

be available. But if it was—if the line was clearly drawn in that area, as I say, I think we would have to take another look.

Mr. WIDNALL. That is all. Thank you.

Mr. NORTHUP. May I comment on that additionally, Mr. Widnall?

I would like to say in reviewing this type of legislation or any type of legislation that comes up, we try to draw parallels between it and existing programs that are on the books. It appeared to us this would have a parallel with the nursing home program which FHA presently operates. Under that program, certain equipment is permitted to be financed in the mortgage.

We have assumed, in reviewing this legislation, that it would include a structure plus this parallel type of equipment which would be needed; and it was our assumption—this is the basis on which I talked to our Washington committee group—that we were financing this parallel type of structure.

Now, if the thrust is intended to be even more toward equipment, we have not looked at it in that light.

Mr. WIDNALL. Are you currently financing some nursing homes?

Mr. NORTHUP. Yes.

Mr. WIDNALL. How many points do you charge?

Mr. NORTHUP. Currently, I can't tell you.

Mr. GOODWIN. A half to one, generally speaking, among the mortgage bankers. I am not speaking for other lenders. A half point to one point on the nursing home or medical center.

Mr. WIDNALL. I had someone call me over the weekend about a million dollar loan and they said they were being charged 8 points.

Mr. GOODWIN. To get the loan? I cannot conceive such a thing. I never heard of that many points on a nursing home or a medical clinic. That is not to say there may not be instances of such charges.

Mr. WIDNALL. Thank you.

Mr. GOODWIN. Basically, our members are placing these loans with eastern investors—insurance companies—I would say primarily—and I don't believe I know of any instances, even when things were rocking along pretty well a year or two ago when it would have been above 2 points, and if the eastern investors heard that there were points higher than that, I think they would be extremely disturbed and would not even make the loan.

Mr. WIDNALL. Thank you.

Mr. BARRETT. Mrs. Sullivan?

Mrs. SULLIVAN. Thank you, Mr. Chairman.

Mr. Goodwin, when you argue against making loans available for the building of medical facilities or medical centers, you say that there are plenty of conventional loans available. Would you suggest we do away with all FHA-insured loans? After all, using your same reasonings, there is plenty of conventional money for FHA home loans. The point is, conventional loans require much larger downpayments and shorter maturities.

Mr. GOODWIN. No. I would for this purpose.

Mrs. SULLIVAN. Can you tell me in your own experience how many requests for funds for medical centers your firm, whom you represent, has turned down?