

supporting this legislation, we recommend certain amendments which we believe will better accomplish the purposes of the program and serve the public interest.

I will briefly comment on some of the special features of the legislation which relate to the cooperative program and indicate the reasons for our support of these provisions. In addition, I will describe briefly the amendments which we propose:

1. The demonstration cities program should help rebuild or restore entire city neighborhoods through the combination of Federal aids and local resources. Our major concern is to assure that an adequate additional housing supply is provided for our growing population and for those who would be displaced in carrying out this and other governmental programs. To produce this additional supply of housing for moderate-income and low-income families, substantial increases are required in the authorizations for these programs. Moreover, it is necessary to utilize vacant land outside of the cities, as well as the land within the cities. These requirements should be added as conditions which a city must meet to qualify for the additional Federal aid contemplated by the demonstration cities program.

2. We wholeheartedly support the amendments contained in section 102 of the Housing and Urban Development Amendments which will remove technical obstacles in transferring management-type cooperative mortgages to the mutual insurance fund.

3. We strongly oppose the repealer which is listed among the technical amendments in nomenclature in title II of the housing and urban amendments bill. This would abolish the FHA position of Special Assistant for Cooperative Housing which Congress established in section 102(h) of the Housing Amendments of 1955. Certainly such a repeal is not a technical amendment or change in nomenclature. It is a matter of major importance and substance. The Cooperative League of the U.S.A. urges and recommends that this provision in the present law should not be repealed. Instead, it should be strengthened and reaffirmed for the following reasons:

- (a) In enacting the existing law 11 years ago, the Congress carefully considered the need for such legislation which was supported by cooperative, consumer, and public interest groups. It therefore provided for a special assistant and staff on cooperative housing to provide necessary assistance, guidance, and expediting in order to carry out the laws and mandates of the Congress relating to the encouragement of the cooperative housing program.

- (b) The need for that law not only continues today, but is even more urgent. New programs have since been enacted by the Congress, such as the rent-supplement program and the below-market-interest-rate program, which include projects undertaken by housing cooperatives. To implement and effectuate this program it is necessary to have the skills and experience of those who have specialized in cooperative housing.

- (c) There is a need for the special assistant and supporting staff which will have the responsibility (under the Commission's supervision) to devise uniform policies, procedures, and documents for use in the cooperative housing program. Cooperative housing is different from single-family homes and multifamily rental projects. The differences must be recognized and reflected in policies, procedures,