These loans have gone for a variety of service establishments, retail stores, repair shops, truck hauling, and the like.

The rural loan program is quite different in operation from the Title IV program as jointly operated by OEO and SBA, however, and it has not been beset with the same problems that faced us in Title IV.

In the first place, it is administered by the Farmers Home Administration employees directly and there is no SBDC intermediary. And, as you know, these employees serve all the rural counties in the Nation, giving the rural loan program an outreach capability that SBA cannot match. Follow-through and monitoring of the loan also is much more simple than in urban areas because these FHA employees actually live in the rural communities. Eligibility criteria are not rigidly formalized, and determinations of the applicant's eligibility and prospects are made by the FHA supervisor and his county committee.

Further, it should be noted that the average size of the non-agricultural rural loan is only $1,786, as compared with the $10,000 loan of the Title IV program. Lastly, administrative funds were provided to FHA to deal specifically with the rural loan program. This was not the case with SBA, and all administrative funds for SBDCs came from OEO.

We feel the Rural Loan program continues to serve a poverty need in rural America and we expect it to continue as part of our Act.

In closing, Mr. Chairman, I am not sure whether I have raised more questions than I have been able to answer.

I have discussed the problems we faced in attempting to relate a major small business loan program to the basic needs of those in true poverty.

I do not want to leave the impression, however, that we in OEO consider small businesses in the ghetto and poverty areas as a thing apart from our own mission.

This is not true. The poor, as consumers, frequently find their problems magnified even beyond the basic shortage of funds.

Quite often, the poor do not get, dollar for dollar, the same quality or quantity of food or goods that the more affluent person who has the time and the means to shop can achieve.

They can become "captive" patrons of unscrupulous merchandisers or credit vultures. And quite often, also, the stores, or services that the poor need simply are not located in the ghetto areas, requiring hours of travel on public transportation if goods are to be obtained.

Certainly, good, necessary businesses can offer much to any area, particularly where the poor live.

Through our Community Action Agencies, neighborhood centers and any other means at our disposal, we will cooperate with SBA to help carry its new program to the disadvantaged.

In short, I can assure you that we in OEO will continue to do everything we can to encourage the establishment of such businesses so that those we seek to help will have as many advantages as possible in their fight to move out of poverty.

Mr. DELLENBACK. Mr. Chairman, may I ask the witness—certainly I recognize it will be far too late to be of help to us at this time, but the other study that you mentioned a moment ago that may be 9 months in the offing, if and when it is prepared, you will make it available to this committee? Because our responsibility will continue in the future.

Mr. BOUTIN. I will be very happy to do that.

Mr. DELLENBACK. Thank you.

Chairman PERKINS. Thank you very much.

Mr. BOUTIN. Thank you, Mr. Chairman.

Chairman PERKINS. The committee will recess until 9:30 Monday morning.

(Whereupon, at 4:45 p.m. the committee was recessed, to be reconvened at 9:30 a.m. Monday, June 26, 1967.)