dollars a year in loans to rural America, many of them at the poverty level."

Can you give us an idea how many recipients under the FHA program are at the poverty level?

Secretary FREEMAN. I would say as a rule of thumb that 75 percent of the loans that were made under the overall FHA program, certainly that are made to individuals, are to those who do not have a net income of $3,000 or more.

Mr. GOODELL. Using the standard of $3,000 for two people, a couple?

Secretary FREEMAN. Yes.

Mr. GOODELL. Do you utilize upward standards for increased members and family—in other words, if there are four members in the family, the scale goes up? Is that your standard of poverty?

Secretary FREEMAN. The accepted standard that has been used, I believe, is $3,000 for a family of four.

Mr. GOODELL. There have been several standards——

Secretary FREEMAN. I am not being meticulously——

Mr. GOODELL. There has been a good deal more sophistication between what makes the difference between rural and urban family poverty and what adds an increment for each dependent.

Secretary FREEMAN. I would not try to be too precise—just to say that FHA loans reach many, many, many people in the poverty group—and I would say roughly those for a family of four with $3,000 a year or less—farm ownership loans, farm operating loans, recreation loans, housing loans, and then the loans for water and sewers which affect many, many people in these areas.

Mr. GOODELL. Can you define the difference between your regular FHA loan programs as it affects the poor and the FHA program that you operate under delegation from OEO?

Secretary FREEMAN. First, the EO loan program is not limited to farm people. Loans can be made for nonfarm enterprises. We would not have authority to make such loans for otherwise.

No. 2, the terms and conditions are more liberal than under comparable FHA loans.

Mr. GOODELL. What are the distinctions between the recipients?

Secretary FREEMAN. The EO loans go to people who are by and large in the poverty group.

Mr. GOODELL. You have indicated in your estimate that about 70 percent of the money under the regular FHA program goes also to these people. Is it not true, also, that under the delegated OEO program you reach a hard core poor?

Secretary FREEMAN. Yes.

Mr. GOODELL. You reach people who cannot qualify under your regular FHA program?

Secretary FREEMAN. That is correct.

Mr. GOODELL. How do you administer this so there is not an overlap? Do you have an arbitrary standard?

Secretary FREEMAN. No, these are different kinds of loans. Let's take, for example, loans that are for non-farm enterprises. That is a different kind of loan.

Mr. GOODELL. What about your repayment schedule?

Secretary FREEMAN. We are held to more stringent terms and con-