Mr. BARRETT. Do you desire to submit this?

Mr. WELTNER. Yes; I have a proposed form for amendment which I would like to submit.

Mr. BARRETT. It may be submitted for the record.

(The proposed amendment referred to follows:)

AMENDMENT PROVIDING FUNDS FOR STUDY CONCERNING RELIEF OF HOMEOWNERS IN PROXIMITY TO AIRPORTS

Page —, after line —, add the following new section:

STUDY CONCERNING RELIEF OF HOMEOWNERS IN PROXIMITY TO AIRPORTS

SEC. —. Section 1113 of the Housing and Urban Development Act of 1965 is amended—

(1) by inserting "(a)" after "SEC. 1113.";

(2) by striking out "one year after the date of the enactment of this Act" and inserting in lieu thereof "six months after the date of the enactment of the Housing and Urban Development Act of 1966"; and

(3) by adding at the end thereof the following new subsection:

"(b) There is authorized to be appropriated the sum of $100,000 to carry out subsection (a)."

Mr. WELTNER. Secondly, I would like to take this opportunity to place on the record the contents of my bill, H.R. 696, which is before the committee. This bill is not a bill which will call for the acquisition by the Federal Government of any property. It is not a matter of paying damages. The only thing this bill does is to reverse the FHA policy of refusing to extend insurance on homes which happen to be adjacent to airports. It is further limited to apply only where the airport is built by the home, not where the home is built by the existing air facility.

This bill would require that the FHA issue insurance on those homes, notwithstanding its current policy, and that it issue insurance without considering the diminution in value caused by the adjacency to the airport. There is created, as the Chairman will recall, a special fund in the mutual mortgage insurance fund to constitute a special reserve for any specific losses that might occur. That would, in my opinion, maintain the actuarial soundness of the fund. It would not impair the fund and it would have a special reserve to buttress it.

Specifically, the situation arises many times where an owner of a house near which an airport has been built has a buyer ready, willing, and able to buy, but he must have FHA insurance because he is unable to come up with the required downpayment for conventional financing. A contract is entered into and it is submitted to the FHA, and the FHA says, "No, we are not going to insure it." Consequently, absent FHA financing, there is no sale, and the loss occurs.

Last year's record shows correspondence previously on this matter. This is one solution to our problem that would not cost the Government any money.

Now, there may be other solutions and the FHA may not like this solution. But they have not suggested any better solution. The FHA has not proposed any remedial legislation, although they have had this matter and this specific suggestion for 2 years now.

So I submit, Mr. Chairman, that absent some initiative on the part of the agency, maybe this committee ought to take the inititative. If FHA's policies are not going to be reviewed, and if they are not going