those who are receiving money—loans. It does seem logical that those who are receiving loans from the Federal Government in order to earn money should not be discouraged from trying to earn a little private income without losing this same amount they earn in their welfare assistance.

You indicate, Mr. Freeman, at page 14 of your testimony that you are recommending OEO develop some simplified forms of guidelines for use in rural areas.

The implication of that is it may have been too complicated and difficult in many instances for the rural areas to comply with. Is that right?

Secretary FREEMAN. We think some of these could be improved and simplified. We are pleased to see the reference made to it. I know that the efforts that have been made to clarify and simplify forms and guidelines will continue.

Mr. GOODELL. You feel in many instances they are too complicated and difficult for the people to buy them?

Secretary FREEMAN. I feel they can be improved.

Mrs. GREEN. First, may I say I think that is a very impressive accomplishment; it moves at least in the right direction to do something about poverty in the rural areas.

I wish we could do something about increasing the amount a person could earn without being penalized through either social security or welfare reductions. I do think this committee should explore it.

I would think the goal ought to be to encourage people to earn as much as they can rather than discouraging them and inviting laziness and other things.

I have a couple of questions in regard to the programs. You spoke of the Farmers Home Administration loans and the rate of repayment. I am told in the last few days that there has been a new policy in FHA with regard to delayed payments.

In the Farmers Home Administration is there any change in policy or any more to become more lenient and to overlook these late repayments?

Secretary FREEMAN. We are trying to administer these programs in such fashion as to give every possible encouragement to the recipient so that he will be able to get on his feet. I think it is not as much a matter of clear-cut change in policy as it is a matter of learning from the experience we have had so far and generally being more liberal in terms of giving more attention and more individual help to those who tend to lag a bit in their repayments.

I know offhand of no new regulation to that effort. But, the policy in carrying this forward has been moving steadily in that direction.

Mrs. GREEN. Have there been directives sent out to the various regional offices in regard to this?

Secretary FREEMAN. In general terms, by way of giving more supervised attention and being less rigid in terms of the repayment schedules, but again no directive that would change the repayment schedule but rather one that would——

Mrs. GREEN. Would you furnish the committee with copies of those directives which have gone out?

You spoke of loans to individual cooperatives. This is a program which I think has held great promise, and it has undoubtedly opened