

Of these, 191,000 were strictly in the mobile home category as contrasted to the so-called travel trailer. These mobile homes provide economical housing for many young couples, transient people, and retired persons. However, under existing law, they are classified as "personal property" and savings and loan associations are currently restricted to loans secured by real estate.

The entrance of savings and loan associations into this field would provide additional available capital which could result in loan terms more favorable to the borrower. This authority has the endorsement of the Federal Home Loan Bank Board was approved by the House Banking and Currency Subcommittee on Housing in 1964.

HOUSEHOLD FURNITURE AND EQUIPMENT

It is proposed that Federal associations be authorized to invest up to 5 percent of their assets in home furnishings and equipment. Such equipment is a major part of the cost in the acquisition of a home and its financing should be coordinated with the mortgage on the home itself. The savings and loan association, having already made the necessary credit check on the home buyer, would be in a position to extend credit for home furnishings on favorable terms.

Whereas 20 years ago equipment was a very incidental part of the house, it now represents as much as 15 to 25 percent of the cost. This is because of the advent of such items as dishwashers, clothes washers and dryers, deep freezers, air conditioning, draw drapes, wall-to-wall carpeting, disposals and other pieces of modern equipment. This provision was also approved by your Housing Subcommittee in 1964.

ACQUISITION AND DEVELOPMENT OF HOUSING SITES

One of the major obstacles to homebuilding today, particularly in the low- and medium-price classes, is the lack of properly developed housing sites. More and more it is necessary to go far into the suburbs to obtain tracts and then it is necessary to install appropriate utilities, sewers, streets, parks, etc. It is proposed that Federal savings and loan associations be given greater freedom in developing land sites, including the right to own the property. This would be limited to 5 percent of assets so that no association would be engaged in any major way in the homebuilding business. A number of States have permitted this activity for State-chartered associations over the years.

SUMMER-HOME LOANS

One of the latest developments in housing is the emergence of the two-home family. Growing numbers of families are seeking vacation homes at the beach, the mountains, or "just away from it all." As many as 100,000 such homes were built in 1963. It is proposed that Federal associations be authorized to loan up to \$5,000 on such homes within the present restrictions on property improvement loans. A summer-home loan would be treated in much the same manner as the addition of a room or a garage on existing property. No increase in the 20 percent of assets that restricts this general category is requested.

AUTHORIZING ABBREVIATION TO FEDERAL SAVINGS ASSOCIATION

In the interest of simplicity in advertising and brevity in check writing, many Federal savings and loan associations have become informally known as Federal savings associations. It is proposed that the words "Federal savings association" be made a legally optional name for these associations. Those associations who wish to continue the name Federal savings and loan association (some have large investments in signs, building fronts, etc.) could continue to do so. For years commercial banks have used the popular name such as "Bank of America" instead of the legal corporate title.

Substitute in the place of the first sentence of the second paragraph of subsection 5(c) the following:

"Without regard to any other provisions of this subsection except the area restriction any such association is authorized to invest:

"(1) not in excess of 20 per centum of the assets of such association in loans insured under title I of the National Housing Act, in home improve-