It is quite apparent that unless Congress acts to change title I to meet today's needs, the consumer will continue to suffer. Adoption of these recommended changes will be a realistic adjustment by Congress of the FHA home improvement program to meet present conditions. The proposed amendments will increase the protection to the public by a revitalization of what has proved to be a workable and accepted program, which makes possible the upgrading and improvement of the homes of the Nation at the lowest possible level of cost to the consumer.

Mr. BARRETT. Thank you, Mr. Butler. We certainly appreciate your statement. We will take your recommendations and we shall have the staff and members of the committee study them carefully. Mr. Fino?

Mr. FINO. No questions.

Mr. HARVEY. I have no questions, but I want to tell Mr. Butler I have received a good number of letters myself and I appreciate his very fine statement very much.

Mr. BUTLER. Mr. Chairman, might I state—I was gratified to learn that the National Association of Home Builders, independent of my position, made the same recommendations in their statement the day before yesterday. I just noticed it.

Mr. BARRETT. Fine.

Mr. BRICKLE. Would it be permissable for the National Lumber & Building Material Dealers Association to submit a statement in addition to this?

Mr. BARRETT. Yes, indeed, and without objection so ordered.

(The statement referred to follows:)

STATEMENT OF THOMAS T. SNEDDON, EXECUTIVE VICE PRESIDENT, NATIONAL LUMBER & BUILDING MATERIAL DEALERS ASSOCIATION

I am Thomas T. Sneddon, executive vice president of the National Lumber & Building Material Dealers Association, 302 Ring Building, Washington, D.C. The association of 13,000 member firms represents the building materials distribution industry which handles over $7 billion in building materials annually.

We are in accord with the views of the National Association of Home Builders and the Lenders Committee of the National Home Improvement Council in support for change to the home improvement provisions of title I of the FHA program. Historically, title I has encouraged and enabled the American homeowner to improve and expand his residence to satisfy changing family needs. The extra bedroom, the new garage, the recreation room, and countless other additions or alterations have contributed significantly to the home and family life, the preservation of property values, and as a deterrent to neighborhood deterioration.

Since the inception of title I, FHA-insured home improvement loans have served the dual role of facilitating home improvement programs and, indirectly, acting as the standard against which many conventional forms of home improvement financing were patterned. Unfortunately, title I has become antiquated in relation to current levels of conventional financing. Today, noninsured loans for home improvement programs have more realistic maximum amounts and repayment periods. In 1965 the Federal Home Loan Bank Board granted all Federal savings and loan associations authority to increase home improvement loans to a maximum of $5,000 with an 8-year maturity. Finally, conventional forms of financing enjoy greater liquidity because of market-oriented discount rates.

While the conventional financing sector of the lending community has realined its thinking toward home improvement loans, title I insurance programs are bound generally by criteria established in 1934, 32 years distant from today's money market. For this and other reasons, the utilization of the title I insurance program has rapidly declined to 29 percent of all loans for installment credit extended in repair and modernization activity.