back to the land-grant colleges with their research to help farmers and to the Wisconsin Idea of Robert LaFollette who as Governor of Wisconsin pressed the state university at Madison into service as a brain trust for his reformist government.

While much of the academic traffic has related to defense or space, we have seen an explosion in Federally-supported social science research which came into its own during the long hot summers of the Sixties. At the end of 1973, HUD expenditures over the last six years on research in housing and urban affairs totaled $230 million. And in the past decade and a half we have witnessed an almost spectacular emergence in the universities of an urban studies movement, of new urban research centers and of the urbanologist as among the brightest stars in the academic firmament.

Yet, with all of this, it has been a little like a party to which the guest of honor was not invited. The bridges to Washington may have been in good repair. But what about City Hall? Where was the mayor, the sanitation commissioner, the police chief, the city council president? For them, the bridges hadn't yet been built; the age-old chasm between city and university remained.

I would not wish to overstate the point lest you go away thinking I had not recognized the incalculable value of the basic research into urban problems that has resulted from this enormous blossoming of academic interest in the cities.

But I think Paul Ylvisaker, then of the Ford Foundation and now Dean of the Harvard School of Education, at a meeting sponsored by the American Council on Education almost a decade ago when the urban movement was still very young, put it about as well as anybody --- and the remarks are still relevant. He said:

> I believe that we are now coming to the end of the first period of urbanization and have reached the stage where the ideas produced during our decade of academic analysis are being picked up by political leaders --- the men of action. And, having adopted these concepts, the men of action are now asking for programs to cure the ills the analysts have diagnosed. What we need at this point are a few simple tools that the man on the street can grasp and use in his attempts to manage the new society. But such tools are hard to develop. Adequate programs can be developed only when we get close to where the problems are.

The man on the street and at City Hall is still waiting for those tools.

The New Federalism, by putting money and power back where the problems are, is designed to shorten the wait. The whole thrust of the new direction this Administration has charted in the Federal funding of urban programs is to give people with bad housing and state and local governments with immovable problems, which is about all of them, the cash they need to back up their <u>own</u> particular priorities in the marketplace and to set their <u>own</u> agendas.

This means experimenting with direct cash assistance, as we now are doing, as an alternative to inefficient and inequitable Federal construction subsidies to help those in need of safe and sanitary housing. And it means general and special revenue sharing which give the decision-making authority back to state and local governments, as the alternative to narrow categorical grant programs, which keep the Federal bureaucracy in the driver's seat.

We have been running blind for too long, throwing Federal money <u>at</u> social problems without paying enough attention to the results --- or lack of results.

Seven per cent of our population still lives in substandard housing. These are people for whom the solemn national goal set by Congress in 1949 of a decent home in a suitable living environment seems little more than an empty promise. The Housing and Urban Development Act of 1968 established a production timetable which sought to deliver on that promise in a decade but instead skewed Federal housing programs toward an emphasis on <u>new</u> production --- the most expensive and least efficient possible method of fulfilling that promise. The result has been that some $65 billion to $85 billion has been spent or committed in housing subsidies to provide a grand total of about 2.7 million housing units for the needy. That has provided housing assistance for fewer than one family out of 15 that technically are eligible for such help. To help all of those eligible through the subsidy approach would cost, we have estimated, some $34 billion a year.

By contrast, if we were to provide direct cash assistance, we estimate the annual cost of helping <u>all</u> of those in need of safe and sanitary housing --- not just one family out of 15 --- would range between $8 billion and $11 billion. It would not be done with mirrors. It would simply shift the emphasis to existing standard housing and away from new production and it would rely on the proven effectiveness of the market mechanism to meet demand.

The new tack we are taking both in housing and in community development stem largely from the realization that the firefighting policies we had fashioned, in our haste, during the depths of the urban crises of the Sixties had, in many cases, simply added to the likelihood of future conflagrations. This new understanding cuts across party lines. Whether the Administration's Better Communities Act is passed or one of the Congressional alternatives, such as the Barrett-Ashley bill, is passed, or whether some compromise proposal, one thing is certain: money and power, which for decades have been pouring into Washington, are going to begin flowing back to the places where the problems are, to the people who are on the spot, on the firing line, and who can respond to local priorities and local needs.

The Better Communities Act, as you may know, in lieu of seven categorical grant programs administered by HUD--urban renewal, model cities, neighborhood facilities, public facilities, rehabilitation loans, water and sewer grants and open space grants--would distribute the money to local governments and States on the basis of objective criteria, not on the basis of who is best at the game of grantsmanship.

The federal government has begun to move already in new directions through such agencies and processes as Federal Regional Councils and the delegation of more authority to the field.

We have reversed a sustained, pernicious and bankrupt tendency to believe that Federal officials in Washington were the only persons who cared enough or knew enough to deal with domestic problems. Billions of dollars later, we have learned that Washington possesses neither a corner on compassion nor a monopoly on the capacity to solve tough problems. Indeed, we have discovered the contrary. Local communities, through their locally-elected officials, are anxious and able to attack their problems.

In essence, the New Federalism really represents the best of the old Federalism. It is grounded on a confidence in the people, on the assumption that Americans are capable of judging what is best for themselves; and that locally-elected officials are the best barometers of local needs. They are directly accountable, and accountability is at the heart of the New Federalism.

As Secretary Lynn has said, "Sending dollars and problems to Washington may salve consciences, but it does not solve problems."

What, you may want to know, are the implications of the New Federalism for the universities? What is going to happen to your research contracts? you may wonder.

Well, the first thing is that those bridges to Washington I spoke about earlier are not going to be enough any more. A lot of new bridges are going to have to be built to supplement them. But I think it will be worth the effort. The market for urban research won't dry up. It will simply shift and I strongly believe it will show new vigor. With new authority to set priorities, local governments will have a heavy new responsibility. To carry it out they will need to greatly improve their planning and management capabilities. They will need better data systems, better analysis, better control systems. They have always needed these things, of course, but now they will have the incentive and the cash to get them.

To help bring all this about, the heavy academic traffic should now flow across town to City Hall as well as to Washington. A strong network of university-local government partnerships is needed. The troubled waters between university and city must at last be bridged.

That will be no small task. As William P. Irwin of the Milwaukee Urban Observatory has written in Urban Affairs Quarterly (Sept. 1972):

The psychological distance from a research scholar to a government technical representative with a graduate degree in Washington, D.C., is usually a good deal shorter than it is to a municipal line officer several blocks away. Local officials frequently have no idea how to state a research or service need in a manner that the academic researcher can comfortably examine. University scholars are at times woefully inept at explaining their research interests and abilities in terms which the official can relate to his operating needs. The quandary is deeper still. Both the official and the scholar may be quite unaware of the sort of assistance the former needs to discharge his responsibilities more knowledgeably. The upshot is that both tend to retreat into defensive and at times sniping positions.

The Urban Observatory program, which as you know was begun in 1969, is administered by the National League of Cities and funded by HUD and HEW and it represents the indispensable cornerstone in building a network of local government-university partnerships. The program operates at present in 10 cities--Albuquerque, Atlanta, Baltimore, Boston, Cleveland, Denver, Kansas City (both Kansas and Missouri),Milwaukee, Nashville and San Diego. And it has begun to build in these cities an effective transmission belt for bringing local research capabilities to bear in the search for solutions to local community problems.

The impact of the program has varied, of course, from city to city. In Albuquerque, for example, the impact has been important not so much in terms of research but in terms of providing a mechanism for an intergovernmental forum. It is operated under a joint-powers agreement among five involved agencies: the City of Albuquerque, the County of Bernalillo, the Albuquerque Public Schools, the University of Albuquerque, and the University of New Mexico. The value of the Observatory has been as a neutral meeting ground. It has provided the base for several coordinated efforts, including a conference on economic growth sponsored by all five agencies, and it has served to legitimize efforts that look toward integrated planning, programming and cooperation.

A housing inspection services study sponsored by the Boston Observatory resulted in a simplification of the housing inspection department's reporting system, the hiring of new inspectors and the training of them with funds allotted from Title I of the Higher Education Act of 1965; it also resulted in attempts to move the department away from a compliance orientation toward one of service. In Baltimore, on the other hand, a similar Observatory study brought into question the whole inspection mechanism, and caused the city to decrease inspection activities and concentrate its efforts on getting mortgage money into the inner city.

A study commissioned by the Boston Observatory of the "Little City Halls" program in that city clearly saved it from probable termination and provided impetus for the mayor to strengthen the program. As a result, voter-registration procedures were simplified and decentralized to the little city halls.

A study of neglected and delinquent children in Nashville resulted in a complete revamping of the service system, which now is reported to provide better service to children at less cost. Survey techniques introduced by the Nashville Observatory were picked up and reused by at least four city departments. The existence of the observatory has encouraged departmental self-examination, I am told, and has enhanced the capacity of the local government to conduct long-range planning.

In Milwaukee, the Observatory has set up an Urban Research Information Center to provide for public agencies, the university and community groups a comprehensive storehouse of knowledge on urban problems.

The Denver Urban Observatory has been entrusted by the city with the task of basic research for the city-charter revision, which gives an indication of the respect the observatory has earned there.

Clearly, the urban observatories have proven to be valuable instruments for local governments in enhancing their planning and management capacities. They obviously represent an important step toward realizing the goals of the Better Communities Act and of the companion proposal, the Responsive Governments Act, which would provide financial assistance to increase local government capabilities in planning and managing resources--recognizing that they now are generally inadequate--in order to achieve local community goals in areas such as community betterment, adequate housing and environmental conservation and protection.

The chief disappointment in the observatories program has been the limited impact it has had on cities outside those that have been direct participants. That is a weakness we hope to resolve.

Because of the program's great value, the decision has been made at HUD to continue funding it at its present level in the next fiscal year--which is in the neighborhood of $1.5 million. To broaden the program's impact, however, we have decided to bring a set of 10 new cities into the network. The present 10 generally exceed 250,000 in population. The new set would be somewhat smaller in size to ensure a greater diversity of metropolitan areas.

As the National Academy of Public Administration said of the Urban Observatory program in 1971, it is "aimed at building a new institution in urban America to link decision and scholarship on urban problems." Institution building is, of course, a long-term process. By broadening the network, we believe we will be strengthening this infant institution's roots in urban American and thereby ensuring its growth.

A university, of course, is a great deal more than a repository for research contracts, much more than a service station or a knowledge bank for men of action. It is a community of scholars with a diversity of interests that, by definition, go far beyond the occasionally mundane concerns of municipal officials. The energies of that community of scholars in pursuit of their own interests offer in themselves an enormous potential treasure house for the urban community.

In an effort to partially tap those energies, I am announcing today that HUD will provide support for doctoral dissertation research in selected housing and urban studies through grants. Announcements of this initiative together with guidelines for proposal submission will shortly be sent by HUD to all members of the Council of Graduate Schools in the United States. The maximum grant will be $10,000 for one year. We anticipate as a part of this initiative, to convene an annual conference at HUD of the grantees, an advisory panel and other urban experts to discuss current urban policy issues.

Let me turn now, if I may, to another program for which HUD has major responsibility and which promises significant improvements in local government administrative capacities. I am referring to the programs of the Urban Information Systems Interagency Committee, or USAC. The Committee, as you may know, is a consortium of ten Federal departments and agencies chaired by a representative from HUD, which is the lead agency. USAC's focus is on the capabilities of the modern electronic computer and the opportunities it provides not only for doing things faster and more efficiently but also for amassing and analyzing the vital information needed to formulate and manage local government programs.

USAC currently is sponsoring the development of prototype automated information systems in five cities: Dayton, Ohio; Charlotte, N.C.; Reading, Pa.; Long Beach, Calif., and Wichita Falls, Texas. These demonstration projects has shown great promise of transferability to other cities.

Total Integrated Municipal Information Systems (IMIS) are being developed in Charlotte and Wichita Falls. This means that information systems are being applied to many groups of related activities, or modules, as the technicians define them.

The systems in the three remaining USAC cities, on the other hand, are more narrowly focused and concentrate on one particular functional subsystem. In Long Beach, for example, the focus is on public safety modules. In Dayton, the focus is on public finance modules and in Reading, it is on physical and economic development modules.

I don't wish to burden you with a lot of computer jargon. You're interested--as we are--in what the payoffs are. Well, let's take Charlotte as an example. A fire operations module has been developed there which provides fire fighters at the scene of an alarm with rapid access to stored computer data on each building for which a fire inspection has been conducted--providing information for example, on the amount and location of volatile materials, which can be critical to the fire-fighting or rescue tactics used. The result is improved fire services to the community, increased protection for the fire fighter and the minimizing of life and property losses from fires.

The equipment management module in Charlotte provides municipal officials with a data system which insures that each unit of expensive equipment--from police cars to fire trucks to street cleaning equipment--provides a maximum of service with a minimum of down time. It does this by providing reports on each unit's maintenance history, reports that pinpoint abnormal conditions and preventive maintenance schedules.

The landfill control module provides public works administrators with an efficient means for the planning and control of solid waste disposal activities, specifically the recording of detailed information on landfill use and the nature and amount of refuse received from residential, commercial and industrial sources.

The traffic control maintenance inventory module provides a mechanism for maintaining an inventory by location of all traffic control devices and pavement markings, thus facilitating maintenance work.

The geographic data index maintenance module provides a workable mechanism for linking together data from all city departments based on geographic identifiers.

All of these systems permit incremental improvements in specific areas of city administration. They may not seem dramatic. But the cumulative impact of many such incremental changes and improvements in municipal operations is what ultimately is going to make the difference between cities that can cope and cities that cannot.

Revenue sharing is one answer--but it is not going to permit profligacy in the face of rapidly growing service demands. To stay in place on the treadmill, most cities are going to have to launch determined efforts, as well, to improve productivity so that they can provide better service at the same or less cost. The USAC program offers them one tool for accomplishing that.

Let me close with a brief general word about the federal government's research role when the New Federalism is no longer a vision but a fact. I have been talking mostly about <u>one</u> of the several goals of our program activities in Policy Development and Research at HUD, which is to strengthen the capabilities of state and local governments to meet public needs, a goal which includes the development of an improved research and development capacity at the state and local levels. It must also be recognized, however, that when it comes to research and development, the Federal Government has a unique role to play. Federal R&D can take advantage of a critical mass of human and dollar resources that may elude State and local governments. It can take advantage of economies of scale and central data collection and it can do a more uniform job of dissemination. What it <u>cannot</u> do is force a federal solution to state and local problems. The central conclusion of the 1972 report of the Committee on Intergovernmental Science Relations, you may recall, was that technology cannot be force fed. The demand for it must be created and nurtured. What this means, obviously, is that while the Federal Government under the New Federalism will have a unique capacity to conduct technological and managerial research and to demonstrate new systems and methods for application by other levels of government, it cannot perform that work in a vacuum free of "reality" and practical needs as seen by those on the firing line at the state and local level.

Clearly, then, if Government is to meet the most pressing domestic needs of the 1970's, there must be a flexible and responsive research partnership among all levels of government.

The university community working closely with all levels of government can provide the indispensable glue for that partnership.

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

HUD-No. 74-64
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Friday
March 1, 1974

Effective today, March 1, residents and businessmen in Delaware will be eligible to buy burglary and robbery insurance under the Federal Crime Insurance Program administered by the U. S. Department of Housing and Urban Development.

The announcement was made jointly by Federal Insurance Administrator George K. Bernstein of HUD, Governor Sherman W. Tribbitt, and Delaware Insurance Commissioner Robert A. Short.

Following a joint review by the Federal and State Agencies, and a recommendation from Governor Tribbitt and Commissioner Short, Mr. Bernstein concluded that Federal coverage should be offered because Delaware residents and businessmen have experienced difficulty in obtaining affordable crime insurance coverage from other sources.

Federal policies can be purchased through any licensed Delaware property insurance agent or broker or the Servicing Company designated for that State, Insurance Company of North America, with offices at the INA Building, 303 East Fayette Street, Baltimore, Maryland 21202.

The Federal policies will be available to all residents and businessmen, regardless of their location, and will not be cancelled or nonrenewed because of losses. Other than payment of the premium, the only requirement is that the premises meet the program's protective device requirements for such entry points as doors and windows. The premises of commercial applicants will be inspected so that applicants may know for sure that they meet the requirements.

Federal rates are based upon the overall metropolitan area statistics so that the cost of coverage in the inner city is the same as in the

-more-

suburbs. For example, an individual desiring coverage on a residential premises in Dover or Wilmington would pay $30 annually for $1,000 of coverage; $50 for $5,000; and $70 for $10,000.

Commercial rates vary, depending upon gross receipts and type of business, but the rates are equally affordable. A grocer in the above cities with annual gross receipts under $100,000 can obtain a $1,000 package of burglary and robbery insurance for only $100 a year. Coverage for $1,000 of robbery insurance would cost him $60, and $1,0000 of burglary insurance would cost $50 a year. Coverage for $5,000 of burglary and robbery insurance would cost $400 a year; $5,000 of robbery insurance, $240; and $5,000 of burglary insurance, $200.

Affordable rates for larger businesses and additional amounts of insurance up to $15,000 in coverage, are also available.

Delaware residents and businessmen will also benefit from a reduction in deductibles under the program which became effective January 21. The deductible on residential claims has been reduced to $50 or 5% of the gross amount of the loss, whichever is greater. Commercial deductibles have been lowered to $50 or 5% of the gross amount of the loss, whichever is greater, for all applicants with annual gross receipts of less than $100,000. Corresponding reductions for commercial applicants with annual gross receipts of less than $500,000 have also been made.

Administrator Bernstein and Commissioner Short noted that crime losses from burglary and robbery contribute greatly to the deterioration of communities and a decline in business opportunities. They urged local officials and insurance agents to help publicize the program, making it readily available to citizens who need protection against the economic consequences of crime.

Federal crime insurance is currently available in Connecticut, Delaware, District of Columbia, Florida, Illinois, Kansas, Maryland, Massachusetts, Missouri, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Tennessee.

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

Phone (202) 755-5277

FOR RELEASE AFTER:
2:00 P.M., EDT
Friday
March 8, 1974

REMARKS PREPARED FOR DELIVERY

By

ALBERTO F. TREVINO JR.

General Manager

New Communities Administration

U.S. Department of Housing and Urban Development

at the

League of New Community Developers

Dallas, Texas
March 8, 1974

Thank you for this opportunity to speak to you.

It is good to address an audience for whom the Federal New Communities program is not a total stranger.

As you know, since 1968, the New Communities program has been inconspicuous at HUD, unheralded in its slow but steady progress toward recognition.

Now that this program is producing positive results--coming into its own, if you will--I want to tell the New Communities story.

First, let me tell you what the New Communities program is not. It is neither a panacea nor the only solution to our urban sprawl and inner city troubles.

I think it is indeed unfortunate to hear the word "UTOPIA" to describe new communities. Our growth planning needs are so acute, however, I can understand the good intentions of exaggerated remedies.

I see New Communities instead as a practical, step-by-step approach to organizing and managing our resources and social services, and to help preserve our environment.

And I think we can deliver this consistent with our national objective of orderly growth.

What we don't need in America today are false hopes and illusory strategies. Nor can we progress with a limited horizon and a stifled imagination.

It is in this context of reality that I wish to speak to you about New Communities.

We cannot turn a deaf ear to the need for New Communities. While we're trying to fight the inner city degeneration of the last two decades, urban sprawl has added a new dimension to the challenge: OBSOLESCENT growth.

The Congress, in creating the Community Development Corporation--HUD's policy-making agency for the New Communities program-did not want New Communities created only to see them die again.

Our mandate is to devise a balanced community that renews itself and lives on.

One with a free, open-space lifestyle with dwellings to suit everyone's taste and pocketbook; with jobs, transportation, parks and playgrounds, and social facilities without which no New Community is deserving of its name.

This is no small order. We know it.

What have we done so far?

Ten New Communities are underway, representing a total HUD loan guarantee of $240.5 million. We have offered to guarantee $120.5 million for five other New Communities. Two New Communities are qualified for New Community assistance apart from guaranteed funding.

HUD FY 1975 budget, starting July 1, recommends another $170 million for four more New Communities.

As you know, HUD guarantees up to $50 million for land acquisition and development costs of each New Community. Our Congressional authorization for the program now stands at $754.5 million.

This is a full agenda. Time is not our ally.

We are creating an increasingly responsive and responsible Federal New Communities administration. As General Manager I report directly to the Secretary. My staff has grown to 73 persons.

We streamlined the application process; purged the pipeline of unpromising projects; set up early screening of applications; established realistic program levels and an effective work control and scheduling system.

We are developing new analytical tools for evaluating the feasibility of New Community projects and we are devising a more efficient financial reporting and monitoring system.

We have started an evaluation and policy development process, including contract research and analyses.

I have brought on board a cadre of professionals skilled in the complex processes of planning, financing, and managing a New Community project.

Now, what are we learning?

The Title VII program cannot subsitute for other measures of shaping growth. We know that the feasible national production of New Communities under Title VII will not absorb more than five per cent of suburban expansion needs in the near future.

There is, however, the distinct possibility that with an expanded production base to include State and local development corporations, New Communities could capture a larger precentage of the suburban expansion.

We face the certainty that the New Communities concept is doomed to failure without the support of State and local government units.

There is the possibility, too, that the Federal government can be phased out of this program eventually as Governors, County Commissioners and Mayors rightfully assume the full responsibility for charting the growth of their political subdivisions.

We are determined that Federally-aided New Communities fit into the local growth framework. Only States, counties and cities can tell us what best suits their regional and local growth plans.

We at HUD will not approve any New Community request for aid without the full knowledge and consent of local officials.

Why is this important?

Because Federally-aided New Communities must not create growth problems. New Community is a high-sounding name. But we are not unaware that a New Community, if not conceived and developed with an abiding respect for the practical, will result in unchecked sprawl and subsequent blight.

I don't want HUD New Communities taxing or disrupting local water-sewer systems. I don't want Federally-aided New Communities taking away jobs from nearby, established communities.

We require that a potential developer of a New Community project and plan for an industrial base that will meet the community's own payroll needs.

We insist on land-use commitments for schools, churches, shopping centers, government buildings, industrial parks, open space, and residential and commercial areas.

We want to know what effect the New Community will have on the environment. Will it damage rivers; contribute to or trigger pollution; create regional or local transportation problems? America has had enough of these mistakes, we don't need more.

Out of the myriad of data and analyses on New Communities has emerged what I consider a <u>must</u> formula for measuring the validity of a New Community: the Three Rs--Redevelopment, Reciprocity and Reinvestment.

If a New Community is to remain independent and not a burden on its taxpayers and neighboring communities, it must plan to redeploy its resources. This entails innovation as well as using the best of our tried and true methods of operating and running communities.

Reciprocity demands that a New Community show measurable benefits to the area in which it is to become a community partner. A New Community must not be a license to sponge off established neighborhoods sapping taxes, jobs, public services and social amenities.

Reinvestment is a concept of a community renewing itself to avoid future decay. We must, if the New

Community idea is to live on, construct a model that will break through the enormous expense now of fighting urban decay with just dollars instead of adequate planning for replacement costs.

Our Fiscal Year 1975 budget proposes that New Communities Administration expenses come out of the NC revolving fund to which developers contribute through payment of fees. Previously, this fund was earmarked only to assume financial liability in cases of New Community foreclosures. We find the dual role for this fund now a proper one.

Of necessity, all of our time is not spent on looking inward and backward. We are devoting much thought and energy to the future of New Communities.

I have instructed my staff to open communication with the private sector of our economy directly and indirectly interested in New Communities: mortgage bankers, investment houses, holding companies and developers.

These groups have the brainpower and resources to contribute immeasurably to successful government-backed

New Communities program. Their interests and ours are one: to solve problems of rampant sprawl and urbanization.

HUD Secretary James T. Lynn has placed top priority on a review of the New Communities program. He wants to know what it has accomplished, where it is and where it is going.

We already have some of the answers. We're working hard on getting others.

The problems are enormously difficult. Here's a brief list of our concerns.

REGIONAL DEVELOPMENT: Management experience for large scale regional development does not exist in our Nation. But there is a clear and present need for this expertise.

HOUSING: We should reexamine the requirement that New Communities make "substantial provision" for low and moderate income housing. In general, we feel that the primary factor in the formula should represent a goal of providing housing for everyone working in the New Community who wants to live there.

LEGISLATION: We are concerned with the impact of community development, special revenue sharing and housing legislation. It is likely that the bills reported by both House and Senate will contain specific reference to designating growth and units for New Communities.

LAND: We feel that the assembly of sites at reasonable costs in the right locations is a pressing problem now and the future is clouded with uncertainty.

ENVIRONMENT: As worthy as its objectives are, the Environmental Impact Statement (EIS) is becoming a serious constraint, now constituting the single most time consuming element (7-8 months) in our application procedure. There are at least two court cases pending.

ENERGY CRISIS: The impact is not yet fully understood. Speculation supports the increased importance of accessibility to mass transportation, higher densities and closer residential-job relationships.

JOBS: We believe that one of the constraints contributing to lagging development in some communities is a failure to plan for and actively promote--at a very early stage--the development of an employment base within the New Community. The notion that a New Community is its magnet for industrial growth conflicts sharply with the facts.

Now let us talk about the New Community concepts: Satellite, New-Town-In-Town and Free-Standing.

The Satellite New Community is highly successful in achieving orderly, balanced, suburban growth. Studies show substantial fiscal benefits to governmental units in which satellites are developed. Moreover, the satellites show substantial savings in capital costs for housing, land and infrastructure compared to the excess and waste of sprawl.

Studies also show these New Communities are energy savers and they make available to their residents more than twice the open space of ordinary developments.

The Free Standing New Community is not generally a viable concept. Soul City near Henderson, North Carolina, recipient of extensive Federal program aid, will provide us with future feasibility analyses on which to base a more accurate measurement of this concept of New Community.

The New-Town-In-Town concept has valid objectives but there is an obvious need for more than loan support. Revenue sharing funds under the proposed Better Communities Act, could supply this support.

We are striving for a clearer understanding of the proper proportion of public investment as between renewing the city and supporting growth in the suburbs. We have no metropolitan growth strategy or policy, which raises the real concern that Federal aid to suburbs hurts the cities.

As we put all these lifestyle options under the microscope, we are heartened by spin off developments at some of our New Communities.

At Cedar-Riverside, the New-Town-In-Town, on the banks of the Mississippi in Minneapolis, they are about to install a waste recycling system that will generate heat to warm offices and homes. HUD has participated in the research and development.

The 18,000-acre New Community of Woodlands near Houston, Texas is reserving about half of its land for parks, recreation and raw acreage. It appears that this dramatic concern for environment can be supported by the projected cash flow of this New Community.

Soul City is testing the feasibility of attracting industry to an area with a history of agricultural decline.

Planning is underway for a wide-band television in Jonathan. Newfields has a new dual developer system; on Roosevelt Island, they're testing vacuum solid waste disposal systems; testing is underway at Woodlands on a less costly natural drainage system.

The promises are many as are the pitfalls.

In a Nation trying hard to break with past patterns of willy-nilly growth, a government official charged with the responsibility of New Communities cannot take his job lightly.

I assure you I am totally committed to doing what I can to help solve our growth problems.

If we err, let us not be accused of faulty preparation or impulsive actions. America's growth problems did not occur overnight. Nor are we engaged in a crash program to produce overnight solutions.

New Communities has a place in our Nation. We're trying to find that place in the context of our total living environment. We cannot afford a narrow view. There is too much at stake for all of us.

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

HUD-No. 74-75
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Monday
March 18, 1974

QUESTIONS AND ANSWERS
NATIONAL FLOOD INSURANCE PROGRAM

Q. What is the National Flood Insurance Program?

A. It is a federally-subsidized program authorized by Congress in 1968 to protect property owners who up to that time were unable to get coverage through the private insurance industry. The program, for the first time, made flood insurance available to individuals at affordable rates. In return for the Federal subsidy, State and local governments are required to adopt certain minimum land use measures to reduce or avoid future flood damage within their flood-prone areas.

Q. Has the program been changed since then?

A. Yes. In December 1973 Congress passed the Flood Disaster Protection Act, greatly expanding the available limits of flood insurance coverage and imposing two new requirements on property owners and communities.

Q. What are the new requirements?

A. First, after March 2, 1974, property owners in communities where flood insurance is being sold must purchase flood insurance to be eligible for any new or additional Federal or federally-related financial assistance for any buildings located in areas identified by HUD as having special flood hazards. Second, all identified flood-prone communities must enter the programs by July 1, 1975.

Q. What happens if a property owner fails to buy the required insurance, or a community fails to meet the deadline?

A. Federal and federally-related financial assistance for buildings in the flood plain will be unavailable to any community or property owner that does not comply with the Act.

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Q. What is generally meant by Federal and federally-related financial assistance?

A. All form of loans and grants, including mortgage loans and disaster assistance loans, from either a Federal agency such as FHA, VA, or the Small Business Administration, or banks or savings and loan institutions.

Q. Who is eligible to purchase flood insurance?

A. Any property owner in a community that has had its application approved by HUD.

Q. Where can a property owner obtain a policy?

A. From any licensed property and casualty insurance agent or broker.

Q. How does a community become eligible for the program?

A. By submitting a completed application to the Federal Insurance Administration, HUD Building, Washington, D. C. 20410. As part of the application the community must certify that it is requiring building permits for all construction, and it must also adopt certain minimal measures to regulate building in its flood-prone areas so as to limit damages from future floods.

Q. Must a community adopt zoning ordinances for the entire area within its jurisdiction to initially qualify?

A. No, HUD does not require comprehensive zoning. The minimal land use measures required may be in the form of a resolution adopted by the community as part of its application. At a later date, additional land use measures must be enacted for the flood-prone areas. These could be either made part of existing codes or ordinances or incorporated into new ones.

Q. How can a property owner find out if and when his community qualifies for the program?

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A. Once the community's application is accepted, usually within a week of receipt of a complete application, notice of eligibility is announced publicly through the local press media. That information is also available from your insurance agent or broker, the nearest HUD office, local and State authorities, or from the insurance company that services your State.

Q. When can a property owner buy his individual policy?

A. Policies are effective immediately upon purchase for the first 30 days after the community qualifies. After that there is a 15-day waiting period for the policy to be effective.

Q. What recourse does an individual have if his community fails to take steps to qualify, thereby depriving him of coverage?

A. No recourse is specifically available under the Act. But in at least one community residents who suffered uninsured flood losses filed suits against local officials who failed to take action to enter the program.

Q. What type of structures are eligible for coverage?

A. All types of buildings and their contents.

Q. What type of losses are covered?

A. Losses caused by (1) a general and temporary flooding condition of normally dry land areas or (2) erosion resulting from abnormally high water levels in conjunction with a severe storm, or (3) flood-related mudslides involving a mudflow.

Q. How much coverage can I buy, and what will it cost?

A. Under the expanded program the limits of subsidized coverage are doubled, tripled, or more, while rates have been substantially reduced. For example, the homeowner may purchase $20,000 of flood insurance coverage for as little as $50 a year. Property owners already protected under the original program can greatly increase their coverage at a very low cost. If you live in a community where HUD has already completed a rate study, you can further increase your protection by paying the actuarial (non-subsidized) premium rates for the additional amounts of coverage.

- more -

The following table sets forth the limits of subsidized coverage and the applicable premium rates:

Limits of Coverage and Subsidized Rates

Types of Structure	STRUCTURE Coverage	STRUCTURE Rates Per $100 of coverage	CONTENTS Coverage (Per Unit)	CONTENTS Rates Per $100 of coverage
Single Family Residential	$ 35,000	$0.25	$ 10,000	$0.35
All Other Residential	$ 100,000	$0.25	$ 10,000	$0.35
All Nonresidential*	$ 100,000	$0.40	$ 100,000	$0.75

*Includes hotel and motels with normal occupancy of less than six months.

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HUD NEWS

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

HUD-No. 74-76
Phone (202) 755-5277
(Farley)

FOR RELEASE:
Monday
March 18, 1974

Federal Insurance Administrator George K. Bernstein called today for a nation-wide enlistment drive for federally subsidized flood insurance to cut heavy property losses from what he said could be another record year for floods.

The Administrator warned that close to 15,000 communities -- three-fourths of the total in the Nation -- can be identified as flood-prone. Of those 15,000, he said, only 3,300 have enrolled to date in the National Flood Insurance program, with 315,000 policies purchased by individual property owners in those communities.

"This is grossly inadequate," he said, "especially since two-thirds of these policies are concentrated in six States, while the potential trouble spots are spread across the country."

In addition to flood threats along the Mississippi Valley and the eight States bordering the Great Lakes, Mr. Bernstein pointed out that 82 counties in another nine States have already been declared Presidential disaster areas this year because of severe storms and flooding.

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The nine States are Maine, New Hampshire, California, Oregon Washington, Idaho, West Virginia, Montana and Louisiana.

Recalling lessons learned from Tropical Storm Agnes and other major catastrophies in recent years, the Administrator cautioned against public reliance on Federal disaster relief, which he described as, "more often than not, inequitable for the victims and unfair to taxpayers in general."

"From the viewpoint of immediate, direct and adequate protection," he said, "it can't hold a candle to flood insurance. The Flood Disaster Protection Act now offers more generous coverage, both for buildings and their contents, and the rates are even lower than under the original program. For example, a homeowner can purchase $20,000 of coverage for $50 per year. For people in flood-prone areas, there can be no sounder investment."

Mr. Bernstein also called attention to provisions of the Act which he said could make it one of the most comprehensive land use measures ever adopted by the Federal Government.

As of March 2 of this year, property owners must buy flood insurance if they live in a community where it is available.

Under the new law, all identified flood-prone communities must enter the flood insurance program by July 1 of 1975, and must adopt appropriate land use and other control measures to reduce the chances of flood losses.

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Failure to comply, in the case of either the community or the individual property owner, would disqualify them from virtually any form of financial assistance from the Federal Government for their property in the flood plain, or from any financial help from any federally insured, regulated or supervised lending institution.

The purpose of these regulations, Mr. Bernstein said, is to encourage individuals to protect their property, and to motivate communities to exercise more control over construction in hazard areas.

Parenthetically, he noted that at least one community has been the subject of a number of suits brought by local flood victims, charging responsible officials with failure to make their city eligible for flood insurance.

As part of the nation-wide educational campaign to stimulate participation in the program, the Administrator called for continued cooperation of the communications media in disseminating information about the program.

The insurance industry, he said, has also offered its cooperation in distributing informational material, along with civic, service, charitable and religious organizations.

The material is being made available in all HUD field offices, in other Federal agencies involved in the program, and in banks and other lending institutions upon which the program will have an impact.

Addressing himself to the impending risks from flooding this year, Administrator Bernstein offered a final word of advice:

"Don't think it can't happen to you. Do think of the consequences if you face total loss of your home or place of business because you failed to take out flood insurance when it was available."

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

HUD-No. 74-77
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Monday
March 18, 1974

Substantially reduced premium rates, as well as greatly expanded limits of coverage, are now available under the National Flood Insurance Program as a result of the Flood Disaster Protection Act of 1973.

Homes of all sizes in communities participating in the program can now be more adequately insured against property damage at the flat annual rate of 25 cents for each $100 of insurance. Under the old program the rates started at 25 cents and increased on a sliding scale.

The contents of homes are now insurable for 35 cents per $100, as opposed to the old sliding scale which rose to 45 cents.

For business and other non-residential structures, the rate is now a uniform 40 cents per $100, 20 cents below the top for such buildings in the old program. These buildings include businesses, churches, municipal structures, hotels and motels.

The rate for contents of the non-residential properties is 75 cents per $100, the same as was charged previously.

The expanded limits of coverage were announced by President Nixon and HUD Secretary James T. Lynn last New Year's Eve, the day the Administration bill was signed into law by the President.

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For single family homes the limit of coverage at the subsidized rates is raised from $17,500 to $35,000 on the structure. For multi-family homes, coverage increases from $30,000 to $100,000. Contents for all homes and apartments can now be insured up to $10,000, double the previous limits.

For non-residential property, available subsidized coverage on the structure increases from $30,000 to $100,000, and the contents from $5,000 to $100,000.

For residents of communities where actuarial rates have been established, an additional layer of coverage is available at actuarial rates.

The following table sets forth the limits of subsidized coverage and the applicable premium rates:

Limits of Coverage and Subsidized Rates

	STRUCTURE		CONTENTS	
Type of Structure	Coverage	Rates Per $100 of coverage	Coverage (Per Unit)	Rates Per $100 of coverage
Single family residential	$ 35,000	$0.25	$ 10,000	$0.35
All other residential	$100,000	$0.25	$ 10,000	$0.35
All nonresidential*	$100,000	$0.40	$100,000	$0.75

* Includes hotels and motels with normal occupancy of less than six months.

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

HUD-No. 74-83
Phone (202) 755-5277
(Spiegel)

FOR RELEASE:
Wednesday
March 20, 1974

The Department of Housing and Urban Development, continuing the Federal emphasis on nationwide historic preservation, today made available reprints of reports on such activities by several local redevelopment and Model Cities agencies.

The reprints are: Historic Preservation Plan, (Savannah, Ga.), Prospects For the Past, (Sheboygan, Wisc.), and Revitalizing Older Houses in Charlestown, (Mass.).

The reports are in keeping with a 1971 Presidential Executive Order, concerned with protection and enhancement of the cultural environment. In the order President Nixon said as a matter of National policy, that "The Federal Government shall provide leadership in preserving and maintaining the historic and cultural environment of the Nation."

HUD, involved in support of historic preservation activities nationwide for many years, is undertaking a number of activities involving State and local governments to increase support in such projects.

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The booklets show, from the viewpoints of widely different communities, how preservation can be made an integral part of urban planning and a positive force in the revitalization of America's cities and towns.

James Biddle, President of the National Trust for Historic Preservation, characterized the reprints as "outstanding examples of how enlightened urban renewal and housing authorities, with the assistance and leadership from HUD, have furthered preservation planning objectives...HUD is making an invaluable contribution to the preservation movement..."

Commenting on the booklets, HUD Secretary James T. Lynn said, "It is our hope that they will raise the sights of planners, elected officials and neighborhood and preservation groups throughout the country in the interest of building stronger, more livable communities."

Single copies of the three reprints are available free by writing to:

Richard H. Broun, Acting Director
Community and Environmental Standards
HUD - Room 8204
Washington, D.C., 20410

# # #

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

HUD-No. 74-89
Phone (202) 755-5284
(Hall)

FOR RELEASE:
Wednesday
March 20, 1974

The first national program to train and accredit resident managers of multifamily housing complexes was announced jointly today by the U.S. Department of Housing and Urban Development and the Institute of Real Estate Management (IREM).

The program was announced by H.R. Crawford, HUD Assistant Secretary for Housing Management, and Vance C. Miller, President of IREM.

The joint announcement described the program as one "which will qualify eligible men and women through intensive training for this vital management area."

IREM is now establishing standards for its accreditation program, which will qualify on-site managers under the designation of Accredited Resident Manager (ARM).

The program was designed following a request of Assistant Secretary Crawford at a meeting with IREM officials last November. Mr. Crawford, who was a professional housing manager before coming to HUD, had long been interested in improved education of resident managers, and a national accreditation program.

- more -

"We need a long-range, national program to upgrade the competence and enhance the professional stature of resident managers," he said. "The Accredited Resident Manager program is aimed in the right direction, and should carry us a long way toward those objectives."

A major goal of the program is to implement and maintain a healthy and economically viable national housing program, according to the co-sponsors.

IREM, which is a private, non-profit affiliate of the National Association of Realtors, will provide course work, services and accreditation. The program has been designed to assist a resident manager in his physical, fiscal and social management of multifamily housing.

Once the on-site resident manager has proven his ability, the Institute will award him with the ARM designation.

Qualifications for managers have been prepared by IREM, and a curriculum is being developed. Those looking toward accreditation would first qualify as candidates in order to take the IREM courses. The first course, Housing Manager Course I, for example, would cover such subjects as renting, tenant relations, janitorial, maintenance and on-site office operation. A candidate could qualify for this part of the requirements by passing an IREM examination without taking the educational courses.

- more -

The Institute of Real Estate Management was created to qualify and certify those men and women who have proved their competence in real estate management. They are designated as Certified Property Manager (CPM). Mr. Crawford and Mr. Miller are both CPMs.

The program was outlined by Mr. Crawford, representing HUD, and a team led by Mr. Miller of IREM. Others in the group were Joseph T. Aveni, Regional Vice-President; Jerry Luttrell, Public Service Representative from IREM's Chicago headquarters office; and Dick Henneges, a representative of IREM and the National Association of Realtors in the Washington, D.C. office. Also present will be the past president of IREM, Paul H. Rittle of Pittsburgh, Pa., and Russell Doiron of Baton Rouge, La.

# # #

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

HUD-No. 74-96
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Tuesday
March 26, 1974

Some 2,200 units of low rent public housing for Indians have been authorized by Secretary James T. Lynn of the U. S. Department of Housing and Urban Development.

These are in addition to 1,788 units designated on February 5 of this year, in fulfillment of the Department's budget of 4,000 units of housing for Indians for FY 1974.

HUD area offices may now accept applications from Indian Housing Authorities for the number of units authorized as shown by the table below.

AREA OFFICE	STATES	UNITS	
		Conventional	Turnkey
Oklahoma City	Oklahoma		790
Jackson	Mississippi		75
Dallas	Texas		80
Kansas City	Kansas		100
Denver	Utah, Colorado, Wyoming, Montana, North Dakota, South Dakota	400	467
San Francisco	Nevada		100
Seattle	Washington, Idaho		200
		400	1,812
	Total	2,212	

-more-

Under the conventional method, the Local Housing Authority acts as its own developer, employing its own architects and taking competitive bids on the construction contract.

The Turnkey method allows a builder to deal with a Local Housing Authority as he would with a private customer. Not only does he build the project, but designs it and chooses the location, subject to the approval of both HUD and the LHA.

# # #

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

Phone (202) 755-5277

FOR RELEASE AFTER:
12 Noon, Wednesday
March 27, 1974

REMARKS PREPARED FOR DELIVERY

by

SHELDON B. LUBAR

Assistant Secretary for Housing Production

and Mortgage Credit - FHA Commissioner

to the

Mobile Homes Manufacturers Association

Washington Hilton Hotel

Washington, D.C.

March 27, 1974

It's a great pleasure to be here with you today, and to have a part in this Annual Convention of the Mobile Homes Manufacturers Association.

I realize you didn't invite me here to tell you what tremendous strides your industry has made over the past few years. You know as well as I, I'm sure, that in 1973 you set your fourth consecutive annual record -- shipping almost 580,000 mobile homes.

But, while 1973 doesn't seem to have been a joyous year for many persons involved in housing, your one percent increase in volume during that year stands in stark contrast to the 14 percent drop in single-family site-built housing starts. And that kind of contrast, I should think, indicates a definite trend for the future.

Your own figures, for example, show the average price of a mobile home during 1973 to have been $7,780. The Census Bureau, on the other hand, has cited $32,500 as the median sales of a new single-family house in that same year. Even more significantly, your average figure of under $8,000 comprises a total package -- including furnishings and appliances. Whereas the family purchasing the far more expensive conventional home -- after scraping up a sizable down payment, settlement fees and moving costs -- is then first confronted with the formidable and expensive prospect of at least minimal new decorating and furnishing.

Viewed in that perspective, it's easy to see that the growing mobile home industry is filling a definite gap in the housing market. And that there is, for that reason, every reason to confidently expect continued growth in the future.

The estimated housing need in this country ranges anyhwhere from the 2.3 million units per year found in the joint Harvard-MIT Study to the 2.6 million units set down in the 1968 Housing Act. These estimates could be higher, if new family formations conform with current predictions. We have been all too ready to assume, however, that this had to mean new single family homes and apartment units. Seen in such a light -- and compounded by high rates of inflation, materials scarcities and a shortage of energy (together with the money market difficulties to which all these contribute) -- it would appear to be very difficult to meet such a goal.

But, when we realize that the .6 (point six) part of the 2.6 million can be handled with great competence by the mobile home industry, the problem is reduced to manageable proportions.

-more-

After all, even in the lean year of 1973, new conventional starts accounted for more than the other two million units.

Increasing prices of most things, and especially housing, have only magnified and dramatized the importance of your industry. Today, mobile homes constitute just about the only true low-cost houses available -- which are at the same time decent, safe, sanitary and comfortable.

One additional factor, of course, is that while the emphasis is increasingly on the word "home" and decreasingly on "mobile," the mobility of your product <u>does</u> lend it a versatility and flexibility that permanently fixed structures don't have.

Over the past several years, for example, HUD has purchased more than 18,000 mobile homes and over 1600 travel trailers for the temporary housing of disaster victims -- as, for example, in the case of the Wilkes-Barre floods. We also tested, as you undoubtedly know, modifications in structure and tie-down techniques, so that the units could be rapidly shifted on unitary "piggy-back" railroad trains for greater distances than are usually attempted over-the-road.

When these mobile homes have fulfilled their temporary role in helping the homeless, the disaster victim may purchase the unit at fair value if he so desires. Otherwise, we make a retention inspection and retain and store the homes for the next contingency. Or we will dispose of them through the General Services Administration, which would typically distribute them to local governments, agencies or other authorities, non-profit groups, or the like. The point is, these mobile homes do not flow back into the private market to compete with new units.

So you do, unquestionably, provide a vitally necessary, useful and versatile product -- and I want to commend you personally for continuing to provide good quality at reasonable prices. It cannot have been easy in these difficult times -- and it is only realistic to expect that it will be even less easy for the near future.

In a word, you have enjoyed success. The Federal Government, on the other hand, has not been overwhelmingly successful in the five years since it became, in effect, a retail producer of housing for the poor. But the FHA has had some dramatic successes -- 40 years' worth, in fact -- in the home financing and mortgage insurance areas. So let me assure you that Secretary Lynn and I are taking all the steps that are in our power to restore the FHA to its former bright luster as a national housing pacesetter and underwriter. And, where what we think would be a good step is not within our power, we have requested the necessary authority from the Congress.

I know you are aware that the Secretary now has the authority to set the FHA Title I Mobile Home Interest Rate. There are multiple considerations in making the rate determination the first time, but I expect that we will be taking action in the next several weeks.

With this new rate, all signs point to a large participation in HUD mobile home financing, which is further assisted by the activities of GNMA in the secondary mortgage market.

In arriving at the rate, we have consulted with your president, John Martin; with Mr. Mike Costa, president of the Mobile Home National Dealers Association; and with all sectors of the lending community. The contributions of all have been exceedingly helpful.

In setting a rate to "meet the loan market," we seek the lowest possible cost to the consumer that will still be high enough to generate lender participation. One of the ingredients in the Title I program that has made it such a success is the coinsurance, or risk-sharing, feature. That is something, incidentally, that we would like to try with other FHA programs; after all, nothing insures good quality loan origination and processing like sharing of the risk.

We know that coinsurance works. In 1954, the Title I program was an outright disgrace. But, since adopting the practice of coinsurance, the results have been excellent. The loss ratio on this program -- covering some 13 million loans of more than 14.5 billion dollars -- has been less than 9/10ths of one percent. By contrast, the loss ratio on some of our unsubsidized home mortgage programs -- without coinsurance -- has been as high as 20 percent.

-more-

The revised Title I Mobile Home loan program offers longer terms, lower down payments and other benefits to the consumer, the manufacturer and the dealer. It is my understanding, for example, that the HUD program for double-wides -- $15,000 loans with 15 years maturity -- is the most generous, and sometimes the <u>only</u> feasible, financing generally offered today.

Obviously, it has become as anachronistic to think of a mobile home as a "house trailer" on a weed-strewn lot on the wrong side of the tracks as it is to see a 12-story Holiday Inn with its pool and golf course as a "tourist cabin." Rather than a road vehicle with rooms and furnishing, your product is more accurately described as a <u>home</u> that can be efficiently factory-produced and then moved to a more or less permanent homesite.

That is why we are doing everything possible to make the financing of mobile homes approach more nearly the principles of more traditional housing finance.

At the same time, larger loans with longer maturities obligate all of us to make even more sure than ever before that the consumer is getting a quality product. In that connection, we are seriously considering HUD standards for mobile homes.

Beyond that, we have adopted a warranty program, and are at work on a third-party inspection plan.

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To bring you up-to-date on our underwriting experience with this program, I would say that while it has been limited, it has been fairly satisfactory. With more than 21,000 loans valued at some $184,000,000, our losses have been low at 1/4 of one percent. Delinquent loans held by our contractors as of last November amounted to 2.41 percent, although delinquencies by some volume lenders have been increasing recently.

That is a trend, obviously, that none of us wants to see. Some tightening up of credit processing is therefore very much in order. We've also got to give serious consideration to some of the other elements included in the loans -- over and above the units themselves -- like long-term comprehensive insurance, freight and accessories. Especially since our average loss per claim has been running $2,400 -- or about $1,000 higher than some PMI and conventional losses.

For your part, finally, we must have the assurance that your invoice reflects true costs, and not automatic rebates to dealers. The ratio of loan to invoice is not going to be broadened by lenders -- and _assuredly_ not by HUD -- unless we have that assurance. The only alternative to good fair invoicing is the appraisal route. I'm sure none of you wants -- and I _know_ I don't want -- the Government to get into the mobile home appraising business.

In conclusion, we look forward to a bigger and better HUD Title I Mobile Home Program. The need is certainly there --

now more than ever before -- and should, if anything, continue to grow. I am confident that with the cooperation of the manufacturers, dealers and lenders, we can successfully provide the American mobile home consumer-resident with the best possible product -- at a fair price and a reasonable interest rate.

Thank you.

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

HUD-No. 74-100
Phone (202) 755-5284
(Gross)

FOR RELEASE:
Thursday
March 28, 1974

The Office of Interstate Land Sales Registration of the Department of Housing and Urban Development today consummated a landmark agreement with one of the Nation's largest land development companies, GAC Properties, Inc., and GAC Properties Inc. of Arizona. The agreement was in settlement of administrative actions instituted by OILSR.

Administrator George K. Bernstein announced that he and S.H. Wills, Chief Executive Officer and Chairman of the Board of GAC, signed an agreement which provides:

1. That GAC will immediately begin to amend its Statements of Record and Property Reports for all its subdivisions as required by OILSR to reflect updated financial information and the filing by the FTC on March 27 of a complaint and proposed consent order.

2. That anyone who purchases GAC property after March 27, 1974, and prior to receipt of the amended property reports "automatically will have the option to void his sale" and receive a complete refund.

3. That all such purchasers will be advised of the agreement, the updated financial information and the FTC action by means of a notice approved by OILSR.

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4. All such purchasers will be sent a copy of the amended Property Report and a letter approved by OILSR informing them of their right to void the sale within 10 days of receipt of such letter.

Last December OILSR filed a notice of proceedings against GAC alleging failure to disclose adequately adverse financial information and on Wednesday, March 27, OILSR served GAC with a new notice based upon Tuesday's FTC action.

The earlier proceeding charged that GAC's Statement of Record and Property Reports failed to disclose facts carried in its financial statements which showed "adverse financial implications."

The other new proceeding was based on the action by the Federal Trade Commission on March 26, 1974, which issued a complaint against GAC alleging numerous misrepresentations, unfair and deceptive sales practices, and upon the proposed consent order which the corporation signed in response to the complaint.

The Office of Interstate Land Sales Registration proceedings, if successful, would have suspended the sale of GAC property until an amended Property Report reflecting updated conditions became effective.

Mr. Bernstein pointed out that the December proceeding based upon financial data had not yet been brought to the hearing stage and that both it and the new proceeding could drag on for months during which GAC would be entitled to continue to sell property. He hailed the agreement which provides for full disclosure of all the facts requested by his office and "the money back guarantee by GAC" as "the most effective protection purchasers could possibly have under the circumstances."

Mr. Bernstein complimented GAC and Mr. Wills for its cooperation and good faith in reaching this historic agreement the same day that the new proceeding was instituted by OILSR. Mr. Bernstein observed that the agreement should set a precedent for other developers in similar circumstances, noting that "apparently GAC has enough faith in the quality of its product to offer a money back guarantee during this interim period. It will be difficult for other developers faced with similar proceedings to do less than GAC."

On the basis of today's agreement which accomplishes what the Notices of Proceedings were directed at, the notices of proceedings have been terminated.

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

HUD-No. 74-99
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Friday
March 29, 1974

Affirmative action programs to insure minority contractor participation in housing construction projects are to be undertaken by all offices of the U. S. Department of Housing and Urban Development.

The requirement that each HUD Regional, Area and Insuring Office plan, carry out and monitor a plan providing minority contractors and subcontractors "every feasible opportunity to participate" in HUD funded construction was issued jointly by Sheldon B. Lubar, Assistant Secretary for Housing Production and Mortgage Credit, and Dr. Gloria E. A. Toote, Assistant Secretary for Equal Opportunity.

The memorandum from the Assistant Secretaries to HUD field offices called for special efforts to achieve a significant percentage of minority contractor participation at all levels, including general and speciality contracting awards.

During FY 1975, the affirmative action plans developed in each region will be formally reviewed and approved by the Office of Equal Opportunity and the Office of Housing Production and Mortgage Credit. These plans will include target goals for the award of contracts to minority owned and operated construction firms.

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"It is our purpose," said Dr. Toote, "to assure and confirm the minority contractor or subcontractor's access to the housing construction process and consideration for contract awards."

Assistant Secretary Lubar said that the special efforts of all employees will "help assure the success of this program."

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

HUD-No. 74-95
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Tuesday
April 2, 1974

An increased volume of procurement contracts with disadvantaged small business concerns is anticipated under a department-wide program of the U. S. Department of Housing and Urban Development.

All HUD organizational units with contracting authority for procurement of research, personal property and nonpersonal services are participating in the new system to increase negotiated procurement contracts with disadvantaged firms through the Small Business Administration (SBA). The program, under HUD regulations for implementation of Section 8(a) of the Small Business Act, is designed to enhance the contracting opportunities of disadvantaged small business concerns owned and controlled by eligible persons.

"The 8 (a) process is an important tool providing these firms access to the benefits of business enterprise -- specifically, an avenue to the HUD procurement process, " said Dr. Gloria E. A. Toote, Assistant Secretary for Equal Opportunity. The Office of the Assistant Secretary for Equal Opportunity has leadership responsibility for development and program guidance concerning participation of approved 8 (a) firms.

"Our contracting efforts for involvement of disadvantaged entrepreneurs represent a long term commitment. Procurement needs of all

- more-activities suitable for performance by approved 8(a) concerns will be identified," said Michael H. Moskow, Assistant Secretary for Policy Development and Research.

The 8(a) program, administered by the SBA, assists the expansion and development of eligible, profit-oriented small business concerns. To be eligible, the small business must be owned and controlled by a disadvantaged person, defined as one who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic disadvantage. Eligibility of businesses for the 8(a) program is determined by SBA.

"HUD supports the purpose and goals of the 8(a) program," Dr. Toote said, "and is undertaking the extra effort to better use the existing authority to negotiate procurement contracts to make the expenditure record more accurately reflect HUD's commitment."

Products of procurement contracts with 8(a) firms could include: urban planning and social economic analysis; housing technology, architectural and engineering services, construction, research, Automatic Data Processing, and housekeeping services.

# # # #

HUD NEWS

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

HUD-No. 74-104
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Wednesday
April 3, 1974

A new four-point program to increase the professional involvement of minority researchers and institutions in HUD's research program was announced today by Michael H. Moskow, Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development.

The new program, to be carried out in cooperation with HUD's Office of Equal Opportunity, will include:

1. Analysis of all research and demonstration program requirements, on a continuing basis, to determine those appropriate for consideration under the Small Business Administration's Section 8(a). This program is designed to aid expansion and development of small businesses either owned by minority group members or employing significant numbers of economically disadvantaged persons;

2. Consultation on HUD research and demonstration activities with representatives of minority organizations, universities and research firms, an initiative enabling these groups to suggest research areas they believe HUD should address;

- more -

3. Active coordination between Mr. Moskow's office and that of EO Assistant Secretary Gloria E.A. Toote in publicizing contracting opportunities for minority researchers, in part through regional conferences with representative minority organizations; and

4. Establishment of a file of minority research sources to be used for mailing out competitive procurement data to qualified firms that have expressed an interest in the research area addressed in the procurement.

"The minority perspective is vital to our growing research effort, now at a proposed $70 million for fiscal year 1975", Mr. Moskow said. "Our new focus on increased opportunity for minority researchers will ensure that this perspective is reflected in our thinking".

Growth of the HUD research budget for such areas as equal opportunity, lead-based paint, community development, energy research and consumer safety also reflects the Department's new emphasis on practical, policy-relevant research, he noted.

The new four-point program is aimed not only at encouraging minority participation in current HUD research activities Mr. Moskow said, but also at increasing the long-range capabilities of minority firms and educational institutions in dealing with problems of housing and community development.

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

HUD-No. 74-105
Phone (202) 755-5277
(Bacon)

FILE COPY

FOR WEEKEND RELEASE:
Saturday - Sunday
April 6-7, 1974

HUD's research program for combatting lead poisoning hazards is gathering momentum, with three new projects set to begin this spring and further initiatives planned for Fiscal Year 1975.

"Our mission in this field," said Michael H. Moskow, Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development, "is to find ways to eliminate that part of the lead poisoning problem which relates directly to housing, namely the accessibility to small children of lead-based paint on interior and exterior surfaces of dwelling units."

"This is a vast and complex task, involving as it does nearly all of the Nation's 30 million pre-1940 housing units and an unknown but significant number of the units built between 1940 and 1960," he

While the exact relationships among various sources of environmental lead and lead poisoning have not been firmly established, it is generally believed that lead paint probably accounts for a large percentage of the lead poisoning which each year leaves some 100 children dead and 2,400 to 6,200 more with neurological handicaps.

FILE COPY

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Children living in older, often dilapidated, houses and apartments pick flakes of peeling paint off the floors, from walls or other painted surfaces, and eat them. Many children like to chew on hard, painted surfaces and some exhibit a condition know to doctors as "pica, " which means that they have a habit of eating large quantities of non-food substances, including paint chips.

The HUD lead based paint research program is directed toward removing lead paint hazards from federally owned or financed housing and, on a more comprehensive level, toward helping States and localities make their lead poisoning prevention programs more effective.

Given the number of potentially hazardous housing units, the actual detection of lead in housing is an essential first step in efforts to eliminate lead paint poisoning.

Up to now, however, lead detection systems have been either too imprecise to be adequate or too expensive to be widely available for lead poisoning control programs. HUD, therefore, will fund the development of moderately priced, portable devices which can give quick, precise lead measurements. A Request for Proposal has just been issued by HUD's Office of Policy Development and Research, which will select one or more proposals for development of devices capable of detecting lead through multiple layers of paint on surfaces found in a home, without damaging the housing unit or producing disagreeable side effects for its occupants. The National Bureau of Standards will provide HUD with technical assistance for evaluating the devices produced.

Once a lead paint hazard has been detected in a housing unit, eliminating the hazard remains a problem. Ordinary scraping of peeling areas and repainting may not suffice, since a child who chews or chips away at a painted surface can reach many layers of paint. The cost of deleading a housing unit has been estimated at $1,500 to $2,000. To obtain more reliable cost data, and to identify the cheapest and most effective of a number of possible methods of deleading, HUD will conduct a one-year Experimental Lead-Based Hazard Elimination Program, deleading 250 dwelling units in four cities.

- more -

Methods to be tested will comprise various combinations of paint removal techniques, techniques for covering painted surfaces with materials such as wallboard, chipboard or plaster, and replacing small painted surfaces such as doors, windows, and trim. HUD's Office of Policy Development and Research will soon issue a Request for Proposal for management of this deleading program.

Knowing how to detect and remove lead hazards from housing units will not be enough. To be effective these techniques must be implemented through well-planned and organized programs. HUD and HEW's Center for Disease Control are cooperating in a research project to design and develop models for comprehensive local housing-health lead poisoning control programs.

Basically, the residential lead paint hazard can be attacked in each locality through one of two strategies: (1) start by screening children for elevated blood-lead levels, and, while treating the children, inspect their housing and eliminate lead hazards which are found; or (2) start by inspecting housing for lead and, while eliminating the hazards found in this way, test and treat the children identified as living in lead paint environments. The program models developed for HUD and HEW will combine these alternative strategies with specific designs for program elements such as organization and staffing, screening processes, hazard elimination methods, and methods for obtaining permanent sources of local funding and participation.

Development of the program models will take approximately six months. The two agencies will then decide whether to fund one or more demonstration programs to provide test information for the benefit of the State and local agencies charged with controlling lead paint poisoning.

Meanwhile, plans are under way to expand the HUD lead-based paint research program in some new directions in fiscal year 1975, including a search for new and cheaper technologies for removing or covering lead paint, testing the use of aversive (bad-tasting) paint to discourage children from eating paint chips or chewing painted surfaces, and establishing a clearinghouse to provide information and technical assistance to localities in their efforts to combat the lead poisoning problem.

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

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HUD-No. 74-107
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Monday
April 8, 1974

The Department of Housing and Urban Development today announced that independent testing laboratories will be the certifying agencies for mobile homes financed by loans insured by the Federal Housing Administration.

This action by HUD will assure that the homes meet the criteria established by the American National Standards Institute (ANSI) under a revised HUD regulation.

To be recognized by HUD as a certifying testing laboratory, the organization must (1) be either a state agency, or (2) if a private testing laboratory, have been approved by at least two States.

Under the new regulation, the manufacturer must certify that the mobile home was constructed in accordance with the ANSI standards in effect at the time of manufacture.

FILE COPY

The manufacturer must also certify that the home bears the label or seal showing that it has been subject to representative inspections by a Federal Housing Administration approved testing agency in accordance with a quality control program established by the FHA Commissioner.

The revised regulation, first published for comment in the Federal Register September 4, 1973, becomes effective April 29, 1974.

# # #

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

HUD-No. 74-110
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Monday
April 8, 1974

Effective interest rates on FHA-insured and VA-guaranteed home mortgages were lower during the first week of March than a month earlier, the U. S. Department of Housing and Urban Development reported today. The average effective interest rate on federally underwritten home loans closed in early March was 8.73 percent, 12 basis points below the 8.85 percent level reported in early February.

Similarly, the effective interest rate on new commitments to make FHA insured and VA guaranteed home loans declined to 8.68 percent in March, compared to 8.73 percent in February and 8.93 percent in January.

Interest rates were lower in March for loans closed by each major group of lending institutions. The effective interest rate on loans closed at mortgage companies was 8.76 percent, down 11 basis points from the February rate; at commercial banks the rate was 8.76 percent, down 22 basis points; at mutual savings banks 8.40 percent, down 23 basis points; and at savings and loan associations the rate declined 7 basis points to 8.76 percent.

Among major metropolitan areas, the effective rate on FHA-VA home loans closed in early March was: Boston 8.46 percent, Chicago 8.93 percent, Denver 8.74 percent, Los Angeles-Long Beach 8.73 percent, and Washington, D. C. 8.83 percent.

The data are derived from a nationwide survey conducted by HUD with the assistance of the Veterans Administration covering loans closed and loan commitments made during the first seven business days of the month. The maximum contract interest rate on FHA-VA loans during the period covered in the latest survey was $8\frac{1}{4}$ percent.

- more -

To Accompany HUD-No. 74-110

Table 1

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

Type of Loan	1973				1974		
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Loans Closed							
Total All FHA-VA Loans	8.86%	9.03%	9.06%	9.03%	8.99%	8.85%	8.73%
New Properties	8.76	8.92	8.80	8.82	8.86	8.65	8.62
Existing Properties	8.90	9.05	9.12	9.09	9.02	8.89	8.76
FHA Loans - Total	8.94	9.02	9.07	9.05	8.97	8.88	8.79
New Properties	8.76	9.00	8.77	8.90	8.75	8.70	8.72
Existing Properties	8.98	9.03	9.13	9.08	9.00	8.90	8.80
VA Loans - Total	8.84	9.03	9.05	9.02	9.00	8.84	8.71
New Properties	8.76	8.89	8.81	8.80	8.89	8.63	8.58
Existing Properties	8.87	9.06	9.12	9.09	9.03	8.88	8.74
New Loan Commitments							
Total All FHA-VA Commitments	9.07	9.18	9.10	9.00	8.93	8.73	8.68
New Properties	8.93	9.10	8.90	8.83	8.86	8.69	8.62
Existing Properties	9.10	9.19	9.13	9.03	8.94	8.74	8.69
FHA Commitments - Total	9.14	9.11	9.11	8.96	8.93	8.77	8.71
New Properties	8.95	8.98	8.83	8.83	8.92	8.75	8.71
Existing Properties	9.18	9.13	9.14	8.98	8.93	8.77	8.71
VA Commitments - Total	9.04	9.21	9.10	9.02	8.93	8.71	8.66
New Properties	8.92	9.14	8.93	8.82	8.85	8.67	8.60
Existing Properties	9.07	9.23	9.13	9.05	8.95	8.72	8.68
Type of Lender							
Loans Closed							
Mortgage Companies	9.13	9.27	9.18	9.07	9.00	8.87	8.76
Commercial Banks	8.44	8.94	8.84	9.14	9.16	8.98	8.76
Mutual Savings Banks	7.88	8.02	8.49	8.72	8.71	8.63	8.40
Savings & Loan Assns.	8.69	8.79	9.04	8.95	8.95	8.83	8.76
New Loan Commitments							
Mortgage Companies	9.20	9.25	9.15	9.02	8.93	8.72	8.68
Commercial Banks	8.84	9.09	9.19	8.97	9.03	8.87	8.73
Mutual Savings Banks	8.49	8.73	8.79	8.85	8.78	8.57	8.52
Savings & Loan Assns.	9.03	9.06	9.07	9.03	8.97	8.79	8.76

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. 74-110

Table 2

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

Type of Loan	1973				1974		
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Loans Closed							
Total All FHA-VA Loans	$22,340	$21,580	$21,500	$22,220	$21,680	$21,770	$22,490
New Properties	25,270	25,850	26,370	25,770	25,830	25,640	25,250
Existing Properties	21,300	20,540	20,320	21,250	21,010	21,060	21,900
FHA Loans - Total	18,260	17,900	17,960	19,260	18,340	18,910	18,510
New Properties	22,770	21,830	22,680	22,240	22,300	22,570	20,080
Existing Properties	17,060	17,080	17,110	18,660	17,800	18,380	18,290
VA Loans - Total	23,810	23,180	23,270	23,630	23,700	23,270	24,440
New Properties	25,950	27,310	27,670	26,950	26,890	26,840	26,770
Existing Properties	22,970	22,110	22,050	22,590	22,860	22,540	23,850
New Loan Commitments							
Total All FHA-VA Commitments	21,940	21,610	21,660	21,420	22,780	22,880	23,230
New Properties	26,790	26,450	26,020	25,840	28,420	26,490	26,760
Existing Properties	20,680	20,430	21,020	20,590	21,960	22,110	22,620
FHA Commitments - Total	18,900	19,100	18,840	18,990	19,560	19,800	19,320
New Properties	23,940	21,690	23,350	22,680	22,310	22,060	22,990
Existing Properties	17,640	18,610	18,240	18,400	19,310	19,430	18,930
VA Commitments - Total	23,210	23,010	23,250	22,650	24,430	24,230	25,030
New Properties	27,930	28,380	27,360	27,140	30,210	27,930	27,730
Existing Properties	21,960	21,520	22,630	21,740	23,420	23,360	24,470
Type of Lender							
Loans Closed							
Mortgage Companies	22,210	22,380	21,600	22,090	22,100	22,010	22,670
Commercial Banks	23,020	21,300	23,500	23,610	20,920	20,950	23,800
Mutual Savings Banks	24,500	19,360	21,030	21,940	20,540	22,460	22,460
Savings & Loan Assns.	21,190	20,060	19,620	21,560	22,000	20,590	20,100
New Loan Commitments							
Mortgage Companies	22,500	22,380	22,290	22,040	23,190	23,470	23,760
Commercial Banks	22,170	22,110	23,370	20,400	24,470	24,310	24,030
Mutual Savings Banks	22,210	19,650	20,630	20,260	22,340	21,420	23,250
Savings & Loan Assns.	20,150	19,230	19,490	20,340	18,760	19,610	19,720

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. 74-110

Table 3

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

Type of Loan	1973 Sept.	Oct.	Nov.	Dec.	1974 Jan.	Feb.	Mar.
Loans Closed							
Total All FHA-VA Loans	96.7%	96.2%	96.3%	95.8%	96.2%	95.9%	96.5%
New Properties	96.7	97.2	96.4	96.5	96.6	96.2	96.8
Existing Properties	96.8	95.9	96.2	95.6	96.1	95.9	96.5
FHA Loans - Total	94.5	93.6	94.5	92.9	93.5	93.3	93.8
New Properties	93.2	95.1	92.6	92.7	93.7	91.6	92.6
Existing Properties	94.8	93.2	94.8	92.9	93.5	93.5	94.0
VA Loans - Total	97.6	97.3	97.2	97.2	97.6	97.3	97.8
New Properties	97.6	97.9	97.7	97.8	97.5	98.0	98.1
Existing Properties	97.6	97.1	97.0	97.0	97.6	97.1	97.8
New Loan Commitments							
Total All FHA-VA Commitments	96.9	96.2	95.9	96.5	96.1	96.9	96.5
New Properties	96.5	96.9	96.0	96.6	95.8	96.1	96.9
Existing Properties	97.0	96.1	95.9	96.5	96.1	97.0	96.4
FHA Commitments - Total	94.8	93.6	93.8	93.5	92.9	93.8	94.7
New Properties	92.8	93.7	93.2	92.0	88.3	90.8	92.6
Existing Properties	95.3	93.6	93.9	93.7	93.4	94.3	94.9
VA Commitments - Total	97.8	97.7	97.1	98.0	97.7	98.2	97.3
New Properties	98.0	98.1	97.5	98.5	98.1	97.8	98.1
Existing Properties	97.7	97.6	97.1	98.0	97.6	98.3	97.2
Type of Lender							
Loans Closed							
Mortgage Companies	97.1	96.5	97.1	96.7	96.4	96.6	97.0
Commercial Banks	96.6	97.7	96.3	96.2	97.1	95.8	96.0
Mutual Savings Banks	93.7	91.7	91.6	92.0	93.2	90.7	91.8
Savings & Loan Assns.	97.4	97.2	95.7	93.9	95.6	96.7	96.7
New Loan Commitments							
Mortgage Companies	97.6	97.0	96.9	97.2	96.8	97.4	97.2
Commercial Banks	97.5	94.9	95.5	95.7	95.7	97.5	97.8
Mutual Savings Banks	91.6	92.9	90.9	92.1	92.9	92.5	89.4
Savings & Loan Assns.	97.0	95.5	95.0	97.2	93.6	97.6	97.4

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. 74-110

Table 4

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

Name of SMSA	1973 Sept.	Oct.	Nov.	Dec.	1974 Jan.	Feb.	Mar.
Atlanta, Georgia	8.80%	9.20%	9.27%	9.02%	9.10%	8.70%	8.71%
Boston, Massachusetts	7.95	8.08	8.42	8.67	8.68	8.41	8.46
Chicago, Illinois	9.05	9.46	9.17	9.16	9.19	9.19	8.93
Cleveland, Ohio	8.83	9.37	9.35	9.34	9.05	9.21	9.01
Dallas, Texas	8.95	9.01	8.97	8.89	8.72	8.63	8.61
Denver, Colorado	9.39	9.29	9.01	9.02	9.00	8.81	8.74
Detroit, Michigan	9.49	9.14	9.36	9.37	9.11	8.86	8.75
Houston, Texas	8.99	8.96	8.72	8.69	8.85	8.36	8.67
Indianapolis, Indiana	9.37	9.52	9.36	9.23	9.06	8.95	8.76
Kansas City, Missouri	8.49	8.92	9.17	8.73	8.87	8.78	8.85
Los Angeles-Long Beach, Calif.	9.25	9.39	9.17	9.01	8.99	8.88	8.73
Miami, Florida	9.42	9.23	9.42	9.19	9.12	8.93	8.88
Minneapolis-St. Paul, Minn.	8.53	9.02	8.60	8.93	8.98	8.87	8.56
New York, New York	8.42	8.68	8.83	9.18	8.93	9.10	n.a.
Philadelphia, Pennsylvania	9.49	9.49	9.47	9.41	9.18	9.12	9.01
Phoenix, Arizona	8.83	9.10	9.32	8 87	8.79	8.71	8.63
Pittsburgh, Pennsylvania	9.13	9.31	8.96	9.19	9.10	8.97	8.82
St. Louis, Mo.-Ill.	8.88	8.76	8.71	8.96	8.81	8.79	8 68
San Diego, California	8.94	9.30	9.21	9.05	8.86	8.81	8.76
San Francisco, California	9.17	9.43	9.26	9.14	9.02	8.83	8.67
San Jose, California	9.34	9.48	9.30	9.02	8.96	8.90	8.67
San Juan, Puerto Rico	n.a.	8.60	9.54	8.86	8.94	8.97	8.87
Seattle-Everett, Washington	9.04	9.21	9.13	8.85	8.75	8.67	8.62
Tampa-St. Petersburg, Florida	9.38	9.39	9.27	9.13	9.05	8.89	8.81
Washington, D.C.	9.51	9.46	9.17	9.08	9.07	8.95	8.83

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

n.a.= not available.

To Accompany HUD-No. 74-110

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

HUD-No. 74-109
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Tuesday
April 9, 1974

The Department of Housing and Urban Development is asking scientists and engineers to help develop improved methods for detecting lead in painted surfaces, as part of the expanded Federal effort to combat the lead poisoning hazard in housing.

Nearly all of the Nation's 30 million pre-1940 housing units contain some lead-based paint, as do many of the post-1940 units. The National Bureau of Standards estimates that up to 600,000 children between the ages of one and six have "elevated blood-lead levels", commonly caused by eating flakes of lead-based paint.

HUD research efforts are directed toward eliminating the lead paint hazard from federally owned or financed housing, and towards helping States and localities make their lead poisoning prevention programs more effective.

Detection of lead in painted surfaces is an essential step in these efforts. Up to now, however, lead detection systems have been either too imprecise to be adequate or too expensive to be widely available for lead poisoning control programs.

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HUD, therefore, has just issued a Request for Proposal (RFP) inviting technicians to design and test moderately priced, portable devices which can give quick, precise lead measurements. HUD's Office of Policy Development and Research will select and fund one or more proposals submitted in response to this RFP. Devices developed for HUD should be capable of detecting and measuring 0.5 milligrams (mg) lead/square centimeter (cm^2) through multiple layers of paint on a variety of surfaces including interior and exterior walls, ceilings, floors, doors and door frames, window frames, trim moldings and porches. The cost per analysis must not exceed $2.00 and proposals will be evaluated against a preferred cost level of under $1.00 per analysis. Systems must be capable of safe operation by a semi-skilled person. Detection and measurement should not cause damage to the housing unit or disagreeable side effects for its occupants.

The National Bureau of Standards will provide HUD with technical assistance in evaluating the devices produced.

Copies of the RFP (H-298-74) can be obtained by writing to:

The Department of Housing and Urban Development
Contracts Division, Research Branch
451 Seventh Street S.W.
Washington, D.C. 20410

# # #

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

HUD-No. 74-122
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Friday
April 12, 1974

The Fair Housing Law guaranteeing equal housing opportunity to all citizens is now a six year old national policy that has yet to become the reality of national practice and national attitude.

Our fair housing activities are critically important if we are to have equal housing opportunity for all citizens.

Housing discrimination complaints filed with the Department of Housing and Urban Development rose from 84 in 1968 when the legislation was enacted, to 2713 in 1973. Conciliation of cases has been marked by award of punitive as well as actual damages.

"In conjunction with case-by-case enforcement and compliance, which is a slow and often personal process, we are pursuing a major program of voluntary fair housing compliance," said Dr. Gloria E. A. Toote, HUD Assistant Secretary for Equal Opportunity. "The voluntary compliance programs are designed to involve all segments of a community by broadening the commitment to, and practice of, fair housing to an increased number of citizens.

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"Until the housing problem of America is resolved in a forthright manner," Dr. Toote said, "the problems of urban America and the problems of civil rights will continue to drain the Nation's economic viability and potential."

* * *

Voluntary Compliance Program

The new programs of voluntary fair housing compliance concentrate on:

-- Corporate voluntary compliance, designed to mobilize private corporations and national organizations to bring into being a program for equal housing opportunity in their own communities. Agreements with at least eight national corporations are scheduled for this fiscal year. A booklet, Equal Opportunity in Housing: A Manual for Corporate Employers, has been published;

-- Areawide voluntary compliance agreements, aimed at opening housing marketing areas through affirmative action by housing interest groups, civil rights groups and local governments. Thirteen areawide agreements have been signed to date, and negotiations are underway in more than 30 additional communities.

* * *

Highlights of Fair Housing Program

-- HUD "hot line" telephone system, operated 24 hours a day since 1971, enables any citizen to call HUD, toll free, to report housing discrimination (800-424-8590).

-- Affirmative marketing regulations, requiring a sponsor or developer to submit a plan to HUD that HUD-insured projects be marketed so as to promote a condition in which all individuals of similar income levels in the housing market area have available to them a like range of choices in housing; the plan must additionally provide for an equal hiring policy in recruiting a sales staff, and outreach to minority groups, to counter traditional marketing practices that discouraged minority applications.

-- Advertising guidelines for real estate advertisers assisting those who make, print or publish or cause to be made, printed or published advertisements with respect to the sale or rental of dwellings in complying with the requirements of Title VIII of the Civil Rights Act of 1968 and encouraging use of the Equal Housing Opportunity logotype or slogan.

-- Fair housing poster, prescribed by HUD that must be displayed in all real estate and rental offices, lists the prohibitions of the law and advises individuals as to where they can file complaints.

-- Lending institutions' poster, developed under an agreement between HUD and Federal financial regulatory agencies, is displayed by lending institutions.

-- Code of Fair Loan Availability Guaranty, developed by HUD with the Mortgage Bankers Association, posted by member banks.

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-- Code of Equal Opportunity, developed by HUD with National Association of Realtors, displayed by all association members.

-- "Equal Opportunity in Housing Service," a Prentice-Hall service published under HUD contract, contains constitutional and statutory basis for fair housing and a body of court decisions and discrimination agreements.

-- Public Service advertisements, for radio and television, with "Nation of Neighbors" theme to alert individuals to their rights and exercise of rights.

Secretary Lynn said that the sixth anniversary of the Fair Housing Law marks the reaffirmation of HUD's "commitment to the policy and practice of fair housing" and called for support from all citizens of attitudes and practices that enable equal housing opportunity to be a reality for all citizens.

# # #

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

HUD No. 74-123
(202) 755-5277
(Beckerman)

For Release After 8 P.M.

FOR IMMEDIATE RELEASE
Friday
April 12, 1974

Secretary James T. Lynn of the Department of Housing and Urban Development today announced that he is directing an increase in the maximum allowable interest rate permitted for mortgages insured by HUD's Federal Housing Administration. The current rate of 8 1/4 percent will be increased to 8 1/2 percent, effective April 15, 1974.

"I have reluctantly taken this step," the Secretary said, "because it is vital to keep the FHA as an available practical mortgage money source for American home buyers. In the current money situation, with market interest rates again on the rise, our only choice would be to leave the FHA interest rate where it is and subject American homeowners to pay more points -- in effect, prepaid interest -- in selling their homes. This increases the price of the home, increases the buyer's taxes and insurance and, depending on when the buyer resells the home, can result in a windfall profit to the lender."

At the same time, the Secretary stressed that the expanded tandem plan of HUD's Government National Mortgage Association (GNMA) will continue to provide additional aid for new housing construction at an interest rate to home buyers of 7-3/4 percent.

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The tandem plan expansion, which went into effect January 22, 1974, will assist in the construction of 200,000 housing units by providing below-market interest rate mortgages up to a possible total of $6.6 billion.

To be eligible under the tandem plan, FHA and VA approved mortgages must be for new construction, not previously owner-occupied. This may include houses already built or under construction, but not sold.

The new 8 1/2% FHA 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.

# # #

To Accompany HUD No. 74-123

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

A. Presently, FHA and VA mortgages are selling at approximately 4 to 6 percent discount. 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 maintain FHA-VA as a financing alternative for many buyers. Under present market conditions, a seller must pay approximately 4 to 6 "discount points" to make the FHA mortgage marketable. When added to the 6 percent sales commission and other related costs, front-end costs become so high that 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 building 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 prepaid interest, if the buyer sells the home prior to the full life of the mortgage, a windfall may accrue 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. The FHA-VA interest rate has been 8-1/4 percent. To attract money into FHA-VA mortgages, lenders have had to be offered discount points that would make up the difference between the FHA-VA rate of 8-1/4 percent and the "going rate" in the market of almost 9 percent. Paying points amounts in practice to prepaying the interest differential between the FHA-VA rate and the market rate. Without this discount, no lender would invest in FHA-VA mortgages since the yield would not be competitive with that available from other investments.

Q. When the allowable interest rate goes up, who gets the extra 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" interest, because that amount simply takes the place of discount points.

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

A. It will not affect the situation because the Tandem Plan 7-3/4 percent rate for new construction continues in effect. As market rates go up, this 7-3/4 percent rate becomes increasingly attractive but, at the same time, a more expensive governmental program.

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

A. Raised to 8-1/2 percent on August 24, 1973; lowered to 8-1/4 percent, January 22, 1974.

Q. Has the rate ever been this high before?

A. Yes. It was 8-1/2 percent from January 4, 1970 to December 1, 1970 and from August 24, 1973 to January 22, 1974.

Q. When is the rate likely to decrease again?

A. When market interest rates decrease.

Q. Does the Tandem Plan interest rate have any effect on the builder?

A. The 7-3/4 percent GNMA interest rate benefits the builder because a reduction in monthly mortgage payments increases the number of families eligible to purchase at the offered price.

Q. Why is the 7-3/4 percent interest rate limited to new homes only under the Tandem Plan?

A. The 7-3/4 percent rate is below the current market interest rate and is supported by the Government National Mortgage Association. It is intended to stimulate the construction of new homes, both single-family and multi-family, and thus to increase the supply of homes.

Q. How does a would-be home purchaser go about getting one of these 7-3/4 percent loans?

A. He should ask his real estate broker, builder, or lender. If they do not know about the program, he should ask them to get in touch with the nearest FHA or VA office or the nearest Federal National Mortgage Association (FNMA) office and inquire about it.

Q. Does the 7-3/4 percent apply to homes already under construction or completed but not sold?

A. Yes, if they are being, or have been built with FHA or VA approval and inspection.

# # #

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

HUD-No. 74-121
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Tuesday
April 16, 1974

A reduction in the basic premium rate for companies reinsured under the Federal riot program was announced today by the U.S. Department of Housing and Urban Development.

Federal Insurance Administrator George K. Bernstein said the reduced rate is effective for the period May 1, 1974 through April 30, 1975.

The announcement was made following publication in the Federal Register of the offer by HUD of the 1974-75 Standard Reinsurance Contract.

The contract protects insurance companies against losses from riots and civil disorders. To obtain coverage for the full year, companies must accept the offer of reinsurance by letter or telegram dispatched prior to May 1.

The basic rate for the new contract is 0.025 percent applied to an aggregate premium base consisting of the amount of each company's direct premiums earned in each State for each reinsured line of property insurance. This compares with a basic rate of 0.05 percent for the previous year. The reduction reflects continued favorable loss experience under the Federal riot reinsurance program. However, as in last year's contract, additional premiums may be payable in increments up to a total rate of 0.25 percent if loss experience is unfavorable.

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Insurance companies are eligible for reinsurance only in States where they participate in Statewide FAIR (Fair Access to Insurance Requirements) Plans on a risk-bearing basis, as certified by the State insurance commissioner. The States and jurisdictions having acceptable FAIR Plans and eligible for inclusion in this Standard Reinsurance Contract are:

California	Kansas	North Carolina
Connecticut	Maryland	Ohio
Delaware	Massachusetts	Oregon
District of Columbia	Michigan	Pennsylvania
Georgia	Minnesota	Puerto Rico
Illinois	Missouri	Rhode Island
Indiana	New Jersey	Virginia
Iowa	New Mexico	Washington
Kentucky	New York	Wisconsin

Companies accepting the reinsurance contract for the full year must notify HUD of the States to which their coverage applies and specify the optional lines of insurance for each State. Although applications for coverage will be accepted after May 1, companies accepting the contract after that date will not only suffer an interruption in coverage, but will be required to pay the full year's premium.

Information on the new contract is being mailed to each insurance company that is reinsured under the current contract with HUD. Other interested companies may obtain complete information by writing the Federal Insurance Administrator, HUD, Washington, D. C. 20410, or phoning (202) 755-6580.

# # #

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

HUD-No. 74-126
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Wednesday
April 17, 1974

The first administrative proceeding against a land developer carried to a judicial hearing has been resolved against the developer and in favor of the U.S. Department of Housing and Urban Development, it was announced today.

The announcement was made by Interstate Land Sales Administrator George K. Bernstein, who said it was directed against Kingston Canyon Stream Sites, Recreation Unlimited, Inc., of Reno, Nevada.

At the hearing, Administrative Law Judge John G. Underwood ruled that the developer had been properly served with a notice of proceedings issued by HUD. Judge Underwood also concluded that the company's statement of record and property report should have disclosed that the property was in receivership because of its unsound financial status.

Mr. Bernstein observed that this was the first time in 85 such cases that the developer had insisted on going through with the hearing.

# # #

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

HUD No.-74-130
Phone: (202) 755-5284
(Gross)

FOR RELEASE:
4:00 P.M., Thursday
April 18, 1974

Secretary James T. Lynn of the U.S. Department of Housing and Urban Development today announced the release of appropriated funds for urban renewal and Model Cities programs during the remainder of Fiscal Year 1974.

In addition, the Department will ask the Congress for an additional $325 million to be used in Fiscal Year 1975, which begins July 1, 1974, to provide community development funds during the transition period between the present categorical grant system and the expected new community development legislation which would authorize a new consolidated grant program.

Secretary Lynn said that $281 million will be released immediately to enable urban renewal and Neighborhood Development programs in 430 neighborhoods throughout the country to continue at approximately their previous funding level. He said an additional $200 million transitional funding will be sought for urban renewal in FY 1975.

- more -

Further, toward achieving such transition $75 million will be released to assist Model Cities programs in 145 cities in FY 1974 and an additional $125 million will be requested for FY 1975 use.

In addition, the Secretary stated, rehabilitation loan funds under the Section 312 program will be available, above the $60 million previously budgeted, to assist urban renewal activities.

The release of available funds will make a total of $600 million in urban renewal funds and $150 million in Model Cities funds available during FY 1974.

The FY 1975 allocations for urban renewal and Model Cities, Secretary Lynn said, will be charged against whatever the local unit of government will be entitled to in the first year of the consolidated grant approach, expected to start January 1, under legislation now being considered by the Congress.

"I indicated previously that additional transition funds under the old categorical programs had to be determined, in amount and in timing, with reference to the commencement date for the new community development program," he said. "The results of legislative efforts during the past weeks by the House Subcommittee on Housing give me hope that legislation will be enacted in the months immediately ahead and provide for commencement of the new program not later than January 1.

This provides a base point for the Department to move ahead with the interim funding plan we are announcing today."

The released funds, and the supplemental funds for FY 1975 when they become available, will be allocated to the HUD Field Offices on a prorated basis for distribution to communities in their jurisdictions.

# # #

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

HUD No.-74-132
Phone (202) 755-5277

FOR RELEASE:
Monday, April 22, 1974

The Department of Housing and Urban Development and the Federal Home Loan Bank Board announced today (Monday, April 22) the creation of a program designed to encourage neighborhood preservation efforts. The new effort will assist in the development of pilot programs; encourage projects begun by local partnerships of city governments, local financial institutions and neighborhood residents; replicate the most promising programs in a number of cities; and disseminate information regarding these efforts.

The venture will be co-directed by James T. Lynn, Secretary of Housing and Urban Development, and Thomas R. Bomar, Chairman of the Federal Home Loan Bank Board.

Secretary Lynn stated that the program will carry out President Nixon's directive in his September 19, 1973 Message to the Congress on Housing Policy Recommendations to pursue promising approaches to neighborhood preservation through a partnership of the Federal Government, the local government, local financial institutions and the citizens of the neighborhoods involved.

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In that message President Nixon stated that the Federal Government should launch a new approach to the preservation of neighborhoods:

> "Simply providing Federal housing assistance to families without proper regard for the condition of the neighborhood as a whole too often results in unmet expectations for the families, added burdens for the municipality and a waste of the taxpayers' dollars. It is important, therefore that all of our efforts in the housing and community development field be carried out as a partnership venture of the Federal Government, the local government, local financial institutions and the citizens of the neighborhoods involved.
>
> "...I have directed the Secretary of Housing and Urban Development, using his research and demonstration funds, to pursue promising approaches to neighborhood preservation which might be adopted by communities on a broader basis."

A major thrust of the effort will be to expand a program of the Federal Home Loan Bank Board developing pilot neighborhood preservation programs which directly involve local financial institutions, local governments and neighborhood residents. These programs are modeled on Neighborhood Housing Services (NHS) of Pittsburgh, Pa., a private effort begun in 1968 that, with the support of the local city government, has successfully brought private capital into what was formerly considered a declining neighborhood.

"The Pittsburgh program appears quite promising and has demonstrated that a partnership approach which involves the financial institutions,local government and neighborhood residents directly can be a viable and effective way to preserve neighborhoods before they are seriously deteriorated," said Secretary Lynn.

The Neighborhood Preservation Program will provide assistance to local partnerships consisting of city governments, financial institutions, and neighborhood residents who request funding and technical assistance. Selection of programs to receive demonstration assistance will in large part be based upon the potential of the neighborhood preservation partnership to serve as a model for broader replication.

The Staff Director of the Task Force which will carry out the day-to-day operations of the program will be William A. Whiteside. Mr. Whiteside directed the Federal Home Loan Bank Board's efforts in the Neighborhood Preservation Program in a number of cities over the last three years.

Under the Neighborhood Preservation Program, a neighborhood, or a group of banks, or a city, or any appropriate group, would pull together a partnership of such interests to develop and implement a program action which would be responsive to the purposes of this program. Proposals for funding would be submitted to the Urban Reinvestment Task Force.

Chairman Thomas Bomar said that he was enthusiastic about the program and the formation of the Task Force. "We believe this new entity offers a realistic pilot program to bring the resources of the private sector to bear on the needs of urban neighborhoods."

Secretary Lynn and Chairman Bomar explained that the principal focus of the Neighborhood Preservation Program would be on city neighborhoods which are basically sound but which are beginning to exhibit early symptoms of deterioration and decline.

Initial funding for the program will be a HUD demonstration grant of $750,000 in Fiscal Year 1974. An additional $2 million grant will be set aside by HUD for Fiscal Year 1975. "The funds will be used to establish Neighborhood Housing Services and other experimental local efforts in about 20 cities," Secretary Lynn said.

The original NHS started with community commitments to involved lenders and city government to help "turn around" Pittsburgh's Central Northside neighborhood, which they have done successfully over the past few years. Key to the success of this program has been the input of each element of the local partnership: the city increased code enforcement efforts and improved delivery of services in the neighborhood; the neighborhood group encouraged and monitored rehabilitation efforts; local banks agreed to provide loans to qualified neighborhood residents -- in addition, a high-risk revolving loan fund was established by a local foundation.

In a typical NHS a small staff (usually no more than three people) works on a neighborhood basis to assist resident owners in

- arranging inspection of property for compliance with building code
- developing work specifications
- developing loan applications to lenders or if necessary, to high-risk revolving loan fund
- selecting of remodelling contractors
- inspecting of rehab work
- servicing as necessary

The net result is increasing level of lender confidence as the area is visibly improved and redeployment of the high-risk revolving loan fund.

The FHLBB has been helping similar processes get started in Washington, D. C., Oakland, Cincinnati, and Dallas, where NHS programs are now operational. Plainfield, N.J., Boston, Baltimore, San Antonio, Kansas City and Chicago programs are in the process of being organized and funded.

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In most cities the emphasis has been on single-family homeowner occupied neighborhoods. In Boston the program is being tried with the traditional New England "three deckers," in neighborhoods where most of the three-family houses are occupied by owners; and in Chicago the effort will include neighborhoods which contain a certain number of multifamily properties.

Further information may be obtained from the Urban Reinvestment Task Force, 101 Indiana Ave., N.W., Washington, D. C. 20552 or by calling (202) 386-4346.

# # #

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

HUD-No. 74-135
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Tuesday
April 30, 1974

Much can and must be done to strengthen the role of citizen participation in the urban renewal process, according to a report on citizen group effectiveness released today by the Department of Housing and Urban Development.

Citizen groups, or Project Area Committees (PACs), are authorized by law to ensure citizen participation in urban renewal projects.

Based on a survey of citizen groups in 75 cities by the National Urban League, and the testing of technical assistance to such groups in five other cities, the report reaffirms the PACs' usefulness in promoting more sensitive renewal for project residents and businessmen, but notes that many PACs face considerable difficulty in performing that role.

Circumstances limiting their effectiveness are detailed in the League's new report, Toward Effective Citizen Participation in Urban Renewal, produced during a two-year demonstration funded by HUD's Office of Policy Development and Research.

- more -

Drawing on its experience in the five cities, the League finds financial support of PACs, either from local renewal agencies or private sources, particularly important to successful citizen participation in urban renewal. Other success factors include: the existence of long-established neighborhood organizations that get involved early in renewal; broad-based groups with wide community acceptance; and active encouragement and cooperation by the local renewal agency.

The report also cites many instances of urban renewal which could be improved with PAC assistance. These include: project boundaries which break up neighborhoods, placing an extra burden on minority communities; excessive demolition of housing and the absence of new moderate-income housing which residents can afford; arbitrary replacement of housing with commercial, industrial and institutional land use; basic design and planning faults, especially the lack of shopping facilities; displaced small businesses which are forced to close; and relocation of families in nearby declining neighborhoods.

The report concludes with recommendations that could improve PAC effectiveness, with special emphasis on the need for funding for professional staffs.

Single free copies of Toward Effective Citizen Participation in Urban Renewal can be obtained from: the National Urban League Housing Division, 55 East 52nd Street, New York, N.Y. 10022.

PROJECT NO.: N.Y. D-15

# # #

HUD NEWS

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

HUD-No. 74-145
Phone (202) 755-5277
(Spiegel)

FOR IMMEDIATE RELEASE:
Tuesday
May 7, 1974

The Department of Housing and Urban Development today joined the National Trust for Historic Preservation and other Federal and State agencies and private groups in observing Historic Preservation Week.

Assistant Secretary David O. Meeker Jr., whose office has the responsibility for HUD's Historic Preservation activities, pointed out that HUD has sponsored Community Development legislation which will offer full Federal grants to localities which may apply them to a wide variety of urban preservation needs.

Emphasizing its special concern for this preservation, he pointed out that HUD has reproduced three studies prepared by local urban renewal agencies in the course of planning substantial preservation programs.

"Applying our Comprehensive Planning Assistance Section (701) funds, which are available to States and localities for preservation-related surveys and similar purposes," he said, "we have singled out for special funding three projects which represent important efforts by communities to preserve and enhance old neighborhoods distinguished by their livability as well as their architectural and historic significance. These projects are in Hoboken, N.J., Sacramento, and Boston."

Concluding his statement, Mr. Meeker said, "HUD looks forward to a year of greater opportunity for communities and individuals who are concerned with preservation values as additional community development funds are available for these purposes."

# # #

HUD NEWS

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

HUD-No. 74-147
Phone (202) 755-5284
(Farley)

FOR IMMEDIATE RELEASE:

Warning of possible flood danger from three weather fronts, Federal Insurance Administrator George K. Bernstein today made a special appeal for action by some 12,000 flood prone communities not yet enrolled in the National Flood Insurance program, administered by the Department of Housing and Urban Development.

Before individual property owners in these communities can become eligible for federally subsidized flood insurance, the communities themselves must take steps to participate in the program. This form of insurance is virtually unavailable from private members of the industry.

The Administrator pointed out that the threat of annual spring flooding has by no means abated, as evidenced by the recent devastation throughout southeastern Mississippi.

He identified the hurricane season, which starts in mid-May and usually zeroes in on the coastal states, as another potential source of severe flood damage.

- more -

Still a third attack from the elements, he said, may come in July and August in the form of heavy coastal floods, when the moon makes a closer than normal approach to our shorelines.

At specified times during those two months the moon is expected to exercise a strong gravitational pull on the oceans. With the sun lying on the same axis as the moon and the earth, the cumulative effect could create supertides similar to the floods on the east coast in March of 1962 that exacted a toll of 40 lives and $500 million in property damage from Long Island to North Carolina's Outer Banks.

In the face of this three-pronged menace to lives and property, the Federal Insurance Administration is accelerating the process of identifying and notifying the approximately 12,000 non-participating communities of their flood prone status.

Congress imposed this requirement on HUD in the 1973 Flood Disaster Protection Act. Communities so identified by HUD are given a year thereafter to enter the program. Failure to do so would mean the loss of virtually all forms of Federal assistance for building purposes in areas of special flood hazard.

Maps are supplied by HUD to the communities, tentatively identifying the hazardous areas.

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Should a community disagree with the designation given by HUD, it can, within six months of notification, submit satisfactory evidence that it is either not seriously flood prone, or that it has corrected such flood hazards as may have existed. HUD Secretary James T. Lynn has the final word, however, in deciding the existence or extent of a flood hazard area.

At any event, the communities formally identified by HUD as flood prone must be in the program by July 1, 1975. After that deadline, Mr. Bernstein said, no Federal officer or agency shall approve any financial assistance for acquisition or construction purposes in the identified danger areas of those communities which decline to qualify.

To be accepted in the program, the community must specify in its application how it proposes to regulate construction in its hazardous areas in order to avoid losses from future floods. As part of the application the community must adopt minimum land use regulations, such as a simple building permit system.

Although the initial land use requirements are minimal, they are enforced. Regretably, the citizens of Hattiesburg, Miss., were left unprotected by insurance when the recent floods hit it. The town was suspended from the program in January 1973 because its officials

- more -

didn't take the necessary measures it promised, and failed to heed the warnings of the Federal Insurance Administration.

Particularly for the benefit of lending institutions, FIA has installed two toll free telephone lines in its HUD Washington offices. The numbers are: 800-424-8872, and 800-424-8873. The lines are open Monday through Friday from 8:45 A.M. to 5:15 P.M. Eastern Daylight Saving Time.

# # #

May 1974

THE NATIONAL FLOOD INSURANCE PROGRAM

by

George K. Bernstein

Federal Insurance Administrator
U.S. Department of Housing and Urban Development

Only slightly more than 20 percent of the country's flood prone communities have enrolled in the National Flood Insurance program since the National Flood Insurance Act was enacted in 1968.

Of 16,000 communities we have identified as flood prone, some 3,500 have signed up, offering protection from flood losses to about 330,000 property owners who took advantage of the Act to purchase insurance at federally subsidized rates.

This is a fairly good track record, considering that the Act had a basic flaw in it. Compliance under the Act was voluntary. The requirements for eligibility were simple enough. All a community had to do was to adopt a building permit system for new construction, and undertake some additional minimal land use measures to lessen the chances of property damage from future floods.

But under the original Act the community could exercise the option of declining to submit an application, thereby denying its residents the opportunity for flood insurance coverage.

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That basic flaw has been corrected in the Flood Disaster Protection Act of 1973. True, a community may decide not to apply. But if it has been identified by HUD as flood prone it must enter the program by July 1, 1975, or else be disqualified from nearly all forms of Federal financial assistance for building purposes in its designated areas of high risk.

Since individuals cannot purchase a policy until the community qualifies, owners of property located in these identified areas of such a community would be ineligible for FHA or VA mortgages, loans from the Small Business Administration, or loans from federally regulated or supervised banks and savings and loan institutions.

Similarly, the community itself could not qualify for a Federal grant for construction purposes in its hazardous areas.

As of today, some 12,000 communities we have identified as flood prone have not sent in their applications. We urge them to do so now.

The program has many advantages. The rates are low, and coverage has been broadened under the 1973 Act. Flood insurance up to $35,000 is available at subsidized rates for single family homes, and up to $100,000 for multi-family and non-residential dwellings. The contents are also insurable, up to $10,000 on homes and apartments and $100,000 on non-residential property, also at subsidized rates. For $50 a year, a homeowner can buy $20,000 of coverage.

There is no question that flood insurance is superior to Federal disaster relief, which is at best a loan and must be paid back to the government. Also, the program offers long range benefits to the community by encouraging it to cut back on haphazard construction in dangerous areas and making more sensible use of available land.

A final word to the officials of those 12,000 communities: If you apply now, you will avoid the crunch which is certain to happen early next year as more slow moving communities act to meet the deadline.

# # #

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

FOR IMMEDIATE RELEASE:

QUESTIONS AND ANSWERS
NATIONAL FLOOD INSURANCE PROGRAM

Q. What is the National Flood Insurance Program?

A. It is a federally-subsidized program authorized by Congress in 1968 to protect property owners who up to that time were unable to get coverage through the private insurance industry. The program, for the first time, made flood insurance available to individuals at affordable rates. In return for the Federal subsidy, State and local governments are required to adopt certain minimum land use measures to reduce or avoid future flood damage within their flood-prone areas.

Q. Has the program been changed since then?

A. Yes. In December 1973 Congress passed the Flood Disaster Protection Act, greatly expanding the available limits of flood insurance coverage and imposing two new requirements on property owners and communities.

Q. What are the new requirements?

A. First, after March 2, 1974, property owners in communities where flood insurance is being sold must purchase flood insurance to be eligible for any new or additional Federal or federally-related financial assistance for any buildings located in areas identified by HUD as having special flood hazards. Second, all identified flood-prone communities must enter the programs by July 1, 1975.

Q. What happens if a property owner fails to buy the required insurance, or a community fails to meet the deadline?

A. Federal and federally-related financial assistance for buildings in the flood plain will be unavailable to any community or property owner that does not comply with the Act.

Q. What is generally meant by Federal and federally-related financial assistance?

A. All form of loans and grants, including mortgage loans and disaster assistance loans, from either a Federal agency such as FHA, VA, or the Small Business Administration, or banks or savings and loan institutions.

Q. Who is eligible to purchase flood insurance?

A. Any property owner in a community that has had its application approved by HUD.

Q. Where can a property owner obtain a policy?

A. From any licensed property and casualty insurance agent or broker.

Q. How does a community become eligible for the program?

A. By submitting a completed application to the Federal Insurance Administration, HUD Building, Washington, D. C. 20410. As part of the application the community must certify that it is requiring building permits for all construction, and it must also adopt certain minimal measures to regulate building in its flood-prone areas so as to limit damages from future floods.

Q. Must a community adopt zoning ordinances for the entire area within its jurisdiction to initially qualify?

A. No, HUD does not require comprehensive zoning. The minimal land use measures required may be in the form of a resolution adopted by the community as part of its application. At a later date, additional land use measures must be enacted for the flood-prone areas. These could be either made part of existing codes or ordinances or incorporated into new ones.

Q. How can a property owner find out if and when his community qualifies for the program?

- more -

A. Once the community's application is accepted, usually within a week of receipt of a complete application, notice of eligibility is announced publicly through the local press media. That information is also available from your insurance agent or broker, the nearest HUD office, local and State authorities, or from the insurance company that services your State.

Q. When can a property owner buy his individual policy?

A. Policies are effective immediately upon purchase for the first 30 days after the community qualifies. After that there is a 15-day waiting period for the policy to be effective.

Q. What recourse does an individual have if his community fails to take steps to qualify, thereby depriving him of coverage?

A. No recourse is specifically available under the Act. But in at least one community residents who suffered uninsured flood losses filed suits against local officials who failed to take action to enter the program.

Q. What type of structures are eligible for coverage?

A. All types of buildings and their contents.

Q. What type of losses are covered?

A. Losses caused by (1) a general and temporary flooding condition of normally dry land areas or (2) erosion resulting from abnormally high water levels in conjunction with a severe storm, or (3) flood-related mudslides involving a mudflow.

Q. How much coverage can I buy, and what will it cost?

A. Under the expanded program the limits of subsidized coverage are doubled, tripled, or more, while rates have been substantially reduced. For example, the homeowner may purchase $20,000 of flood insurance coverage for as little as $50 a year. Property owners already protected under the original program can greatly increase their coverage at a very low cost. If you live in a community where HUD has already completed a rate study, you can further increase your protection by paying the actuarial (non-subsidized) premium rates for the additional amounts of coverage.

- more -

The following table sets forth the limits of subsidized coverage and the applicable premium rates:

Limits of Coverage and Subsidized Rates

	STRUCTURE		CONTENTS	
	Coverage	Rates Per $100 of coverage	Coverage (Per Unit)	Rates Per $100 of coverage
Types of Structure				
Single Family Residential	$ 35,000	$0.25	$ 10,000	$0.35
All Other Residential	$ 100,000	$0.25	$ 10,000	$0.35
All Nonresidential*	$ 100,000	$0.40	$ 100,000	$0.75

*Includes hotel and motels with normal occupancy of less than six months.

# # #

May 1974

EMBARGOED FOR RELEASE
1:00 P.M. (EST)

December 31, 1973

Office of the White House Press Secretary
(San Clemente, California)

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

In my message to the Congress on national legislative goals this past September, I expressed my strong conviction that we can do a better job in preparing for disasters and in providing assistance to those who are hardest hit.

The measure that I am signing today, the Flood Disaster Protection Act of 1973 (H.R. 8449), will help us to do that better job.

More than 90 percent of all property damage caused by natural disasters results from floods. This legislation, which expands and improves the National Flood Insurance Program, will permit us to prepare more adequately against this threat. It will help motivate communities with special flood hazards to look ahead, recognize their vulnerability, and participate in the National Flood Insurance Program.

Under the act, homeowners, businessmen and others will be able to purchase significantly increased amounts of flood insurance at reduced rates. For example, homeowners will be able to purchase up to $35,000 of insurance at rates of only 25 cents per $100 of coverage. The owner of a $20,000 home can thus buy full coverage for only $50 a year. Small businessmen and others can avail themselves of up to $200,000 of coverage.

The Flood Disaster Protection Act of 1973 will call upon owners of property in flood-prone areas to purchase flood insurance if they are to benefit from financial assistance for their property from the Federal Government or from any federally insured, regulated or supervised lending institution. It will also encourage forward-looking local officials to adopt and to enforce adequate and appropriate land use and other control measures to reduce the probability of losses resulting from floods.

This new law will also permit us to improve our post-disaster assistance programs by substituting insurance indemnification-speedy, direct, and with minimal red tape—for the current system of disaster loans, a system which often adds to the financial burdens for distressed disaster victims rather than alleviating them.

This new law recognizes that a complete resolution of the problems of floods and flood-related losses cannot be achieved overnight. Thus, it extends the present emergency flood insurance program for an additional two years, while rate studies are being completed. Under the act, all Federal agencies must cooperate in the accelerated identification of flood-prone areas; a definite method is provided for local communities to give information and advice to the Federal officials responsible for the identification of those areas.

We cannot determine whether or when natural disasters will strike our country, but we can take reasonable steps to prepare for them in ways which will minimize their impact and speed our recovery from their effects. H.R. 8449 represents an important forward step in this effort and it is with pleasure and satisfaction that I sign it into law.

EMBARGOED FOR RELEASE
1:00 P.M. (EST)

December 31, 1973

Office of the White House Press Secretary
(San Clemente, California)

THE WHITE HOUSE

FACT SHEET

THE FLOOD DISASTER PROTECTION ACT OF 1973

The Flood Disaster Protection Act signed into law today by the President substantially expands the benefits and scope of the National Flood Insurance Program originally enacted in 1968. The basic thrust of the Act is to assure the availability and purchase of reasonably priced flood insurance so that victims of floods will be protected and fairly and speedily reimbursed for their losses. Broad insurance protection will replace the current cumbersome and often inequitable disaster relief which would otherwise be required. Furthermore, by creating incentives to communities to use their flood prone areas more carefully, loss of life and property will be significally reduced.

BACKGROUND

The National Flood Insurance Program was enacted because the private property insurance industry was unable to provide reasonably priced coverage against losses resulting from floods and similar occurrences. The Act established a cooperative program between the Federal Government and the private insurance industry to provide flood insurance on a national basis; the cost of the insurance was held to affordable levels by providing substantial Federal subsidies to reduce the premiums paid by purchasers to insure existing structures. These reductions have averaged 90% off the amount purchasers would have paid if the premiums which actually represented their exposure to flood losses had been charged. This insurance protection was coupled with the statutory requirement that before individuals could purchase the coverage, their community had to enter the program and agree to reduce flood losses with respect to new construction. Coverage under the program is available on residential, business, agricultural, private non-profit and local and State government structures and their contents.

Under the original or "Regular" Flood Insurance Program as enacted in 1968, insurance could not be made available until detailed and time consuming studies had been made in the community, to establish actuarialy sound rates for the coverage and to determine the levels at which new construction would be reasonably safe from flooding. This requirement severely restricted the number of communities that were able to qualify for coverage. Thus, in 1969, the "Emergency" Flood Insurance Program was enacted at HUD's urging. Under the Emergency program insurance can be made available to existing structures as soon as a community agrees to take general steps to reduce flood losses on new construction even though the studies required to establish actuarial rates and safe elevation levels may not be completed for some time. Some 2855 communities now participate in the Flood Insurance Program, 2263 of them in the Emergency program.

HIGHLIGHTS OF THE FLOOD DISASTER PROTECTION ACT OF 1973

The amendments to the 1968 law, which were combined to create the Flood Disaster Protection Act, signed today, were first submitted to the Congress by the Administration in 1972 and resubmitted in March of this year. The new Act expands and improves the program by:

- at least doubling the limits of insurance coverage
- extending the emergency program for two more years, thus assuring that individuals and communities can continue to obtain flood insurance that would otherwise be unavailable
- removing the limit on the total amount of insurance which can be written

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

HUD-No. 74-142
Phone (202) 755-5277
(Vinciguerra)

FILE COPY

FOR RELEASE:
Monday
May 6, 1974

The design for a Neighborhood Center under construction at a HUD-assisted new community, Gananda, near Rochester, New York, will be displayed at a school architecture exhibit June 10-14 in Brussels, Belgium.

The U.S. Information Agency, after close of the show, Didacta 1974--sponsored by the European Association of Manufacturers and Distributors of Educational Materials--will send the Gananda exhibit around the world.

FILE COPY

Gananda is one of 17 New Communities, which stress innovation in design and construction of private dwellings and public facilities.

The Gananda Neighborhood Center, entered in the exhibition at the recent annual convention of the American Association of School Administrators and the National Association of Secondary School Principals in Atlantic City, N.J., was judged "a well-considered solution to a community program for a new city."

The judges described the Center as a "combined school and community-use facility, presenting an inviting barn-like form and cheerful, spacious interiors."

Architects for the Neighborhood Center are Urban Design Associates, Pittsburgh. The Center is scheduled to open in September, 1974.

# # #

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

HUD-No. 74-151
Phone (202) 755-6980

FOR IMMEDIATE RELEASE
Friday, May 10, 1974

Secretary James T. Lynn of the Department of Housing and Urban Development today announced that the maximum allowable interest rate for mortgages insured by HUD's Federal Housing Administration will be increased to 8-3/4 percent, effective May 13, 1974. The current rate is 8-1/2 percent.

The increase in the maximum allowable interest rate -- the second within a month -- was made necessary, the Secretary said, by the continuing rise in market interest rates.

"In the current money market situation," he said, "we had to increase the rate so that prospective homebuyers would continue to have FHA financing available as a mortgage money source. With the 8-1/2 percent maximum, the number of "points" payable has become intolerable.

"Paying more points, which in effect is prepaying interest, increases the price of the house, increases the buyer's taxes and insurance, and can result in a windfall profit to the lender depending on when the buyer resells the house."

- more -

The Secretary said that although the interest rate is being increased, HUD's Government National Mortgage Association (GNMA) will continue to provide, under its extended Tandem Plan program, additional aid for new housing construction at an interest rate to homebuyers of 7-3/4 percent.

This expanded Tandem Plan, which went into effect January 22, 1974, will assist in the construction of at least 200,000 housing units by providing 7-3/4 percent interest rate mortgages up to a possible total of $6.6 billion.

To be eligible under the Tandem Plan, FHA and VA approved mortgages must be for new construction, not previously owner-occupied. This may include houses already built or under construction, but not sold.

The new 8-3/4 percent FHA 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.

# # #

To Accompany HUD No. 74-151

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

A. Presently, FHA and VA mortgages are selling at approximately 4 to 6 percent discount. 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 maintain FHA/VA as a financing alternative for many buyers. Under present market conditions, a seller must pay approximately 4 to 6 "discount points" to make the FHA/VA mortgage marketable. When added to the 6 percent sales commission and other related costs, front-end costs become so high that many sellers won't sell on a FHA/VA basis, and thus buyers who can't qualify for conventional mortgage credit can't buy.

In addition, this action will make for healthier home-buying practices. First, when a seller has to pay discount points he often compensates by building this cost into the selling price of his property, and this not only increases the purchase price to the buyer but also works toward increases in the real estate taxes and insurance he will pay as a homeowner. The buyer accepts this because, in most cases, he has no other home-buying alternative. Second, since the points are in effect prepaid interest, if the buyer sells the home prior to the full life of the mortgage, a windfall may accrue 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. The FHA/VA interest rate has been 8-1/2 percent. To attract money into FHA/VA mortgages, lenders have had to be offered discount points that would make up the difference between the FHA/VA rate of 8-1/2 percent and the "going rate" in the market of over 9 percent. Paying points amounts in practice to prepaying the interest differential between the FHA/VA rate and the market rate. Without this discount, no lender would invest in FHA/VA mortgages since the yield would not be competitive with that available from other investments.

- more -

Q. When the allowable interest rate goes up, who gets the extra interest?

A. The mortgage money lender seeks the market level rate and he gets it either through discount or through the interest payable under the terms of the mortgage. In effect there is no "extra" interest, because the higher rate provided in the mortgage simply takes the place of discount points.

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

A. It will not affect the situation because the Tandem Plan 7-3/4 percent rate for new construction continues in effect. As market rates go up, this 7-3/4 percent rate becomes increasingly attractive but, at the same time, a more expensive governmental program.

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

A. Raised to 8-1/2 percent on April 15, 1974; lowered to 8-1/4 percent, January 22, 1974.

Q. Has the rate ever been this high before?

A. No.

Q. When is the rate likely to decrease again?

A. When market interest rates decrease.

Q. Does the Tandem Plan have any effect on the builder?

A. Since the Plan works on an advance commitment basis, it assures the builder that there will be mortgage money available to finance the sale of the completed home. Further, the 7-3/4 percent interest rate benefits the builder because a reduction in monthly mortgage payments increases the number of families eligible to purchase at the offered price.

- more -

To Accompany HUD No. 74-151

Q. Why is the 7-3/4 percent interest rate limited to new homes only under the Tandem Plan?

A. The 7-3/4 percent rate is below the current market interest rate and is supported by the Government National Mortgage Association. It is intended to stimulate the construction of new homes, both single-family and multifamily, and thus to increase the supply of homes.

Q. How does a would-be home purchaser go about getting one of these 7-3/4 percent loans?

A. He should ask his real estate broker, builder, or lender. If they do not know about the program, he should ask them to get in touch with the nearest FHA or VA office or the nearest Federal National Mortgage Association (FNMA) office and inquire about it.

Q. Does the 7-3/4 percent apply to homes already under construction or completed but not sold?

A. Yes, if they are being, or have been built with FHA or approval and inspection.

# # #

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

HUD-No. 74-152
Phone (202) 755-6980
(Bacon)

FOR RELEASE:
Monday
May 13, 1974

The effective interest rate on new commitments to make FHA-insured and VA-guaranteed home loans increased during the first week of April, according to figures released today by the U. S. Department of Housing and Urban Development. The effective rate on new FHA-VA commitments averaged 8.70 percent in early April, up from 8.68 percent in early March.

The effective interest rate on FHA-VA new home loans closed also rose in early April to 8.67 percent, compared to 8.62 percent in early March, while the effective rate on existing home loans closed declined 5 basis points to 8.71 percent.

Among the major lender groups, the effective rate on loans closed in early April at mortgage companies was 8.72 percent; at commercial banks the rate was 8.80 percent; at mutual savings banks 8.45 percent; and at savings and loan associations the rate was 8.71 percent.

The average effective interest rate on newly closed FHA-VA loans in the New York metropolitan area was 8.88 percent; in Philadelphia it was 9.04 percent; in Washington, D. C. 8.74 percent; in San Francisco 8.66 percent and in Denver 8.65 percent.

The data are derived from a nationwide survey conducted by HUD with the assistance of the Veterans Administration covering loans closed and loan commitments made during the first seven business days of the month. The maximum contract interest rate on FHA-VA loans during the period covered in the latest survey was $8\frac{1}{4}$ percent.

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U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

HUD-No. 74-152

Table 1

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

Type of Loan	1973 Oct.	1973 Nov.	1973 Dec.	1974 Jan.	1974 Feb.	1974 Mar.	1974 Apr.
Loans Closed							
Total All FHA-VA Loans	9.03%	9.06%	9.03%	8.99%	8.85%	8.73%	8.70%
New Properties	8.92	8.80	8.82	8.86	8.65	8.62	8.67
Existing Properties	9.05	9.12	9.09	9.02	8.89	8.76	8.71
FHA Loans - Total	9.02	9.07	9.05	8.97	8.88	8.79	8.74
New Properties	9.00	8.77	8.90	8.75	8.70	8.72	8.69
Existing Properties	9.03	9.13	9.08	9.00	8.90	8.80	8.75
VA Loans - Total	9.03	9.05	9.02	9.00	8.84	8.71	8.69
New Properties	8.89	8.81	8.80	8.89	8.63	8.58	8.66
Existing Properties	9.06	9.12	9.09	9.03	8.88	8.74	8.69
New Loan Commitments							
Total All FHA-VA Commitments	9.18	9.10	9.00	8.93	8.73	8.68	8.70
New Properties	9.10	8.90	8.83	8.86	8.69	8.62	8.69
Existing Properties	9.19	9.13	9.03	8.94	8.74	8.69	8.70
FHA Commitments - Total	9.11	9.11	8.96	8.93	8.77	8.71	8.75
New Properties	8.98	8.83	8.83	8.92	8.75	8.71	8.69
Existing Properties	9.13	9.14	8.98	8.93	8.77	8.71	8.75
VA Commitments - Total	9.21	9.10	9.02	8.93	8.71	8.66	8.69
New Properties	9.14	8.93	8.82	8.85	8.67	8.60	8.69
Existing Properties	9.23	9.13	9.05	8.95	8.72	8.68	8.69
Type of Lender							
Loans Closed							
Mortgage Companies	9.27	9.18	9.07	9.00	8.87	8.76	8.72
Commercial Banks	8.94	8.84	9.14	9.16	8.98	8.76	8.80
Mutual Savings Banks	8.02	8.49	8.72	8.71	8.63	8.40	8.45
Savings & Loan Assns.	8.79	9.04	8.95	8.95	8.83	8.76	8.71
New Loan Commitments							
Mortgage Companies	9.25	9.15	9.02	8.93	8.72	8.68	8.75
Commercial Banks	9.09	9.19	8.97	9.03	8.87	8.73	8.66
Mutual Savings Banks	8.73	8.79	8.85	8.78	8.57	8.52	8.51
Savings & Loan Assns.	9.06	9.07	9.03	8.97	8.79	8.76	8.74

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.

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Resear

HUD-No. 74-152

Table 2

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

Type of Loan	1973 Oct.	Nov.	Dec.	1974 Jan.	Feb.	Mar.	Apr.
Loans Closed							
Total All FHA-VA Loans	$21,580	$21,500	$22,220	$21,680	$21,770	$22,490	$23,230
New Properties	25,850	26,370	25,770	25,830	25,640	25,250	27,010
Existing Properties	20,540	20,320	21,250	21,010	21,060	21,900	22,610
FHA Loans - Total	17,900	17,960	19,260	18,340	18,910	18,510	18,630
New Properties	21,830	22,680	22,240	22,300	22,570	20,080	22,260
Existing Properties	17,080	17,110	18,660	17,800	18,380	18,290	18,030
VA Loans - Total	23,180	23,270	23,630	23,700	23,270	24,440	25,180
New Properties	27,310	27,670	26,950	26,890	26,840	26,770	29,050
Existing Properties	22,110	22,050	22,590	22,860	22,540	23,850	24,550
New Loan Commitments							
Total All FHA-VA Commitments	21,610	21,660	21,420	22,780	22,880	23,230	24,[illegible]
New Properties	26,450	26,020	25,840	28,420	26,490	26,760	28,[illegible]
Existing Properties	20,430	21,020	20,590	21,960	22,110	22,620	23,610
FHA Commitments - Total	19,100	18,840	18,990	19,560	19,800	19,320	20,070
New Properties	21,690	23,350	22,680	22,310	22,060	22,990	23,600
Existing Properties	18,610	18,240	18,400	19,310	19,430	18,930	19,530
VA Commitments - Total	23,010	23,250	22,650	24,430	24,230	25,030	25,710
New Properties	28,380	27,360	27,140	30,210	27,930	27,730	30,140
Existing Properties	21,520	22,630	21,740	23,420	23,360	24,470	25,090
Type of Lender							
Loans Closed							
Mortgage Companies	22,380	21,600	22,090	22,100	22,010	22,670	23,830
Commercial Banks	21,300	23,500	23,610	[illegible]	20,950	23,800	22,500
Mutual Savings Banks	19,360	21,030	21,940	20,540	22,460	22,460	22,900
Savings & Loan Assns.	20,060	19,620	21,560	22,000	20,590	20,100	21,190
New Loan Commitments							
Mortgage Companies	22,380	22,290	22,040	23,190	23,470	23,760	24,150
Commercial Banks	22,110	23,370	20,400	24,470	24,310	24,030	25,660
Mutual Savings Banks	19,650	20,630	20,260	22,340	21,420	23,250	23,410
Savings & Loan Assns.	19,230	19,490	20,340	18,760	19,610	19,720	24,620

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.

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

HUD-No. 74-152

Table 3

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

Type of Loan	1973 Oct.	1973 Nov.	1973 Dec.	1974 Jan.	1974 Feb.	1974 Mar.	1974 Apr.
Loans Closed							
Total All FHA-VA Loans	96.2%	96.3%	95.8%	96.2%	95.9%	96.5%	96.5%
New Properties	97.2	96.4	96.5	96.6	96.2	96.8	95.8
Existing Properties	95.9	96.2	95.6	96.1	95.9	96.5	96.6
FHA Loans - Total	93.6	94.5	92.9	93.5	93.3	93.8	94.1
New Properties	95.1	92.6	92.7	93.7	91.6	92.6	92.0
Existing Properties	93.2	94.8	92.9	93.5	93.5	94.0	94.4
VA Loans - Total	97.3	97.2	97.2	97.6	97.3	97.8	97.5
New Properties	97.9	97.7	97.8	97.5	98.0	98.1	97.5
Existing Properties	97.1	97.0	97.0	97.6	97.1	97.8	97.5
New Loan Commitments							
Total All FHA-VA Commitments	96.2	95.9	96.5	96.1	96.9	96.5	96.5
New Properties	96.9	96.0	96.6	95.8	96.1	96.9	96.5
Existing Properties	96.1	95.9	96.5	96.1	97.0	96.4	96.5
FHA Commitments - Total	93.6	93.8	93.5	92.9	93.8	94.7	94.4
New Properties	93.7	93.2	92.0	88.3	90.8	92.6	92.5
Existing Properties	93.6	93.9	93.7	93.4	94.3	94.9	94.7
VA Commitments - Total	97.7	97.1	98.0	97.7	98.2	97.3	97.2
New Properties	98.1	97.5	98.5	98.1	97.8	98.1	98.1
Existing Properties	97.6	97.1	98.0	97.6	98.3	97.2	97.1
Type of Lender							
Loans Closed							
Mortgage Companies	96.5	97.1	96.7	96.4	96.6	97.0	96.8
Commercial Banks	97.7	96.3	96.2	97.1	95.8	96.0	97.7
Mutual Savings Banks	91.7	91.6	92.0	93.2	90.7	91.8	92.0
Savings & Loan Assns.	97.2	95.7	93.9	95.6	96.7	96.7	97.0
New Loan Commitments							
Mortgage Companies	97.0	96.9	97.2	96.8	97.4	97.2	97.3
Commercial Banks	94.9	95.5	95.7	95.7	97.5	97.8	96.1
Mutual Savings Banks	92.9	90.9	92.1	92.9	92.5	89.4	94.4
Savings & Loan Assns.	95.5	95.0	97.2	93.6	97.6	97.4	95.6

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.

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

HUD-No. 74-152

Table 4

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

Name of SMSA	1973 Oct.	1973 Nov.	1973 Dec.	1974 Jan.	1974 Feb.	1974 Mar.	1974 Apr.
Atlanta, Georgia	9.20%	9.27%	9.02%	9.10%	8.70%	8.71%	8.64%
Boston, Massachusetts	8.08	8.42	8.67	8.68	8.41	8.46	8.46
Chicago, Illinois	9.46	9.17	9.16	9.19	9.19	8.93	8.88
Cleveland, Ohio	9.37	9.35	9.34	9.05	9.21	9.01	9.08
Dallas, Texas	9.01	8.97	8.89	8.72	8.63	8.61	8.69
Denver, Colorado	9.29	9.01	9.02	9.00	8.81	8.74	8.65
Detroit, Michigan	9.14	9.36	9.37	9.11	8.86	8.75	8.73
Houston, Texas	8.96	8.72	8.69	8.85	8.36	8.67	8.69
Indianapolis, Indiana	9.52	9.36	9.23	9.06	8.95	8.76	8.76
Kansas City, Missouri	8.92	9.17	8.73	8.87	8.78	8.85	8.68
Los Angeles-Long Beach, Calif.	9.39	9.17	9.01	8.99	8.88	8.73	8.71
Miami, Florida	9.23	9.42	9.19	9.12	8.93	8.88	8.8[illegible]
Minneapolis-St. Paul, Minn.	9.02	8.60	8.93	8.98	8.87	8.56	8.30
New York, New York	8.68	8.83	9.18	8.93	9.10	n.a.	8.88
Philadelphia, Pennsylvania	9.49	9.47	9.41	9.18	9.12	9.01	9.04
Phoenix, Arizona	9.10	9.32	8 87	8.79	8.71	8.63	8.60
Pittsburgh, Pennsylvania	9.31	8.96	9.19	9.10	8.97	8.82	8.84
St. Louis, Mo.-Ill.	8.76	8.71	8.96	8.81	8.79	8 68	8.66
San Diego, California	9.30	9.21	9.05	8.86	8.81	8.76	8.65
San Francisco, California	9.43	9.26	9.14	9.02	8.83	8.67	8.66
San Jose, California	9.48	9.30	9.02	8.96	8.90	8.67	8.65
San Juan, Puerto Rico	8.60	9.54	8.86	8.94	8.97	8.87	9.11
Seattle-Everett, Washington	9.21	9.13	8.85	8.75	8.67	8.62	8.58
Tampa-St. Petersburg, Florida	9.39	9.27	9.13	9.05	8.89	8.81	8.68
Washington, D.C.	9.46	9.17	9.08	9.07	8.95	8.83	8.74

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

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

HUD-No. 74-152

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.

tes 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.

# # #

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

HUD-No. 74-155
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Tuesday
May 14, 1974

Interstate Land Sales Administrator George K. Bernstein today announced that for the second time within a month an administrative hearing was decided against a developer and in favor of the Office of Interstate Land Saies (OILSR) of the Department of Housing and Urban Development.

Following the hearing, Administrative Judge John G. Underwood held in Washington, D.C. that Maumelle Land Development, Inc. of Little Rock, Ark., failed to comply with disclosure provisions of the Interstate Land Sales Full Disclosure Act.

The matter was heard when the developer took exception to suspension orders issued by OILSR on filings by Maumelle Land Development, Inc. for portions of the Maumelle New Town development, a 2,044 acre new community for which HUD has issued a $7.5 million commitment.

Specifically under contention was the developer's failure to disclose a prior violation of the Securities Exchange Act, and improperly including in the property report language stating that the report had "been submitted to and approved by the Secretary of the U.S. Department of Housing and Urban Development." OILSR had previously found 12 deficiencies with the developer's registration.

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Judge Underwood held that references to approval by HUD were self-serving and "would be misleading to a purchaser since it would imply that the subdivision had been approved by the (HUD) Secretary for all purposes, including disclosure to a prospective purchaser, when it had not." Judge Underwood held that this is specifically prohibited by the Interstate Land Sales Act.

HUD-approved new communities are under the jurisdiction of the Interstate Land Sales Act for the sale of undeveloped residential land to private purchasers.

# # #

Pub H58
LEASING

HUD NEWS

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

HUD-No. 74-156
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Tuesday
May 14, 1974

The Department of Housing and Urban Development today announced allocations for some 40,000 units of public housing under the revised Section 23 program to be funded pursuant to the President's message of September 19, 1973.

These additional units are made available under the provisions of Section 23, added in 1965 to the Housing Act of 1937, and are funded by existing contract authority. The controlling administrative regulations have been substantially revised.

HUD Secretary James T. Lynn said, "We consider these units as an interim step toward our ultimate objective of cash assistance for housing low income families. We expect that the experience we gain from this program plus the lessons to be learned from the Housing Allowance Research Program now going on in 12 selected cities will be invaluable in the determination of providing efficient and cost-conscious housing."

The revised regulations were first proposed on January 22, 1974, and comments were solicited. On the basis of the replies, changes were made and the regulations as published are binding.

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There are three types of units in the new allocations. Regulations for new construction were published in the Federal Register, April 22, 1974. Regulations covering existing and rehabilitated housing will be published shortly.

The units are allocated on a fair share basis to HUD's ten regional offices. Each regional office will in turn allot units to the HUD field offices within its jurisdiction. The field offices will then accept applications from Local Housing Authorities.

Regional offices have been specifically instructed to make sure that at least 25 percent of the total units be utilized for housing the elderly.

The action taken today established the program level at 98,000 public housing units for FY 1974.

The allocations, by HUD regions, are:

Region I	(Boston) --	2,456
Region II	(New York) --	4,649
Region III	(Philadelphia) --	3,790
Region IV	(Atlanta) --	2,364
Region V	(Chicago) --	8,594
Region VI	(Ft. Worth) --	4,164
Region VII	(Kansas City) --	1,219
Region VIII	(Denver) --	425
Region IX	(San Francisco) --	10,023
Region X	(Seattle) --	1,696
	Total	39,382

# # #

HUD NEWS

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

HUD-No. 74-157
Phone (202) 755-5284
(Hall)

FOR RELEASE:
Wednesday
May 15, 1974

The U.S. Department of Housing and Urban Development today announced a $50,000 grant to the National Association of Housing and Redevelopment Officials (NAHRO) and the National Tenants Organization (NTO) to develop strategies to increase the employment and employability of public housing tenants.

Award of the grant was announced jointly by HUD Assistant Secretaries Michael H. Moskow and H.R. Crawford.

NAHRO and NTO will develop guidelines for the design and operation of tenant job-training and employment programs for large urban Local Housing Authorities throughout the country.

They will first analyze the training and employment situations in a representative sample of large housing authorities, with emphasis on employment opportunities both in the housing authorities themselves, and in the surrounding communities. The new guidelines will be based on this analysis and on an assessment of the feasibility of cooperation between the housing authorities and local public as well as private job-training and employment services.

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"A major problem of public housing tenants is the lack of access to job training and employment opportunities," said Mr. Crawford, Assistant Secretary for Housing Management, who has the Federal management responsibility for the Nation's 1.1 million public housing units. "This is an important first step toward planning training programs and increasing employment opportunities for tenants both within the housing projects and in the local communities."

Mr. Moskow, Assistant Secretary for HUD's Office of Policy Development and Research, saw the grant as "an important effort to maintain the viability of public housing and therefore its ability to satisfy the housing needs of the nation's families."

The joint NAHRO/NTO study is to be completed in two months. HUD is considering a program to select several large urban housing authorities to develop employment demonstrations built on the findings of the NAHRO/NTO grant.

# # #

HUD NEWS

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

HUD-No. 74-158
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Thursday
May 16, 1974

Discrimination in the financing of housing and the impact of lending policies and practices on minorities is the focus of the Fair Housing Administrative Meeting scheduled for Hartford, Conn., May 20 and 21.

Testimony and information presented in the fact finding session is to deal with discrimination in residential financing on the individual, neighborhood, and city wide level.

The public meeting will be conducted by HUD Assistant Secretary for Equal Opportunity, Dr. Gloria E.A. Toote, as authorized by Title VIII of the Civil Rights Act of 1968. Section 805 of Title VIII, the Fair Housing Law, expressly prohibits discrimination in the financing of housing on the basis of race, color, religion, or national origin.

"The purpose in calling this Fair Housing Administrative Meeting," said Dr. Toote, "is to expose problems and determine enforcement programs -- Federal, State or local -- to be utilized in combating identified discrimination in the financing of housing."

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"The scope and form of lending barriers minorities face appear to emerge from the network of policies and practices that comprise the total home finance industry -- insurers, appraisers, underwriters, builders, brokers, and lenders. Exploring the issues in both the local and national context hopefully, will produce the basis for a common effort of affirmative action to open housing opportunities to minorities."

Participants in the "Discrimination in the Financing of Housing Administrative Meeting" will be minorities who have experienced discriminatory acts, and representatives of mortgage lending, banking, and real estate industries; Federal Departments and agencies; State and local agencies; and fair housing and other interested groups and organizations.

Proceedings will be held in the Auditorium of the Hartford Public Library, 500 Main Street, Hartford, Conn. The Meeting opens Monday, May 20, 1974, at 6:00 P.M., and reconvenes Tuesday, May 21, at 9:30 A.M.

# # #

NOTE TO EDITORS: Federal Regulations governing media coverage of Fair Housing Administrative Meetings stipulate "no witness shall be televised, filmed, or photographed during the meetings without his consent, nor shall his testimony be broadcast or recorded for broadcasting if he objects."

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

HUD-No. 74-166
Phone (202) 755-5277
(Vinciguerra)

FOR RELEASE:
Wednesday
May 22, 1974

A new community assisted by the Department of Housing and Urban Development has been named a recipient of the Fifth Annual Environment Honor Awards, sponsored by the Environment Monthly, a national publication.

The Woodlands New Community, 28 miles north of Houston, Texas, was honored among 31 corporate winners for its land use planning.

"The key to the Woodlands land use is this: the land allocation plan was not derived first and then changed to respond to the natural environment; instead, the natural environment was first studied and comprehended, a process which then made land use allocation responsive to both man and nature," Environment Monthly said in announcing the award.

"We are always pleased when one of our federally-assisted New Communities is recognized for the qualities and goals that we at HUD are working hard to achieve," commented Alberto F. Trevino Jr., General Manager of HUD's Community Development Corporation.

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The publication said Woodlands "manifested an extraordinary command of environmental complexities, both from the ecological and man-madeness vantage points."

Citing an example, the publication noted, "a highly developed system of pathways designed to minimize the use of autos and enhance the resident's enjoyment of his surroundings. The path system consists of primary, secondary and tertiary paths connecting with all village centers, schools, industrial, commercial and retail facilities."

Added the publication, "...we devoutly hope the Woodlands makes it big. The country needs a major affirmation that we know how to build a humane urban environment."

# # #

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

HUD-No. 74-170
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Tuesday
May 28, 1974

A new FHA Mobile Home Loan Insurance program aimed at improved mobile home purchase financing goes into effect today with publication of new regulations in the Federal Register.

The essentially new FHA Mobile Home Loan Insurance program, in combination with a significantly revised GNMA program for mobile homes, should provide for new sources of financing for mobile home purchases at the lowest possible cost to the consumer. This is made possible, in part, by replacing the fixed interest rate previously required in the FHA program with a 11.25 percent interest rate which will be adjusted as market conditions require. Conventional rates generally are in the 12 to 15 percent range.

The Department of Housing and Urban Development has also undertaken a variety of changes both in the Title I program and through the Government National Mortgage Association (GNMA) to insure better underwriting by lenders and to otherwise make the new program actuarially sound. A key element of the revised GNMA pass-through securities for mobile homes insured under Title I is the introduction of a coinsurance feature under which the lender is required to assume a 10 percent risk of loss on each loan.

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The FHA Title I program provides consumer protections by requiring:

- -- a one-year warranty from the manufacturer against defects in mobile home units; and
- -- that units be tied down, or stabilized, against high winds.

# # #

HUD NEWS

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

HUD-No. 74-186
Phone (202) 755-5277
(Beckerman)

FOR IMMEDIATE RELEASE:
Friday
June 7, 1974

Sheldon Lubar, Assistant Secretary for Housing Production and Mortgage Credit of the Department of Housing and Urban Development, today announced that up to 7,500 units of housing for Indians will be obligated for FY 1975.

These follow the 4,900 units designated for FY 1974, which are part of the 30,000 units agreed upon in 1968 by HUD and the Departments of Health, Education and Welfare and Interior.

"Our Department is deeply concerned," said Mr. Lubar, who is also Commissioner of the Federal Housing Administration, "with the development of a comprehensive housing program that will establish priority objectives for native Americans.

"Years of experience have demonstrated that the most meaningful effort to improve the housing conditions of Indian families has been taken by HUD under the public housing program. We will provide subsidies under our revised leasing program when possible, and in other instances, continue the subsidies through the mutual Self-help or Turnkey III homeownership program."

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In addition to providing funding and technical assistance to Indian Housing Authorities, HUD will continue to develop a more viable program of homeownership education service to be used especially on Indian territories.

HUD is also working with the Department of Labor on a joint venture for a building trades apprenticeship training program that will qualify Indians to work on HUD-assisted housing on Indian lands.

The 7,500 units for FY 1975 will be distributed on the basis of approvable applications submitted by Indian Housing Authorities.

Additional separate funding for Indian housing is also available through Farmers Home Administration programs of the Department of Agriculture, and to a lesser degree, through the Housing Improvement Program of Interior's Bureau of Indian Affairs.

# # #

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

FILE COPY

HUD-No. 74-187
Phone (202) 755-5277
(Beckerman)

FOR IMMEDIATE RELEASE:
Friday
June 7, 1974

Daniel P. Kearney, Deputy Assistant Secretary for Housing Production and Mortgage Credit and Assistant Commissioner of the Federal Housing Administration, will succeed Woodward Kingman as President of the Government National Mortgage Association (GNMA). Mr. Kingman is resigning to return to private industry.

The announcement was made today by Secretary James T. Lynn of the Department of Housing and Urban Development, of which GNMA is a part.

GNMA is a HUD-controlled corporation whose function is to encourage the expansion of private capital for residential financing.

Mr. Kearney first came to HUD July 1973, as second in charge of HUD's responsibilities for the administration of programs affecting housing production and mortgage credit.

Prior to that, he had been Director of the Illinois Housing Development Authority.

Before entering the housing field, Mr. Kearney had been engaged in the private practice of law in Chicago.

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He is a 1965 graduate of the University of Chicago Law School, where he was president of his class. In 1961 he received a B.A. summa cum laude in Business Administration from Michigan State University and in 1962 he received his M.A. summa cum laude in Economics from the same school.

Born in Chicago May 11, 1939, Mr. Kearney is married to the former Gloria R. Kehl. They reside in Alexandria, Va.

# # #

HUD NEWS

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

HUD-No. 74-183
Phone (202) 755-5284
(Hall)

FOR RELEASE:
Monday
June 10, 1974

A series of workshops to inform small and minority group home repair contractors and real estate brokers of business opportunities in the repair and sale of federally owned housing will begin in New York City June 12, it was announced today by the U.S. Department of Housing and Urban Development.

Other workshops are scheduled in the following cities: Los Angeles, June 22; Kansas City, Mo., August 22; and Philadelphia, September 18. A number of other cities will be scheduled for workshops when locations and dates are determined.

This is the second series of such workshops. Six were held in cities across the country last year.

The workshops will be held by the Office of Property Disposition, which is under H.R. Crawford, Assistant Secretary for Housing Management.

"Last year's workshops were of such value to HUD and to the small businessmen involved, that we decided to expand the program into other cities this year," Mr. Crawford said. "About 4,350 contractors and real estate brokers attended those sessions, so we know the demand for this kind of meeting."

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Workshops will be scheduled for week-ends or evenings in order to accommodate the small businessman, who can't afford to take time off during the working day.

One reason for the program is to help HUD dispose of its large inventory of foreclosed properties. As of the end of April, HUD owned 77,979 single family houses throughout the Nation. The Office of Property Disposition usually brings the homes up to local code standards or better by putting them out to bid to local home repair contractors. They are then sold through local real estate brokers.

HUD also owns 255 multifamily projects with nearly 30,000 units. These properties are managed under contract by local management brokers, rehabilitated if necessary, and put out to bid.

"A recurring problem in a number of cities is that there are not enough good repair contractors interested in doing our repair work," Mr. Crawford said. "At the same time, we know there are many small and minority group repair contractors and brokers in most cities who are not involved in the HUD program. These workshops are an excellent way for us to get together, explain the HUD programs, and bring these people into the system."

HUD estimates that repair work alone will amount to approximately $100 million annually on its properties. There is an estimated $30 million in broker's fees.

In each city the workshop will consist of a three-hour meeting to acquaint the small businessmen with HUD's property disposition program. Each workshop will be followed by a specialized, extensive training course for repair contractors.

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Two other Federal agencies are involved in the program and the training sessions: the Small Business Administration and the Office of Minority Enterprise of the Department of Commerce.

Representatives from these agencies will participate in each workshop. The Small Business Administration can help with loans to repair contractors. The Office of Minority Business Enterprise will help train the contractors in such matters as HUD forms and procedures, good office practices, etc.

Officials of the three agencies will sign an interagency agreement tomorrow (June 11), spelling out the cooperative efforts that will be taken in future workshops. Those participating will be: James L. Mitchell, HUD Under Secretary; John K. Tabor, Commerce Under Secretary; Assistant Secretary Crawford; Alex Armendaris, Director of the Office of Minority Business Enterprise; Louis F. Laun, Deputy Administrator of the Small Business Administration; and C. Mack Higgins, Assistant Administrator for Minority Enterprise, SBA.

In each city, repair contractors can apply for the additional training sessions, which are usually held in the evening and can extend over several weeks.

Contractors who participate will be given an opportunity to qualify for performance and payment bonds, assistance in obtaining working capital loans, ongoing management and technical assistance, and inclusion as bidders for participation in the property disposition program.

"We know how useful this program was last year to small contractors -- particularly minority -- who have job skills, but need training in our procedures," Mr. Crawford said. "We now have a number of new contractors on our bidding lists as a result of last year's workshops. The program has been very valuable to HUD."

Cities for the workshops are selected for several reasons, the primary one being that they have sizable inventories of HUD-owned properties. Other reasons were the potential for contractor and real estate broker participation, and indications of community concern and awareness of the property disposition program.

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

HUD-No. 74-188
Phone (202) 755-5284
(Hall)

FOR RELEASE:
Monday
June 10, 1974

A short-term, $35,000,000 program to improve the physical condition and livability of individual public housing projects that are facing serious operational and environmental problems was announced today by the U.S. Department of Housing and Urban Development.

The program, called the Target Projects Program (TPP) will go into effect before June 30.

Selection of the candidate Target Projects was made by HUD based on a number of factors, including extent of physical deterioration and inadequate maintenance, crime and vandalism rates, closed and vandalized dwelling units, lack of adequate municipal services, and poor reputation in the community.

The Program will consist of two major funding components. One will be modernization funds for major rehabilitation and physical improvement of the property. The other will be additional operating subsidies for so-called "software" items such as deferred maintenance, improved security services, and tenant services.

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Local Housing Authorities located throughout the country have been designated by HUD to submit applications for initial TPP funding. Among the candidate housing authorities are: Atlanta, Ga.; Birmingham, Ala.; Boston, Mass,; Burlington, N.C.; Camden, N.J.; Charleston, S.C.; Chicago, Ill.; Creek Nation, Okla.; Dade County, Fla.; Detroit, Mich.; St. Louis, Mo.; Gonzales, Texas., and Kansas City, Mo.

Also, Jersey City, N.J.; Las Vegas, Nev.; Lorain, Ohio; Los Angeles, Calif; Louisville, Ky.; Memphis, Tenn.; Mobile, Ala.; Newark, N.J.; New Haven, Conn.; New Orleans, La.; New York City, N.Y.; Norfolk, Va.; Oakland, Calif.; Oxnard, Calif.; Papago, Ariz.; Philadelphia, Pa.; San Antonio, Texas; East St. Louis, Ill.; Turtle Mountain, N.D.; Washington, D.C.; Wilmington, Del.; Winnebago County, Ill.; Winston Salem, N.C.; and Yakima Nation, Wash.

HUD Secretary James T. Lynn said, "I regard the Target Projects Program as one of the Department's major priorities with regard to public housing. Low-income families deserve better housing. I am confident this Program will help turn these projects around."

H. R. Crawford, Assistant Secretary for Housing Management, who is in charge of HUD's federally-aided public housing, said the Program was conceived because a number of projects in all parts of the country were in serious trouble.

"These are projects that have particularly severe problems in general management, maintenance, security, safety and resident-management relations, as well as a variety of other people problems," he said.

Funds provided by the Program will be over and above allowable operating subsidies and Modernization funds that have already been made available. The obligation of funds for individual projects will not be announced until the Local Housing Authorities have submitted their applications and they have been reviewed and approved by HUD.

Mr. Crawford stressed that the housing authorities should get the local government's "strong commitment to support the program with adequate municipal services to the project and its residents."

He also said the local authorities should continue to provide their own normal level of support to the project. "Compliance with this commitment will be closely monitored by HUD as the Program proceeds," he said. "I want to emphasize that this is not a research program. We want to see highly practical work within a two-year time span.

"By concentrating the combined efforts of HUD, the local housing authority, the residents, the local government and private organizations on these problem projects, we expect to see demonstrable improvements in the living environment of the Target Project and efficiency and responsiveness on the part of project management," Mr. Crawford said. "We expect to achieve demonstrable improvements in the authority's operations, the lives of the residents, and the project's relationship with the larger community."

# # # #

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

HUD-No. 74-185
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SBA (202) 382-3301 - (Byers)
OMBE (202) 967-3025 - (McLean)

FOR RELEASE:
Tuesday
June 11, 1974

JOINT HUD/OMBE/SBA NEWS RELEASE

Three federal agencies today signed an interagency agreement designed to increase the participation of minority and small construction contractors in the Property Disposition Program of the Department of Housing and Urban Development.

The Office of Minority Business Enterprise of the Department of Commerce, and the Small Business Administration were parties with HUD in the tri-agency agreement, which was signed June 11, in the HUD building in Washington, D.C.

Participating in the signing ceremony were: James L. Mitchell, HUD Under Secretary; John K. Tabor, Under Secretary of Commerce, who is also Chairman of the Interagency Council for Minority Business Enterprise; H.R. Crawford, Assistant Secretary for Housing Management, HUD; Alex Armendaris, Director of the Office of Minority Business Enterprise; Louis F. Laun, Deputy Administrator of the Small Business

- more -

Administration, and C. Mack Higgins, Assistant Administrator for Minority Enterprise, SBA.

The agreement is designed to help furnish information, training and financial aid to small and minority group home repair contractors who want to get involved in HUD's property disposition program. HUD has a large inventory of foreclosed properties, some 77,979 single family homes across the country, which must be repaired if necessary and sold.

HUD Assistant Secretary Crawford last year initiated a series of workshops in six cities to inform contractors and local real estate brokers of the HUD program, and to institute training programs and financing for small contractors so they could bid on the repair work.

"There is a substantial volume of home repair work involved in this program," he said. "We estimate as much as $100 million annually across the country, based on a $3,000 minimum repair potential for units that need work. That was how the workshop idea was born -- we needed the contractors, they needed the work. It was as simple as that."

Commerce Under Secretary Tabor officiated at the signing ceremony.

"In signing this agreement, we set new avenues through which interagency cooperation can provide for equal business opportunity while offering participants a new market for their services," he said.

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"We establish an unbeatable procurement opportunity as HUD provides the rehabilitation project. SBA provides financing and surety bonding assistance, and Commerce's OMBE offers technical and managerial support."

Contractors who participate in the program will be provided workshop training sessions, and given the opportunity to qualify for performance and payment bonds, and assistance in obtaining working capital loans. They will also receive ongoing management and technical assistance, and an opportunity to qualify as bidders in the property disposition program.

In each workshop city, HUD, OMBE, and SBA will coordinate the workshops to acquaint local contractors and real estate brokers with the Property Disposition Program. Each workshop will be followed by a four-week specialized intensive training course for the repair contractors.

"Through participation in this property rehabilitation program," OMBE Director Armendaris said, "minority contractors can build their own opportunities in the construction industry as qualified and competent contractors."

OMBE's primary role in the program is to assure that the minority contractors receive adequate management, technical and financial

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assistance to complete the rehabilitation contracts. The Minority Contractors Assistance Project Inc., an OMBE-funded national assistance organization, will conduct part of the follow-up training for minority contractors, in addition to the assistance provided through OMBE's local business development organizations and construction contractor assistance centers nationwide.

"As SBA assists in the preparation of packages for surety bond guarantees, working capital loans, and in providing a meaningful course of instruction," commented SBA Deputy Administrator Laun, "we put minority firms in line to get involved in one of our largest industries -- construction. This joint program can be the first step in the long-term outlook of minority business growth."

"While we reduce HUD's inventory of foreclosed properties and thereby resolve a national urban problem," noted SBA Assistant Administrator for Minority Enterprise Higgins, "we build the resources and skills of minority group contractors to effectively compete and perform within the mainstream of our national economy."

Workshops were held last year in Detroit, Seattle, Atlanta, Cincinnati, Dallas, Fort Worth, and Newark. Additional cities are being considered for expansion of the program this year. Those scheduled at this time are: New York City, June 12; Los Angeles, June 22; Kansas City, Mo., August 22, and Philadelphia, September 18.

# # #

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

HUD-No. 74-184
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Thursday
June 13, 1974

Effective interest rates on FHA-insured and VA-guaranteed home loans closed were higher in early May than they were a month earlier, the U. S. Department of Housing and Urban Development reported today. The effective interest rate on loans closed averaged 8.95 percent during the first week of May, 25 basis points above the 8.70 percent level reported in early April.

Effective interest rates on loans for existing homes continue to be higher than rates on new home loans. The effective rate on FHA-VA existing home loans closed in early May was 8.98 percent, compared to 8.80 percent for new home loans.

The effective interest rate on new commitments also rose: for new home loan commitments the rate was 9.03 percent, 33 basis points above the 8.70 percent figure for April.

Interest rates at each major lending institution rose during early May. The effective rate on loans closed at mortgage companies was 9.05 percent, compared to 8.72 percent in April; at commercial banks the rate was 8.94 percent, up from 8.80 percent; at mutual savings banks 8.54 percent, compared to 8.45 percent; and at savings and loan associations the rate was 8.81 percent, compared to 8.71 percent a month earlier.

The average effective interest rate in early May on newly closed FHA-VA loans in the New York metropolitan area was 8.98 percent; in Philadelphia it was 9.28 percent; in Washington, D. C. 9.04 percent; in San Francisco 9.11 percent and in Denver 8.93 percent.

The data are derived from a nationwide survey conducted by HUD with the assistance of the Veterans Administration covering loans closed and loan commitments made during the first seven business days of the month. The maximum contract interest rate on FHA-VA loans during the period covered in the latest survey was 8½ percent.

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To Accompany HUD-No. 74-184

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

Table 1

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

Type of Loan	1973 Nov.	1973 Dec.	1974 Jan.	1974 Feb.	1974 Mar.	1974 Apr.	1974 May
Loans Closed							
Total All FHA-VA Loans	9.06%	9.03%	8.99%	8.85%	8.73%	8.70%	8.95%
New Properties	8.80	8.82	8.86	8.65	8.62	8.67	8.80
Existing Properties	9.12	9.09	9.02	8.89	8.76	8.71	8.98
FHA Loans - Total	9.07	9.05	8.97	8.88	8.79	8.74	9.00
New Properties	8.77	8.90	8.75	8.70	8.72	8.69	8.81
Existing Properties	9.13	9.08	9.00	8.90	8.80	8.75	9.02
VA Loans - Total	9.05	9.02	9.00	8.84	8.71	8.69	8.93
New Properties	8.81	8.80	8.89	8.63	8.58	8.66	8.80
Existing Properties	9.12	9.09	9.03	8.88	8.74	8.69	8.96
New Loan Commitments							
Total All FHA-VA Commitments	9.10	9.00	8.93	8.73	8.68	8.70	9.03
New Properties	8.90	8.83	8.86	8.69	8.62	8.69	8.88
Existing Properties	9.13	9.03	8.94	8.74	8.69	8.70	9.05
FHA Commitments - Total	9.11	8.96	8.93	8.77	8.71	8.75	9.05
New Properties	8.83	8.83	8.92	8.75	8.71	8.69	8.80
Existing Properties	9.14	8.98	8.93	8.77	8.71	8.75	9.09
VA Commitments - Total	9.10	9.02	8.93	8.71	8.66	8.69	9.02
New Properties	8.93	8.82	8.85	8.67	8.60	8.69	8.92
Existing Properties	9.13	9.05	8.95	8.72	8.68	8.69	9.04
Type of Lender							
Loans Closed							
Mortgage Companies	9.18	9.07	9.00	8.87	8.76	8.72	9.05
Commercial Banks	8.84	9.14	9.16	8.98	8.76	8.80	8.94
Mutual Savings Banks	8.49	8.72	8.71	8.63	8.40	8.45	8.54
Savings & Loan Assns.	9.04	8.95	8.95	8.83	8.76	8.71	8.81
New Loan Commitments							
Mortgage Companies	9.15	9.02	8.93	8.72	8.68	8.75	9.11
Commercial Banks	9.19	8.97	9.03	8.87	8.73	8.66	9.05
Mutual Savings Banks	8.79	8.85	8.78	8.57	8.52	8.51	8.71
Savings & Loan Assns.	9.07	9.03	8.97	8.79	8.76	8.74	9.05

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. 74-184

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Resea

Table 2

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

Type of Loan	1973 Nov.	1973 Dec.	1974 Jan.	1974 Feb.	1974 Mar.	1974 Apr.	1974 May
Loans Closed							
Total All FHA-VA Loans	$21,500	$22,220	$21,880	$21,770	$22,490	$23,230	$23,346
New Properties	26,370	25,770	25,830	25,640	25,250	27,010	28,335
Existing Properties	20,320	21,250	21,010	21,060	21,900	22,610	22,440
FHA Loans - Total	17,960	19,260	18,340	18,910	18,510	18,630	18,955
New Properties	22,680	22,240	22,300	22,570	20,080	22,260	23,513
Existing Properties	17,110	18,660	17,800	18,380	18,290	18,030	18,489
VA Loans - Total	23,270	23,630	23,700	23,270	24,440	25,180	25,235
New Properties	27,670	26,950	26,890	26,840	26,770	29,050	29,403
Existing Properties	22,050	22,590	22,860	22,540	23,850	24,550	24,320
New Loan Commitments							
Total All FHA-VA Commitments	21,660	21,420	22,780	22,880	23,230	24,200	23 [illegible]54
New Properties	26,020	25,840	28,420	26,490	26,760	28,270	28[illegible]4
Existing Properties	21,020	20,590	21,960	22,110	22,620	23,610	22,797
FHA Commitments - Total	18,840	18,990	19,560	19,800	19,320	20,070	19,796
New Properties	23,350	22,680	22,310	22,060	22,990	23,600	24,161
Existing Properties	18,240	18,400	19,310	19,430	18,930	19,530	19,042
VA Commitments - Total	23,250	22,650	24,430	24,230	25,030	25,710	25,002
New Properties	27,360	27,140	30,210	27,930	27,730	30,140	30,110
Existing Properties	22,630	21,740	23,420	23,360	24,470	25,090	24,329
Type of Lender							
Loans Closed							
Mortgage Companies	21,600	22,090	22,100	22,010	22,670	23,830	23,390
Commercial Banks	23,500	23,610	20,920	20,950	23,800	22,500	24,638
Mutual Savings Banks	21,030	21,940	20,540	22,460	22,460	22,900	23,473
Savings & Loan Assns.	19,620	21,560	22,000	20,590	20,100	21,190	22,183
New Loan Commitments							
Mortgage Companies	22,290	22,040	23,190	23,470	23,760	24,150	23,589
Commercial Banks	23,370	20,400	24,470	24,310	24,030	25,660	25,091
Mutual Savings Banks	20,630	20,260	22,340	21,420	23,250	23,410	23,112
Savings & Loan Assns.	19,490	20,340	18,760	19,610	19,720	24,620	22,692

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. 74-184

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

Table 3

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

Type of Loan	1973		1974				
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Loans Closed							
Total All FHA-VA Loans	96.3%	95.8%	96.2%	95.9%	96.5%	96.5%	96.0%
New Properties	96.4	96.5	96.6	96.2	96.8	95.8	96.0
Existing Properties	96.2	95.6	96.1	95.9	96.5	96.6	96.1
FHA Loans - Total	94.5	92.9	93.5	93.3	93.8	94.1	93.6
New Properties	92.6	92.7	93.7	91.6	92.6	92.0	91.0
Existing Properties	94.8	92.9	93.5	93.5	94.0	94.4	93.9
VA Loans - Total	97.2	97.2	97.6	97.3	97.8	97.5	97.1
New Properties	97.7	97.8	97.5	98.0	98.1	97.5	97.1
Existing Properties	97.0	97.0	97.6	97.1	97.8	97.5	97.1
New Loan Commitments							
Total All FHA-VA Commitments	95.9	96.5	96.1	96.9	96.5	96.5	96.4
New Properties	96.0	96.6	95.8	96.1	96.9	96.5	94.8
Existing Properties	95.9	96.5	96.1	97.0	96.4	96.5	96.6
FHA Commitments - Total	93.8	93.5	92.9	93.8	94.7	94.4	93.7
New Properties	93.2	92.0	88.3	90.8	92.6	92.5	89.4
Existing Properties	93.9	93.7	93.4	94.3	94.9	94.7	94.4
VA Commitments - Total	97.1	98.0	97.7	98.2	97.3	97.2	97.6
New Properties	97.5	98.5	98.1	97.8	98.1	98.1	97.7
Existing Properties	97.1	98.0	97.6	98.3	97.2	97.1	97.5
Type of Lender							
Loans Closed							
Mortgage Companies	97.1	96.7	96.4	96.6	97.0	96.8	96.5
Commercial Banks	96.3	96.2	97.1	95.8	96.0	97.7	96.6
Mutual Savings Banks	91.6	92.0	93.2	90.7	91.8	92.0	91.9
Savings & Loan Assns.	95.7	93.9	95.6	96.7	96.7	97.0	97.1
New Loan Commitments							
Mortgage Companies	96.9	97.2	96.8	97.4	97.2	97.3	97.2
Commercial Banks	95.5	95.7	95.7	97.5	97.8	96.1	95.0
Mutual Savings Banks	90.9	92.1	92.9	92.5	89.4	94.4	93.9
Savings & Loan Assns.	95.0	97.2	93.6	97.6	97.4	95.6	96.4

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.

U. S. Dept. of Housing and Urban Develo[illegible]t
Office of Policy Development and Researc[illegible]

To Accompany HUD-No. 74-184

Table 4

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

Name of SMSA	1973		1974				
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Atlanta, Georgia	9.27%	9.02%	9.10%	8.70%	8.71%	8.64%	9.10%
Boston, Massachusetts	8.42	8.67	8.68	8.41	8.46	8.46	8.54
Chicago, Illinois	9.17	9.16	9.19	9.19	8.93	8.88	9.26
Cleveland, Ohio	9.35	9.34	9.05	9.21	9.01	9.08	9.23
Dallas, Texas	8.97	8.89	8.72	8.63	8.61	8.69	9.16
Denver, Colorado	9.01	9.02	9.00	8.81	8.74	8.65	8.93
Detroit, Michigan	9.36	9.37	9.11	8.86	8.75	8.73	9.22
Houston, Texas	8.72	8.69	8.85	8.36	8.67	8.69	8.82
Indianapolis, Indiana	9.36	9.23	9.06	8.95	8.76	8.76	8.98
Kansas City, Missouri	9.17	8.73	8.87	8.78	8.85	8.68	8.69
Los Angeles-Long Beach, Calif.	9.17	9.01	8.99	8.88	8.73	8.71	9.04
Miami, Florida	9.42	9.19	9.12	8.93	8.88	8.80	9.10
Minneapolis-St. Paul, Minn.	8.60	8.93	8.98	8.87	8.56	8.38	8.64
New York, New York	8.83	9.18	8.93	9.10	n.a.	8.88	8.98
Philadelphia, Pennsylvania	9.47	9.41	9.18	9.12	9.01	9.04	9.28
Phoenix, Arizona	9.32	8 87	8.79	8.71	8.63	8.60	8.89
Pittsburgh, Pennsylvania	8.96	9.19	9.10	8.97	8.82	8.84	9.06
St. Louis, Mo.-Ill.	8.71	8.96	8.81	8.79	8 68	8.66	8.75
San Diego, California	9.21	9.05	8.86	8.81	8.76	8.65	8.87
San Francisco, California	9.26	9.14	9.02	8.83	8.67	8.66	9.11
San Jose, California	9.30	9.02	8.96	8.90	8.67	8.65	9.06
San Juan, Puerto Rico	9.54	8.86	8.94	8.97	8.87	9.11	9.82
Seattle-Everett, Washington	9.13	8.85	8.75	8.67	8.62	8.58	8.80
Tampa-St. Petersburg, Florida	9.27	9.13	9.05	8.89	8.81	8.68	9.05
Washington, D.C.	9.17	9.08	9.07	8.95	8.83	8.74	9.04

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. 74-184

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

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

HUD-No. 74-198
Phone (202) 755-5284
(Anderson)

FOR RELEASE AFTER:
2:00 P.M., Tuesday
June 18, 1974

"Participation of the private sector in the effort to achieve true equal opportunity in housing can hasten realization of fair housing as the national practice," a top official of the U.S. Department of Housing and Urban Development said today.

Speaking at an official endorsement of "Guidelines for Affirmative Action, New York State Division of Human Rights and New York State Association of Realtors," HUD's Assistant Secretary for Equal Opportunity, Dr. Gloria E. A. Toote, said that the "New York program launches an effort to develop similar state-wide programs to be implemented across the country."

Endorsement of the guidelines was made jointly by Commissioner Jack M. Sable, Division of Human Rights, State of New York; William J. Leary, Jr., President of the New York State Association of Realtors, and Dr. Toote.

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Assistant Secretary Toote said the guidelines are meaningful in that they set the tone for area-wide affirmative marketing agreements within the State, enhancing "implementation of concrete equal opportunity programming in various metropolitan areas of New York State."

Fair housing can only be achieved with meaningful cooperation of the Federal and State Governments, the private sector, and the individual. Dr. Toote pointed out that the "New York guidelines, with the participation of the State Commission on Human Rights and the State Realtors Association embodies the cooperative venture that can be a nationally meaningful program."

Dr. Toote stated that similar guidelines are being negotiated in Alabama, Oregon and Washington.

"Guidelines such as these," she said, "and other voluntary compliance efforts, are important tools in pursuing the true practice of fair housing. They do not, however, in any way relieve or replace legal enforcement and compliance responsibilities pursuant to the Federal Fair Housing Law, Title VIII of the Civil Rights Act of 1968."

According to Dr. Toote, State-wide guidelines establish a minimum acceptable level of activity, while an area-wide affirmative marketing agreement addresses the specific voluntary affirmative action in the metropolitan or market area.

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

HUD-No. 74-213
Phone (202) 755-5284
(Hall)

FOR IMMEDIATE RELEASE:
Friday
June 28, 1974

James T. Lynn, Secretary of Housing and Urban Development, announced today that 36 Local Housing Authorities had been selected to participate in HUD's $35,000,000 Target Projects Program. Funding levels for each authority were also announced.

The Target Projects Program (TPP) is a short-term program to improve the physical condition and livability of individual public housing projects that are facing serious operational and environmental problems.

HUD announced the program on June 10 and at that time called in the Executive Directors of 37 candidate housing authorities to Washington, D.C. to explain the program. Since then the authorities have filed applications with HUD outlining their general plans to upgrade their projects. They were also asked to identify the projects in their respective housing authorities where TPP funds would be expended.

Awards have been approved for 36 of the 37 candidate housing authorities. Negotiations are continuing with regard to an award for the 37th authority.

-more-

Secretary Lynn congratulated the authorities upon their selection in letters that were presented to the authorities today. He gave each its funding level and identified the Target Project or Projects.

"This amount is made available to your authority in addition to any amounts which might otherwise be approved for the ongoing operation of your projects," he said, " and is for the exclusive purpose of accomplishing specific tasks approved by HUD under the Target Projects Program."

H. R. Crawford, Assistant Secretary for Housing Management, developed and will administer the Target Projects Program. He announced last week that the $35,000,000 in TPP funds were over and above allowable operating subsidies.

"These funds are primarily for additional operating subsidies for so-called 'soft-ware' items such as deferred maintenance, improved security services, and tenant services," he said.

The following are the local housing authorities selected. The projects participating in the Target Projects Program and the level of funding are subject to further negociation, based upon the submission of a final application to HUD by the participating housing authorities.

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Local Housing Authority	Funding	Project(s)
Atlanta, Ga.	$1,885,000	Perry Homes; Carver Community
Birmingham, Ala.	372,000	Marks Village
Boston, Mass.	2,040,000	Columbia Point
Burlington, N.C.	125,000	All Projects
Camden, N.J.	450,000	McGuire Gardens
Charleston, S.C.	500,000	Meeting St. Manor; Cooper River Court and Extension; Gadsden Green Homes
Chicago, Ill.	3,279,000	Cabrini Green Extension; William Green Homes
Creek Nation, Okla.	308,000	All Projects
Dade County, Fla.	856,000	Liberty Square
Detroit, Mich.	2,186,000	Edward J. Jeffries
East St. Louis, Ill.	589,000	Orr-Weather
Gonzales, Texas	30,000	Indian Ridge Apartments; Edwards; Cosa Rio
Jersey City, N.J.	739,000	A. Harry Moore; Curries Woods
Kansas City, Mo.	760,000	Wayne Miner
Las Vegas, Nevada	450,000	All Projects
Lorain, Ohio	100,000	Wilkes Villa; Elyria
Los Angeles, California	1,100,000	Nickerson Gardens
Louisville, Ky.	166,000	Cotter Homes; Lang Homes
Memphis, Tenn.	500,000	LeMoyne Gardens
Mobile, Ala.	302,000	A. F. Owens Homes; Jessie Thomas Homes
New Haven, Conn.	121,000	Farnum Courts
New Orleans, La.	2,200,000	Desire
New York City, N.Y.	5,000,000	Carey Gardens; St. Nicholas Houses; Langston Hughes; East River Houses; South Jamaica Houses
Norfolk, Va.	400,000	Roberts Park; Roberts Park East; Moton Park
Oakland, Calif.	372,000	Lockwood Gardens
Oxnard, Calif.	276,000	Colonia Village
Papago, Ariz.	100,000	All Projects
Philadelphia, Pa.	1,181,000	Tasker Homes
St. Louis, Mo.	700,000	Cochran Gardens; Webbe Apartments; Darst Apartments
San Antonio, Texas	743,000	Mirasol Homes; S. J. Sutton Homes
Turtle Mountain, N.D.	183,000	All Projects
Washington, D.C.	3,022,000	Arthur Capper; Ellen Wilson; Carrolsburg Square; East Gate Gardens; Stanton Dwellings; Valley Green; Greenleaf Gardens

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Wilmington, Del.	350,000	Southbridge; Southbridge Extension
Winnebago County, Ill.	75,000	Ashley Courts
Winston-Salem, N.C.	450,000	Kimberley Park Terrace
Yakima Nation, Wash.	90,000	All Projects

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HUD NEWS

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

HUD-No. 74-212
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Wednesday
July 3, 1974

Interstate Land Sales Administrator George K. Bernstein announced today he is sending a team of trained HUD investigators into the field to spot check land developers operating in violation of the Federal Government's Interstate Land Sales Full Disclosure Act.

Although generally assigned to different HUD area and field offices, they will be on constant travel status, Mr. Bernstein said, checking sites and maintaining close liaison with State, local and county officials.

The force of 28 investigators will have credentials authorizing them to query developers, inspect and take photographs of sites and inspect company books including the property report, filed with HUD, copies of which by law must be shown to prospective buyers.

The Federal law requires developers of unimproved land to register with HUD's Office of Interstate Land Sales Registration (OILSR), and calls for full disclosure of relevant data on the property in question, including the developer's financial status.

If a developer declines to cooperate, HUD can suspend the company's statement of record, halting its sales.

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The investigators, two of them women, were given two weeks of intensive training in Washington. They were recruited from some 150 applicants, all from HUD, with different backgrounds, ranging from a construction analyst in Milwaukee to a criminal investigator from HUD regional office of the Inspector General in Boston. Their ages vary, from 25 to 60.

The training sessions embraced all facets of the Act and OILSR regulations. They included a staged sales dinner presentation, complete with slides and a sales pitch similar to those given by many developers attempting to get customer signatures on the dotted line.

The field force will have a computerized listing of registered developers, along with forms to be given to those not registered with HUD. The forms serve as interrogatories in establishing jurisdiction under the Act.

Those operating outside the law will be formally served with a letter putting them on official notice, and further action will be taken by the OILSR office in Washington. Criminal convictions carry maximum penalties up to five years or a $5,000 fine or both on each count of any indictment handed down by a grand jury.

"In the last two years," Administrator Bernstein said, "HUD's intensified enforcement efforts have had measurable impact. The new investigative force is the latest in a series of measures taken by OILSR to protect the consumer.

"We hope that the legitimate developer, in his own self interest, will step forward and cooperate with the new field staff in helping us to identify those who are casting a blight on this eight billion dollar a year industry."

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

HUD-No. 74-225
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Tuesday
July 9, 1974

The U.S. Department of Housing and Urban Development will hold a public hearing July 23 on its proposal to discontinue accepting registration and disclosure reports on land developments from four States, Interstate Land Sales Administrator George K. Bernstein announced today.

Up to this time the reports from New York, Florida, California and Hawaii have been accepted by HUD's Office of Interstate Land Sales Registration (OILSR) as a substitute for Federal filing.

Administrator Bernstein has notified the four States of his intention to end this arrangement until the States meet requirements of the Interstate Land Sales Full Disclosure Act and its implementing regulations. The regulations were strengthened last year by a series of amendments that require more complete and detailed information from developers.

His proposal, he said, is based on a review of a representative sampling of registrations filed with the States in question. The review exposed "unjustifiable weaknesses" in the State filings and showed that far less disclosure was given to prospective customers than would have been set forth in a HUD property report.

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Among other defects, he mentioned far less basic information about utilities, amenities and dates for their completion or the availability of the property. Also, the conditions of title or conveyance were not made clear to the purchaser, leaving him in the dark with respect to the accountability of the developer.

Mr. Bernstein emphasized that the proposal to amend OILSR's regulations does not eliminate the State filing procedure. In fact, he renewed his call for State agencies to undertake more substantive regulations of the quality of development. The States, he said, were generally in the best position to administer this aspect of interstate land sales.

Mr. Berstein repeated his stand that the Federal Government is best equipped to administer and enforce disclosure regulations while in the process of educating the public to the point where it could protect itself.

But he stressed that the Federal Act cannot be fully effective until the States play a more forceful role through substantive regulation.

The Administrator estimated that about one-third of all of the approximately 5,300 registrations filed with HUD originate from the four States in question. These filings will remain in effect. But any new filings or changes made after the revised regulations become effective must comply with the requirements for Federal registration.

Other minor changes in the regulations will be discussed at the public hearing. All proposed revisions were published in the Federal Register June 27.

OILSR's final decision, Mr. Bernstein said, will reflect due consideration of the views aired at the public hearing, to be held at the HUD Departmental Conference Room, 10th floor of the HUD Building, 7th and D Streets, S.W. Written comments also will be accepted until July 30. Persons wishing to appear or file comments should write to the Docket Clerk, HUD Building, Washington, D.C. 20410.

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

HUD-No. 74-228
Phone (202) 755-5284
(Hall)

FOR RELEASE:
Thursday
July 11, 1974

James T. Lynn, Secretary of the U.S. Department of Housing and Urban Development, today announced the appointment of Robert C. Odle, Jr., 30, as Deputy Assistant Secretary for Housing Management. Mr. Odle has been serving as Acting Deputy Assistant Secretary since September of 1973.

As Deputy Assistant Secretary for Housing Management, Mr. Odle assists Assistant Secretary H. R. Crawford in administering a number of programs relating to the financial and operational management of housing. These include the low rent public housing program, the subsidized interest rate rental and homeownership programs, and others.

He also assists in the management and disposition of properties acquired by the Secretary through foreclosures and defaults, and the servicing of mortgages under the HUD-FHA multifamily mortgage insurance programs.

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Mr. Odle is a native of Port Huron, Mich. He received his BA from Wayne State University, Detroit, in 1966, and was graduated by The Detroit College of Law in 1969 with a Juris Doctor degree. He is a member of the American and Michigan Bar Associations.

Following graduation from law school in January of 1969, Mr. Odle was appointed by President Nixon as a Staff Assistant at the White House. In May, 1971, he joined the Committee for the Re-election of the President, where he served as Director of Administration until June of 1973.

Mr. Odle is a member of the Delta Theta Phi law fraternity. He is married to the former Lydia Ann Karpinol of Stamford, Conn. They reside in Alexandria, Va., where they are members of St. Mary's Church.

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

HUD-No. 74-230
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Friday
July 12, 1974

Local government officials and organizations planning neighborhood preservation in their cities to stabilize declining neighborhoods will soon have a catalog of innovative, proven projects to guide them.

Under terms of a $157,162 contract announced today by the Department of Housing and Urban Development, the Real Estate Research Corporation (RERC) of Chicago will produce a catalog of locally-developed neighborhood preservation projects that have been particularly effective in preserving or stabilizing neighborhoods in cities across the country. To ensure its widespread usefulness, the catalog will present representative preservation approaches and methods by community type, regional location and city size.

HUD Assistant Secretary Michael H. Moskow, whose Office of Policy Development and Research awarded the contract, said the need for such a catalog has become increasingly apparent with the recent shift in Federal housing policy from one of emphasis on housing production to the use and preservation of existing housing. This change will place greater program development responsibilities on local governments, other local public or semi-public agencies, private investors and developers, local lending institutions, and citizens' organizations.

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"Under these circumstances," he said, "local officials and organizations will need comprehensive, reliable information on alternative approaches to solving problems of neighborhood preservation. This catalog is designed to help meet that need. It will identify and profile the most imaginative programs and tools currently being used to preserve residential neighborhoods, and will include a description of neighborhood conditions in the target area, program operations, samples of special forms, documents and procedures used and results experienced to date."

The Center for Urban Policy Research at Rutgers University, New Brunswick, N.J., also will participate in the contract, assisting RERC in the extensive survey design and field work for this project.

Contract work is scheduled for completion in late October, and the catalog should be ready for distribution by the end of 1974.

Information regarding candidate neighborhood preservation programs or activities for inclusion in the catalog would be welcomed by the Project Director, Margery al Chalabi, Real Estate Research Corporation, 72 W. Adams St., Chicago, Ill. 60603; telephone (312) 346-5885.

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

HUD-No. 74-231
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Friday
July 12, 1974

Misleading information in its official filing with the Office of Interstate Land Sales Registration (OILSR) has led to the suspension of sales at Evergreen Lake Estates, a development near Bloomsburg in Pennsylvania's Pocono Mountains.

The suspension was announced by George K. Bernstein, Interstate Land Sales Administrator for the U.S. Department of Housing and Urban Development. It was directed against James Justofin, of 1000 Snyder Road, Lansdale, Pa., listed as president of Evergreen Lake, Inc.

Mr. Bernstein said the developer made a number of misrepresentations in the statement of record and property report filed with OILSR. Among them were:

Claims that all roads would be adequately maintained, that none of the lots is at any time covered by water, that tennis courts and a basketball court were completed, and that there would be an escrow agreement to assure completion of sewer facilities.

The suspension was ordered after the developer failed to respond to a notice of proceeding from OILSR giving him 15 days to respond to the charges.

Sales will continue to be suspended, the Administrator said, until the misstatements are corrected in Evergreen Lake's statement of record.

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

HUD-No. 74-235
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Friday
July 12, 1974

Funds were earmarked today for the first projects in the Nation under the revised Section 23 leased housing program of the Department of Housing and Urban Development.

HUD's Kansas City, Kan., Area Office was notified that $134,304 in subsidy funds has been set aside for 50 units of housing to be constructed for the elderly in Clinton, Mo.

HUD's Columbus, Ohio Area Office has been notified that a total of $1,683,596 in subsidy funds have been set aside for units to be built in these Ohio localities:

New Boston	120 units, all elderly	$399,024
Yellow Springs	40 units, 20 elderly	104,592
Green County	50 units, 25 elderly	128,352
Cuyahoga Falls	75 units	286,176
Akron	125 units, 100 elderly	371,136
Barberton	50 units	195,108
Oberlin	50 units, all elderly	128,744
Manchester	40 units, 20 elderly	70,464

The two HUD Area Offices will inform the Local Housing Authorities to publish invitations for proposals from developers.

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The proposals will be evaluated by the LHA's and the HUD Area Offices will review and approve the proposals selected by the LHA's. Following HUD approval, LHA's will enter into construction agreements with the selected developers.

The owners of the newly-constructed units are responsible for renting them. Upon inquiry by a would-be tenant, he will be referred to the LHA for a certificate of income eligibility for assistance.

Following this, a lease will be signed between the tenant and the landlord. The LHA, with HUD funds, will make up the difference between rent paid to the owner by the assisted family and the fair market rent.

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

HUD-No. 74-232
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Monday
July 15, 1974

A public hearing will be held Wednesday, July 17 in Washington, D.C. to determine the future course of the Federal Crime Insurance program, it was announced today by George K. Bernstein, Federal Insurance Administrator for the U.S. Department of Housing and Urban Development.

The program, which offers robbery and burglary protection at modest rates underwritten by the Federal Government, is jeopardized by two factors, Mr. Bernstein said:

. Public apathy or unawareness. Although the program has been in existence for almost three years, only 20,000 policies have been sold in the 14 States and District of Columbia where Federal crime insurance is currently available.

. Reluctance on the part of insurance companies to act as fiscal agents for the Federal Government in selling the insurance. The industry, in 1971, rejected the request of this Administrator that it share in the losses or profits of the Crime Insurance program, as it does in the Flood Insurance program.

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Under the crime insurance program, Administrator Bernstein explained, the insurance is sold through private insurance agents and brokers, and is currently serviced by private insurance carriers acting as servicing companies on a competitively bid contract basis.

But when HUD opened its bidding process to negotiate new contracts for the period beginning last June 30, no bids were received for the District of Columbia and eight of the 14 States now in the program. The company presently servicing these States and the District agreed to extend its contracts until Sept. 30 of this year, but new arrangements will have to be made for the period beginning Oct. 1.

Administrator Bernstein outlined the dimensions and implications of the problem in a letter announcing the public hearing. The letter was sent to State Insurance Commissioners and the executive officers of the largest insurance companies.

"This situation confronts us with a serious problem," he said, "which requires a broad look at all aspects of the Federal Crime Insurance program and in particular its marketing and servicing."

The Administrator said he was unimpressed by the number of policies sold to date. The total, he said, does not represent "even a minimal level of effort in terms of marketing by local agents and brokers."

According to a recent survey conducted under contract with the FIA, he added, few people are actually approached by an agent or broker, although many not contacted were interested in crime insurance.

To reach a broader segment of the public, Mr. Bernstein said he is also considering alternative marketing systems, such as direct mail solicitation and direct sale by FAIR Plans or by government or postal offices. In the FAIR Plan, private insurers work under the supervision of the State insurance regulatory authority to assure property owners of an opportunity to get the insurance they need.

Referring to the servicing of insurance policies, Administrator Bernstein said:

"The absence of any bids from the private industry to perform servicing company duties in eight States and the District of Columbia necessitates consideration of an expansion of the governmental role in the program -- a development inimical to this Administration's position that the business of insurance is best managed in the private sector, and one which we have tried to avoid."

Mr. Bernstein said he was considering several alternatives for the servicing function. One would be to use HUD area and insuring offices to furnish information, receive applications, and arrange for claim settlement. Another would make use of the local FAIR Plan.

"All aspects of the program will be discussed at the public hearing," the Administrator said, "as we seek a solution to the longer-range issues we must face, as well as the immediate problem of maintaining a continuity of service in the District of Columbia and the eight States beginning Oct. 1."

In addition to the District, the eight States in question are Connecticut, Illinois, Kansas, Maryland, Missouri, Ohio, Rhode Island and Tennessee.

The other six States where the program is available are Delaware, Florida, Massachusetts, New Jersey, New York and Pennsylvania.

Under the Federal Act, States become eligible for the program when the Federal Insurance Administrator determines that crime insurance is not available from the private industry at affordable rates and the problem has not been resolved at the State level.

Starting at 10 A.M., the hearing will be held in the HUD Departmental Conference Room, 10th floor of the HUD Building, 7th and D Streets, S.W., Washington, D.C.

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

HUD-No. 74-248
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Friday
July 26, 1974

A second meeting within two weeks will be held in Washington Thursday, August 1, to explore marketing and servicing alternatives for the Federal Crime Insurance program.

The meeting, announced by George K. Bernstein, Federal Insurance Administrator for the U.S. Department of Housing and Urban Development, will start at 10:00 A.M. in the HUD Departmental Conference Room (Room 10233), 7th and D Streets S.W.

The second session, Mr. Bernstein said, arises from recommendations made by industry representatives at the first meeting on July 17 that FAIR Plan organizations might be utilized in the States and District of Columbia where Federal crime insurance is currently available.

Under FAIR Plans, private insurers operate on a pooling basis under supervision of the State insurance regulatory authority to assure property owners of an opportunity to get the insurance they are unable to purchase in the private market.

Use of FAIR Plan organizations was proposed as a possible alternative to the servicing companies which handle the insurance in each of the States on a competitively bid contract basis, using private agents and brokers to sell the insurance.

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Last June 30, when HUD attempted to negotiate new contracts for the District and eight of the 14 States, no bids were received. The company presently servicing these States and the District agreed to extend its contract until Sept. 30, but new arrangements must be made for the period beginning October 1.

In a letter to FAIR Plan representatives and State Insurance Departments, Mr. Bernstein observed that the proposals for use of the FAIR Plan organizations were too general, and lacked specifics in recommending how they could play a role in the program.

"If we are to avoid an exclusively Federal program," he said, "we will need more concrete proposals as to what the particular FAIR Plans, or any other industry members, are prepared to do in connection with the program."

The Administrator said he is willing to consider possible variations in procedure, depending upon the industry response and the needs of the program.

"We appreciate the good faith and public concern of those industry groups who attended our July 17 meeting," he added, "but we need specific proposals for individual States if we are to meet the September 30 deadline without resorting either to Federal marketing and servicing, or suspending the program in certain States until alternative procedures are developed."

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HUD NEWS

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

HUD-No. 74-250
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Monday
July 29, 1974

Candlewood Lake, a development near Columbus, Ohio, has had its sales suspended for failing to disclose in its official records that, among other matters, it was being sued for racial discrimination in its hiring and sales practices.

The suspension against the developer, Whetstone, Inc., was announced by George K. Bernstein, Interstate Land Sales Administrator in the U.S. Department of Housing and Urban Development.

As the culmination of a suit brought in Federal court last November, the developer signed a consent decree with the Justice Department last week to recruit non-white employees and solicit black customers in five Ohio cities.

Failure to mention its legal difficulties in its statement of record and property report was one of the reasons that led to the suspension, Mr. Bernstein said.

Investigation by Mr. Bernstein's staff disclosed that most of the facilities at Candlewood Lake were not completed by the dates designated in the official documents filed with HUD's Office of Interstate Land Sales Registration.

- more -

Also, the documents failed to indicate a planned completion date for additional facilities, and omitted the current status of the property owner's association.

The suspension will remain in effect, the Administrator said, until adequate amendments to the statement of record and property report are filed with HUD and full disclosure given to prospective customers.

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

HUD-No. 74-256
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Friday
August 2, 1974

The location of new mobile homes sold in the United States, and the total expenditures on them, are the subjects of a new monthly survey of mobile home dealers sponsored by the Department of Housing and Urban Development. The survey will be conducted for HUD by the Bureau of the Census, Department of Commerce.

Announced today by HUD Assistant Secretary Michael H. Moskow, the $161,000 contract with Census will provide for the first full year of survey work to determine when and where new mobile homes are placed on site, ready for occupancy.

Previous information on the numbers, sizes, types and sales prices of new mobile homes, provided by the Mobile Home Manufacturers Association, covered only the manufacturing and shipment of mobile homes from manufacturers to dealers and to land developers. The new survey will carry the process to the final step, the retail sale of a mobile home by a dealer and the placement of that home on the site for use by its first occupant, the housing consumer. Eventually, the monthly survey also will provide information on the various characteristics of the mobile home and its site, and on how it is financed.

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Mr. Moskow said that information on the sales and placement of new mobile homes "will fill a gap in our knowledge of an important part of new housing production in the United States and will supplement the information we now have on starts, completions and marketing of new conventional housing. Recommended by the President's Cabinet Committee on Construction, this survey will provide all levels of government, housing consumers, and the housing production industry with long-needed information about the introduction of new mobile homes into our housing stock on a national and regional basis."

The new information will be used by HUD and other Federal agencies to evaluate the effectiveness of programs supporting the financing of mobile homes and mobile home developments, and other related housing programs, and to develop new programs better meeting consumer and industry needs.

The survey is part of the economic data program of Mr. Moskow's Office of Policy Development and Research, which sponsors the collection and analysis of a variety of information on housing production and finance, on other construction activity, and on the quality and usability of the nation's housing stock.

Data from the survey will be made available on a continuing basis by Census in one of its construction reports as a joint publication of the Departments of Commerce and HUD.

# # #

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

HUD-No. 74-262
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Tuesday
August 13, 1974

Secretary James T. Lynn of the U.S. Department of Housing and Urban Development today announced that the maximum allowable interest rate for mortgages insured by HUD's Federal Housing Administration will be increased to 9-1/2 percent, effective August 14, 1974. The current rate is 9 percent, set on July 8, 1974.

The further increase in the maximum allowable interest rate was necessitated by the continuing increase in effective mortgage market yields, the Secretary said.

Secretary Lynn pointed out that despite the increased interest rate, there is still financing available for new construction through HUD's Government National Mortgage Association (GNMA) for approximately 72,000 units at 7-3/4 percent and 100,000 units at 8 percent.

Through GNMA's extended Tandem Plan, which went into effect January 22, 1974, the agency was authorized to assist in the construction of at least 200,000 units by providing 7-3/4 percent interest rate mortgages. On May 10, 1974, GNMA was authorized to further extend the Tandem Plan to finance at least 100,000 additional homes at 8 percent.

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During the past year, the Department has attempted to keep the ceiling rate as close to market rates as possible. In the last auction held by the Federal National Mortgage Association on August 12 FHA-VA yields rose to 10.124 percent, compared with 9.650 percent a month earlier.

With the maximum allowable interest rate ceiling at 9-1/2 percent, the number of points charged on FHA-insured mortgages should be substantially reduced from the 6 to 8 points being charged under the present 9 percent rate. That higher number of points, which in effect represent prepayments of interest, discourages both buyers and sellers from using FHA loans.

The new 9-1/2 percent 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.

To be eligible under the extended Tandem Plan at the 7-3/4 percent and 8 percent rates, FHA approved mortgages must be for new construction, not previously owner-occupied. This may include houses already built or under construction, but not sold.

# # #

To Accompany HUD-No. 74-262

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

A. Presently, FHA and VA mortgages are selling at approximately 6 or 8 percent discount. Taking this action means that the seller will not absorb this cost himself or try to pass it on to the buyer by increasing the price of his house to pay the discount.

Q. How will it affect the buyer?

A. It will maintain FHA/VA as a financing alternative for many buyers. Under present market conditions, a seller must pay approximately 6 or 8 "discount points" to make the FHA/VA mortgage marketable. When added to the 6 percent sales commission and other related costs, front-end costs become so high that many sellers won't sell on a FHA/VA basis, and thus buyers who can't qualify for conventional mortgage credit can't buy.

In addition, this action will make for healthier homebuying practices. First, when a seller has to pay discount points he often compensates by building this cost into the selling price of his property, and this not only increases the purchase price to the buyer but also works toward increases in the real estate taxes and insurance he will pay as a homeowner. The buyer accepts this because, in most cases, he has no other home-buying alternative. Second, since the points are in effect prepaid interest, if the buyer sells the home prior to the full life of the mortgage, a windfall may accure 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. The FHA/VA interest rate has been 9 percent. To attract money into FHA/VA mortgages, lenders have had to be offered discount points that would make up the difference between the FHA/VA rate of 9 percent and the "going rate" in the market of more than 10 percent. Paying points amounts in practice to prepaying the interest differential between the FHA/VA rate and the market rate. Without this discount, no lender would invest in FHA/VA mortgage since the yield would not be competitive with that available from other investments.

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Q. When the allowable interest rate goes up, who gets the extra interest?

A. The mortgage money lender seeks the market level rate and he gets it either through discount or through the interest payable under the terms of the mortgage. In effect there is no "extra" interest, because the higher rate provided in the mortgage simply takes the place of discount points.

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

A. It will not affect the situation because the Tandem Plan 7-3/4 percent rate for new construction continues in effect. As market rates go up, this 7-3/4 percent rate becomes increasingly attractive but, at the same time, a more expansive governmental program.

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

A. Raised to 9 percent on July 8, 1974; lowered to 8-1/4 percent, January 22, 1974.

Q. Has the rate ever been this high before?

A. No.

Q. When is the rate likely to decrease again?

A. When market interest rates decrease.

Q. Does the Tandem Plan have any effect on the builder?

A. Since the Plan works on an advance commitment basis, it assures the builder that there will be mortgage money available to finance the sale of the completed home. Further, the 7-3/4 percent interest rate benefits the builder because a reduction in monthly mortgage payments increases the number of families eligible to purchase at the offered price.

Q. Why is the 7-3/4 percent interest rate limited to new homes only under the Tandem Plan?

A. The 7-3/4 percent rate is below the current market interest rate and is supported by the Government National Mortgage Association. It is intended to stimulate the construction of new homes, both single-family and multifamily, and thus to increase the supply of homes.

Q. How does a would-be home purchaser go about getting one of these 7-3/4 percent loans?

A. He should ask his real estate broker, builder, or lender. If they do not know about the program, he should ask them to get in touch with the nearest FHA or VA office or the nearest Federal National Mortgage Association (FNMA) office and inquire about it.

Q. Does the 7-3/4 percent apply to homes already under construction or completed but not sold?

A. Yes, if they are being, or have been built with FHA or VA approval and inspection.

Q. Is there any limit to the number of new homes that can be financed at 7-3/4 percent under the Tandem Plan?

A. Approximately 72,000 new homes may be financed at this rate. When the current 7-3/4 percent authorization is exhausted, an additional 100,000 new homes may be financed at 8 percent.

# # #

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

HUD-No. 74-271
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Friday
August 23, 1974

For the second time in six weeks, the sale of lots in an Ohio development has been suspended by George K. Bernstein, Administrator of the Interstate Land Sales Office of the Department of Housing and Urban Development.

The development involved is Candlewood Lake, near Columbus, Ohio, which is owned by Whetstone Development Inc.

The developer was first suspended July 10 for failing to disclose to HUD that it had been sued for racial discrimination in its hiring and sales practices. As a result of the suit, the developer signed a consent decree to recruit non-white employees and solicit black customers in five Ohio cities. Whetstone also had failed to complete most of the facilities at Candlewood Lake by the dates designated in the official documents filed with HUD.

The suspension was lifted July 26 by the Office of Interstate Land Sales Registration after an agreement was reached whereby Whetstone would make amended, accurate disclosures about improvements and other items at Candlewood.

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"We are again suspending sales at Candlewood Lake because the developer has failed to make the required and agreed-on disclosures and we have found out that Whetstone violated the original suspension," Mr. Bernstein said. "Despite the order to halt sales on July 10, the developer went right on with his sales and promotion."

The Administrator declared that an investigation is under way to determine what further legal action may be warranted by the developer's flouting of the original suspension.

# # #

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

HUD-No. 74-272
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Friday
August 23, 1974

Effective interest rates on FHA-insured and VA-guaranteed home loans closed were higher during the first week of July than they were during a month earlier, the U. S. Department of Housing and Urban Development announced today. The effective interest rate on loans closed was 9.35 percent, compared to 9.21 percent in early June.

Similarly, the effective interest rate on new commitments to make federally underwritten home loans rose to 9.39 percent, 10 basis points above the 9.29 percent rate reported in early June.

At each major lending institution, the effective interest rate on loans closed in early July was at least 10 basis points above the rate reported a month ago. The effective rate at mortgage companies was 9.49 percent; at commercial banks the rate was 9.27 percent; at mutual savings banks 8.91 percent; and at savings and loan associations the rate was 9.23 percent.

The average effective interest rate in early July on newly closed FHA-insured and VA-guaranteed loans in the Atlanta metropolitan area was 9.68 percent; in Chicago it was 9.63 percent; in Washington, D. C. 9.56 percent; in San Francisco 9.64 percent; and in Denver 9.14 percent.

The data are derived from a nationwide survey conducted by HUD with the assistance of the Veterans Administration covering loans closed and loan commitments made during the first seven business days of the month. The maximum contract interest rate on FHA-VA loans during the period covered in the latest survey was 8 3/4 percent up through July 7 and was then raised to 9.00 percent.

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To Accompany HUD-No. 74-272

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

Table 1

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

Type of Loan	1974						
	Jan.	Feb.	Mar.	Apr.	May	June	July
Loans Closed							
Total All FHA-VA Loans	8.99%	8.85%	8.73%	8.70%	8.95%	9.21%	9.35%
New Properties	8.86	8.65	8.62	8.67	8.80	8.89	8.94
Existing Properties	9.02	8.89	8.76	8.71	8.98	9.26	9.41
FHA Loans - Total	8.97	8.88	8.79	8.74	9.00	9.29	9.37
New Properties	8.75	8.70	8.72	8.69	8.81	8.98	8.81
Existing Properties	9.00	8.90	8.80	8.75	9.02	9.35	9.44
VA Loans - Total	9.00	8.84	8.71	8.69	8.93	9.17	9.34
New Properties	8.89	8.63	8.58	8.66	8.80	8.85	8.97
Existing Properties	9.03	8.88	8.74	8.69	8.96	9.22	9.40
New Loan Commitments							
Total All FHA-VA Commitments	8.93	8.73	8.68	8.70	9.03	9.29	9.39
New Properties	8.86	8.69	8.62	8.69	8.88	8.88	8.83
Existing Properties	8.94	8.74	8.69	8.70	9.05	9.37	9.49
FHA Commitments - Total	8.93	8.77	8.71	8.75	9.05	9.29	9.38
New Properties	8.92	8.75	8.71	8.69	8.80	8.89	8.69
Existing Properties	8.93	8.77	8.71	8.75	9.09	9.34	9.55
VA Commitments - Total	8.93	8.71	8.66	8.69	9.02	9.30	9.39
New Properties	8.85	8.67	8.60	8.69	8.92	8.88	8.92
Existing Properties	8.95	8.72	8.68	8.69	9.04	9.38	9.47
Type of Lender							
Loans Closed							
Mortgage Companies	9.00	8.87	8.76	8.72	9.05	9.38	9.49
Commercial Banks	9.16	8.98	8.76	8.80	8.94	9.09	9.27
Mutual Savings Banks	8.71	8.63	8.40	8.45	8.54	8.78	8.91
Savings & Loan Assns.	8.95	8.83	8.76	8.71	8.81	9.06	9.23
New Loan Commitments							
Mortgage Companies	8.93	8.72	8.68	8.75	9.11	9.36	9.45
Commercial Banks	9.03	8.87	8.73	8.66	9.05	9.29	9.52
Mutual Savings Banks	8.78	8.57	8.52	8.51	8.71	9.09	9.05
Savings & Loan Assns.	8.97	8.79	8.76	8.74	9.05	9.32	9.40

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. 74-272

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

Table 2

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

Type of Loan	1974 Jan.	Feb.	Mar.	Apr.	May	June	July
Loans Closed							
Total All FHA-VA Loans	$21,880	$21,770	$22,490	$23,230	$23,346	$22,330	$23,330
New Properties	25,830	25,640	25,250	27,010	28,335	27,750	28,230
Existing Properties	21,010	21,060	21,900	22,610	22,440	21,480	22,580
FHA Loans - Total	18,340	18,910	18,510	18,630	18,955	18,350	19,080
New Properties	22,300	22,570	20,080	22,260	23,513	23,640	23,140
Existing Properties	17,800	16,380	18,290	18,030	18,489	17,470	18,610
VA Loans - Total	23,700	23,270	24,440	25,180	25,235	23,900	25,060
New Properties	26,890	26,840	26,770	29,050	29,403	29,460	29,720
Existing Properties	22,860	22,540	23,850	24,550	24,320	23,030	24,280
New Loan Commitments							
Total All FHA-VA Commitments	22,780	22,880	23,230	24,200	23,454	22,940	23,740
New Properties	28,420	26,490	26,760	28,270	28,034	26,650	28,350
Existing Properties	21,960	22,110	22,620	23,610	22,797	22,280	22,830
FHA Commitments - Total	19,560	19,800	19,320	20,070	19,796	19,000	20,440
New Properties	22,310	22,060	22,990	23,600	24,161	22,750	25,450
Existing Properties	19,310	19,430	18,930	19,530	19,042	18,400	19,270
VA Commitments - Total	24,430	24,230	25,030	25,710	25,002	24,800	25,200
New Properties	30,210	27,930	27,730	30,140	30,110	28,280	29,920
Existing Properties	23,420	23,360	24,470	25,090	24,329	24,150	24,340
Type of Lender							
Loans Closed							
Mortgage Companies	22,100	22,010	22,670	23,830	23,390	22,350	23,290
Commercial Banks	20,920	20,950	23,800	22,500	24,638	21,870	22,540
Mutual Savings Banks	20,540	22,460	24,460	22,900	23,473	22,830	24,730
Savings & Loan Assns.	22,000	20,590	20,100	21,190	22,183	22,080	22,520
New Loan Commitments							
Mortgage Companies	23,190	23,470	23,760	24,150	23,589	23,490	23,570
Commercial Banks	24,470	24,310	24,030	25,660	25,091	21,190	27,820
Mutual Savings Banks	22,340	21,420	23,250	23,410	23,112	23,700	23,010
Savings & Loan Assns.	18,760	19,610	19,720	24,620	22,692	20,570	21,910

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. 74-272

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

Table 3

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

Type of Loan	1974 Jan.	Feb.	Mar.	Apr.	May	June	July
Loans Closed							
Total All FHA-VA Loans	96.2%	95.9%	96.5%	96.5%	96.0%	96.3%	95.8%
New Properties	96.6	96.2	96.8	95.8	96.0	95.3	94.9
Existing Properties	96.1	95.9	96.5	96.6	96.1	96.5	95.9
FHA Loans - Total	93.5	93.3	93.8	94.1	93.6	94.0	98.8
New Properties	93.7	91.6	92.6	92.0	91.0	91.9	92.3
Existing Properties	93.5	93.5	94.0	94.4	93.9	94.3	94.0
VA Loans - Total	97.6	97.3	97.8	97.5	97.1	97.2	96.6
New Properties	97.5	98.0	98.1	97.5	97.1	96.7	95.7
Existing Properties	97.6	97.1	97.8	97.5	97.1	97.3	96.8
New Loan Commitments							
Total All FHA-VA Commitments	96.1	96.9	96.5	96.5	96.4	96.0	95.9
New Properties	95.8	96.1	96.9	96.5	94.8	92.5	95.0
Existing Properties	96.1	97.0	96.4	96.5	96.6	96.6	96.1
FHA Commitments - Total	92.9	93.8	94.7	94.4	93.7	93.7	93.3
New Properties	88.3	90.8	92.6	92.5	89.4	90.7	91.2
Existing Properties	93.4	94.3	94.9	94.7	94.4	94.2	93.7
VA Commitments - Total	97.7	98.2	97.3	97.2	97.6	97.0	97.1
New Properties	98.1	97.8	98.1	98.1	97.7	93.2	97.0
Existing Properties	97.6	98.3	97.2	97.1	97.5	97.8	97.1
Type of Lender							
Loans Closed							
Mortgage Companies	96.4	96.6	97.0	96.8	96.5	97.0	96.8
Commercial Banks	97.1	95.8	96.0	97.7	96.6	96.7	97.0
Mutual Savings Banks	93.2	90.7	91.8	92.0	91.9	93.2	91.1
Savings & Loan Assns.	95.6	96.7	96.7	97.0	97.1	96.5	95.7
New Loan Commitments							
Mortgage Companies	96.8	97.4	97.2	97.3	97.2	96.7	96.9
Commercial Banks	95.7	97.5	97.8	96.1	95.0	96.9	95.1
Mutual Savings Banks	92.9	92.5	89.4	94.4	93.9	93.3	92.8
Savings & Loan Assns.	93.6	97.6	97.4	95.6	96.4	96.2	95.9

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 the tables.

To Accompany HUD-No. 74-272

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

Table 4

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

Name of SMSA	1974 Jan.	Feb.	Mar.	Apr.	May	June	July
Atlanta, Georgia	9.10%	8.70%	8.71%	8.64%	9.10%	9.50%	9.68%
Boston, Massachusetts	8.68	8.41	8.46	8.46	8.54	8.72	8.87
Chicago, Illinois	9.19	9.19	8.93	8.88	9.26	9.39	9.63
Cleveland, Ohio	9.05	9.21	9.01	9.08	9.23	9.57	9.55
Dallas, Texas	8.72	8.63	8.61	8.69	9.16	9.09	9.43
Denver, Colorado	9.00	8.81	8.74	8.65	8.93	8.95	9.14
Detroit, Michigan	9.11	8.86	8.75	8.73	9.22	n.a.	9.66
Houston, Texas	8.85	8.36	8.67	8.69	8.82	9.26	9.32
Indianapolis, Indiana	9.06	8.95	8.76	8.76	8.98	9.49	9.59
Kansas City, Missouri	8.87	8.78	8.65	8.68	8.69	8.90	n.a.
Los Angeles-Long Beach, Calif.	8.99	8.88	8.73	8.71	9.04	9.34	9.62
Miami, Florida	9.12	8.93	8.88	8.80	9.10	9.70	9.
Minneapolis-St. Paul, Minn.	8.98	8.87	8.56	8.38	8.64	8.98	9.12
New York, New York	8.93	9.10	n.a.	8.88	8.98	n.a.	9.28
Philadelphia, Pennsylvania	9.18	9.12	9.01	9.04	9.28	n.a.	n.a.
Phoenix, Arizona	8.79	8.71	8.63	8.60	8.89	9.20	9.25
Pittsburgh, Pennsylvania	9.10	8.97	8.82	8.84	9.06	9.25	9.49
St. Louis, Mo.-Ill.	8.81	8.79	8.68	8.66	8.75	7.54	n.a.
San Diego, California	8.86	8.81	8.76	8.65	8.87	9.71	9.52
San Francisco, California	9.02	8.83	8.67	8.66	9.11	9.53	9.64
San Jose, California	8.96	8.90	8.67	8.65	9.06	9.35	9.53
San Juan, Puerto Rico	8.94	8.97	8.87	9.11	9.82	9.71	9.72
Seattle-Everett, Washington	8.75	8.67	8.62	8.58	8.80	9.37	9.52
Tampa-St. Petersburg, Florida	9.05	8.89	8.81	8.68	9.05	n.a.	9.66
Washington, D.C.	9.07	8.95	8.83	8.74	9.04	9.46	9.56

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

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

HUD-No. 74-273
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Monday
August 26, 1974

With the signing of the Housing and Community Development Act of 1974 by President Ford, a number of changes have resulted in the Federal Housing Administration's programs for property improvement and mobile home financing, known as Title I.

The maximum financing charge for a home improvement loan becomes 12 percent. Previously, it had varied from 8.83 to 10.57 percent, depending on the amount and term of the loan.

Sheldon Lubar, HUD Assistant Secretary for Housing Production and Mortgage Credit, and Commissioner of the Federal Housing Administration, said, "We have selected twelve percent as the maximum rate because this is our best judgment of the going market rate on equivalent types of consumer installment debt."

"But," Mr. Lubar added, "It is important to remember that twelve percent is the ceiling rate. Borrowers are free to shop around for the most favorable rate, and lenders can charge any rate up to the ceiling. Where usury ceilings prohibit charging twelve percent, we would expect lenders to make Title I improvement loans at lower rates consistent with the State limit."

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The maximum maturity period for a home improvement loan is now increased from 7 to 12 years.

Single-family home improvement loans may now be made in amounts up to $10,000, an increase from $5,000. Multi-family loan amounts are increased from $15,000 to $25,000, provided the structure contains at least 6 living units.

A loan over $7,500, exclusive of financing charges, will now need to be secured by a recorded lien on the improved property.

For single-module mobile home loans, the term is increased from 12 to 15 years.

Specific details on the application and administration of the new features of the programs are available at all qualified Title I lending institutions.

# # #

HUD NEWS

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

HUD-No. 74-276
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Thursday
September 5, 1974

A Louisiana land development has had its sales suspended for failing to submit complete and accurate information in its report filed with the Office of Interstate Land Sales Registration in the U.S. Department of Housing and Urban Development.

Interstate Land Sales Administrator George K. Bernstein announced the suspension against the Jones Island Development Corp. and its president, John F. Schneider, of 3204 Edenborn Ave., Metairie, La.

Mr. Bernstein said the company filed amendments to its statement of record after being advised that both its statement and property report did not meet OILSR's standards for full disclosure. But the amendments, he said, were deficient in a number of respects, including information on title evidence, drainage, sewage disposal, access to the property and the cost of utilities.

The suspension will remain in effect until the company makes full and accurate disclosure to OILSR of all information relevant to the property.

\# # #

HUD NEWS

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

HUD-No. 74-277
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Thursday
September 5, 1974

Yogi Bear's Jellystone Park camp near Martinsburg, W.Va., the most widely advertised resort development in the Washington area, has had its sales suspended for the second time in less than nine months, Interstate Land Sales Administrator George K. Bernstein announced today.

The suspension was ordered because the resort failed to meet the deadlines for completion of facilities pledged in the statement of record and property report filed with the Office of Interstate Land Sales Registration (OILSR), U.S. Department of Housing and Urban Development.

According to these official records, a central water system and sewage treatment facility were to have been installed by June 1 of this year. But when an OILSR investigator visited the camp on June 18, Mr. Bernstein said, no construction had been started, and the development didn't have the required permit to begin construction.

Nevertheless, said the Administrator, as late as Aug. 18 the camp was buying full page newspaper advertisements announcing these facilities would be finished by June 1 of this year.

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OILSR instituted a notice of proceedings against Jellystone, based on the missed deadlines. In reply, the development submitted amendments which brought it under OILSR's revised and strengthened regulations.

Under these new regulations, Mr. Bernstein said, his office found 40 deficiencies in the amendments submitted to OILSR.

The suspension against the developer, First American Land Corp., of McLean, Va., will remain in effect until the proper amendments have been approved by OILSR.

Jellystone was first suspended last December for violation of West Virginia Health Codes, but that suspension was lifted after the resort met HUD's disclosure requirements in connection with the State Health Department actions.

# # #

HUD NEWS

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

HUD-No. 74-278
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Friday
September 6, 1974

A development near Montreal, Canada, with many Americans among its 8,000 investors has had its sales suspended by the Office of Interstate Land Sales Registration (OILSR) in the U.S. Department of Housing and Urban Development.

The suspended development is Varennes Industrial Park, outside Montreal. Michael H. Hart, president of American Industrial Research Corp., of 2080 Alymer St., Montreal, was named as the developer.

Administrator George K. Bernstein said the suspension stemmed from the corporation's failure to appear at a hearing to answer charges that it had omitted to make full disclosure of changes in its contract and property report.

The changes in the contract, not disclosed in the official report filed with OILSR, dealt with the company's financial arrangements with purchasers of the property.

The developer also violated OILSR's regulations, Mr. Bernstein added, by leading off his property report with a lengthy and involved legal description of the land. This, he said, had the effect of discouraging prospective buyers from reading the property report in full.

# # #

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

HUD-No. 74-281
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Friday
September 6, 1974

Approaching the height of the hurricane season, far too many property owners along the Gulf Coast and Atlantic seaboard have failed to take advantage of the subsidized national flood insurance program, Federal Insurance Administrator George K. Bernstein warned today.

But he said there is still time to sign up before the hurricane season reaches its peak in mid-October.

Communities must be in the program before property owners can take out individual policies. But the Administrator said his FIA office in the U. S. Department of Housing and Urban Development is prepared to process community applications within a week of their receipt, provided the community meets minimum Federal requirements for flood plain management to control future floods.

In communities already eligible, he urged individuals to take immediate action to protect their property against storm-induced floods by obtaining a policy from any licensed property and casualty insurance agent or broker.

Mr. Bernstein said he was particularly concerned about potential flood damaged in such States as Texas, Louisiana, Mississippi and Florida, which have a long history of severe coastal storms and floods. In these

- more -

States the total number of policies sold amounts to less than 200,000.

"That represents about one-half of all the policies sold in the country," he said. "It may sound impressive. But it's just a drop in the bucket when you consider the tremendous amount of growth that has taken place along the coastal flood hazard areas in recent years and the number of homes exposed to flooding."

The Atlantic Coast states are also in danger. They have not been hit by a major hurricane for about 20 years.

"This has lulled many property owners along the East Coast into thinking that it can't happen. Well it can," says Mr. Bernstein. "The National Weather Service has stated that the East Coast is long overdue for a major hurricane."

Coastal states are not the only ones subject to damage from hurricanes, Mr. Bernstein observed. He cited Hurricane Carmen, expected to regain its strength as it headed for open water over the Gulf of Mexico. Although an earlier storm, Hurricane Maggie dissipated much of its power in Mexico, south of the Baja California penisula, its after effects of heavy rains resemble those of a 1970 hurricane which caused heavy flooding in Utah, Colorado, New Mexico and Arizona.

Mr. Bernstein also called attention to a new tropical depression forming off the western coast of Mexico, and to heavy flooding in Puerto Rico, the Virgin Islands, North Carolina and Kentucky, where scores of families had to be evacuated last weekend.

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According to weather records, he added, eight tropical storms and about five hurricanes together with their related flooding can be expected to develop in the Atlantic each year, reaching their peak this month, and causing estimated annual property losses of $2.4 billion along the Gulf and Atlantic States. "Disaster relief measures alleviate suffering and losses of flood victims, but only flood insurance can provide almost total reimbursement for their property losses," Mr. Bernstein noted.

For example, he said, a homeowner may purchase at least $35,000 worth of coverage on his house for only $87.50 a year, and $20,000 in coverage costs as little as $50 a year.

Under the Flood Disaster Protection Act of 1973, all floodprone communities must be identified by HUD, with flood maps indicating hazard areas. After next July 1, or a year from the date the flood map is issued, whichever is later, the community must be enrolled in the program.

If it fails to do so, it will be ineligible for virtually any form of Federal or federally-related financial assistance for building purposes in the hazard areas. This included all forms of loans or grants, including mortgage loans and disaster assistance loans, from either a Federal agency such as FHA, VA or the Small Business Administration or banks or savings and loan associations.

In communities currently enrolled in the program which have had their flood hazard areas mapped by HUD, property owners in these areas must purchase the insurance to be eligible for such financial assistance.

# # #

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

HUD-No. 74-286
Phone (202) 755-5277
(Spiegel)

FOR RELEASE:
Tuesday
September 10, 1974

Effective interest rates on FHA-insured and VA-guaranteed home mortgage loans closed during the first week in August were higher than during early July, according to figures released today by the U. S. Department of Housing and Urban Development. The effective interest rate on federally-underwritten home loans closed averaged 9.60 percent, up from 9.35 percent in early July.

The effective interest rate on commitments to make FHA-VA home loans rose in early August to 9.59 percent, compared to 9.39 percent a month earlier.

Among the major lender groups surveyed, the effective rate on FHA-VA home loans closed during the first week in August at mortgage companies was 9.73 percent; at commercial banks the rate was 9.50 percent; at mutual savings banks 8.95 percent; and at savings and loan associations the rate was 9.50 percent.

The average effective rate in early August on newly closed federally-underwritten home loans in the Atlanta metropolitan area was 9.96 percent; in Dallas it was 9.76 percent; in San Francisco 9.92 percent; and in Washington, D. C. the rate was 9.93 percent.

The data are derived from a nationwide survey conducted by HUD with the assistance of the Veterans Administration covering loans closed and loan commitments made during the first seven business days of the month. The maximum contract interest rate on FHA-VA loans during the period covered in the latest survey was 9 percent.

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U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

'o Accompany HUD-No. 74-286

Table 1

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

Type of Loan	1974					
	Mar.	Apr.	May	June	July	Aug.
Loans Closed						
Total All FHA-VA Loans	8.73%	8.70%	8.95%	9.21%	9.35%	9.60%
New Properties	8.62	8.67	8.80	8.89	8.94	9.00
Existing Properties	8.76	8.71	8.98	9.26	9.41	9.71
FHA Loans - Total	8.79	8.74	9.00	9.29	9.37	9.59
New Properties	8.72	8.69	8.81	8.98	8.81	9.07
Existing Properties	8.80	8.75	9.02	9.35	9.44	9.67
VA Loans - Total	8.71	8.69	8.93	9.17	9.34	9.60
New Properties	8.58	8.66	8.80	8.85	8.97	8.98
Existing Properties	8.74	8.69	8.96	9.22	9.40	9.73
New Loan Commitments						
otal All FHA-VA Commitments	8.68	8.70	9.03	9.29	9.39	9.59
New Properties	8.62	8.69	8.88	8.88	8.83	8.93
Existing Properties	8.69	8.70	9.05	9.37	9.49	9.70
FHA Commitments - Total	8.71	8.75	9.05	9.29	9.38	9.58
New Properties	8.71	8.69	8.80	8.89	8.69	8.69
Existing Properties	8.71	8.75	9.09	9.34	9.55	9.78
VA Commitments - Total	8.66	8.69	9.02	9.30	9.39	9.60
New Properties	8.60	8.69	8.92	8.88	8.92	9.12
Existing Properties	8.68	8.69	9.04	9.38	9.47	9.67
Type of Lender						
Loans Closed						
Mortgage Companies	8.76	8.72	9.05	9.38	9.49	9.73
Commercial Banks	8.76	8.80	8.94	9.09	9.27	9.50
Mutual Savings Banks	8.40	8.45	8.54	8.78	8.91	8.95
Savings & Loan Assns.	8.76	8.71	8.81	9.06	9.23	9.50
New Loan Commitments						
Mortgage Companies	8.68	8.75	9.11	9.36	9.45	9.71
Commercial Banks	8.73	8.66	9.05	9.29	9.52	9.46
Mutual Savings Banks	8.52	8.51	8.71	9.09	9.05	9.20
Savings & Loan Assns.	8.76	8.74	9.05	9.32	9.40	9.58

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.

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

To Accompany HUD-No. 74-286

Table 2

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

Type of Loan	1974 Mar.	Apr.	May	June	July	Aug.
Loans Closed						
Total All FHA-VA Loans	$22,490	$23,230	$23,346	$23,330	$23,330	$23,340
New Properties	25,250	27,010	28,335	27,750	28,230	28,980
Existing Properties	21,900	22,610	22,440	21,480	22,580	22,280
FHA Loans - Total	18,510	18,630	18,955	18,350	19,080	19,420
New Properties	20,080	22,260	23,513	23,640	23,140	25,090
Existing Properties	18,290	18,030	18,489	17,470	18,610	18,560
VA Loans - Total	24,440	25,180	25,235	23,900	25,060	25,140
New Properties	26,770	29,050	29,403	29,460	29,720	30,370
Existing Properties	23,850	24,550	24,320	23,030	24,260	24,060
New Loan Commitments						
Total All FHA-VA Commitments	23,230	24,200	23,454	22,940	23,740	24,060
New Properties	26,760	28,270	28,034	26,650	28,350	29,840
Existing Properties	22,620	23,610	22,797	22,280	22,830	23,030
FHA Commitments - Total	19,320	20,070	19,796	19,000	20,440	20,980
New Properties	22,990	23,600	24,161	22,750	25,450	25,050
Existing Properties	18,930	19,530	19,042	18,400	19,270	20,030
VA Commitments - Total	25,030	25,710	25,002	24,800	25,200	25,640
New Properties	27,730	30,140	30,110	28,280	29,920	33,420
Existing Properties	24,470	25,090	24,329	24,150	24,340	24,470
Type of Lender						
Loans Closed						
Mortgage Companies	22,670	23,830	23,390	22,350	23,290	23,490
Commercial Banks	23,800	22,500	24,638	21,870	22,540	25,410
Mutual Savings Banks	24,460	22,900	23,473	22,830	24,730	21,270
Savings & Loan Assns.	20,100	21,190	22,183	22,080	22,520	22,890
New Loan Commitments						
Mortgage Companies	23,760	24,150	23,589	23,490	23,570	24,780
Commercial Banks	24,030	25,660	25,091	21,190	27,620	27,180
Mutual Savings Banks	23,250	23,410	23,112	23,700	23,010	21,310
Savings & Loan Assns.	19,720	24,620	22,692	20,570	21,910	22,440

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.

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

To Accompany HUD-No. 74-286

Table 3

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

Type of Loan	1974 Mar.	Apr.	May	June	July	Aug.
Loans Closed						
Total All FHA-VA Loans	96.5%	96.5%	96.0%	96.3%	95.8%	95.5%
New Properties	96.8	95.8	96.0	95.3	94.9	94.4
Existing Properties	96.5	96.6	96.1	96.5	95.9	95.7
FHA Loans - Total	93.8	94.1	93.6	94.0	98.8	93.0
New Properties	92.6	92.0	91.0	91.9	92.3	89.2
Existing Properties	94.0	94.4	93.9	94.3	94.0	93.6
VA Loans - Total	97.8	97.5	97.1	97.2	96.6	96.6
New Properties	98.1	97.5	97.1	96.7	95.7	96.2
Existing Properties	97.8	97.5	97.1	97.3	96.8	96.6
New Loan Commitments						
Total All FHA-VA Commitments	96.5	96.5	96.4	96.0	95.9	95.1
New Properties	96.9	96.5	94.8	92.5	95.0	93.8
Existing Properties	96.4	96.5	96.6	96.6	96.1	95.4
FHA Commitments - Total	94.7	94.4	93.7	93.7	93.3	92.7
New Properties	92.6	92.5	89.4	90.7	91.2	91.7
Existing Properties	94.9	94.7	94.4	94.2	93.7	93.0
VA Commitments - Total	97.3	97.2	97.6	97.0	97.1	96.4
New Properties	98.1	98.1	97.7	93.2	97.0	95.4
Existing Properties	97.2	97.1	97.5	97.8	97.1	96.5
Type of Lender						
Loans Closed						
Mortgage Companies	97.0	96.8	96.5	97.0	96.8	96.2
Commercial Banks	96.0	97.7	96.6	96.7	97.0	94.6
Mutual Savings Banks	91.8	92.0	91.9	93.2	91.1	92.4
Savings & Loan Assns.	96.7	97.0	97.1	96.5	95.7	94.6
New Loan Commitments						
Mortgage Companies	97.2	97.3	97.2	96.7	96.9	95.8
Commercial Banks	97.8	96.1	95.0	96.9	95.1	94.3
Mutual Savings Banks	89.4	94.4	93.9	93.3	92.8	90.7
Savings & Loan Assns.	97.4	95.6	96.4	96.2	95.9	96.3

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. 74-286

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

Table 4

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

Name of SMSA	1974 Mar.	Apr.	May	June	July	Aug.
Atlanta, Georgia	8.71%	8.64%	9.10%	9.50%	9.68%	9.96%
Boston, Massachusetts	8.46	8.46	8.54	8.72	8.87	9.06
Chicago, Illinois	8.93	8.88	9.26	9.39	9.63	n.a.
Cleveland, Ohio	9.01	9.08	9.23	9.57	9.55	n.a.
Dallas, Texas	8.61	8.69	9.16	9.09	9.43	9.76
Denver, Colorado	8.74	8.65	8.93	8.95	9.14	9.19
Detroit, Michigan	8.75	8.73	9.22	n.a.	9.66	9.93
Houston, Texas	8.67	8.69	8.82	9.26	9.32	9.64
Indianapolis, Indiana	8.76	8.76	8.98	9.49	9.59	9.90
Kansas City, Missouri	8.85	8.68	8.69	8.90	n.a.	n.a.
Los Angeles-Long Beach, Calif.	8.73	8.71	9.04	9.34	9.62	9.89
Miami, Florida	8.88	8.80	9.10	9.70	9.88	n.a.
Minneapolis-St. Paul, Minn.	8.56	8.38	8.64	8.98	9.12	9.48
New York, New York	n.a.	8.88	8.98	n.a.	9.28	n.a.
Philadelphia, Pennsylvania	9.01	9.04	9.28	n.a.	n.a.	n.a.
Phoenix, Arizona	8.63	8.60	8.89	9.20	9.25	9.32
Pittsburgh, Pennsylvania	8.82	8.84	9.06	9.25	9.49	9.65
St. Louis, Mo.-Ill.	8.68	8.66	8.75	n.a.	n.a.	n.a.
San Diego, California	8.76	8.65	8.87	9.71	9.52	9.01
San Francisco, California	8.67	8.66	9.11	9.53	9.64	9.92
San Jose, California	8.67	8.65	9.06	9.35	9.53	9.88
San Juan, Puerto Rico	8.87	9.11	9.82	9.71	9.72	n.a.
Seattle-Everett, Washington	8.62	8.58	8.80	9.37	9.52	9.79
Tampa-St. Petersburg, Florida	8.81	8.68	9.05	n.a.	9.66	9.97
Washington, D.C.	8.83	8.74	9.04	9.46	9.56	9.93

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

U. S. Dept. of Housing and Urban Development
Office of Policy Development and Research

To Accompany HUD-No. 74-286

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

HUD-No. 74-288
Phone (202) 755-5277
(Beckerman)

FOR IMMEDIATE RELEASE:
Wednesday
September 11, 1974

The U.S. Department of Housing and Urban Development has announced that effective September 12, 1974, the maximum allowable interest rate for mobile home loans to be insured by the Federal Housing Administration will be set at 12 percent for applications dated on or after that date. The old rate was 11.25 percent.

"We continually monitor the money markets and whenever appropriate adjust the FHA rate to keep it tuned to the market interest rate," said HUD Secretary James T. Lynn. "By doing this, investment funds are attracted for Title I Mobile Home loans, thereby providing funds to persons seeking to purchase this type of housing."

In May of this year, the mobile home maximum interest rate had been set at 11.25 percent under a 1973 statute authorizing the HUD Secretary to make the rate current with the conventional money market.

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HUD NEWS

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

HUD-No. 74-304
Phone (202) 755-5277
(Spiegel)

FOR IMMEDIATE RELEASE:
Monday
September 23, 1974

Proposed rules to govern the new program of Community Development block grants of the Department of Housing and Urban Development, are now available for public comment.

The new regulations, which arise out of the passage of the Housing and Community Development Act of 1974, were published in the Federal Register, September 17.

The public may participate in the making of the proposed rules by submitting written data, views, or statements. Comments should be filed in triplicate with:

Rules Docket Clerk
Office of General Counsel, Rm. 10245
Dept. of Housing and Urban Development
Washington, D. C. 20410

All material received by October 21, 1974 will be considered before adoption of the final rules, expected about November 1. Copies of comments submitted will be available for examination at the above address.

Topics covered in the proposed rules are: general provisions, allocation and distribution of funds, eligible activities, applications, grant administration, other program requirements, loan guarantees, financial settlement of urban renewal projects, and program management.

At a later date, regulations will be published on environmental protection procedures and distribution and application process for discretionary funds made available under the Act.

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

HUD-No. 74-305
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Wednesday
September 25, 1974

Secretary James T. Lynn of the Department of Housing and Urban Development today announced the award of a $250,000 HUD demonstration grant to ensure that loan funds are available to homeowners who want to improve their homes and upgrade their communities under local neighborhood housing services programs developed by the Urban Reinvestment Task Force.

The Task Force is a joint effort by HUD and the Federal Home Loan Bank Board to help local interests revitalize neighborhoods approaching decline. Its formation was announced last April 22 by Secretary Lynn and Bank Board Chairman Thomas R. Bomar.

Michael H. Moskow, HUD's Assistant Secretary for Policy Development and Research, said the demonstration grant is aimed at stimulating the establishment of a national high-risk loan purchase pool that will serve as a financial resource for local neighborhood housing services programs in periods when local high-risk revolving loan funds are in short supply or otherwise unavailable. The national pool is intended to provide liquidity at those times by buying loans from the local funds at a modest discount, Mr. Moskow said.

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The demonstration grant will permit the Task Force to test the utility of a secondary market for high-risk loans, "a critical feature of the neighborhood preservation efforts under this program", Mr. Moskow explained. The development of new ways to preserve neighborhoods is "a major goal of the Department", he said, and the Task Force program "a promising approach to neighborhood preservation through a partnership of the Federal Government, local governments and financial institutions and the citizens of neighborhoods involved."

The Task Force is now working with some 20 cities to develop programs that will stabilize and reverse the decline of neighborhoods at an early stage by restoring the confidence of neighborhood residents and private financial institutions and obtaining a high level of city services. "A key to the success of this approach is a high-risk revolving loan fund which stands ready to make loans at flexible rates and terms to residents who do not meet commercial credit standards", Mr. Moskow said.

Funds for the local revolving loan funds are normally contributed by foundations and local corporate sources, and matching grants may be provided by the Task Force. Financial support for the national high-risk loan purchase pool will be received from private sources as well as from the HUD demonstration grant.

For further information: William A. Whiteside, Staff Director
Urban Reinvestment Task Force
101 Indiana Avenue N.W.
Washington, D.C. 20552

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

HUD-No. 74-306
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Monday
September 30, 1974

In a two-month period HUD field investigators have uncovered almost 1,000 land development companies suspected of non-compliance with the Interstate Land Sales Full Disclosure Act and its supplementing regulations.

The figure was announced by Interstate Land Sales Administrator George K. Bernstein, analyzing the operations of his 28-member investigative team since it was sent into the field early in July to spot check violators of the law.

Under the Act developers with 50 or more lots operating in interstate commerce must register with Mr. Bernstein's Office of Interstate Land Sales Registration (OILSR). They must file a statement of record and property report which accurately reflect the current status of subdivisions offered for sale.

As a result of the HUD team's work during July and August, letters were sent to 973 developers notifying them of their apparent dereliction in failing to register with OILSR. They were given 15 days to respond to a questionnaire determining whether or not they fell under OILSR's jurisdiction.

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Should Mr. Bernstein decide that OILSR has jurisdiction, the developers will be asked to register or seek exemption from the Act and its regulations .

In the great majority of cases, the Administrator said he believed the failure to register was based on ignorance of the law, specifically with reference to the meaning of the word "interstate."

Use of the mails, or the telephone, or advertising in a newspaper or over a television or radio station constitutes interstate commerce, he pointed out, thus bringing the developer within the purview of the Federal law, even though the sales are confined within the state.

Most of the developers whose status is under question are located in the Ozark Mountain area, Arizona, Georgia and North Carolina.

Should a developer refuse to cooperate, HUD can subpoena the company's records and proceed with legal action that could lead to prosecution by the Justice Department in cases of wilful defiance of the law.

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

FILE COPY

HUD-No. 74-309
Phone (202) 755-5277
(Bacon)

FOR RELEASE:
Friday
October 4, 1974

Municipal waste disposal, a costly and land-consuming problem in most urban centers, may yield new energy and environmental benefits for the Minneapolis area as result of a federally-assisted analysis of solid waste conversion now underway in Hennepin County, Minnesota. Hennepin County includes Minneapolis and some of its suburbs.

Partially funded under a $94,675 research contract from the Department of Housing and Urban Development, Hennepin County is developing a program plan for converting its solid waste into fuel and other resources. Such a process could produce enough energy to heat and cool some 17,000 homes and reduce county landfill needs by 83 percent. Heat produced by incineration of the solid waste would be recovered and used to generate steam, electricity, heating and hot water. Experts estimate the recycling process also could recover some 40,000 tons of ferrous metals each year.

Award of the HUD research contract was announced today by Michael H. Moskow, HUD's Assistant Secretary for Policy Development and Research, and Alberto F. Trevino, Jr., General Manager of HUD's

- more -

New Communities Development Corporation. Cedar-Riverside, a HUD-backed new community near Minneapolis, will be site of the solid waste energy recovery plant.

"Solid waste recycling is a promising approach to solving two major problems faced by the nation's communities: energy shortages and the sky-rocketing costs of solid waste management", Mr. Moskow said.

Hennepin County launched the $200,000 research effort in June 1974, in cooperation with other major energy users in the area, and expects to have plans for the solid waste-energy recovery system completed by May 1, 1975. Balance of the funds for the project will come from the county.

If such a system is built, it will include a centralized solid waste collection operation for Hennepin County, and a series of transfer stations to consolidate the trash and transmit it to the Cedar-Riverside site.

The project will examine several possibilities for using the solid waste fuel produced, including heating and cooling of Cedar-Riverside itself and selling the fuel to such nearby users as the University of Minnesota, Fairview and St. Mary's hospitals and Augsburg College. The analysis also will examine the organizational relationship between Hennepin County and those public and private agencies that will participate in the solid waste recovery system, the institutional problems and regulatory barriers, and the necessary steps to deal with them.

Other major objectives will be to determine the cost of the system and how to pay for it, and to develop a phased program plan and schedule for implementation. Program implementation will be based on the premise that revenues generated by the solid waste disposal system will pay for both construction and operating costs.

HUD officials said the analysis will also:

***Evaluate markets for resources other than energy that could be produced through recycling;

***Analyze the feasibility of an automated pneumatic trash collection system in the Cedar-Riverside area; and

***Develop alternative preliminary designs for solid waste receiving, transferring and processing facilities.

# # #

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

HUD-No. 74-314
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Monday
October 7, 1974

HUD Secretary James T. Lynn today accepted with deep regret the resignation of George K. Bernstein as Administrator of the Federal Insurance Administration and as Administrator of the Office of Interstate Land Sales Registration. The resignation is effective November 30.

Mr. Bernstein, with more than 5 years of service in HUD, will begin a private law practice in Washington and New York City.

"In your five years with HUD you have left an indelible imprint on two separate program areas," the Secretary stated, "both of which have progressed remarkably under your administration, and both of which brought positive benefits to countless citizens of our country.

The Secretary lauded Mr. Bernstein's role as the first Federal Insurance Administrator and described him as "a principal architect of the flood insurance program and its pillar of leadership." As Administrator of Interstate Land Sales, "you combined an extraordinary negotiating skill with a tenacious adherence to the principles of the legislation," the Secretary said.

- more -

Having seen the enactment of the Flood Disaster Protection Act of 1973 with its flood plain management and insurance requirements which are "among the more far-reaching legislative initiatives of recent years ... and the restructuring of the insurance operations which we have just instituted," Mr. Bernstein wrote in his letter of resignation, that "I can leave with confidence that the flood insurance program will continue to develop and will achieve its ultimate goal of safer use of our flood plains and insurance protection for those who occupy them."

Mr. Bernstein said that in looking back on his years at HUD, he took particular pride in having been able to direct programs "that affected the lives of so many Americans."

Secretary Lynn praised Mr. Bernstein's accomplishments in the various program areas over which he had responsibility as well as his "contribution as advisor to the Administration ... and the Congress on a wide range of insurance-related subjects."

In concluding his reluctant acceptance of Mr. Bernstein's resignation, Secretary Lynn observed that "Your talent, zeal, and acuity will be greatly missed in HUD. I see your departure as both a loss to the institution and a personal loss. But you have placed your stamp upon the offices you headed, and we shall extend ourselves to perpetuate the high standards you maintained."

- more -

Mr. Bernstein was named Insurance Administrator on June 25, 1969, and on March 1, 1972, was also named Interstate Land Sales Administrator.

A graduate of Cornell University and its Law School, Mr. Bernstein served as an Assistant Attorney General for New York State from 1957 to 1961. After three years of private law practice in New York City, he became Deputy Superintendent and General Counsel for the New York State Department of Insurance. Mr. Bernstein was named First Deputy Superintendent of Insurance on March 30, 1967, in which post he served until his appointment as Federal Insurance Administrator in 1969.

# # # #

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HUD NEWS

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

HUD-No. 74-315
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Monday
October 7, 1974

Mortgage limits for multifamily projects still being processed for insurance under Section 236 of the Housing and Urban Development Act of 1968 have been raised under the provisions of the 1974 Housing and Community Development Act.

Secretary James T. Lynn of the Department of Housing and Urban Development, in approving the change, said, "We have received many requests from applicants whose projects are still being processed. They point out that inflation has made the previous mortgage limits infeasible if the purpose of the basic legislation to assist in providing housing for people of low and moderate income is to be fulfilled.

"In weighing the equities of controlling inflation on the one hand," he said, "and helping our citizens get decent, safe and sanitary housing on the other, I believe the latter is more important. Accordingly, I have authorized the increases."

Sheldon Lubar, HUD Assistant Secretary for Housing Production and Mortgage Credit and Commissioner of the Federal Housing Administration, in preparing the amended regulation for publication in the Federal

- more -

Register, said, "We at HUD are particularly mindful of the need to provide housing for people with low incomes. While Section 236 will not supply the remedy for all our problems, raising the mortgage limits for applications in the pipeline will operate to a limited degree to furnish relief."

Following are old and new limits per family unit.

	OLD	NEW
Elevator type		
no bedroom	$ 10,925	$ 13,120
one-bedroom	15,525	16,200
two-bedrooms	18,400	22,080
three-bedrooms	23,000	27,600
four-bedrooms or more	26,162	32,000
All other types		
no bedroom	9,200	11,240
one-bedroom	12,937	15,540
two-bedrooms	15,525	18,630
three-bedrooms	19,550	23,460
four-bedrooms or more	22,137	26,570

The regulation will appear in the Federal Register October 7, 1974, and will be effective on publication.

# # #

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

HUD-No. 74-318
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Wednesday
October 9, 1974

George K. Bernstein, Federal Insurance Administrator of the Department of Housing and Urban Development, announced that new servicing facilities for the Federal Crime Insurance Program in the District of Columbia and in Connecticut, Illinois, Kansas, Maryland, Missouri, Ohio, Rhode Island, and Tennessee went into operation on October 1, 1974.

A toll free telephone number -- 800-638-2637 -- has been installed to enable applicants in those States to get immediate information about obtaining coverage under the program. Policyholders and property insurance agents and brokers may also use the number for reporting claims and obtaining forms. (Maryland and D.C. calls are received on 652-2637 and callers outside the Washington Metropolitan Area may call collect.)

A new simplified post office address, Federal Crime Insurance, P.O. Box 41033, Washington, D.C. 20014, provides faster mail service.

The new servicing company, Safety Management Institute of Bethesda, Md. has been closely associated with the Federal Crime Insurance Program since 1971, as the statistical agent and is well qualified to assume the additional responsibilities of servicing all aspects of the program.

- more -

In Missouri, negotiations are under way to provide further convenience for agents, brokers, and policyholders through the performance of some servicing duties by the Missouri Property Insurance Placement Facility (the FAIR Plan for that State).

Policyholders in Florida and New Jersey will continue to be serviced by the Aetna Casualty and Surety Company, and policyholders in Delaware, Massachusetts, New York, and Pennsylvania will continue to be serviced by the Insurance Company of North America.

The Federal Crime Insurance Program provides burglary and robbery insurance at affordable rates to residents as well as businessmen in the District of Columbia, in Connecticut, Delaware, Florida, Illinois, Kansas, Maryland, Massachusetts, Missouri, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Tennessee.

# # #

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

HUD No. 74-312
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Thursday
October 10, 1974

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, Delaware, Florida, 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

-more-

began, Tennessee, New Jersey, Kansas, Florida, and Delaware have been added on August 1, 1972, February 15, 1973, April 1, 1973, February 1, 1974, and March 1, 1974, respectively.

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 15-19 below. The protective device 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......... (	Safety Management Institute
DISTRICT OF COLUMBIA (	Federal Crime Insurance
ILLINOIS............ (	P. O. Box 41033
KANSAS.............. (	Washington, D. C. 20014
MARYLAND............ (	
MISSOURI............ (	You may also call SMI by using a toll-free
OHIO................ (	number which is 800-638-2637. If you live
RHODE ISLAND........ (	in D.C. or Md., you may call 301-652-2637.
TENNESSEE........... (	In Md., call collect if outside Metro. Wash. Area.
DELAWARE	Insurance Company of North America 303 East Fayette Street, Baltimore, Maryland 21202 (302-656-8345)
FLORIDA.............	Aetna Casualty and Surety Company 5200 Kennedy Boulevard, Tampa, Florida 33609 (813-879-4550)
MASSACHUSETTS.......	Insurance Company of North America 1 Center Plaza, Boston, Massachusetts 02108 (617-227-7300)
NEW JERSEY.........	Aetna Casualty and Surety Company 494 Broad Street, Newark, New Jersey 07102 (201-624-1900)

-more-

NEW YORK............ Insurance Company of North America
79 John Street, New York, New York 10038
(212-233-5010)

PENNSYLVANIA........ Insurance Company of North America
625 Walnut Street, Philadelphia, Pa. 19105
(215-925-8330)

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. Will a burglary claim be paid if there are no visible marks of forcible entry at the place of entry?

A. The Federal crime insurance policies do not cover mere disappearance of property. There must be signs of an entry by force evidenced by visible marks upon or physical damage to the exterior of the premises at the place of such entry.

-more-

9. 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.

10. 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.

11. 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 $50 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.

12. Q. Are claims payments subject to deductibles?

A. (a) Claims under the residential policy are subject to a deductible of $50 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 $100,000	$ 50
$100,000 - $299,999	100
$300,000 - $499,999	150
$500,000 or over	200

The deductible for nonprofit or public property risks is $50 or 5% of the gross amount of the loss, whichever is greater.

-more-

13. 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.

14. 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.

However, the making of a false statement in the application or in connection with the submission of a claim will result in refusal of coverage or cancellation and the denial of claims. Intentionally false statements may also result in criminal prosecution.

15. Q. What protective devices are required on a residential property such as a home or apartment 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-locking dead latches must have a throw of at least 1/2 inch, unless the lock utilizes a vertical interlocking bolt 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.) Horizontal or vertical dead bolts provide far better protection than a self-locking dead latch and the greater the distance of the throw, the less chance there is that the door can be pried open.

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. Locking devices which utilize a key lock, while not required, are strongly recommended. See page 9 of this bulletin for illustrations of residential locking device requirements.

-more-

16. Q. Will claims be paid if a residential premises does not have the required locking devices.

    A. Unprotected residences are not eligible for Federal crime insurance and a claim cannot be paid if a residential premises does not meet the protective device requirements.

17. Q. How can a residential applicant know whether his house or apartment meets the protective device requirements?

    A. The residential requirements are listed on the residential application form and illustrations of the locking devices are shown on page 9 of this bulletin. By comparing the locks on his exterior doors and windows to those shown in the pictures, the applicant can quickly verify whether his house or apartment meets the minimum requirements. In addition, any property insurance agent or broker or the servicing company can explain the residential requirements.

18. 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. Illustrations of the locking devices referred to above are shown on page 10 of this bulletin.

19. Q. How can a commercial applicant know whether his property meets the protective device requirements?

    A. The servicing company will make a physical inspection of the premises of every new applicant who applies for a commercial policy which includes burglary coverage. Such policies will be issued only if the inspection confirms that the premises meets the protective device requirements. If the property does not meet the requirements, the inspector will tell the applicant what he needs to do in order to comply. After a commercial premises has been inspected and a policy issued, claims for losses will be paid provided the insured has not removed or altered the protective devices previously approved by the inspector. Insurance coverage on all premises which meet the protective device requirements becomes effective at noon of the day after the application is signed by the applicant.

    The servicing company will also provide one free inspection to commercial burglary insureds whose premises have never been inspected because they applied for coverage before July 1973. Such insureds will be given 30 days in which to bring any deficient premises into compliance.

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20. 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

21. 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 Miami, 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.

-more-

(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, Wichita, and Wilmington 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.

(3) A book store having gross receipts of under $100,000 located in a low crime exposure territory such as Utica, 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.

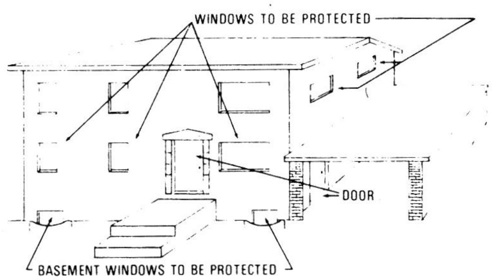
The cost increases for stores having higher gross receipts.

-more-

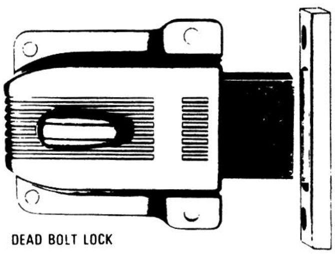
Federal Crime Insurance Program

RESIDENTIAL PROTECTIVE DEVICE REQUIREMENTS

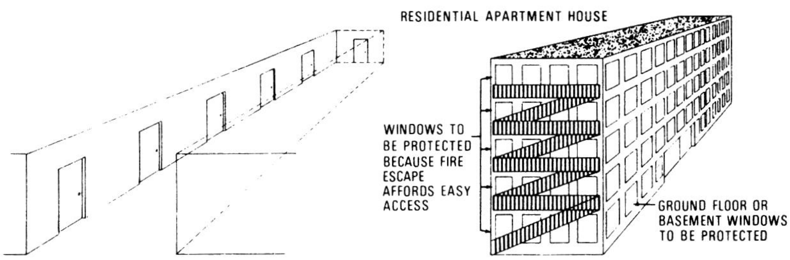
(EXAMPLES OF ACCESSIBLE OPENINGS AND LOCKING DEVICES REFERRED TO IN THE PROTECTIVE DEVICE REQUIREMENTS)



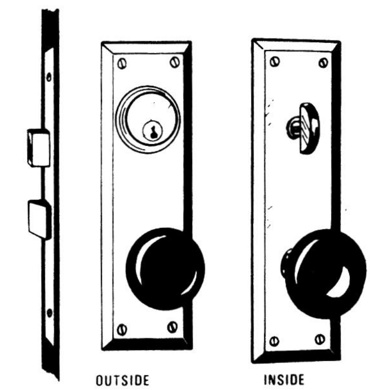
EXTERIOR DOORS AND DOOR LEADING INTO HOUSE FROM GARAGE AREA TO BE PROTECTED



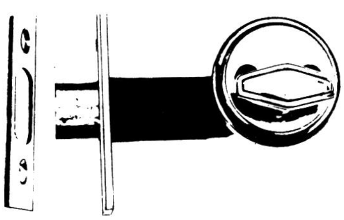
DEAD BOLT LOCK



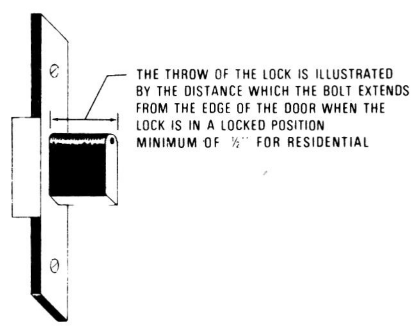
EXTERIOR DOORS OF APARTMENTS LEADING OUTDOORS OR INTO PUBLIC HALLWAY TO BE PROTECTED

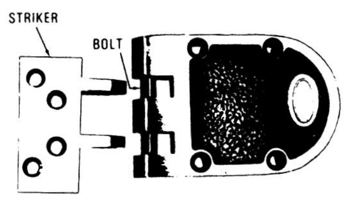


MORTISED DEAD BOLT LOCK
(Recessed into the edge of the door instead of the side)

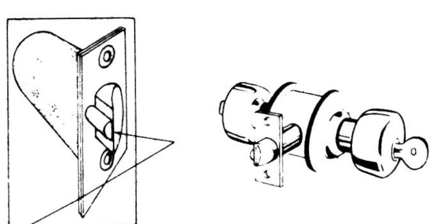


SINGLE CYLINDER DEAD BOLT LOCK, OPERATED BY KEY OUTSIDE AND KNOB INSIDE



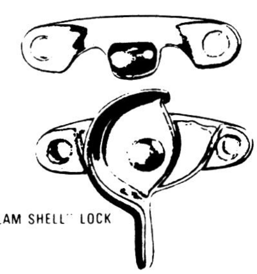


DEAD BOLT LOCK UTILIZING INTERLOCKING VERTICAL BOLTS AND STRIKER

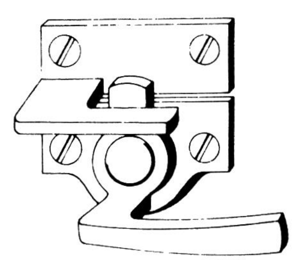


SELF LOCKING DEAD LATCH

NOTE THAT THE SMALL PIN AT THE LEFT SIDE OF THE SPRING LATCH RENDERS THE LATCH IMMOBILE WHEN THE LOCK IS IN THE LOCKED POSITION



"CLAM SHELL" LOCK

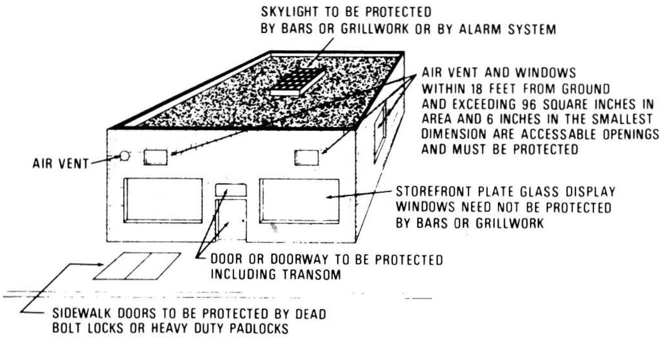


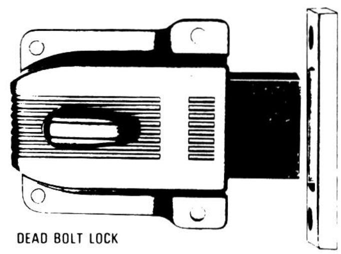
MINIMAL TYPE WINDOW LOCKS

Federal Crime Insurance Program

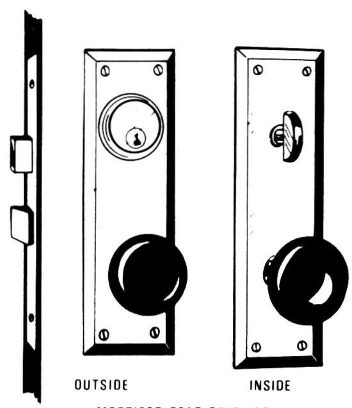
COMMERCIAL PROTECTIVE DEVICE REQUIREMENTS

(EXAMPLES OF ACCESSIBLE OPENINGS AND LOCKING DEVICES REFERRED TO IN THE PROTECTIVE DEVICE REQUIREMENTS)



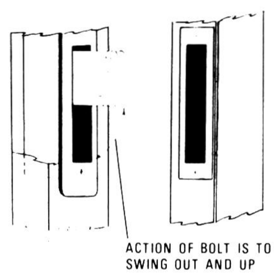


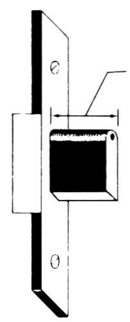
DEAD BOLT LOCK



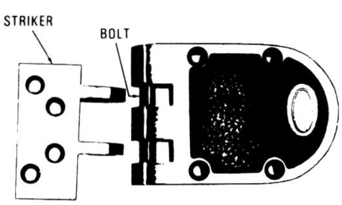
MORTISED DEAD BOLT LOCK
(Recessed into the edge of the door instead of the side)

DEAD BOLT LOCK
FOR NARROW FRAME DOORS





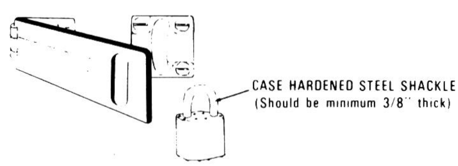
THE THROW OF THE LOCK IS ILLUSTRATED BY THE DISTANCE WHICH THE BOLT EXTENDS FROM THE EDGE OF THE DOOR WHEN THE LOCK IS IN A LOCKED POSITION
MINIMUM OF 1" FOR COMMERCIAL



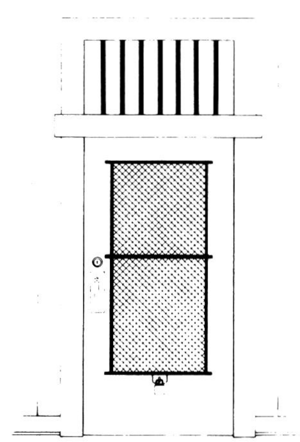
DEAD BOLT LOCK UTILIZING INTERLOCKING VERTICAL BOLTS AND STRIKER

A HEAVY DUTY PADLOCK (3/8" Case hardened steel shackle) FIVE PIN TUMBLER OPERATION

THE STEEL BAR AND STAPLE OF THE HASP SHOULD BE CASE HARDENED AS IS THE PADLOCK SHACKLE. RECESSED SCREWS SHOULD BE CONCEALED WHEN THE HASP IS CLOSED



EXAMPLE OF BARS AND GRILLWORK



GPO 882-316

HUD NEWS

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

HUD-No. 74-321
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Tuesday
October 15, 1974

The U.S. Department of Housing and Urban Development today issued a new list of references, Hispanic Americans in the United States; a Selective Bibliography, 1963-1974.

The 27-page publication was prepared by the HUD Library to meet information needs in this field. The more than 300 references were chosen to provide general background and insight into the economic, social and educational circumstances of the lives of the Spanish-speaking in the U.S.

The publication is divided in two sections, one on Mexican Americans and one on Puerto Ricans and other Caribbean Spanish-speaking peoples.

Included in each section are books, reports and periodical articles as well as lists of specialized bibliographies to provide additional source material for researchers.

Items indexed are generally available in libraries and bookstores, or from publishers and issuing organizations.

The publication (HUD-337-1-A) is for sale for 65 cents by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

# # #

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

HUD-No. 74-323
Phone (202) 755-5277
(Vinciguerra)

FOR RELEASE:
Tuesday
October 15, 1974

The resignation of Alberto F. Trevino, Jr., as General Manager of the New Community Development Corporation, was announced today by HUD Secretary James T. Lynn. It becomes effective November 4, 1974.

Mr. Trevino was appointed by the President and confirmed by the Senate in July 1973. He will rejoin his family in California and is to become Vice President of Real Estate of Walt Disney Productions.

On assuming his position as General Manager, Mr. Trevino worked closely with Secretary Lynn to identify changes in the program that could be accomplished over the short term.

"While problems facing the New Communities Program continue to be very substantial because of current economic conditions, the professional staff is fully capable to deal with both long term issues and the short term problems," Mr. Trevino said.

In accepting the resignation, Secretary Lynn commented, "Mr. Trevino was well qualified to take on this job. He has worked hard during a very difficult period to put the New Communities Program on solid footing. I believe he made substantial progress, and I know the program is in much better shape today because of his efforts."

# # #

INTEREST

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

HUD-No. 74-326
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Wednesday
October 16, 1974

The Department of Housing and Urban Development today announced the results of the October 1 opinion survey of mortgage market conditions.

Nationally, the average secondary market price for immediate delivery of HUD-FHA insured 9 1/2 percent new-home mortgages with 30-year terms and minimum downpayments dropped one half a point from a month earlier to $93.7 per $100 of outstanding loan amount. The equivalent gross yield to investors at this price was 10.38 percent -- up slightly from the revised yield of 10.30 percent as of September 1.

Funds for financing Section 203(b) loans were considered to be generally adequate by 49 percent of the HUD field offices -- compared to 43 percent a month earlier. The increase in this percentage reverses the previous five-month reporting of declining percentages.

National average interest rates contracted to be paid by the borrowers on conventional first mortgages advanced twenty basis points to 9.80 percent for both new- and existing-home contracts -- a new record high for the fifth consecutive month. By area, the greatest change (35 basis points) was in the West where traditionally higher interest rates have been reported. The twenty five basis point gain in the Middle Atlantic area reflected a change in the usury law in Delaware and an increased rate in New Jersey set by the Commissioner of Banking.

More complete data are shown in the following tables.

- more -

To Accompany HUD-No. 74-326

NET PRICES FOR HUD-INSURED 9 1/2% NEW-HOME MORTGAGES
(SECTION 203) IMMEDIATE DELIVERY TRANSACTIONS
30-YEAR MATURITY - MINIMUM DOWNPAYMENT

Area	October 1, 1974 Average Price	October 1, 1974 Average Yield 1/	September 1, 1974 Average Price	September 1, 1974 Average Yield 1/
Northeast	--	--	--	--
Middle Atlantic	$93.1	10.46%	$93.4	10.42%
Southeast	93.2	10.45	94.1	10.32
North Central	94.7	10.23	94.4	10.27
Southwest	94.1	10.32	93.9R	10.35R
West	93.8	10.36	94.5	10.26
United States	$93.7	10.38%	$94.2R	10.30%R

1/ Gross yield to investors, without allowance for servicing costs, based on prepayment of the mortgage at the end of 15 years.

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

October 1, 1974	September 1, 1974	October 1, 1973
49%	43%	62%

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AVERAGE INTEREST RATES ON CONVENTIONAL FIRST MORTGAGES

Area	New-Home Loans Oct. 1 1974	New-Home Loans Sept. 1 1974	New-Home Loans Oct. 1 1973	Existing-Home Loans Oct. 1 1974	Existing-Home Loans Sept. 1 1974	Existing-Home Loans Oct. 1 1973
Northeast	9.30%	9.15%R	8.40%	9.30%	9.15%R	8.40%
Middle Atlantic	9.80	9.55	8.70	9.80	9.55	8.70
Southeast	9.50	9.40	8.90	9.50	9.50	8.95
North Central	9.65	9.50	8.70	9.65	9.50	8.75
Southwest	9.75	9.70	9.15	9.75	9.75	9.15
West	10.40	10.05	9.40	10.40	10.05	9.40
United States	9.80%	9.60%	8.95%	9.80%	9.60%R	8.95%

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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. Prices are net for current transactions, after allowance for discounts, commitment fees, or other charges and are exclusive of FNMA activity. In the summarization of the secondary market data, weighting procedures are used which take into account the probable volume of sales within the jurisdiction of each office. In tabulating the availability of funds or conventional interest rates, weights are not used.

R - Revised

# # #

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

HUD-No. 74-330
Phone (202) 755-7110
(Norris)

FOR RELEASE:
Monday
October 21, 1974

The first phase of a $3 billion program to finance home mortgages was launched today by Secretary James T. Lynn of the Department of Housing and Urban Development.

The program was authorized by the Emergency Home Purchase Assistance Act of 1974, which was signed by the President last Friday. The Act is designed to provide financing relief for homebuyers and sellers.

Daniel P. Kearney, President of the Government National Mortgage Association (GNMA), said the law expands GNMA's regular mortgage-purchasing program by allowing GNMA to purchase conventionally-financed home mortgages. Previously, the law allowed GNMA to purchase only those mortgages insured by FHA or guaranteed by VA.

The initial program announced today makes $1.5 billion available through the facilities of the Federal National Mortgage Association (FNMA) for the period ending November 30, 1974. It is contemplated that in the near future an additional $1.5 billion program will be released to operate through the Federal Home Loan Mortgage Corporation (FHLMC).

Conventional mortgages having principal amount not exceeding $42,000 for each residence ($55,000 in Alaska and Hawaii) and covering the purchase of a residential property (except a condominium) as a principal place of residence are eligible for purchase under the program. The residence must be newly constructed or must have been completed and ready for occupancy not earlier than one year prior to GNMA commitment and never owner-occupied.

Under the formula provided by the law, the maximum mortgage interest rate will be determined on the basis of yields on six- to 12-year Treasury issues for the month preceding the month in which the GNMA commitments are made, plus 1/2 of 1%. Therefore, the mortgage interest rate may vary from month to month as a new program is announced or as more money is made available. There is also a commitment fee and other fees to cover reserves for losses and certain marketing costs.

Under the law, the prescribed interest rate for commitments made through the program period (October 22 - November 30) will be 8-1/2%. A down payment of 20% will be required, except that a down payment of 5% is allowed if the additional mortgage amount is covered by a qualified private mortgage insurance contract.

Secretary Lynn said implementation of any future programs after the conclusion of the program period ending November 30th will depend upon a review of mortgage market conditions, the anticipated mortgage interest rate and other factors.

- more -

An important feature of the law is that discount points and certain other charges collected in connection with mortgage transactions under this program and recognized by GNMA are not considered in determining whether the interest rate on any mortgage exceeds any State usury ceiling.

A supply of complete instructions will be available at all HUD Field Offices, as well as FNMA Regional Offices.

STATE COMMITMENT AMOUNTS

State	Total Amount	Amount per State Maximum*	Amount per State Minimum
Alabama	$ 19,050,000	$2,000,000	$100,000
Arizona	48,735,000	3,000,000	100,000
Arkansas	10,335,000	1,000,000	100,000
California	197,145,000	3,000,000	100,000
Colorado	38,640,000	3,000,000	100,000
Connecticut	18,270,000	1,500,000	100,000
Delaware	5,730,000	500,000	100,000
District of Columbia	210,000	42,000	21,000
Florida	121,650,000	3,000,000	100,000
Georgia	47,745,000	3,000,000	100,000
Idaho	6,795,000	600,000	100,000
Illinois	57,390,000	3,000,000	100,000
Indiana	31,140,000	3,000,000	100,000
Iowa	11,655,000	1,000,000	100,000
Kansas	11,400,000	1,000,000	100,000
Kentucky	16,125,000	1,500,000	100,000
Louisiana	24,180,000	2,000,000	100,000
Maine	5,790,000	500,000	100,000
Maryland	36,900,000	3,000,000	100,000
Massachusetts	30,330,000	3,000,000	100,000
Michigan	62,745,000	3,000,000	100,000
Minnesota	24,930,000	2,000,000	100,000
Mississippi	14,595,000	1,000,000	100,000
Missouri	26,565,000	2,000,000	100,000
Montana	2,220,000	200,000	100,000
Nebraska	9,735,000	900,000	100,000
Nevada	12,720,000	1,000,000	100,000
New Hampshire	6,315,000	600,000	100,000
New Jersey	46,725,000	3,000,000	100,000
New Mexico	10,290,000	1,000,000	100,000
New York	57,075,000	3,000,000	100,000
North Carolina	37,395,000	3,000,000	100,000
North Dakota	2,745,000	200,000	100,000
Ohio	61,080,000	3,000,000	100,000
Oklahoma	17,280,000	1,500,000	100,000
Oregon	24,015,000	2,000,000	100,000
Pennsylvania	48,105,000	3,000,000	100,000
Rhode Island	5,280,000	500,000	100,000
South Carolina	27,270,000	2,500,000	100,000
South Dakota	2,580,000	200,000	100,000
Tennessee	26,130,000	2,000,000	100,000
Texas	76,605,000	3,000,000	100,000
Utah	14,040,000	1,000,000	100,000
Vermont	2,715,000	2,000,000	100,000
Virginia	64,365,000	3,000,000	100,000
Washington	31,095,000	3,000,000	100,000
West Virginia	2,595,000	200,000	100,000
Wisconsin	30,075,000	3,000,000	100,000
Wyoming	1,980,000	100,000	100,000
Alaska	1,965,000	100,000	100,000
Hawaii	9,045,000	900,000	100,000
Puerto Rico	285,000	42,000	28,000
Virgin Islands	225,000	42,000	22,000
	$1,500,000,000		

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I L S

HUD NEWS

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

Phone (202) 755-5284

FOR RELEASE:
Wednesday
October 23, 1974

Remarks of

GEORGE K. BERNSTEIN
INTERSTATE LAND SALES ADMINISTRATOR
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

before the

AMERICAN LAND DEVELOPMENT ASSOCIATION'S
NATIONAL LAND CONFERENCE

San Francisco, California
October 23, 1974

Almost three years ago, I was asked to assume the duties of Interstate Land Sales Administrator in addition to my responsibilities as Federal Insurance Administrator. Although I had a general knowledge of the land sales business, it was essentially limited to my awareness of the 1968 Act and the reasons underlying its passage. The Secretary of Housing and Urban Development expressed his concern that HUD had not maximized its efforts to provide the type of consumer protection envisioned by the Congress. After reviewing OILSR's accomplishments to that point, I not only expressed my agreement with his conclusion but also offered my opinion that fundamental change was required in the direction of the office. It was on this basis that I accepted the post.

When Congress acted in 1968, it was in the face of continued State inaction and the failure of the industry to implement the self-regulation which had been promised during earlier Congressional hearings. Documented abuses had produced a situation where there was no realistic alternative to Federal intervention.

Congress had concluded that the appropriate Federal role lay in the area of disclosure and that, at least temporarily, the States should be relied upon to supply the necessary substantive regulation of subdivision sales and development--which it was hoped they were capable of providing. It was in furtherance of this division of responsibilities that I determined to direct the full power of the Federal Government towards assurance of full disclosure to the land-buying public and urged the States to exercise their inherent authority to regulate the quality of land products sold in their jurisdictions.

Accordingly, OILSR instituted a series of public hearings in 17 cities throughout the United States in an effort to educate both ourselves and the public as to consumer interest, the potential of the Act, and those areas where we could more effectively implement its responsibilities. Simultaneously, we began to pursue a greater role in civil and criminal enforcement activities--as opposed to the more passive registration functions which OILSR had assumed in its initial years.

As a result of these efforts and the lessons drawn therefrom, we promulgated substantial revisions to the OILSR regulations. These changes constituted significant qualitative and quantitative strides in advancing consumer protection. In recent months important statutory amendments have been enacted to strengthen the 1968 Act, and in July of this year we deployed a 30-man investigative force around the country to seek out violators. Any discussion of the pros and cons of these developments is largely academic. They are a fact and reflect the belief that our office exists solely to enforce the law and must use every legitimate means towards that end. When I became Administrator and announced this policy, I added the admonition that OILSR and the land development industry stood in an adversary relationship. It was and is my judgment that one of the reasons that government is generally so ineffective is because we tend to lose sight of its purpose and limitations. Government action should be a last resort. Government should perform only those functions which private citizens are unable to accomplish and without which society as a whole would be significantly the poorer. We have seen the disastrous result in this country of increasing reliance by individuals and business upon government to provide those benefits which traditionally have been earned by our own efforts. The costs, in dollars and loss of self sufficiency, have proven unaffordable.

At the same time, there are roles--such as regulatory and policing functions--which, when required, can only be performed by government. When such responsibilities are imposed, as they were by the Congress in its passage in 1968 of the Interstate Land Sales Full Disclosure Act, they must be administered with dedication and an unswerving commitment. Such commitment does not manifest itself through the type of cosy relationship that so often typifies the regulator and the regulated.

This principle does not ignore the right and even the responsibility of the regulated industry to make its views known, to urge its position, and to oppose the regulator when it believes him to be wrong. Indeed, this is the essence of a valid adversary relationship between an organization like OILSR and the land development industry. The industry has its job of representing its stockholders, and, within the rules of fair play, of maximizing its profits. OILSR, on the other hand, cannot be concerned with such considerations; it was created by the Congress solely to police the industry and to protect the consumer from its excesses. You have your job, we have ours. They are different, entailing dissimilar responsibilities and representing disparate constituencies. Those who survive through contacts, those who count on their ability to evade their legal obligations rather than rely on the quality of their product, will reject this concept. The majority of businessmen, who are legitimate and can afford to live with the logical results of their actions, should applaud it.

It would be inaccurate to state that your industry has welcomed this regulatory approach as carried out by OILSR. I believe, however, that the industry has accepted the fact of this approach and is learning to live with it. There will continue to be those who cannot or will not operate within the law. It has become clear that we are not indulging in rhetoric when we say that the full authority of the Act will be brought to bear against them. Enough responsible members of the industry appreciate this fact and have acted accordingly, so that land sales practices have been upgraded in the last few years. There has been real progress, and consumers have a reasonable chance today of getting a fair shake in the purchase of land.

If my observations sound like less than fulsome praise, it is because the progress in Federal regulation to assure full disclosure to purchasers has not been paralleled by State action to control the substantive abuses which continue to abound. The Federal Act requires only disclosure and imposes no substantive standards for the sale of land, even in interstate commerce. Under the Interstate Land Sales Full Disclosure Act, it is not illegal to sell land that is under water, or property for which no sewer system is available, as long as these defects are disclosed. Recognizing the inherent limitations in a disclosure statute alone, the Congress, in limiting the Federal role in 1968, relied on the States to provide the type of protection that would give reasonable assurances that irresponsible operators could not market worthless land.

In 1972, I urged the National Association of Real Estate License Law Officials to upgrade State activities in this regard and I warned that unless significant progress was made we could expect expansion of the Federal role to include substantive regulation, to the exclusion of the States. Since then there has been progress at the State level, but not nearly enough. Those who think that such non-regulation will long survive do not understand that, even more than nature, Washington abhors a vacuum. If the States do not provide the necessary protection, the Federal Government will.

There have been measurable advances in the quality and quantity of disclosure provided to purchasers of land as a result of Federal activities. There is every reason to believe that such progress will continue. But just as such accomplishments are the product of a proper implementation of government responsibilities, so too will the future of the industry depend on how you view your responsibilities. It is not enough to comply with the current Federal disclosure requirements. Unless you lend your efforts to the upgrading of local and State laws to preclude the entry and participation in your business of the underfinanced, the incompetent and the dishonest developer, you may all be enveloped in a massive Federal regulatory system that governs your every operation and controls your destinies.

E.O

HUD NEWS

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

HUD-No. 74-333
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Tuesday
October 29, 1974

Discriminatory housing practices directed toward Spanish-Speaking Americans will be explored in a public meeting called by the U.S. Department of Housing and Urban Development.

The fact-finding national meeting to identify circumstances of housing discrimination will be held in three one-day sessions conducted by HUD's Office of Fair Housing and Equal Opportunity.

The November 1, Tampa, Florida, session initiates the Fair Housing Administrative Meeting on "Fair Housing Problems of Spanish-Speaking Americans." Remaining sessions will be November 18 in New York City and December 11 in Dallas, Texas.

Dr. Gloria E.A. Toote, HUD Assistant Secretary for Fair Housing and Equal Opportunity, will preside at each session. Dr. Toote said, "We are seeking evidence and information in different localities, representative of geographical concentrations of Spanish Americans. To be effective, it is important that the Administrative Meeting be accessible to a significant portion of the affected population."

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Dr. Toote also noted that the protections of the Federal Fair Housing Law have yet to become a part of general public awareness.

"We know," the Assistant Secretary said, "that practices and experiences of discrimination can vary significantly from community to community and region to region. We also know that identification of the problem is a prerequisite to its elimination."

Participants in the meeting on Fair Housing Problems of Spanish-Speaking Americans include individuals who have experienced discriminatory acts in the sale, rental, or financing of housing, representatives of Federal departments and agencies, Fair Housing organizations, and interested groups and organizations.

The three-phased meeting will convene at 9:00 a.m., on:

November 1, 1974, Riverside Hilton Inn, 200 Ashley Drive;
Tampa, Florida

November 18, 1974, Room 305, 26 Federal Plaza;
New York City

December 11, Federal Building, Room 1701, 114 Commerce Street;
Dallas, Texas

- more -

To Accompany HUD-No. 74-333

To: All News Media

Subject: Coverage of Meeting on Fair Housing Problems of Spanish-Speaking Americans

Your coverage of the subject meeting is invited and welcome. However, Federal Regulations governing conduct of Fair Housing Administrative Meetings include a section that grants the witness the right to determine the extent of media coverage on their own participation. The regulation in no way hinders "pencil reporting" of the proceedings.

The Federal Regulation, Part 106 -- Fair Housing Administrative Meetings Under Title VIII of the Civil Rights Act of 1968, 37 F.R. 24420, 11/17/72, stipulates under Section 106.8:

> "106.8 Attendance of news media at meetings. Reasonable access, as determined by the Assistant Secretary or his designee, shall be provided for coverage of meetings to the various means of communication, including newspapers, magazines, radio, newsreels, and television. However, no witness shall be televised, filmed, or photographed during the meetings without (their) consent, nor shall (their) testimony be broadcast or recorded for broadcast if (they) object."

The proceedings of the Administrative Meeting are not subject to interruption, nor may witnesses be approached during the meeting. News media representatives are asked to notify the registration desk of consent by a witness to waive stipulations of Section 106.8.

# # #

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

HUD-No. 74-341
Phone (202) 755-5277
(Beckerman)

FILE COPY

FOR RELEASE:
Monday
November 4, 1974

The second phase of a $3 billion program to finance home mortgages has been launched by Secretary James T. Lynn of the Department of Housing and Urban Development.

The program was authorized by the Emergency Home Purchase Assistance Act of 1974, which was signed by the President October 18th. The Act is designed to provide financing relief for homebuyers and sellers.

Daniel P. Kearney, President of the Government National Mortgage Association (GNMA), said the law expands GNMA's regular mortgage-purchasing program by allowing GNMA to purchase conventionally-financed home mortgages. Previously, the law allowed GNMA to purchase only those mortgages insured by FHA or guaranteed by VA.

The phase announced today makes available $1.5 billion through the facilities of the Federal Home Loan Mortgage Corporation (FHLMC) until November 30, 1974. The first phase of this program made $1.5 billion available through the facilities of the Federal National Mortgage Association (FNMA) from October 22, 1974 until November 30, 1974.

- more -

Conventional mortgages having principal amount not exceeding $42,000 for each residence ($55,000 in Alaska and Hawaii) and covering the purchase of a residential property (except a condominium) as a principal place of residence are eligible for purchase under the program. The residence must be newly constructed or must have been completed and ready for occupancy not earlier than one year prior to GNMA commitment and never owner-occupied.

Under the formula provided by the law, the maximum mortgage interest rate will be determined on the basis of yields on six- to 12-year Treasury issues for the month preceding the month in which the GNMA commitments are made, plus 1/2 of 1 percent. Therefore, the mortgage interest rate may vary from month to month as a new program is announced or as more money is made available. There is also a commitment fee and other fees to cover reserves for losses and certain marketing costs.

Under the law, the prescribed interest rate for commitments made through the program period (October 22 - November 30) will be 8-1/2 percent. A down payment of 20 percent will be required, except that a down payment of 5 percent is allowed if the additional mortgage amount is covered by a qualified private mortgage insurance contract.

Secretary Lynn said implementation of any future programs after the conclusion of the program period ending November 30th will depend upon a review of mortgage market conditions, the anticipated mortgage interest rate and other factors.

An important feature of the law is that discount points and certain other charges collected in connection with mortgage transactions under this program and recognized by GNMA are not considered in determining whether the interest rate on any mortgage exceeds any State usury ceiling.

FHLMC is forwarding copies of instructions to its approved sellers. Information may be obtained at FHLMC offices located throughout the United States.

The attached table shows the allocations by States.

# # #

STATE COMMITMENT AMOUNTS

State	Total Amount	Amount per State Maximum*	Minimum**
Alabama	$ 19,050,000	$2,000,000	$100,000
Arizona	48,735,000	3,000,000	100,000
Arkansas	10,335,000	1,000,000	100,000
California	197,145,000	3,000,000	100,000
Colorado	38,640,000	3,000,000	100,000
Connecticut	18,270,000	1,500,000	100,000
Delaware	5,730,000	500,000	100,000
District of Columbia	210,000	42,000	21,000
Florida	121,650,000	3,000,000	100,000
Georgia	47,745,000	3,000,000	100,000
Idaho	6,795,000	600,000	100,000
Illinois	57,390,000	3,000,000	100,000
Indiana	31,140,000	3,000,000	100,000
Iowa	11,655,000	1,000,000	100,000
Kansas	11,400,000	1,000,000	100,000
Kentucky	16,125,000	1,500,000	100,000
Louisiana	24,180,000	2,000,000	100,000
Maine	5,790,000	500,000	100,000
Maryland	36,900,000	3,000,000	100,000
Massachusetts	30,330,000	3,000,000	100,000
Michigan	62,745,000	3,000,000	100,000
Minnesota	24,930,000	2,000,000	100,000
Mississippi	14,595,000	1,000,000	100,000
Missouri	26,565,000	2,000,000	100,000
Montana	2,220,000	200,000	100,000
Nebraska	9,735,000	900,000	100,000
Nevada	12,720,000	1,000,000	100,000
New Hampshire	6,315,000	600,000	100,000
New Jersey	46,725,000	3,000,000	100,000
New Mexico	10,290,000	1,000,000	100,000
New York	57,075,000	3,000,000	100,000
North Carolina	37,395,000	3,000,000	100,000
North Dakota	2,745,000	200,000	100,000
Ohio	61,080,000	3,000,000	100,000
Oklahoma	17,280,000	1,500,000	100,000
Oregon	24,015,000	2,000,000	100,000
Pennsylvania	48,105,000	3,000,000	100,000
Rhode Island	5,280,000	500,000	100,000
South Carolina	27,270,000	2,500,000	100,000
South Dakota	2,580,000	200,000	100,000
Tennessee	26,130,000	2,000,000	100,000
Texas	76,605,000	3,000,000	100,000
Utah	14,040,000	1,000,000	100,000
Vermont	2,715,000	2,000,000	100,000
Virginia	64,365,000	3,000,000	100,000
Washington	31,095,000	3,000,000	100,000
West Virginia	2,595,000	200,000	100,000
Wisconsin	30,075,000	3,000,000	100,000
Wyoming	1,980,000	100,000	100,000
Alaska	1,965,000	110,000	100,000
Hawaii	9,045,000	900,000	100,000
Puerto Rico	285,000	42,000	28,000
Virgin Islands	225,000	42,000	22,000
	$1,500,000,000		

# # #

* Maximum amount to any lender.

** Minimum amount a lender must take.

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

HUD-No. 74-345
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Tuesday
November 5, 1974

A major revision of procedures for processing the environmental factors of applications for insuring mortgages by the Federal Housing Administration of the Department of Housing and Urban Development has been published in the Federal Register of November 4, 1974.

The announcement was made by Sheldon Lubar, HUD Assistant Secretary for Housing Production and Mortgage Credit and FHA Commissioner.

"The new procedures," said Mr. Lubar, "will materially accelerate our processing, since they substantially reduce the paper work required by developers in connection with their applications.

"Moreover," he added, "the revised procedures, in addition to governing all new applications, will also affect all other applications in process which will benefit from them."

The revised regulations are effective upon publication.

# # #

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

HUD-No. 74-347
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Thursday
November 7, 1974

New registrations for undeveloped land filed with New York, Florida, California and Hawaii will no longer be accepted as meeting Federal standards, George K. Bernstein, Interstate Land Sales Administrator in the U.S. Department of Housing and Urban Development, announced today.

After more than a year of review, hearings, and discussion with the States involved, Mr. Bernstein said regulations for the HUD Office of Interstate Land Sales Registration (OILSR) have been officially amended to reflect the change in policy.

After next January 1, he said, all new registration and disclosure reports from the four States must be filed with and meet the standards set by OILSR.

OILSR's new regulations include a grandfather clause which continues to accept registrations already on file with authorities in the four States, as well as amendments and consolidations of such existing registrations.

The new OILSR amendments will remain in force, Administrator Bernstein said, until disclosure standards in the four States are upgraded so that documents prospective purchasers receive on subdivisions in those States meet the previously strengthened OILSR requirements.

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Mr. Bernstein emphasized that the amendment neither preempts State law, nor does it undermine the regulatory role of State officials.

"Congress has directed OILSR to regulate disclosure on the sale of undeveloped land sold in interstate commerce," Mr. Bernstein observed. "We would be derelict in our duty if we permitted purchasers of such land to continue to rely on inadequate State reports for the disclosure they need to make intelligent decisions."

"Furthermore, if the States were to adopt OILSR's statement of record and property report for disclosure purposes," he said, "State personnel would be freed to take up the important functions of substantive regulations and the day-to-day scrutiny of developer operations. OILSR has repeatedly urged that States assume the responsibility for meaningful substantive regulation."

The Administrator pointed out that his office had given ample time to the States to reinforce their own disclosure requirements. In May 1973 they were asked to compare their requirements with those of OILSR. The response was negligible, he said, so OILSR undertook a study of its own to determine the adequacy of the State disclosure procedures.

Among the deficiencies found in the State regulations were lack of information on the availability and cost of utilities, sewers, roads, recreational facilities, garbage collection and police and fire protection.

Also noted were inadequate disclosure of the proximity of schools, hospitals, and shopping facilities, and failure to reveal proposed completion dates for recreational facilities.

Still other deficiencies included lack of information on recording the sales contract and the consequences of failure to record; failure to disclose specifics on the quality of title to be given the buyer, and the absence of provisions with respect to the purchaser's rights and obligations in case of his default or bankruptcy or default on the part of the developer.

The four States were advised of the results of this study six months ago, Mr. Bernstein said.

"The job mandated to us by Congress is to protect the consumer through meaningful disclosure standards and the extent of disclosure protection is much greater through the HUD property report than through the disclosure requirements of the four States," Mr. Bernstein concluded.

# # #

HUD NEWS

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

HUD-No. 74-350
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Friday
November 8, 1974

The unique housing problems of Native American Indians will be the focus of a three-day National Conference November 14-16, sponsored by the U.S. Department of Housing and Urban Development.

HUD Secretary James T. Lynn will participate in the opening day of the National Indian Housing Conference at the Safari Hotel, Scottsdale, Arizona. HUD Assistant Secretary for Equal Opportunity, Dr. Gloria E.A. Toote, will chair the Conference.

The Conference is designed to examine the mechanisms for delivery of housing and related Federal programs and to explore the impact of new Federal legislation in terms of American Indian housing needs.

Indian Tribal and organizational representatives will present discussion papers detailing Native American concerns and proposals.

The Federal overview of programs, policy, and status will be presented by HUD officials and other departmental representatives responsible for American Indian programs.

- more -

Federal programs slated for discussion include housing production, comprehensive planning, and housing management.

NOTE TO EDITORS: Press Room for the National Indian Housing Conference, the Patio Conference Room of the Safari Hotel (telephone 602-994-1267), will open Wednesday, November 13 at 3:00 P.M. and be available to media representatives throughout the Conference.

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(To Accompany HUD-No. 74-352)

U.S. DEPARTMENT OF HUD

OFFICE OF POLICY DEVELOPMENT AND RESEARCH

TABLE 1

ORIGINATIONS AND PURCHASES OF LONG-TERM MORTGAGE LOANS

FOR MAJOR LENDER GROUPS, BY TYPE OF PROPERTY

FOR THE MONTH OF AUGUST, 1974

(MILLIONS OF DOLLARS)

LENDER GROUP / PROPERTY TYPE	ORIGINATIONS: MONTH OF AUGUST 1974	ORIGINATIONS: MONTH OF AUGUST 1973	ORIGINATIONS: TOTAL 8 MONTHS OF 1974	ORIGINATIONS: TOTAL 8 MONTHS OF 1973	PURCHASES: MONTH OF AUGUST 1974	PURCHASES: MONTH OF AUGUST 1973	PURCHASES: TOTAL 8 MONTHS OF 1974	PURCHASES: TOTAL 8 MONTHS OF 1973
COMMERCIAL BANKS								
1-4 FAMILY HOMES	$ 1566	$ 2091	$ 10971	$ 13117	$ 17	$ 59	$ 272	$ 461
MULTIFAMILY	63	101	544	782	0	1	15	9
NON-RESIDENTIAL	830	954	6993	7635	*	27	46	125
FARM PROPERTIES	218	235	1496	1618	0	0	2	10
TOTAL	2677	3381	20004	23152	17	87	335	605
MUTUAL SAVINGS BANKS								
1-4 FAMILY HOMES	454	679	2971	4315	55	91	891	1536
MULTIFAMILY	124	175	1063	1379	10	22	184	167
NON-RESIDENTIAL	129	242	1296	1720	26	12	186	158
FARM PROPERTIES	*	4	*	7	0	0	0	0
TOTAL	708	1100	5330	7421	91	125	1261	1861
SAVINGS & LOAN ASSOCIATIONS								
1-4 FAMILY HOMES	2911	3984	23155	29208	286	337	3231	4579
MULTIFAMILY	198	389	2482	3197	24	33	344	382
NON-RESIDENTIAL	221	347	2712	2895	63	26	491	418
FARM PROPERTIES	5	9	36	103	0	0	0	3
TOTAL	3336	4730	28385	35404	374	396	4066	5382
LIFE INSURANCE COMPANIES								
1-4 FAMILY HOMES	53	35	217	247	23	21	140	176
MULTIFAMILY	185	221	1285	1291	4	7	92	64
NON-RESIDENTIAL	508	558	3892	3581	32	33	269	235
FARM PROPERTIES	67	81	684	611	0	*	1	*
TOTAL	814	895	6078	5731	59	62	501	475
PRV. NON-INSURED PENSION FUNDS								
1-4 FAMILY HOMES	1	1	28	4	2	1	11	3
MULTIFAMILY	*	2	35	25	0	0	4	1
NON-RESIDENTIAL	*	3	38	36	0	3	8	4
FARM PROPERTIES	0	0	*	0	0	0	*	3
TOTAL	2	5	102	66	2	4	25	10
MORTGAGE COMPANIES								
1-4 FAMILY HOMES	1077	NA	8723	NA	20	NA	620	NA
MULTIFAMILY	75	NA	483	NA	0	NA	2	NA
NON-RESIDENTIAL	49	NA	524	NA	0	NA	3	NA
FARM PROPERTIES	0	NA	4	NA	0	NA	7	NA
TOTAL	1202	NA	9734	NA	20	NA	632	NA
MORTGAGE INVESTMENT TRUSTS								
1-4 FAMILY HOMES	*	*	7	8	*	*	7	*
MULTIFAMILY	21	56	227	360	0	1	7	16
NON-RESIDENTIAL	38	67	553	743	1	5	23	47
FARM PROPERTIES	*	*	2	7	0	0	0	0
TOTAL	59	124	788	1117	2	6	37	64
STATE & LOCAL RETIREMENT FUNDS								
1-4 FAMILY HOMES	6	4	34	124	14	16	105	136
MULTIFAMILY	*	30	7	53	*	4	51	37
NON-RESIDENTIAL	0	7	40	153	11	19	75	139
FARM PROPERTIES	0	*	*	3	0	4	10	41
TOTAL	6	41	82	333	25	42	241	353
FEDERAL CREDIT AGENCIES								
1-4 FAMILY HOMES	209	184	1457	1664	1015	1085	5110	4820
MULTIFAMILY	263	215	1959	1395	61	82	478	497
NON-RESIDENTIAL	14	81	207	507	14	9	112	52
FARM PROPERTIES	352	331	3039	2547	33	42	234	95
TOTAL	838	811	6662	6114	1123	1218	5934	5463
GNMA POOLS & FHDA BLOCKS OF LOANS								
1-4 FAMILY HOMES					565	155	4025	2716
MULTIFAMILY					92	26	180	180
NON-RESIDENTIAL					1	0	11	7
FARM PROPERTIES					67	7	489	393
TOTAL					724	188	4706	3296
STATE & LOCAL CREDIT AGENCIES								
1-4 FAMILY HOMES	55	47	348	318	*	14	44	20
MULTIFAMILY	14	41	273	373	0	0	5	2
NON-RESIDENTIAL	0	2	124	140	*	*	1	2
FARM PROPERTIES	6	7	41	41	0	3	5	5
TOTAL	75	98	786	872	*	17	54	29
TOTAL (EXCLUDES MORTGAGE CO. DATA)								
1-4 FAMILY HOMES	5255	7026	39188	49006	1978	1778	13836	14447
MULTIFAMILY	868	1230	7875	8855	191	175	1360	1355
NON-RESIDENTIAL	1742	2262	15854	17411	149	135	1222	1186
FARM PROPERTIES	648	668	5298	4937	100	56	741	550
TOTAL	8513	11185	68215	80209	2417	2144	17158	17537

* MEANS LESS THAN $500,000.
NOTE: SUM OF COMPONENTS MAY NOT EQUAL TOTALS DUE TO ROUNDING.

4250

(To Accompany HUD-No. 74-352)

U.S. DEPARTMENT OF HUD
OFFICE OF POLICY DEVELOPMENT AND RESEARCH

TABLE 2

GROSS ACQUISITIONS AND SALES OF LONG-TERM MORTGAGE LOANS
FOR MAJOR LENDER GROUPS, BY TYPE OF PROPERTY
FOR THE MONTH OF AUGUST, 1974

(MILLIONS OF DOLLARS)

LENDER GROUP / PROPERTY TYPE	GROSS ACQUISITIONS: MONTH OF AUGUST 1974	MONTH OF AUGUST 1973	TOTAL 8 MONTHS OF 1974	TOTAL 8 MONTHS OF 1973	SALES: MONTH OF AUGUST 1974	MONTH OF AUGUST 1973	TOTAL 8 MONTHS OF 1974	TOTAL 8 MONTHS OF 1973
COMMERCIAL BANKS								
1-4 FAMILY HOMES	$ 1582	$ 2150	$ 11243	$ 13578	$ 154	$ 172	$ 969	$ 1303
MULTIFAMILY	63	101	560	791	6	9	145	47
NON-RESIDENTIAL	830	982	7039	7760	30	83	586	407
FARM PROPERTIES	218	235	1497	1628	0	0	*	4
TOTAL	2693	3468	20339	23757	191	264	1719	1762
MUTUAL SAVINGS BANKS								
1-4 FAMILY HOMES	509	770	3862	5851	10	7	60	64
MULTIFAMILY	134	197	1246	1545	8	29	36	46
NON-RESIDENTIAL	155	255	1482	1879	11	9	14	27
FARM PROPERTIES	*	4	*	7	0	0	0	3
TOTAL	799	1225	6590	9282	29	46	110	137
SAVINGS & LOAN ASSOCIATIONS								
1-4 FAMILY HOMES	3197	4321	26386	33788	169	218	1629	1930
MULTIFAMILY	223	422	2826	3579	32	27	166	320
NON-RESIDENTIAL	284	374	3203	3313	22	24	166	189
FARM PROPERTIES	5	9	36	106	0	0	0	0
TOTAL	3709	5126	32450	40785	223	269	1980	2439
LIFE INSURANCE COMPANIES								
1-4 FAMILY HOMES	77	57	357	423	2	0	17	8
MULTIFAMILY	169	228	1377	1355	0	*	4	1
NON-RESIDENTIAL	540	591	4160	3816	0	*	1	4
FARM PROPERTIES	67	81	685	611	0	0	0	*
TOTAL	873	957	6579	6206	2	*	22	13
PRV. NON-INSURED PENSION FUNDS								
1-4 FAMILY HOMES	4	2	40	7	0	2	1	130
MULTIFAMILY	*	2	40	26	0	7	4	56
NON-RESIDENTIAL	*	6	46	39	0	12	9	48
FARM PROPERTIES	0	0	*	3	*	*	2	2
TOTAL	4	9	126	75	*	21	16	237
MORTGAGE COMPANIES								
1-4 FAMILY HOMES	1097	NA	9343	NA	1375	NA	9652	NA
MULTIFAMILY	75	NA	486	NA	59	NA	427	NA
NON-RESIDENTIAL	49	NA	527	NA	57	NA	440	NA
FARM PROPERTIES	0	NA	11	NA	1	NA	10	NA
TOTAL	1222	NA	10366	NA	1491	NA	10539	NA
MORTGAGE INVESTMENT TRUSTS								
1-4 FAMILY HOMES	1	*	14	8	*	0	*	38
MULTIFAMILY	21	57	234	376	*	0	*	0
NON-RESIDENTIAL	39	72	576	790	0	0	*	1
FARM PROPERTIES	*	*	2	7	0	0	0	0
TOTAL	61	129	825	1181	*	0	*	39
STATE & LOCAL RETIREMENT FUNDS								
1-4 FAMILY HOMES	19	19	139	260	0	0	22	13
MULTIFAMILY	1	34	58	89	0	0	15	26
NON-RESIDENTIAL	11	25	115	292	0	0	6	*
FARM PROPERTIES	0	4	11	44	0	0	3	0
TOTAL	31	83	322	686	0	0	47	39
FEDERAL CREDIT AGENCIES								
1-4 FAMILY HOMES	1224	1269	6567	6484	280	10	1432	3027
MULTIFAMILY	324	297	2437	1892	34	*	325	267
NON-RESIDENTIAL	29	91	319	560	1	0	11	7
FARM PROPERTIES	384	373	3272	2641	67	7	489	391
TOTAL	1961	2029	12596	11577	383	17	2257	3692
GNMA POOLS & FHDA BLOCKS OF LOANS								
1-4 FAMILY HOMES	565	155	4025	2716	73	131	430	213
MULTIFAMILY	92	26	180	180	6	4	22	5
NON-RESIDENTIAL	1	0	11	7	3	*	11	6
FARM PROPERTIES	67	7	489	393	33	42	234	95
TOTAL	724	188	4706	3296	116	177	697	320
STATE & LOCAL CREDIT AGENCIES								
1-4 FAMILY HOMES	56	61	391	338	0	0	0	0
MULTIFAMILY	14	41	278	375	0	0	0	0
NON-RESIDENTIAL	*	3	125	142	0	0	0	0
FARM PROPERTIES	6	10	46	46	0	0	0	0
TOTAL	75	115	840	902	0	0	0	0
TOTAL (EXCLUDES MORTGAGE CO. DATA)								
1-4 FAMILY HOMES	7233	8804	53023	63453	689	540	4579	6727
MULTIFAMILY	1059	1405	9235	10209	87	76	737	768
NON-RESIDENTIAL	1890	2397	17076	18597	68	128	805	691
FARM PROPERTIES	746	723	6038	5486	100	49	727	492
TOTAL	10930	13330	85373	97746	944	794	6849	8678

* MEANS LESS THAN $500,000.
NOTE: GROSS ACQUISITIONS EQUAL THE SUM OF LOAN ORIGINATIONS AND LOAN PURCHASES.
SUM OF COMPONENTS MAY NOT EQUAL TOTALS DUE TO ROUNDING.

4290

(To Accompany HUD-No. 74-352)

U.S. DEPARTMENT OF HUD
OFFICE OF POLICY DEVELOPMENT AND RESEARCH

TABLE 3

NET ACQUISITIONS OF LONG-TERM AND CONSTRUCTION MORTGAGE LOANS
FOR MAJOR LENDER GROUPS, BY TYPE OF PROPERTY
FOR THE MONTH OF AUGUST , 1974

(MILLIONS OF DOLLARS)

LENDER GROUP / PROPERTY TYPE	LONG-TERM LOANS: MONTH OF AUGUST 1974	LONG-TERM LOANS: MONTH OF AUGUST 1973	LONG-TERM LOANS: TOTAL 8 MONTHS OF 1974	LONG-TERM LOANS: TOTAL 8 MONTHS OF 1973	CONSTRUCTION LOANS: MONTH OF AUGUST 1974	CONSTRUCTION LOANS: MONTH OF AUGUST 1973	CONSTRUCTION LOANS: TOTAL 8 MONTHS OF 1974	CONSTRUCTION LOANS: TOTAL 8 MONTHS OF 1973
COMMERCIAL BANKS								
1-4 FAMILY HOMES	$ 1428	$ 1978	$ 10254	$ 12275	$ 618	$ 773	$ 5034	$ 6085
MULTIFAMILY	56	92	415	744	190	317	1995	2349
NON-RESIDENTIAL	800	899	6453	7351	555	700	4423	4596
FARM PROPERTIES	218	235	1497	1624	5	16	53	59
TOTAL	2502	3203	18619	21995	1368	1806	11505	13089
MUTUAL SAVINGS BANKS								
1-4 FAMILY HOMES	499	762	3802	5786	62	64	407	416
MULTIFAMILY	126	168	1210	1500	22	51	243	353
NON-RESIDENTIAL	145	245	1468	1852	37	35	215	285
FARM PROPERTIES	*	4	*	7	0	0	*	*
TOTAL	775	1180	6481	9145	121	150	865	1053
SAVINGS & LOAN ASSOCIATIONS								
1-4 FAMILY HOMES	3028	4103	24757	31857	542	800	4983	6456
MULTIFAMILY	191	395	2640	3259	70	160	855	1385
NON-RESIDENTIAL	262	350	3037	3124	122	170	1095	1369
FARM PROPERTIES	5	9	36	106	1	*	2	8
TOTAL	3486	4857	30470	38346	735	1130	6935	9218
LIFE INSURANCE COMPANIES								
1-4 FAMILY HOMES	75	57	340	416	*	1	3	18
MULTIFAMILY	189	228	1372	1354	4	3	44	23
NON-RESIDENTIAL	540	591	4159	3812	22	76	137	145
FARM PROPERTIES	67	81	685	611	6	5	44	27
TOTAL	871	957	6557	6193	32	85	227	214
PRV. NON-INSURED PENSION FUNDS								
1-4 FAMILY HOMES	4	*	39	-123	0	0	0	0
MULTIFAMILY	*	-5	36	-30	0	0	0	0
NON-RESIDENTIAL	*	-6	37	-9	0	0	0	0
FARM PROPERTIES	*	*	-1	1	0	0	0	0
TOTAL	4	-12	110	-162	0	0	0	0
MORTGAGE COMPANIES								
1-4 FAMILY HOMES	-278	NA	-319	NA	177	NA	1417	NA
MULTIFAMILY	16	NA	59	NA	140	NA	1496	NA
NON-RESIDENTIAL	-7	NA	87	NA	110	NA	878	NA
FARM PROPERTIES	-1	NA	*	NA	0	NA	0	NA
TOTAL	-270	NA	-173	NA	428	NA	3791	NA
MORTGAGE INVESTMENT TRUSTS								
1-4 FAMILY HOMES	1	*	14	-30	66	194	590	760
MULTIFAMILY	21	57	234	376	192	333	1950	2218
NON-RESIDENTIAL	39	72	576	789	283	314	1688	1799
FARM PROPERTIES	*	*	2	7	*	*	8	*
TOTAL	61	129	825	1142	541	840	4237	4776
STATE & LOCAL RETIREMENT FUNDS								
1-4 FAMILY HOMES	19	19	117	248	*	*	1	2
MULTIFAMILY	1	34	43	63	1	1	4	6
NON-RESIDENTIAL	11	25	108	291	3	*	29	1
FARM PROPERTIES	0	4	7	44	0	0	0	0
TOTAL	31	83	276	646	5	1	34	8
FEDERAL CREDIT AGENCIES								
1-4 FAMILY HOMES	944	1259	5135	3457	0	0	0	0
MULTIFAMILY	289	297	2112	1625	0	*	1	2
NON-RESIDENTIAL	27	91	308	553	1	2	8	16
FARM PROPERTIES	318	366	2784	2250	0	0	0	0
TOTAL	1578	2012	10339	7885	1	3	9	18
GNMA POOLS & FHDA BLOCKS OF LOANS								
1-4 FAMILY HOMES	491	24	3595	2503				
MULTIFAMILY	85	23	158	175				
NON-RESIDENTIAL	-2	*	*	*				
FARM PROPERTIES	34	-35	255	298				
TOTAL	608	11	4009	2976				
STATE & LOCAL CREDIT AGENCIES								
1-4 FAMILY HOMES	56	61	391	338	1	2	19	4
MULTIFAMILY	14	41	278	375	101	52	461	332
NON-RESIDENTIAL	*	3	125	142	0	0	0	0
FARM PROPERTIES	6	10	46	46	0	0	0	0
TOTAL	75	115	840	902	101	53	479	336
TOTAL (EXCLUDES MORTGAGE CO. DATA)								
1-4 FAMILY HOMES	6544	8264	48444	56726	1290	1834	11037	13740
MULTIFAMILY	972	1329	8498	9441	579	916	5552	6668
NON-RESIDENTIAL	1822	2269	16271	17906	1022	1297	7595	8210
FARM PROPERTIES	648	674	5311	4994	12	22	107	95
TOTAL	9986	12536	78525	89068	2903	4069	24291	28713

* MEANS LESS THAN $500,000.
NOTE: ACQUISTIONS EQUAL GROSS ACQUISITIONS (ORIGINATIONS PLUS PURCHASES) LESS LOAN SALES.
SUM OF COMPONENTS MAY NOT EQUAL TOTALS DUE TO ROUNDING.

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U.S. DEPARTMENT OF HUD
OFFICE OF POLICY DEVELOPMENT AND RESEARCH

TABLE 4

NEW COMMITMENTS TO MAKE MORTGAGE LOANS
FOR MAJOR LENDER GROUPS, BY TYPE OF PROPERTY
FOR THE MONTH OF AUGUST, 1974

(MILLIONS OF DOLLARS)

LENDER GROUP / PROPERTY TYPE	CONSTRUCTION LOANS		LONG-TERM LOANS: TOTAL		LONG-TERM LOANS: NEW PROPERTY		LONG-TERM LOANS: EXISTING PROPERTY	
	MONTH OF AUGUST 1974	MONTH OF AUGUST 1973	MONTH OF AUGUST 1974	MONTH OF AUGUST 1973	MONTH OF AUGUST 1974	MONTH OF AUGUST 1973	MONTH OF AUGUST 1974	MONTH OF AUGUST 1973
COMMERCIAL BANKS								
1-4 FAMILY HOMES	$ 300	$ 510	$ 710	$ 1051	$ 181	$ 439	$ 528	$ 612
MULTIFAMILY	179	378	87	59	75	48	12	11
NON-RESIDENTIAL	473	644	232	452	155	211	77	241
FARM PROPERTIES	31	12	20	33	*	1	19	31
TOTAL	984	1543	1049	1594	412	698	637	896
MUTUAL SAVINGS BANKS								
1-4 FAMILY HOMES	27	44	219	344	57	89	162	255
MULTIFAMILY	2	34	33	110	8	72	25	38
NON-RESIDENTIAL	5	23	38	99	16	41	22	58
FARM PROPERTIES	0	0	*	*	0	0	*	*
TOTAL	34	102	290	553	81	202	209	351
SAVINGS & LOAN ASSOCIATIONS								
1-4 FAMILY HOMES	379	582	2027	2117	902	1009	1125	1108
MULTIFAMILY	41	66	74	120	28	70	46	50
NON-RESIDENTIAL	67	58	106	175	39	101	67	74
FARM PROPERTIES	1	1	7	1	1	1	6	*
TOTAL	489	707	2214	2413	970	1180	1244	1233
LIFE INSURANCE COMPANIES								
1-4 FAMILY HOMES	10	1	29	25	11	6	18	19
MULTIFAMILY	5	15	51	228	41	162	10	66
NON-RESIDENTIAL	33	155	556	1136	472	1009	84	127
FARM PROPERTIES	0	0	91	115	2	8	89	107
TOTAL	48	170	727	1504	526	1185	201	319
PRV. NON-INSURED PENSION FUNDS								
1-4 FAMILY HOMES	0	0	0	10	0	10	0	*
MULTIFAMILY	0	0	0	*	0	*	0	*
NON-RESIDENTIAL	0	0	0	10	0	10	0	0
FARM PROPERTIES	0	0	0	0	0	0	0	0
TOTAL	0	0	0	21	0	21	0	*
MORTGAGE COMPANIES								
1-4 FAMILY HOMES	161	NA	802	NA	293	NA	509	NA
MULTIFAMILY	38	NA	49	NA	45	NA	4	NA
NON-RESIDENTIAL	91	NA	40	NA	31	NA	9	NA
FARM PROPERTIES	0	NA	0	NA	0	NA	0	NA
TOTAL	290	NA	892	NA	370	NA	522	NA
MORTGAGE INVESTMENT TRUSTS								
1-4 FAMILY HOMES	8	61	4	3	3	0	*	3
MULTIFAMILY	10	407	11	53	4	30	7	22
NON-RESIDENTIAL	33	285	10	154	9	132	1	22
FARM PROPERTIES	0	0	0	0	0	0	0	0
TOTAL	52	753	25	210	16	163	9	48
STATE & LOCAL RETIREMENT FUNDS								
1-4 FAMILY HOMES	0	0	19	32	0	*	19	32
MULTIFAMILY	0	1	4	15	4	15	0	0
NON-RESIDENTIAL	1	35	31	66	31	66	0	0
FARM PROPERTIES	0	0	0	0	0	0	0	0
TOTAL	1	36	53	113	35	80	19	32
FEDERAL CREDIT AGENCIES								
1-4 FAMILY HOMES	0	0	163	102	63	38	101	64
MULTIFAMILY	0	0	82	58	77	56	5	2
NON-RESIDENTIAL	0	*	17	57	8	23	9	35
FARM PROPERTIES	0	0	311	282	3	2	308	280
TOTAL	0	*	574	500	151	119	423	381
GNMA POOLS & FHDA BLOCKS OF LOANS								
1-4 FAMILY HOMES								
MULTIFAMILY								
NON-RESIDENTIAL								
FARM PROPERTIES								
TOTAL								
STATE & LOCAL CREDIT AGENCIES								
1-4 FAMILY HOMES	4	0	0	0	0	0	0	0
MULTIFAMILY	260	69	210	67	202	57	8	11
NON-RESIDENTIAL	0	0	0	0	0	0	0	0
FARM PROPERTIES	0	0	2	1	2	1	0	0
TOTAL	264	69	212	69	204	58	8	11
TOTAL (EXCLUDES MORTGAGE CO. DATA)								
1-4 FAMILY HOMES	728	1199	3170	3685	1218	1591	1953	2094
MULTIFAMILY	499	969	552	710	438	510	414	200
NON-RESIDENTIAL	613	1199	990	2150	730	1592	260	558
FARM PROPERTIES	32	13	431	432	9	13	422	419
TOTAL	1872	3380	5144	6977	2395	3706	2749	3271

* MEANS LESS THAN $500,000.

NOTE: 'CONSTRUCTION LOANS' CONSIST OF COMMITMENTS FOR CONSTRUCTION LOANS ONLY PLUS COMMITMENTS FOR COMBINED CONSTRUCTION AND LONG-TERM LOANS. 'LONG-TERM LOANS' FOR NEW PROPERTY INCLUDE COMMITMENTS FOR LONG-TERM LOANS ONLY PLUS COMMITMENTS FOR COMBINED CONSTRUCTION AND LONG-TERM LOANS.

SUM OF COMPONENTS MAY NOT EQUAL TOTALS DUE TO ROUNDING.

40%

(To Accompany HUD-No. 74-352)

U.S. DEPARTMENT OF HUD

OFFICE OF POLICY DEVELOPMENT AND RESEARCH

TABLE 5

OUTSTANDING COMMITMENTS TO MAKE MORTGAGE LOANS

FOR MAJOR LENDER GROUPS, BY TYPE OF PROPERTY

FOR THE MONTH OF AUGUST, 1974

(MILLIONS OF DOLLARS)

	CONSTRUCTION LOANS		LONG-TERM LOANS: TOTAL		LONG-TERM LOANS: NEW PROPERTY		LONG-TERM LOANS: EXISTING PROPERTY	
LENDER GROUP / PROPERTY TYPE	MONTH OF AUGUST 1974	MONTH OF AUGUST 1973	MONTH OF AUGUST 1974	MONTH OF AUGUST 1973	MONTH OF AUGUST 1974	MONTH OF AUGUST 1973	MONTH OF AUGUST 1974	MONTH OF AUGUST 1973
COMMERCIAL BANKS								
1-4 FAMILY HOMES	$ 3403	$ 4754	$ 2139	$ 3394	$ 913	$ 2061	$ 1226	$ 1332
MULTIFAMILY	2219	3433	656	632	583	555	74	77
NON-RESIDENTIAL	4474	6844	4295	3897	3562	2920	734	977
FARM PROPERTIES	44	20	47	88	2	20	45	68
TOTAL	10139	15052	7138	8011	5059	5557	2078	2454
MUTUAL SAVINGS BANKS								
1-4 FAMILY HOMES	224	294	883	1260	400	516	483	744
MULTIFAMILY	119	309	1037	1878	825	1565	212	314
NON-RESIDENTIAL	182	273	1049	1627	853	1312	196	315
FARM PROPERTIES	0	0	*	*	0	0	*	*
TOTAL	526	876	2968	4766	2077	3393	891	1373
SAVINGS & LOAN ASSOCIATIONS								
1-4 FAMILY HOMES	4132	5586	10214	11192	7728	8365	2486	2827
MULTIFAMILY	1136	1898	1727	2291	1579	2126	148	165
NON-RESIDENTIAL	1250	1526	1865	2438	1594	2002	271	436
FARM PROPERTIES	5	6	29	17	20	9	7	8
TOTAL	6525	9016	13835	15938	10921	12502	2914	3436
LIFE INSURANCE COMPANIES								
1-4 FAMILY HOMES	37	24	131	66	95	25	36	41
MULTIFAMILY	186	300	2655	4579	2532	4326	123	253
NON-RESIDENTIAL	1297	1430	10849	12302	10089	11360	760	942
FARM PROPERTIES	0	0	644	482	13	16	631	466
TOTAL	1520	1755	14279	17428	12729	15726	1550	1702
PRV. NON-INSURED PENSION FUNDS								
1-4 FAMILY HOMES	0	18	*	481	*	480	*	1
MULTIFAMILY	9	0	93	8	93	8	0	1
NON-RESIDENTIAL	0	18	261	121	261	121	0	0
FARM PROPERTIES	0	0	0	352	0	352	0	0
TOTAL	9	36	355	962	355	961	*	1
MORTGAGE COMPANIES								
1-4 FAMILY HOMES	2221	NA	3491	NA	2218	NA	1273	NA
MULTIFAMILY	1520	NA	1331	NA	1268	NA	63	NA
NON-RESIDENTIAL	1100	NA	551	NA	502	NA	49	NA
FARM PROPERTIES	0	NA	0	NA	0	NA	0	NA
TOTAL	4842	NA	5372	NA	3987	NA	1385	NA
MORTGAGE INVESTMENT TRUSTS								
1-4 FAMILY HOMES	974	1379	169	122	165	103	4	19
MULTIFAMILY	2029	4501	641	1458	592	1278	49	180
NON-RESIDENTIAL	2113	3648	1019	1728	909	1434	110	293
FARM PROPERTIES	0	*	1	3	1	0	0	3
TOTAL	5117	9528	1830	3312	1667	2815	163	497
STATE & LOCAL RETIREMENT FUNDS								
1-4 FAMILY HOMES	0	0	24	81	*	*	24	81
MULTIFAMILY	10	9	49	142	49	142	0	0
NON-RESIDENTIAL	106	57	314	555	314	555	0	0
FARM PROPERTIES	0	0	0	0	0	0	0	0
TOTAL	116	66	387	778	364	698	24	81
FEDERAL CREDIT AGENCIES								
1-4 FAMILY HOMES	0	0	417	444	143	118	274	326
MULTIFAMILY	1	2	3620	4589	3572	4556	48	32
NON-RESIDENTIAL	93	108	274	365	181	212	93	152
FARM PROPERTIES	0	0	840	550	4	2	836	548
TOTAL	94	110	5150	5947	3900	4889	1251	1058
GNMA POOLS & FHDA BLOCKS OF LOANS								
1-4 FAMILY HOMES								
MULTIFAMILY								
NON-RESIDENTIAL								
FARM PROPERTIES								
TOTAL								
STATE & LOCAL CREDIT AGENCIES								
1-4 FAMILY HOMES	15	29	72	81	65	62	7	19
MULTIFAMILY	1044	1083	934	788	906	746	28	42
NON-RESIDENTIAL	0	*	41	104	41	104	0	0
FARM PROPERTIES	0	0	5	4	5	4	0	0
TOTAL	1059	1112	1053	978	1017	917	35	61
TOTAL (EXCLUDES MORTGAGE CO. DATA)								
1-4 FAMILY HOMES	8786	12084	14050	17120	9509	11731	4541	5389
MULTIFAMILY	6756	11536	11413	16365	10731	15302	682	1064
NON-RESIDENTIAL	9516	13904	19968	23137	17805	20021	2163	3116
FARM PROPERTIES	50	27	1565	1497	44	404	1521	1094
TOTAL	25107	37551	46996	58120	38090	47457	8906	10662

* MEANS LESS THAN $500,000.

NOTE: 'CONSTRUCTION LOANS' CONSIST OF COMMITMENTS FOR CONSTRUCTION LOANS ONLY PLUS LOANS IN PROCESS PLUS COMMITMENTS FOR COMBINED CONSTRUCTION AND LONG TERM LOANS. 'LONG TERM LOANS' FOR NEW PROPERTY INCLUDE COMMITMENTS FOR LONG TERM LOANS ONLY PLUS LOANS IN PROCESS PLUS COMMITMENTS FOR COMBINED CONSTRUCTION AND LONG TERM LOANS.

SUM OF COMPONENTS MAY NOT EQUAL TOTAL SHOWN DUE TO ROUNDING.

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File; Flood Insurance

HUD NEWS

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

HUD-No. 74-353
Phone (202) 755-5284
(Farley)

FOR IMMEDIATE RELEASE:
Saturday
November 9, 1974

The first national conference of State Coordinating agencies for the National Flood Insurance Program will be held Tuesday, November 12, Federal Insurance Administrator George K. Bernstein announced today.

Mr. Bernstein has sent letters to the Governors of the 50 States and Puerto Rico advising them of the meeting, to be held in the 10th floor Departmental conference room of the Department of Housing and Urban Development.

Purpose of the meeting, he said, is to discuss recent developments in the program and the impact of these actions on flood prone communities throughout their States.

All the country's estimated 16,000 plus flood-prone communities must be in the program by July 1, 1975, or within 12 months after the communities have been given a map by HUD identifying their areas of special flood hazards.

Should they fail to do so, both the communities and their residents will be ineligible for Federal financial aid for the acquisition or construction of buildings in the hazard areas.

This covers all forms of loans and grants, including mortgage and disaster assistance loans from either a Federal agency such as the Federal Housing Administration, Veterans Administration, or the Small Business Administration, or banks or savings and loan institutions.

The coordinating agencies represent the States in working with the Federal Insurance Administration to meet the requirements of the Flood Disaster Protection Act of 1973.

# # #

Flood INS

HUD NEWS

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

HUD-No. 74-354
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Wednesday
November 13, 1974

Some 20,000 residents of 50 townships in Cass County, North Dakota, are no longer eligible for Federal flood insurance because the county lacks jurisdictional authority to adopt flood plain management measures on a county-wide basis.

Although the county has been in the National Flood Insurance program since March 1971, it withdrew last October 1. Federal Insurance Administrator George K. Bernstein said county officials were unable to keep the commitments they made in submitting their original application.

"They found they didn't have the authority needed to regulate the development of the flood plains in the townships as they initially led us to believe," Mr. Bernstein said.

As of the October 1 date, he added, no new individual policies may be purchased until the townships themselves qualify by adopting and administering the flood plain management provisions required of participating communities.

Existing policies may be renewed, however, until December 31.

- more -

The Administrator announced that the official map for Cass County has been withdrawn. Separate maps showing the special flood hazard areas for each township will be published shortly by HUD.

When this occurs, and after the townships become eligible, residents will be required to buy flood insurance for buildings in the defined flood-prone areas as a condition for Federal financial assistance for construction purposes. The affected townships are:

Addison	Hill
Amenia	Howes
Arthur	Hunter
Ayr	Kinyon
Barnes	Lake
Bell	Leonard
Berlin	Maple River
Buffalo	Mapleton
Casselton	Noble
Clifton	Normanna
Cornell	Page
Davenport	Pleasant
Dows	Pontiac
Durbin	Raymond
Eldred	Reed
Empire	Rich
Erie	Rochester
Everest	Rush River
Fargo	Stanley
Gardner	Tower
Gill	Walburg
Gunkel	Warren
Harmony	Watson
Harwood	Wheatland
Highland	Wiser

# # #

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

HUD-No. 74-349
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Thursday
November 14, 1974

Testimony on housing discriminatory practices directed toward Spanish-speaking Americans is to be taken in a public meeting in New York City on Monday, November 18.

The New York City meeting is the second session of a three part national fact-finding meeting conducted by HUD's Office of Fair Housing and Equal Opportunity to identify circumstances of housing discrimination affecting Spanish-speaking Americans.

The Fair Housing Administrative Meetings are held under authority of Title VIII of the Civil Rights Act of 1968, the Federal Fair Housing Law.

Dr. Gloria E.A. Toote, HUD Assistant Secretary for Fair Housing and Equal Opportunity, will preside at the New York City Meeting on "Fair Housing Problems of Spanish-Speaking Americans." Dr. Toote said, "We are seeking evidence and information in different localities, and New York City is representative of geographical concentrations of Spanish Americans, and provides accessibility to the meeting by a significant portion of the affected population."

- more -

The New York session will convene at 9:00 A.M. in Room 305, 26 Federal Plaza.

Participants in the Administrative Meeting include individuals who have experienced discriminatory acts in the sale, rental, or financing of housing, representatives of Federal departments and agencies, Fair Housing organizations, and other interested groups and organizations.

The first session of the three day meeting was held November 1 in Tampa, Fla., with the final session scheduled for Dallas, Texas, December 11.

# # #

To Accompany HUD-No. 74-349

To: All News Media

Subject: Coverage of Meeting on Fair Housing Problems of Spanish-Speaking Americans

Your coverage of the subject meeting is invited and welcome. However, Federal Regulations governing conduct of Fair Housing Administrative Meetings include a section that grants the witnesses the right to determine the extent of media coverage on their own participation. The regulation in no way hinders "pencil reporting" of the proceedings.

The Federal Regulation, Part 106 -- Fair Housing Administrative Meetings Under Title VIII of the Civil Rights Act of 1968, 37 F.R. 24420, 11/17/72, stipulates under Section 106.8:

> "106.8 Attendance of news media at meetings. Reasonable access, as determined by the Assistant Secretary or his designee, shall be provided for coverage of meetings to the various means of communication, including newspapers, magazines, radio, newsreels, and television. However, no witness shall be televised, filmed, or photographed during the meetings without his consent, nor shall his testimony be broadcast or recorded for broadcast if he objects."

The proceedings of the Administrative Meeting are not subject to interruption, nor may witnesses be approached during the meeting. News media representatives are asked to notify the registration desk of consent by a witness to waive stipulations of Section 106.8.

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Flood INS.

HUD NEWS

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

HUD-No. 74-361
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Friday
November 15, 1974

Within two months after Hurricane Carmen and its accompanying floods struck Louisiana, 911 or 83 percent of the 1,103 claims for property damages have been settled in full, the Federal Insurance Administration announced today.

The payments for flood losses amount to $2,210,000, averaging about $2,500 for each building damaged in the storm last September.

With extra crews of adjusters sent in to expedite payments, less than 200 claims are still pending. Some were delayed because of absentee ownership in the area hard hit by Carmen, the Department of Housing and Urban Development explained.

It is expected that total claims will rise to 1,200, amounting to about $2.5 million in payments made under the National Flood Insurance program. Aetna Life and Casualty Insurance is the servicing company in Louisiana for the program.

"The speed at which these settlements were reached demonstrates the program's validity," said Federal Insurance Administrator George K. Bernstein.

"This should serve as an added incentive to owners of property in flood-prone areas who have not entered the program that it is in their best interest to do so."

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

HUD-No. 74-366
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Tuesday
November 19, 1974

The use of mobile homes is part of the effort by the Department of Housing and Urban Development under the 1974 Housing and Community Development Act to make housing available for low income families.

Sheldon Lubar, HUD Assistant Secretary for Housing Production and Mortgage Credit-Federal Housing Administration Commissioner, said, "Under the new Act's provisions for leased housing, qualified families may choose to live in mobile homes, as well as other types of housing.

"As a matter of fact," he added, "in some parts of the country, with the use of mobile homes, families may be able to get a decent home and a suitable living environment considerably sooner than if they were to wait for the availability of conventional multi-family dwellings."

In addressing the Atlanta meeting of the Mobile Homes Manufacturers Association, Mr. Lubar today reminded his audience of the advantages offered to lenders who make loans for the purchase of mobile homes.

FHA insures mobile home loans up to $15,000 for 15 years for double wide units. This program has been broadened so that these loans may be included in the mortgage-backed securities activity of the Government National Mortgage Association (GNMA).

- more -

Through this program, approved FHA lenders may issue GNMA mobile home securities backed by loans made for the purchase of mobile homes. These securities are readily marketable, since principal and interest, regardless of whether they've been paid by the borrower to the issuer, are passed through to the certificate holder in a proportionate share, plus any prepayment.

"Thus," said Mr. Lubar, "an active viable secondary market is maintained by security dealers throughout the country. The program helps finance more housing by making mobile home loan investments attractive through the sale of privately issued securities carrying a GNMA guarantee, backed by the full faith and credit of the United States.

"Mobile home securities," he declared, "combine the best features of mortgages and government bonds, since they have attractive yields, cash flow, safety and marketability. In addition, they offer investors the opportunity to participate in a diversified loan portfolio.

"What's more, they require a minimum of paperwork and legal administration."

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

HUD-No. 74-369
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Thursday
November 21, 1974

Administrator George K. Bernstein of the Office of Interstate Land Sales Registration (OILSR) today announced that more than 2,000 registered developers face possible suspension because they apparently failed to comply with the new requirements of the Federal law. OILSR is an agency of the U. S. Department of Housing and Urban Development.

The Interstate Land Sales Full Disclosure Act was amended, effective October 21, to require that a lot buyer be given three business days, not the 48 hours previously provided for, to reconsider his purchase if he had not received a Property Report at least 48 hours before the purchase. The property report contains information about the land to be purchased which is essential if the buyer is to make an intelligent dicision. The amendment also prohibits developers from asking or requiring a purchaser to waive his right to cancel the deal within three days if he has not received the report.

According to Mr. Bernstein, all developers of registered subdivisions were alerted last September that they were required to submit documents showing they were complying with the law. Letters now are going out to

- more -

the 2,000-plus developers who failed to respond, requesting them to submit the documents and warning them they will be suspended if they again fail to cooperate.

Mr. Bernstein said OILSR has the authority to suspend all 2,000 or more developers and will do so if necessary.

The documents required to be submitted to OILSR are the Property Report and copies of all sales contracts or lease agreements.

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HUD NEWS

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

HUD-No. 74-370
Phone (202) 755-5277
(Beckerman)

FOR IMMEDIATE RELEASE:
Friday
November 22, 1974

Secretary James T. Lynn of the U.S. Department of Housing and Urban Development today announced that the maximum allowable interest rate for mortgages insured by HUD's Federal Housing Administration will be lowered to 9 percent, effective November 25, 1974. The current rate, set on August 14, 1974, is 9-1/2 percent.

The reduction in the maximum allowable interest rate -- the first since January 1974 -- was made possible by gradually declining interest rates throughout the capital markets and the growing availability of mortgage money.

"Lower interest rates mean lower monthly costs for homebuyers and more money flowing into housing," Secretary Lynn declared.

The Secretary pointed out that the decrease in the maximum allowable interest rate will mean a monthly saving of $13 on a $36,000 home mortgage.

Secretary Lynn said there is still a large amount of financing available at lower interest rates through HUD's Government National Mortgage Association (GNMA).

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Through GNMA's extended Tandem Plan, which went into effect January 22, 1974, the agency was authorized to assist in the construction of at least 200,000 units by providing 7-3/4 percent interest rate mortgages. Money for all of these units has been committed. On May 10, 1974, GNMA was authorized to further extend the Tandem Plan to finance at least 100,000 additional houses at 8 percent for mortgages up to $33,000 and 8-3/4 percent for mortgages up to $38,000. Financing for approximately 90,000 units is still available.

Under the Emergency Home Purchase Assistance Act, signed by President Ford on October 18, GNMA is authorized to purchase another $3 billion in non-FHA/VA conventional mortgages on newly constructed homes. Nearly $800 million has been committed for such purchases. Ten percent of this $3 billion may be used for the purchase of mortgages on existing homes.

During the past year, the Department has attempted to keep the ceiling rate as close to market rates as possible. In the last auction held by the Federal National Mortgage Association (FNMA) on November 18, FHA-VA yields were 9.805 percent, compared with 10.113 percent a month earlier.

The new 9 percent rate was determined after consultation with Richard L. Roudebush, Administrator of the Veterans Administration, who simultaneously announced a similar decrease in the maximum rate of GI home mortgage loans.

# # #

HUD-FHA MAXIMUM ALLOWABLE INTEREST RATE

Rate	Period
* 5-5-1/2%	Nov. 27, 1934 - June 23, 1935
5%	June 24, 1935 - July 31, 1939
4-1/2%	August 1, 1939 - April 23, 1950
4-1/4%	April 24, 1950 - May 1, 1953
4-1/2%	May 2, 1953 - Dec. 2, 1956
5%	Dec. 3, 1956 - August 4, 1957
5-1/4%	August 5, 1957 - Sept. 22, 1959
5-3/4%	Sept. 23, 1959 - Feb. 1, 1961
5-1/2%	Feb. 2, 1961 - May 28, 1961
5-1/4%	May 29, 1961 - Feb. 6, 1966
5-1/2%	Feb. 7, 1966 - April 10, 1966
5-3/4%	April 11, 1966 - Oct. 2, 1966
6%	Oct. 3, 1966 - May 6, 1968
6-3/4%	May 7, 1968 - Jan. 23, 1969
7-1/2%	Jan. 24, 1969 - Jan. 4, 1970
8-1/2%	Jan. 5, 1970 - Dec. 1, 1970
8%	Dec. 2, 1970 - Jan. 12, 1971
7-1/2%	Jan. 13, 1971 - Feb. 17, 1971
** 7%	Feb. 18, 1971 - June 30, 1973
** 7-3/4%	August 10, 1973 - August 24, 1973
8-1/2%	August 25, 1973 - Jan. 21, 1974
8-1/4%	Jan. 22, 1974 - April 14, 1974
8-1/2%	April 15, 1974 - May 12, 1974
8-3/4%	May 13, 1974 - July 7, 1974
9%	July 8, 1974 - August 13, 1974
9-1/2%	August 14, 1974 - Nov. 24, 1974
9%	Nov. 25, 1974 -

* 5% for acquisition, 5-1/2% refunding of mortgage indebtedness or creation of mortgage indebtedness on property constructed before June 7, 1934.

** FHA authority lapsed June 30, 1973; renewed August 10, 1973.

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

HUD-No. 74-371
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Friday
November 22, 1974

Proposed regulations governing the provision of housing assistance for lower-income families under Section 8 of the Housing and Community Development Act of 1974 have been prepared by the Department of Housing and Urban Development.

New construction regulations were published in the Federal Register for November 19, while those for rehabilitation will be published in today's (November 22) Register. These will be followed by two other sections -- one on existing housing, the other on the role of State agencies in providing assistance for lower-income families.

Under the 1974 Act, all final regulations will become effective by January 1, 1975. Therefore, the period for comments, suggestions and objections by interested parties has been set at 15 days after publication of the proposed regulations in the Federal Register. Written data, views, or statements should be filed in triplicate with:

Rules Docket Clerk
Office of General Counsel, Rm. 10245
Department of Housing and Urban Development
Washington, D.C. 20410

- more -

The four sets of proposed regulations set forth the essential elements of the Section 8 Housing Assistance Payments program. Among other things, they include the roles and responsibilities of HUD, public housing agencies, developers, owners, and eligible lower-and very-low income families. They also govern the basis for determining the amount of housing assistance payments, and the prescribed form of contracts.

The proposed regulations describe HUD's role in contracting directly with owners in the case of new construction and rehabilitated housing, and provide for an integrated review of Section 8 housing involving FHA mortgage insurance. The linkage of the Housing Assistance Program with the Community Development block grant program is also covered in the proposed regulations. According to the regulations lower-income families are now eligible for the Assistance Program, however, 30 percent of the units must be rented to very low-income families.

# # #

OILSR

HUD NEWS

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

HUD-No. 74-374
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Wednesday
November 27, 1974

In an unprecedented action, the U.S. Department of Housing and Urban Development has asked a Federal court in Texas to order a Texas land developer to refund in full all payments made by 114 customers who bought lots before the developer was properly registered with the Federal Government.

A request for a mandatory injunction was filed by HUD's Office of Interstate Land Sales Registration (OILSR) against The Beard Land Company, Inc., and Garnett L. and Ruben M. Beard, developers of Pineywoods Lake Resort near Frankston, in Anderson County, Texas.

Generally, said Interstate Land Sales Administrator George K. Bernstein, the procedure is to enjoin a developer for failure to register with his office barring further sales until the developer is in full compliance with the Interstate Land Sales Full Disclosure Act.

In this case, however, he said, the mandatory injunction was sought because the company refused to return the payments after advising the purchasers of their right to void their contracts.

The purchases were made prior to March 20, 1973, at a time when the developer had not yet submitted a Statement of Record to OILSR or made available to prospective customers a Property Report containing the necessary information

- more -

about the land. The 114 purchasers had made payments amounting to about $100,000 in all as of February 1, 1974.

On Oct. 1, 1973, after the company submitted the necessary documents for registration with OILSR, it notified the 114 purchasers of their right to cancel their earlier contracts.

Of the 114, 29 continued to make their payments, thus, according to the developer, waiving their rights to a refund. But in any case refunds were made to only two of the 114 customers.

In the civil action against the developer, Mr. Bernstein pointed out that the only other recourse left to the buyers would be to file individual law suits, placing an unnecessary burden on the courts. And since the individual purchase amounts were relatively small, the legal costs involved would likely offset the amount of compensation ordered by the court.

The suit asked the court to appoint a trustee to distribute the payments. Also, the developer would be restrained from disposing of any of his assets until the payments are made, and would be barred against starting any foreclosure action against customers seeking to cancel their contracts.

On November 18, the Court granted a preliminary injunction against any foreclosure actions and ordered the Company to establish immediately a special account within the control of the Court, effectively freezing the Company's assets pending a final determination on the merits.

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

HUD-No. 74-380
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Tuesday
December 3, 1974

Local and State officials will meet with representatives of the Federal Insurance Administration and the U.S. Corps of Engineers Wednesday in Bountiful, Utah, to initiate the first FIA - funded flood insurance study for that State.

Starting at 1 P.M., the session will be held at the Bountiful City Hall.

Of 190 communities in Utah identified as flood prone, 28 are participating in the National Flood Insurance program, including Salt Lake City.

Under the Flood Disaster Protection Act of 1973, all identified flood prone communities throughout the country -- an estimated 18,000 -- must be in the program by next July 1, or a year from the date on which they have been issued maps by the Department of Housing and Urban Development identifying their areas of high risk from flooding.

Failure to enroll in the program would mean that the community and its residents will be ineligible for virtually any form of Federal or federally-related financial assistance to build, acquire, or remodel property in the designated flood areas.

The FIA will be represented at the meeting by Melvin Crompton, director of FIA's division of Engineering and Hydrology. The State will be represented by the Utah State Department of Water Resources, which coordinates the program with FIA.

# # #

HUD NEWS

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

HUD-No. 74-382
Phone (202) 755-5277
(Beckerman)

FOR RELEASE:
Wednesday
December 4, 1974

Secretary James T. Lynn of the Department of Housing and Urban Development has announced the release of 6,000 units of low income housing for Indians, as he promised at an Indian housing conference in Scottsdale, Ariz.

The allocation is the result of an estimate of need made by HUD, the Bureau of Indian Affairs of the Department of Interior, and by Indian Housing Authorities.

In announcing the availability of HUD funds -- $15,000,000 -- for the construction of the 6,000 units, Secretary Lynn said, "this recent commitment would fulfill and complete a five year agreement to provide 30,000 units of Indian housing." The units are earmarked to build up a production pipeline capability for FY 1976.

Mr. Lynn said, "...Office of Management and Budget has convened an inter-departmental task force to assess accurate statistics on the total Indian housing population. This data will enable HUD to make any future Indian housing allocations on a more objective and equitable basis."

HUD will monitor the entire Indian housing distribution system, including performance both by HUD and by Indian Housing Authorities. "Inability to achieve realistic performance levels," said the Secretary, "may result in readjustment of present as well as any future allocations."

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

FOR IMMEDIATE RELEASE:
Friday
December 6, 1974

CORRECTION

HUD release No. 74-381, dated Thursday, Dec. 5 announced suspension of 36 communities from the National Flood Insurance program for failing to adopt local flood plain management measures required in the program's regulations.

The release should have specified that the suspensions become effective January 15 unless the 36 communities prior to that time submit to the Federal Insurance Administration in HUD appropriate plans for adoption of the necessary flood plain management measures.

The original release is attached.

HUD NEWS

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

HUD-No. 74-381
Phone (202) 755-5284
(Farley)

FOR RELEASE:
Thursday
December 5, 1974

A total of 36 communities in 20 States have been suspended from the National Flood Insurance program for failure to adopt local flood plain management measures to guide the future use of the special hazard areas as required in the program's regulations.

The suspensions were announced by J. Robert Hunter, Jr., acting administrator of the Federal Insurance Administration in the Department of Housing and Urban Development.

Mr. Hunter said responsible officials in the affected communities have been notified by certified mail. The notice points out that the regulations require the communities to enact measures that would "alert property owners of potential flood hazards and require careful and wise construction" to minimize loss of life and the economic losses of real and personal property.

Unless the communities take steps to regain their eligibility for the federally-subsidized program before next July 1, Mr. Hunter warned that both the communities and their residents will be ineligible for Federal or federally related financial assistance to acquire, build or remodel property in the areas identified by HUD as flood prone.

To get back into the program, Mr. Hunter said, the suspended community must send for FIA's approval copies of appropriate flood plain management measures adopted subsequent to the suspension.

The FIA will keep in contact with each of these communities in order to expedite readmission into the program for those that take appropriate action.

The suspended communities, listed by States:

- more -

To Accompany HUD-No. 74-381

Benton	Alabama
Nenana	Alaska
Victorville	California
Broomfield	Colorado
Louisville	Colorado
Rifle	Colorado
Deerfield Beach	Florida
Vernonberg	Georgia
Brown County	Indiana
Portland	Indiana
Roseland	Indiana
Griffith	Indiana
Perry County	Kentucky
Middlesboro	Kentucky
Wallins Creek	Kentucky
Golden Meadow	Louisiana
Lilydale	Minnesota
Clay County	Minnesota
Newburg	Missouri
Jackson	Missouri
Long Beach	New York
Beaufort	North Carolina
Stark County	North Dakota
El Reno	Oklahoma
Stillwater	Oklahoma
Easton	Pennsylvania
W. Brownsville	Pennsylvania
Johnson City	Tennessee
Cleburne	Texas
Laguna Vista	Texas
Galveston	Texas
Logan	West Virginia
Logan County	West Virginia
West Logan	West Virginia
Ferryville	Wisconsin
Hurley	Wisconsin

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

HUD-No. 74-386
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Friday
December 6, 1974

Women's equality advocates Gloria Steinem and Bella Abzug are featured speakers for HUD Federal Women's Week, Secretary James T. Lynn announced today.

The December 9 to 13 Federal Women's Week is designed to focus on the goals and objectives of the Women's Program at the Department of Housing and Urban Development and their implications for executive management.

Ms. Steinem, President of Ms. Magazine Corporation, will speak at the opening session on Monday, December 9 at 11:00 A.M., in the American Theater in L'Enfant Plaza.

Representative Abzug will speak Wednesday, December 11 at 11:00 A.M., in the HUD Departmental Conference Room.

Secretary Lynn, requesting participation by all HUD executive staff, said: "A week-long focus on the Women's Program can familiarize all officials with the program's objectives and goals. To be meaningful, however, the concern and commitment for implementation of the Women's Program must be a year-round function and focus of management."

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Over half of HUD's Washington headquarters staff of some 3600 are women, and few of these individuals are in managerial positions, as is generally typical of Federal agency employment.

The week-long activities have been planned by the Headquarters Federal Women's Program in cooperation with the Women's Caucus and other employee groups.

Secretary Lynn, Under Secretary Mitchell and the top executives of the Department will attend a special executive session to be conducted by Dr. Estelle Ramey of Georgetown School of Medicine.

Speaking on Tuesday, December 10 at noon will be William Blakey, Director of Congressional Liaison for the U.S. Civil Rights Commission.

A "Women in the Media" discussion on Thursday, December 12, features Elvira Crocker of La Raza; J.C. Hayward, WTOP-TV; Melinda Nix, WMAL-TV; and Peggy Simpson of the Associated Press.

Friday's session on "Women in the Unions" will be conducted by officials of the American Federation of Government Employees (A.F.G.E.), AFL-CIO.

Except for the special executive session, all activities are open to all HUD Central Office personnel. Unless noted otherwise, all meetings will be held in the HUD Building.

Other activities for the week include workshops, a day long film festival, and exhibits.

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

HUD-No. 74-385
Phone (202) 755-5284
(Anderson)

FOR RELEASE:
Monday
December 9, 1974

The discriminatory practices encountered by Spanish-speaking Americans seeking equal housing opportunities are the subject of a public meeting in Dallas on Wednesday, December 11.

The Dallas meeting is the final phase of a three-part national fact-finding session conducted by HUD's Office of Fair Housing and Equal Opportunity to identify circumstances of housing discrimination affecting Hispanic Americans.

Dr. Gloria E.A. Toote, HUD Assistant Secretary for Fair Housing and Equal Opportunity, will preside at the Dallas meeting on "Fair Housing Problems of Spanish-Speaking Americans." The Fair Housing Administrative Meetings are held under authority of Title VIII of the Civil Rights Act of 1968, the Federal Fair Housing Law.

Proceedings are to include a presentation by Dallas Mayor Wes Wise.

Assistant Secretary Toote noted that the protections of the Federal Fair Housing Law have yet to become a part of the national public awareness. "Identification of a problem is prerequisite to its elimination," Dr. Toote said, "and we do know that practices and experiences of discrimination can vary significantly from community to community and region to region."

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"By seeking evidence and information in different localities representative of geographical concentrations of Hispanic Americans, we hope to better identify problems and at the same time provide accessibility to the meeting by a significant portion of the affected population."

The first two stages of this Administrative meeting were held in New York City and Tampa, Fla.

The Dallas meeting will convene at 9:00 A.M. in Room 1701 of the Federal Building, 1400 Commerce Street, Wednesday, December 11.

Scheduled for participation are individuals who have experienced discriminatory acts in the sale, rental or financing of housing, representatives of Federal departments and agencies, Fair Housing organizations, and other interested groups and organizations.

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<u>ATTACHMENT</u>

"By seeking evidence and information in different localities representative of geographical concentrations of Hispanic Americans, we hope to better identify problems and at the same time provide accessibility to the meeting by a significant portion of the affected population."

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# # #

ATTACHMENT

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

To: All News Media

Subject: Coverage of Meeting on Fair Housing Problems of Spanish-Speaking Americans

Your coverage of the subject meeting is invited and welcome. However, Federal Regulations governing conduct of Fair Housing Administrative Meetings include a section that grants the witness the right to determine the extent of media coverage on their own participation. The regulation in no way hinders "pencil reporting" of the proceedings.

The Federal Regulation, Part 106 -- Fair Housing Administrative Meetings Under Title VIII of the Civil Rights Act of 1968, 37 F.R. 24420, 11/17/72, stipulates under Section 106.8:

> "106.8 Attendance of news media at meetings. Reasonable access, as determined by the Assistant Secretary or his designee, shall be provided for coverage of meetings to the various means of communication, including newspapers, magazines, radio, newsreels, and television. However, no witness shall be televised, filmed, or photographed during the meetings without (their) consent, nor shall (their) testimony be broadcast or recorded for broadcast if (they) object."

The proceedings of the Administrative Meeting are not subject to interruption, nor may witnesses be approached during the meeting. News media representatives are asked to notify the registration desk of consent by a witness to waive stipulations of Section 106.8.

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

HUD-No. 74-388
Phone (202) 755-5277
(Vinciguerra)

FOR RELEASE:
Tuesday
December 10, 1974

A financial transaction in which Park Forest South, a HUD-assisted new community southwest of Chicago, will receive $5.5 million in additional operating funds, was successfully closed today, Otto G. Stolz, Administrator for HUD's New Communities Administration, announced.

"This financing represents a major advancement in our efforts at HUD to strengthen the financial position of all federally-assisted new communities during these difficult economic conditions," Mr. Stolz said.

He noted that the Park Forest South closing comes just two weeks after HUD and another federally-assisted new community, Riverton, near Rochester, completed a significant refinancing transaction.

He explained, "This reflects our determination at HUD to pursue solutions of the financial difficulties of these projects. The solutions require a contribution of the new community owners, banking institutions and HUD. HUD must be certain that any solution results in a financially viable project which has the potential of achieving the Congressional objectives for new communities."

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The Park Forest South agreement provides for the low cost warehousing of land by the parent organizations of the three partners in the New Community: Lewis Manilow, for the Manilow Organization, Illinois Central Industries, Inc., for the Mid-American Improvement Corporation, and United States Gypsum Co., for the United States Gypsum Urban Development Corporation.

Park Forest South received a HUD guarantee of $30 million in private financing in March 1971. HUD will review and evaluate an application for an additional guarantee in mid-1976. Twenty-year development projections for the community are 116,000 residents, 37,200 housing units, on a 8,163-acre tract.

# # #

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

HUD-No. 74-402
Phone (202) 755-5284
(Hall)

FOR RELEASE
Thursday
December 19, 1974

James T. Lynn, Secretary of Housing and Urban Development, announced today that 89 Local Housing Authorities had been selected to participate as candidates in the $35,000,000 second phase of the Target Projects Program.

The Target Projects Program (TPP) is a short-term program to improve the physical condition and livability of individual public housing projects that face serious operational and environmental problems.

As presently constructed, the program will run three years. The first 37 Local Housing Authorities were selected last June, with $35,000,000 available from Fiscal Year 1974 funds. The participants announced today will be funded with Fiscal Year 1975 funds, and another group will be selected next year, with another $35,000,000 in Fiscal Year 1976 funds, totaling $105,000,000 for the entire program.

"A number of public housing projects in this country are in serious trouble," Secretary Lynn said. "They are physically run down

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and many of the residents have their own problems, such as unemployment or underemployment. Target Project funds can help in the people problems, and modernization money can help upgrade the projects physically. By adding this second group of Local Housing Authorities to the earlier TPP selections, we feel we can now make a substantial impact on the problem."

Selections of the candidate Target Projects were made by HUD based on a number of factors, including extent of physical deterioration and inadequate maintenance, crime and vandalism rates, closed and vandalized dwelling units, lack of adequate municipal services, and poor reputation in the community.

H. R. Crawford, Assistant Secretary for Housing Management, whose office developed and will administer the TPP program, said that many of the nation's public housing projects offered serious and intractable problems.

"Many public housing projects are stereotyped as depressed, urban ghettos of hopelessness," he said, "but I have also seen many successful projects in my travels around the country. By combining TPP funds and modernization money, I believe it is possible to turn most public housing projects around so that they can provide a good living environment--one conducive to upward mobility and hope. That is our goal."

The Program consists of two major funding components. The $35,000,000 in TPP funds will be restricted to so-called software items.

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Six major goals have been defined as software. They are the improvement of:

- ° Operational effectiveness of a project;
- • Its financial condition;
- • Its physical condition, primarily through "catch-up" maintenance;
- ° Security through reduction of crime and vandalism;
- ° Upward mobility of residents by helping increase family income, and
- ° Community tenant services.

The improvement of community/tenant services is the primary "people problem" goal of the program. This would call for improved services provided by community-based agencies, both private and public, such as health services, job training and placement, and recreation. Tenant services would include such things as pre-occupancy orientation for tenants, information and referral assistance, and resident education in such areas as home care.

The second major funding component is the use of modernization funds for major rehabilitation and physical improvement of the property. It was announced last month that some $415 million for modernization funds were available nationally in the current fiscal year for low rent public housing projects.

Modernization money can be used for such capital improvements as on-site work to install new sidewalks, structual improvements such as altering existing family space for larger families or to meet the special needs of the elderly or handicapped. These funds can also be used for

-more-

new heating plants, kitchen cabinets to replace existing shelves, and security and protective devices.

The selected Local Housing Authorities will file applications with HUD outlining their general plans to upgrade their projects. These will be followed by a second submission which will consist of detailed plans the LHA proposes to use in correcting project deficiencies.

The selected Local Housing Authorities and their projected funding levels are as follows:

Providence, R. I., $312,000; Bridgeport, Conn., $482,000; New Haven, Conn., $368,000; New Britian, Conn., $340,000; Hartford, Conn., $600,000; New York City, N. Y. $1,102,000; Paterson, N. J., $498,000; Jersey City, N. J. $462,000; Puerto Rico, $304,000; Washington, D. C., $851,000; Norfolk, Va. $200,000; Portsmouth, Va., $660,000; Chester, Pa., $300,000; Allegheny County, Pa., $265,000; Anne Arundel County, Md., $200,000; Springfield, Mass., $300,000.

And Annapolis, Md. $144,000; Pittsburgh, Pa., $660,000; Charleston, W. Va., $360,000; Hampton, Va., $300,000; Baltimore, Md., $700,000; East Point, Ga., $100,000; Douglas County, Ga., 36 ,000; Decatur, Ga., $200,000; Atlanta, Ga., $1,000,000; Phoenix City, Ala., $206,000; Russellville, Ala., $75,000; Montgomery, Ala., $184,000; Greer, S. C., $65,000; Laurens, S. C., $80,000; Greenville, S. C., $348,000; Raleigh, N. C., $231,000; Greensboro, N. C., $400,000; Winston-Salem, N. C., $498,000; Jacksonville, Fla., $500,000; West Palm Beach, Fla., $246,000; Dade County, Fla., $245,000; Chattanooga, Tenn., $300,000.

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And Jackson, Tenn., $215,000; Knoxville, Tenn., $244,000; Louisville, Ky., $620,000; Lexington, Ky., $278,000; Gary Ind., $305,000; Evansville, Ind., $108,000; Indianapolis, Ind., $216,000; Superior, Wisc., $250,000; Milwaukee, Wisc., $500,000; Dayton, Ohio, $600,000; Columbus, Ohio, $440,000; Cincinnati, Ohio, $280,000; St. Paul, Minn., $135,000; Joilet, Ill., $235,000; Morgan County, Ill., $64,000; Peoria, Ill., $500,000; Decatur, Ill., $325,000; Pontiac, Mich., $400,000; Saginaw, Mich., $365,000.

And Dallas, Tex., $1,000,000; Bossier City, La., $134,000; New Orleans, La., $734,000; Austin, Tex., $460,000; Texarkana, Ark., $120,000; Fayetteville, Ark., $80,000; W. Memphis, Ark., $150,000; Texarkana, Tex., $140,000; Houston, Tex., $333,000; Minneapolis, Minn., $128,000; St. Louis, Mo., $1,100,000; Omaha, Neb., $500,000; Kansas City, Kan., $200,000;Denver, Colo., $829,000; Los Angeles County, Calif., $1,000,000; Contra Costa County, Calif., $176,000; Phoenix, Ariz., $316,000; San Francisco, Calif., $1,155,000; Kern County, Calif., $155,000.

And Marin County, Calif., $300,000; Richmond, Calif., $300,000; Tucson, Ariz., $100,000; Los Angeles, Calif., $488,000; Imperial Valley Consilidated Housing Authority, Calif., $200,000; Fresno, Calif., $216,000; Flagstaff, Ariz., $227,000; Portland, Ore., $350,000; Seattle, Wash., $500,000; and the Hawaii Housing Authority, $400,000.

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The total projected funding to these authorities is $32,484,000. There is also a discretionary fund of the remaining $2,516,000 which will be used for such purposes as assistance to Indian housing authorities, and small LHA's.

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To Accompany HUD-No. 74-402

TARGET PROJECTS PROGRAM

Fact Sheet

The Target Projects Program (TPP) is designed to help Local Housing Authorities stop deterioration of individual housing projects that have serious problems, restore them to physical soundness, and in general improve their livability.

The program is being funded in three increments with a total of $105 million. Thirty-seven Local Housing Authorities were funded in Fiscal Year 1974 with $35 million. The present selection involved 98 Local Housing Authorities using Fiscal Year 1975 funds of $35 million. There will be a third selection in Fiscal Year 1976 of $35 million.

The selected housing authorities will submit applications immediately to provide HUD a generalized picture of the problems that face the candidate projects. These will include such things as the degree of deferred maintenance, rate of vandalism, amount of accounts receivable, etc. They will also outline in general the measures which will be used to correct the problems, and provide an estimate of funds needed to carry out these measures.

This initial application will form the basis for HUD's preliminary decision as to the funding of each Target Project, subject to a satisfactory second submission. The second submission will consist of detailed plans the LHA proposes to correct the deficiences of its project.

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Selection of Target Projects

Target Projects were identified on the basis of a number of criteria, including: extensive physical deterioration and seriously inadequate maintenance; high crime and vandalism rates; seriously deficient janitorial and other operating services; extensive "people" problems as indicated by high percentages of residents whose social behavior has a damaging effect on the public housing community; and seriously adverse neighborhood influences, including inadequate municipal services.

Financing the Program

A number of LHAs now receive operating subsidies to help meet annual operating deficits, as well as Modernization funds to update project facilities. Funds for the target Projects Program would be in addition to these on-going commitments. The selected local authorities must also continue to provide their normal level of support to the projects under the program. In other words, the housing authority could not divert normal operating and maintenance funds from the selected project to other projects by substituting TPP funds.

Financing the projects will fall generally into two categories. TPP funds will be resticted to so-called software areas--deferred maintenance, security services, tenant services, etc. Hardware expenditures, such as major rehabilitation programs, will be funded by giving the projects priority under HUD Modernization funding.

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Since the purpose of the program is to "turn around" problem projects, it will be essential that the use of TPP funds and Modernization funds be closely coordinated. For example, if litter is a problem, additional maintenance personnel may be hired using TPP (A "software" item). Concurrently, a large trash compactor for the project (hardware) could be purchased using Modernization funds. The primary point is that whatever the areas selected for improvement, the local housing authority must concentrate both types of funding in the most consistent and efficient manner.

Resident Involvement

HUD will look for evidence that the tenants have been or will be informed as to the project's application to participate in the Target Projects Program. They must have an opportunity to contribute to the final plan, and to work with management in carrying out the program. Because of the time element, resident participation is not required in the original application, but will be a factor in HUD's evaluation of the final proposal.

Community Involvement

An essential part of each local authority's plan must be a strong local government commitment to support the program with adequate municipal services to the project and its residents.

The minimum support required is the level of services which the local government is already obligated to provide under an existing Cooperation with the LHA. However, a local government commitment to provide additional support in the form of services or financial assistance will strengthen the local authority's application.

# # #

December 19, 1974

~~Fact Dates~~
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OR
Eng.

FILE COPY

HUD NEWS

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

HUD-No. 74-410
Phone (202) 755-5277
(Bacon)

FILE COPY

FOR RELEASE:
Monday
December 30, 1974

HUD Secretary James T. Lynn and NASA Administrator James C. Fletcher today signed and sent to the President and Congress their agencies' joint plan for implementing the Solar Heating and Cooling Demonstration Act of 1974.

Housing and Urban Development and the National Aeronautics and Space Administration are lead agencies in the Federal government's $60 million demonstration effort to prove the commercial feasibility of solar heating for homes and buildings by 1977 and of combined heating-cooling systems for those structures by 1979.

Under the Act, NASA is responsible for development and procurement of solar equipment. HUD is charged with coordinating the demonstration, including installation of solar equipment in residential structures, and collecting and disseminating information about solar energy. Secretary Lynn said HUD is already working with the National Bureau of Standards and NASA on preparing interim performance standards for solar heating and cooling and for structures that will include it. These criteria are scheduled for publication January 1975.

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NASA is also responsible for working out arrangements with other Federal agencies to demonstrate the use of solar energy on non-residential structures such as office buildings, factories, public buildings and crop-drying facilities.

The joint plan outlines the general scope of major activities to be undertaken, including:

- Program requirements and systems analysis;
- Cost and economic analysis;
- Procurement approach;
- Solar hot water heating, and combined heating and cooling systems development and demonstration;
- Dwelling design, construction and solar heating, and combined heating and cooling systems integration; and
- Data dissemination.

# # #

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

HUD No. 74-411
Phone (202) 755-5277
(Beckerman)

FOR IMMEDIATE RELEASE:
Tuesday
December 31, 1974

Secretary James T. Lynn of the U.S. Department of Housing and Urban Development today announced that the conventional home mortgage Tandem Plan will be continued in January, but at a lower mortgage interest rate.

The mortgage interest rate has been reduced in accordance with the formula provided in the Emergency Home Purchase Act by 1/4 of one percent, to a new rate of 8 percent per annum. Otherwise there are no changes from the present program.

Under this Tandem Plan, HUD's Government National Mortgage Association (GNMA) makes available commitments for funds for conventional home mortgages at interest rates below those of the current market.

The program was activated late in October, a matter of days after the Emergency Home Purchase Act authorizing the program became law, and by December 27 some $1.4 billion of the initially authorized $3 billion in mortgage funds had been committed.

The Tandem Plan covering commitments to purchase FHA-insured or VA-guaranteed mortgages will continue without change.

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