

Mr. BLACKMON. Thank you.

Mr. WIDNALL. I would like to agree with what Mr. Ashley has said, you have made a very constructive contribution to our hearings.

I note that you are in favor of increasing the maximum for low downpayment under the new FHA program.

Mr. BLACKMON. For veterans?

Mr. WIDNALL. That is right.

Mr. BLACKMON. Yes, we are, because this is true of the downpayment as far as the veteran goes and we think it should be an equal opportunity. It makes sense to have a coordinated activity.

Mr. WIDNALL. That was a program that I introduced last year and it became part of the housing bill. At the time it was introduced, it had no downpayment, up to \$20,000.

Mr. BLACKMON. Congressman Widnall, there are certain areas of the country, because of the high land cost and because of other factors, that makes this very desirable. We support it wholeheartedly.

Mr. WIDNALL. You are aware of the fact that Congressman Barrett and I have introduced a new amendment that would make entitlement possible for those who have used up their VA preference? This would include about 6 million more, I believe.

Mr. BLACKMON. Yes, we have discussed this and we actually were very interested in this amendment to the bill because we think that it is discrimination against those who have used their GI rights and—whereas in the FHA program you can use it and use it again and again—and it makes it consistent with good management.

Mr. WIDNALL. I have been delighted to hear from FHA that about 10 percent of their housing starts right now are going through this program and I am sure that is going to multiply during this coming year.

Mr. BLACKMON. This is just getting started. As you know, it takes some leadtime—when the bill became law it took a while to generate the business. I think you will see a larger percentage as time goes on using this portion of the bill and certainly during this period of time with our housing starts down, it is encouraging to have as many tools as possible to help house the people of this country.

Mr. WIDNALL. Are you familiar with H.R. 13090, the bill that I introduced on February 24, authorizing the Secretary of the Department of Urban Development to make grants for supplementing those for basic water and sewer facilities in suburban communities?

Mr. BLACKMON. Yes, we actually had our legislative committee the day that this bill was introduced, and we had already finished our business. Several officers have gone over the bill which would increase water and sewer grants from 50 to 75 percent. This seems to be in line with some of the policies that we have already agreed would be desirable; for example, in the demonstration cities program.

As you know, we have always been in favor of trying to provide facilities to the communities so that housing could be more readily made available.

Mr. WIDNALL. In the urban development bill, the extra grants are ringed with prerequisites for planning. These prerequisites are not in the bill which I have offered. If you had to decide between the two, do you have any preference?