

the guarantee would reduce the possibilities of veterans being obliged to make substantial downpayments on guaranteed loans or having to become involved in more costly financing or forgo home purchasing entirely.

The increase of the direct loan maximum would place veterans in rural areas on an equal position with urban veterans, in respect to the amount of credit assurance available to them.

Mr. Chairman, I am glad to hear that the House passed last week H.R. 10477, which increased the loan guarantee to \$12,500.

H.R. 14838 AND H.R. 14708

AMVETS would favor positive action on the passage of H.R. 14708 and H.R. 14838, both of which carry the same intent; namely, the removal of requirements with respect to the rate of interest on GI loans.

These bills would authorize the Administrator to adjust the rate of interest on GI loans from time to time with changing loan market demands, without concern for the existing ceiling of 6 percent.

The evidence available indicates that the requirement of payment of points on GI home purchases restricts the availability of homes offered with Veterans' Administration financing.

Although greater flexibility in the upward adjustment of the Veterans' Administration home-loan interest rate is no guarantee of making financing available to all prospective veteran home buyers, it will enable the veteran to compete more effectively for whatever mortgage money is available in a particular area.

However, while a low-interest rate on GI loans is an attractive feature, AMVETS feel that this factor alone has not been the attraction of the GI home-loan program for veterans.

AMVETS is ever mindful of the vigilance and continual effort to protect veterans' interests. We recognize the value of State agencies and veterans' organizations in this cooperative effort. We also believe that the Veterans' Administration is capable of taking on any additional responsibility which may be given to its care in succeeding years. Therefore, we feel the administrative capacity and demonstrated efficiency of the Veterans' Administration makes it the only agency within the Federal Government which should have the responsibility of administering benefits for our veterans.

This concludes the presentation of AMVETS legislative program for 1968. When these proposals are considered by this committee, we shall be glad to testify in detail on each matter.

AMVETS is indebted to you, Mr. Chairman, and to this committee for its untiring efforts to improve and perfect legislation controlling veterans' benefits. The actions and results of the House Veterans' Affairs Committee clearly illustrate that you recognize and accept responsibility for those who serve in defense of their Nation. Thank you.

Mr. DORN. Mr. Commander, our chairman, Mr. Teague, as you know, could not be with us this morning because of the space shot in Florida, and he was there when it went off on schedule this morning, and this is the only reason he is not here to greet you personally; but as you know, he has two important committees, this committee and