

Mr. ASHLEY. Has thought been given to this?

Secretary WEAVER. Yes. This has been a possibility. We have made no decision on it.

Mr. ASHLEY. Is it your thought that perhaps a decision will be reached within the next few weeks, or is it something to which you feel that experience is necessary; a year or so of working on the program?

Secretary WEAVER. The funding of this phase of it will not be until next fiscal year anyhow, and by that time we will have the first answers to those problems.

Mr. ASHLEY. The question is directed to you, Doctor, with respect to college housing. Last year, the Congress changed its program significantly, in that it now makes possible \$300 million a year for 4 years directly for this purpose. I wonder if it would be possible to furnish for the record some indication of the extent to which this program has tended to eliminate from the financing of college housing the mortgage underwriting segment of our financial community?

Secretary WEAVER. This would not come under the mortgage underwriting section, I think it would come under the bond market, it is usually done by bond rather than mortgages.

We could give you a statistical review of what is happening in this, and from that you would have to make the deductions.

Mr. ASHLEY. It would not be difficult to do, because we know that the private market engaged in this to get a certain level over a certain number of years. And my interest is the extent to which this kind of private participation has been short-circuited and eliminated by virtue of the program that it adopted last year.

Secretary WEAVER. Of the 3-percent rate. We could give you the statistics on this.

Mr. ASHLEY. That would be very helpful. Thank you.
(The information referred to follows:)

TRENDS IN COLLEGE HOUSING BOND FINANCING

Comparison of college housing bond financing during the past 5 months with the financing in corresponding periods during the preceding 2 years indicates that there has not been any diminution in the volume of private financing.

Heretofore, private investors have evidenced interest only in the college housing bonds issued by public institutions where the interest income is tax exempt. As shown in the following table, during the period October 1965 to February 1966, a total of \$75.6 million of college housing bonds issued by public institutions were purchased by private investors. In contrast, during the corresponding period in 1964-65, private purchases of such tax-exempt bonds totaled \$60.2 million and in 1963-64 private purchases totaled \$55.2 million. Thus, private purchases during the 5-month 1965-66 period rose by 37 percent over the private purchases during the comparable 1963-64 period. On the other hand, for the same calendar period, purchases by the Department of Housing and Urban Development rose from \$71.6 million in 1963-64 to \$77 million in 1965-66, an increase of 8 percent. Significantly, the proportion of college housing bonds issued by public institutions accounted for by private purchases rose from 43.5 percent in 1963-64 to 49.5 percent in 1965-66.

In the case of private institutions, where the interest income is not tax exempt, there has been negligible private investor interest in such bonds so that virtually all of the borrowing for college housing purposes by private institutions is made from the Department of Housing and Urban Development. As will be noted, the volume of bonds issued by private institutions to HUD during the October to February period changed from \$58.4 million in 1963-64 to \$50.8 million in 1964-65 and to \$65.7 million in 1965-66.