

there is any excuse for giving in on that and raising the interest rate on that again.

We support the proposed increase in the mortgage maximum on 221(d)(3) sales of homes for moderate income and displaced families from \$11,000 to \$12,500 on single family homes and from \$18,000 to \$20,000 on two-family dwellings. An increase in mortgage limits was authorized by the Housing and Urban Development Act of 1965 for the comparable section 203(i) program for low-income families in outlying areas and small communities. This change is also needed in the section 221(d)(3) program for increased mortgage limits to meet increased construction costs.

We also favor the amendment authorizing the transfer of all outstanding insurance on management type cooperative housing projects to the management fund.

The perfecting amendment with respect to land development serves to clarify the nature of improvements permitted under title X of the National Housing Act, and, likewise, has our support.

Our support is also given to the amendment permitting local housing authorities to lease housing for longer than the present 3-year limit. This change makes such leasing more serviceable in the relocation of displaced families and thus answers a real need. We also favor the extension of such leasing to housing to be constructed, as well as that already existing.

We believe that the proposals relating to new techniques, methods, and materials in housing construction, rehabilitation, and urban development should be confined to research and study. Any authority to the Secretary to intervene in the competitive workings of a free market with his encouragement of, and assistance to, specific new materials or techniques, should be deferred until the results of such research and study are made available and subjected to public review.

We recommend that additional provision be made to permit the inclusion of nursing facilities in section 231 elderly housing projects. These provisions regarding nursing facilities are extremely important, and we hope they do not get overlooked.

We also ask an amendment clarifying the program of buying homes of employees affected by the closing of Defense Department and other Federal installations. Homeowners of houses in the vicinity of such installations, forced to relocate because of the closing of such installations in which they are employed find themselves in great distress because there is no market, subsequent to the closing, for the homes they have been buying with their hard-earned wages. Mr. Chairman, there is a real problem in this, if you have an installation that has been cut down or eliminated completely, particularly those that have been closed, and there is an employee who has been getting his earnings from employment in that installation who has been buying a house in that area. Sometimes it is an out-of-the-way area in the middle of nowhere. If there is nothing but that installation as a source of activity and employment, and this is suddenly closed, this is a real problem. I would like to have an opportunity to submit subsequently as a supplement to my statement an example of this. And I want to point out that this example is not the only situation; there are others, but it is a good example of what kind of problem you are facing.

Mr. BARRETT. You may without objection.