Mr. TATE. FHA rate is 5½. I was hoping we could get it for 3 percent but this seems impossible at present.

Mrs. SULLIVAN. The reason I asked this is because I recently introduced a bill, H.R. 13063, to make some 3 percent money available——

Mr. TATE. That would be excellent.

Mrs. SULLIVAN (continuing). To bona fide nonprofit organizations which would rehabilitate neighborhoods as well as houses. In my area, this is done separate from the city administration, but with the city fathers knowing what is going on and working with the nonprofit organization at least on the planning. It is my hope that we can get such a provision into any broad new housing bill. This would enable the very low-income people to buy housing they could afford—that they could never buy otherwise at the going rate of interest. Of course, it would have to be limited to families within certain incomes that would now be eligible for the rent supplement program and public housing. This would also work in cases where the poor family reaches that point in public housing where their income is just a little over the limitation and they have to leave to seek other housing.

Mr. TATE. It would get a lot of houses back on the private housing market.

Mrs. SULLIVAN. And it would help the community, too, by giving to these people a stake in the upkeep and improvement of housing they will eventually own.

Mr. TATE. This is exactly the reason we have set up this nonprofit housing corporation. It will start to provide decent shelter at an appropriate figure, a reasonable figure for many poor people now unable to afford it.

At $8,000 or $9,000, it is within reach of many people in Philadelphia. These people can hold their neighborhoods together and that is the important thing. We don't want to provide all of the needed single-family homes through our public housing program resulting in rows and rows of public housing units, but rather mix public and private efforts throughout the neighborhoods.

I spent some time in a number of areas yesterday and something like this just lifts them dramatically. If we had something like you propose, it would certainly help many people. As a matter of fact, my wife told me the other day about a very fine old couple who have probably seen the best of their years but who have been able to get a new lease on life because they have been able to get a 3-percent loan. While they greatly appreciate the help, they also get the feeling that they are not stealing the money.

They are doing something toward it. As a matter of fact, they are in Congressman Barrett's district.

Mrs. SULLIVAN. This would cost the Government very little.

Mr. TATE. I agree completely. But what are we to do in the meantime. That is why we have established this nonprofit organization.

Mrs. SULLIVAN. The group in St. Louis, which started this rehabilitation program, started on a very, very modest scale. They have already rehabilitated and sold and installed families in 41 of these houses. Of course the mortgage rates they can get now have to be at the regular going rate, I think, 6 percent. The financing was done through savings and loans associations but the funds available to