title I of the Higher Education Act of 1965, title VI of the Economic Opportunity Act of 1964, and other Federal programs. Similarly, the various Federal departments and agencies would be required to cooperate with the States and metropolitan area agencies and provide information to assist them in carrying out their programs. Such two-way cooperation with respect to State or local and Federal programs and activities will be of major importance in the success of the proposed information centers. To assure effective Federal cooperation, the President would be directed to undertake such studies to improve Federal program information capability and coordination as he may deem necessary.

Experimental nature of program—Appropriations

Much remains to be learned about the range of purposes that can be served by such information centers and the techniques of identifying, assembling, and making available information and data. The new program is therefore proposed on an experimental basis. The Secretary would be required, not later than June 30, 1971, to evaluate activities under the program and report his findings to the President along with recommendations for continuance, modification, or termination of the program.

An initial authorization of $5 million is requested for the program, with an additional $5 million authorized for 1968. Thereafter, appropriations would be authorized as needed.

Housing and Urban Development Amendments of 1966

The third bill would amend and broaden a number of existing laws relating to housing and urban development.

TITLE I—HOUSING AND URBAN DEVELOPMENT PROGRAM AMENDMENTS

FHA-insured property improvement loans

The provisions governing the FHA title I property-improvement loan-insurance program would be amended to permit the lender to collect from the borrower the cost of the FHA insurance premium. Under the present law, the lender is required to pay and absorb out of the discount rate the FHA insurance premium charge of one-half percent per annum on the net proceeds of the loan. The effect of this requirement is a reduction in the amount of return realized by the lender in making the loan.

The property-improvement program is the only FHA program in which the cost of the insurance is not directly borne by the borrower. We are nevertheless suggesting that the amendment be effective for only 1 year so that the Congress may have an opportunity to determine the effect which the change will have on the volume and pattern of these FHA-aided loans.

The program is one of FHA's largest and oldest insurance programs. At the end of last year FHA had insured close to 28 million title I loans amounting to well over $17 billion.

However, the FHA title I loans have represented a significantly smaller percentage each year since 1957 of the dollar amount of property improvement loans made throughout the country. In 1957, this percentage was 52 percent and it decreased to 29 percent in 1965. Lenders have substituted various types of their own programs for financing home improvements. These so-called own plans provide for collecting a much higher discount from the borrower than is permitted under the title I program. As a result, borrowers are paying higher financing charges on property improvements, and in some cases are borrowing at exorbitant rates.

The proposed amendment will give the lenders a small increased return on their loans, thereby encouraging them to extend additional credit for home repairs and improvements, particularly to homeowners of lower income who are most likely to be denied a loan at a marginal rate. These are the homeowners who, when faced with a need to make emergency home repairs, are often forced to borrow at very high or even exorbitant rates when they are unable to obtain an FHA-insured title I loan.

Mortgage limits for homes under section 221(d)(2)

The maximum mortgage limitations on single- and two-family dwellings financed under FHA's section 221(d)(2) home mortgage insurance program for low and moderate income and displaced families would be increased. The limits on a