Mr. BROWNSTEIN. I think that unquestionably, the way that the discount is eliminated is to have a yield through an interest rate that will be competitive and will attract the capital.

Mr. WYLIE. My time has expired. I would just like to end with one more question.

Mrs. SULLIVAN. All right.

Mr. WYLIE. Do you have any suggestion or feeling as to whether this point practice should be eliminated, and if so, how we might do it?

Mr. BROWNSTEIN. I think I share the wish of every member, of not only this committee, but in the Congress, and all the people in the executive branch who have a responsibility here, Mr. Wylie, that we deplore the discounts that are typified.

Mr. WYLIE. I did not mean to be repetitious. The next question is, do you or anyone in your Department have a suggestion how the practice of adding discount points might be eliminated on FHA loans?

Mr. BROWNSTEIN. The only way you can eliminate them is by having an interest rate which is adequate to attract the flow of mortgage funds.

Mr. WYLIE. By removing the ceiling on interest rates?

Mr. BROWNSTEIN. By at least leaving enough flexibility so that the rate can be fixed at a competitive level.

Mrs. SULLIVAN. May I answer that? I think if you read over our bill and help get this bill passed, we can eliminate these points. I offer this as a recommendation to back up my statement—this is an article that comes from the Kiplinger magazine of June 1967 and it says, "How Much Your Mortgage Really Costs." They have a table here that shows what the nominal interest rate is for a 20-year mortgage or 25-year mortgage and the effective rate if loan is repaid after 5 years, 10 years, 15 years, 20 years, 25 years, if points are charged. So that if someone would quote a 6-percent interest rate for a 25-year mortgage, and they would add on five points to that mortgage, the interest rate for a 25-year loan at 6 percent would not be 6 percent, it would be 6.55 percent. So that the man who had this information would know he is not getting a mortgage for 6 percent; he would have to pay 6.55. This gives him a chance then to try to find some other financing agency for his mortgage.

Mr. WYLIE. I would like to work with you on this, Madam Chairman, but I do not want to be maneuvered into a situation where the ceiling will be fixed at 18 percent.

Mrs. SULLIVAN. I think that is a little different.

Mr. Annunzio?

Mr. ANNUNZIO. Thank you, Madam Chairman. I appreciate your forthright statement before the committee. You always make a constructive contribution.

I myself disagree with your statement of garnishment of wages. As you know, the President in his statement before the Congress some 5 or 6 months ago referred to a provision of garnishment of wages and the Department of Labor, Office of Economic Opportunity, and other departments have studied this problem for 6 months. It takes 5 or 6 years to get to this state with the truth-in-leanding bill, so it will probably take us 5 or 6 years to have courage to say that garnishment of wages at the 100-percent level should be exempt from every State in the Union.