Mr. GOODWIN. That is a little difficult to say with accuracy. But I would say very few, if any, where the financing would not exceed probably 75 or 80 percent of the value of the project. There are various reasons why loans of this sort are a little easier to finance. Quite often the doctors that are together in the project sign leases. Quite often they are willing to go on personal notes to raise the difference between 75 and 80 percent, and 100 percent. When that prevails and they want the extra financing, perhaps by offering the extra security, a lower rate of interest, they, of course, become the natural borrower of a local commercial bank, in which case we often lose the financing. But I would say that while we have lost a number of loans because someone else wanted it more, would loan more, or would do it more exactly like the doctors wanted it, I know of no instances where we were not able to place a loan when we thought it was a legitimate credit.

Mrs. SULLIVAN. Have you financed many of them?

Mr. GOODWIN. Yes; a great many. Up in the area where I live, which is not, of course, a big city, we cover all southern California, south of Los Angeles, but running into $2.5 million, $3 million, and a great many running from $50,000 up to $2.5 or $3 million.

Mrs. SULLIVAN. Have you financed any nonprofit groups who are going into this area?

Mr. GOODWIN. Yes.

Mrs. SULLIVAN. I would like to have him submit for the record, Mr. Chairman, a list of those he has financed, including nonprofit as well as private groups of doctors, as well as a list of those that have been turned down, and why they were turned down.

Mr. GOODWIN. I will be very glad to do that. I am going to have trouble finding those that were turned down.

Mr. BARRETT. That may be done without objection. So ordered.

(The information requested follows:)

MORTGAGE BANKERS ASSOCIATION OF AMERICA,
Washington, D.C., April 4, 1966.

Hon. LEONOR K. SULLIVAN,
House Committee on Banking and Currency,
Washington, D.C.

DEAR MRS. SULLIVAN: When our president, Mr. Ewart Goodwin, was testifying on the current housing legislation you asked that he submit a list of loans made by his firm to group practice medical facilities. We are pleased to enclose that list for the record.

You asked additionally that Mr. Goodwin submit a list of loans which they have rejected. On this subject Mr. Goodwin has written me as follows:

"While we have lost various accounts to competitors such as banks, savings and loan companies, and to mortgage bankers where they were in a position to give them more money, neither I nor my associates can recall a situation where we refused a medical center loan. In other words, we may not have always made the loan when it was applied for, but that would be because some other investor came up with what the borrower considered to be a better deal."

For this reason we are not able to comply with this portion of your request.

We hope this information will be helpful to you and to the committee in considering the merits of H.R. 9256. If we can provide further information we will be pleased to do so.

Sincerely,

GRAHAM T. NORTHUP.