The fact that the primary purpose of the GI guaranteed and insured home loan program has succeeded is beyond question. The DAV believes, however, there still remains a few areas in which further improvements can be achieved. Housing costs have continued on an ever-ascending curve and the average purchase price paid by veteran buyers has shown a continuous increase through the life of the loan guarantee program. Yet the maximum guarantee of $7,500 has not been increased since 1950, when 90 percent of all home loans were less than $12,000.

In the year in which the present ceiling was established, $7,500 exceeded the 60-percent minimum coverage of the average home loan. It is, however, woefully inadequate in today's market when the average loan is in excess of $16,000 and less than 50 percent of the current loan is covered by the maximum guarantee.

DAV recommendations associated with this subject are as follows:

(1) Increase the maximum entitlement for the guarantee of home loans to at least $10,500 in keeping with the direct loan ceiling of $17,500 established by Public Law 89-358.

(2) The current interest rate, which has risen from the original 4 percent to the current 5¾ percent, should be reduced to a level at least one-half of 1 percent lower than the FHA rate.

(3) Strict control should be exercised over the discount rate to prevent lenders from artificially increasing the interest rate by charging excessive points.

(4) A substantial increase in the grants to disabled veterans for the purchase of specially adapted housing under the provisions of chapter 21 of title 38, United States Code, should be provided in line with the enormously increased building costs since the inception of this program. Provisions should also be made to provide direct-low interest VA loans in amounts up to a maximum of $15,000 for the balance of the purchase price.

(5) Extend the eligibility for specially adapted housing to disabled veterans who have suffered the service-connected loss or loss of use of one upper and one lower extremity.

(6) Liberalize the policy adopted by the VA in connection with the waiver of indebtedness due to default on GI loans where the debt arose as a result of compelling reasons without fault on the part of the veteran.

HOSPITAL AND MEDICAL TREATMENT

We think it is obvious that the system of Veterans' Administration hospitals and clinics is a national resource which, through its primary mission of bringing the best available treatment and care for the veteran patient, advances the progress of medicine in the United States and, indeed, the world.

The Disabled American Veterans, by its very nature, has an abiding interest in and strongly supports the position that the Veterans' Administration Department of Medicine and Surgery continue to maintain its prominence in the entire field of medical care.

VA's progress in acute medical hospitals, particularly, depends upon a favorable relationship with affiliated medical schools who, in effect, provide professional skills for the new treatment methods that are receiving much publicity in the press and scientific journals. In this