to metropolitan planning units, thus enabling the Secretary to control such purely local matters as zoning codes, subdivision regulations, and civil land use and density controls?

There again, if you want, you can answer it later.

Mr. BLACKMON. I will just comment slightly.

Title I is for utility grants that have to do directly with cities, such as water and sewer facilities and items of this nature which are municipal functions. Title II is not a municipal or State function but rather a private enterprise approach.

Basically, I would like, if that is possible, to submit a further statement on it for your consideration.

(The information referred to follows:)

NATIONAL ASSOCIATION OF HOME BUILDERS,
NATIONAL HOUSING CENTER,
*Washington, D.C., March 15, 1966.*

Hon. WILLIAM A. BARRETT,
*Chairman, Subcommittee on Housing,*
*House of Representatives, Washington, D.C.*

DEAR CONGRESSMAN BARRETT: This is in reply to two questions raised by Congressman Fino during my testimony March 8 on behalf of the National Association of Home Builders on proposed housing and urban development legislation.

Congressman Fino asked (1) whether NAHB had recommended enactment of section 110(d) of H.R. 13064, the proposed Housing and Urban Development Amendments of 1966, and (2) for an explanation of NAHB's support for title I of H.R. 12946, the proposed urban development bill.

Section 110(d) of H.R. 13064 would repeal a provision of the National Housing Act prohibiting purchase by the Federal National Mortgage Association of loans insured or guaranteed prior to August 2, 1954.

NAHB has no objection to repealing this existing prohibition of FNMA secondary market mortgage purchases. We understand that it would make eligible for purchase a negligible number of mortgages 12 years of age or over. It should be made clear that section 110(d) is not intended to limit the authority of FNMA to administratively restrict its purchases of loans, by date of insurance or guaranty or otherwise. FNMA should continue to have flexible authority to issue regulations, as conditions require, to conserve its funds so that it may at all times perform its fundamental function of providing a secondary mortgage market for loans for new construction.

Title I of H.R. 12946 would authorize supplemental grants (of up to 20 percent of project costs) to State and local public bodies carrying out nine designated federally assisted development projects. These supplemental grants would be made only to localities within metropolitan areas (1) which had established areawide planning and programing adequate for evaluating and guiding all public and private development activities and (2) which were carrying out the location and scheduling of public facilities, zoning, and other subdivision actions, and other metropolitanwide policies and actions in accordance with areawide planning and programing.

NAHB supports this new program of supplement grants. It would assist localities which are effectively carrying on metropolitanwide planning and programing activities.

In recent years, Federal programs have increasingly required that federally assisted public works or facilities be consistent with locally approved comprehensive planning activities. As a result, many of the Nation's metropolitan areas are carrying on planning and programing activities to guide their overall urban and suburban development.

In many cases, however, planning activities are keyed toward meeting the specific planning requirements of a particular facility (such as sewer or water facilities) and do not result in the effective overall development which is the goal of Federal planning and development assistance. Title I of H.R. 12946 would reward those localities which effectively coordinate all public facility planning and programing activities, and all other public and private development actions, and thereby encourage sound community development.

The planning actions required of localities in order to receive these supplemental grants would not result in increased Federal control over purely local