Mr. HALPERN. Does the Department of Housing and Urban Development provide any advisory facilities whereby a prospective homeowner can have a consultation with an expert on the type of home he should buy, given his financial position and so forth, the best source of mortgage credit and so forth?

Mr. BROWNSTEIN. Just last week, Mr. Halpern, we put into effect in five cities a housing counseling service that will do this.

Mr. HALPERN. I am glad to hear that. But has it been in effect?

Mr. BROWNSTEIN. No, we have not had this type of service in effect before. We have just initiated it in five of the cities of our country, and as we gain experience with this we plan to broaden it.

Mr. HALPERN. Very glad to hear that. That is all, Madam Chairman.

Mrs. SULLIVAN. Mr. Hanna?

Mr. HANNA. Thank you, Madam Chairman. We are delighted to have you before us again, Mr. Brownstein, on this very important legislation.

I certainly want to be associated with the remarks of my colleague from Illinois about the concern we have for the costs in time, in money, and in the people's feelings in terms of the garnishment situation; and I commend him for having made available this important information.

In talking about this point system, if we might go back to that, Mr. Brownstein, am I incorrect in my understanding that the point system itself has a great deal to do with the competitiveness—first of all in the mortgage market as to certain pressures that come upon the flow of funds into mortgages where there is a fixed interest rate and there has to be some kind of response to the competitive position of the mortgage instruments, and has that been reflected in the FNMA discount to a great degree?

Mr. BROWNSTEIN. The points or discounts are totally as a result of what is called for in the capital market to attract the flow of funds to mortgages.

Mr. HANNA. Is it not also part of the problem of cash flow into places where there is mortgage money need, and the place where the money is, so that the point system itself operates as part of the mechanism for cash flow?

Mr. BROWNSTEIN. Unquestionably this is the case, Congressman Hanna.

Mr. HANNA. Then it would seem to me that there are considerations, some very complicated considerations that have to do with the mortgage interest situation that are very much involved with this whole problem that are not part of the other credit interest structure, is that not correct?

Mr. BROWNSTEIN. Well, I doubt that the matter of discounting is quite as pronounced in some of the other sectors as it is in the mortgage sector because there, particularly on your consumer credit the rate can be sufficiently high so that this kind of discount is not necessary.

Mr. HANNA. What you are saying is that there they have a flexibility in the interest rate itself which will accommodate this and they do not have to fall as heavily back on discount as we would, for instance, in FHA or VA mortgage situation where there is no flexibility in the interest rate itself, is that not true?