

Kentucky and the Farmers Home Administration. We would find that elderly persons that fell within the guideline, who need their home repaired, we would take them to the Farmers Home Administration and they might loan them two or three hundred dollars to buy the material. Then public assistance in the state.

Let me give you as an example an elderly family that was on public assistance for, say, \$85 a month to live on. The borrowing from Farmers Home Administration meant that they would have to repay this loan at \$5 a month, public assistance increased their check from \$85 to \$90 so that this would not take any part of the \$85 away from them. This was again where different agencies came together on this given problem.

As I say, I think if there were legislation in which there could be material purchased that it would surely simplify an awful lot because we found, of course, in due time that the Farmers Home Administration, the economic part of the loan, their loan program, the money was depleted. So, the only one that would continue on with it was the local bank. If they knew the elderly people well enough they probably would make a two or three hundred dollar loan.

Chairman PERKINS. The present loan program has worked only on a limited scale, is that correct?

Mr. TEMPLETON. Yes, sir.

Chairman PERKINS. Assuming that the Congress subsidized either the interest rate or guaranteed repayment of the loan or guaranteed a portion, do you feel that would stimulate the commercial banks to make loans on an adequate basis to a point to improve the rural housing?

Mr. TEMPLETON. Yes, I surely do. I think that the local banks would be very receptive to this thing and cooperate. I would hope to see this come about.

Chairman PERKINS. I know that we had a program 2 years ago that worked very successful. It was a grant program. I think there were several grants made in the area that I represented, in other rural areas in different parts of the Nation. Maybe some of them as large as \$500 that would enable the recipient, the people that were on public assistance, enable them to get a roof over their heads or a bathroom, or winterize their homes. We must not continue to be derelict in meeting this problem. I think if we can come up with a solid foundation for the rural areas in the way of a rural program, a more comprehensive rural poverty program, then we would be meeting the urban crisis at its root source.

I have been in Congress long enough to know that in governmental agencies most of our people are city oriented. We have been placed at a disadvantage in the rural areas because we do not have the technicians that they have in the cities and metropolitan areas.

I am pleased by the fact that the rural people are responding though in many areas too slowly. If for any reason we dismantled OEO as presently constituted, then we would be rendering a great disservice to the poor people of this country. Does this panel agree with me that we should not dismantle OEO as it is presently constituted but keep all of this under one tent just like we have at the present time. Do you agree with that?

Mr. TEMPLETON. Yes, sir, very much so.

Chairman PERKINS. You, Mrs. Small.

Mrs. SMALL. Yes; I presume I do.