transactions that many banks make with Federal bonds and Federal securities, because they are looking for yield based upon what the market price of it is. The Government itself sells its instruments at a discount.

If we are going to have to go into the questions of discount, we will have to go into it further than we are prepared to now.

Mr. BROWNSTEIN. Discounts are not confined to mortgages, as you suggest, Mr. Stephens. They are typified in the corporate bond market as well as the U.S. Government bond market.

Mr. STEPHENS. Also not confined to consumer items. Sometimes a fellow gets into domestic difficulties, gets a judgment of alimony against him, and will not pay it and his wife cannot get the money out of him, so it is not confined completely to the question of this.

Mrs. SULLIVAN. I would just like to comment that the legislation that we are considering would not apply to bonds or anything of that nature. Title I of this bill would only apply to consumer credit. It specifically says on page 17, line 14 of the bill, that the provisions of this section shall not apply to credit transactions involving extensions of credit for busines or commercial purposes, transactions in securities or commodities.

So it would not apply to what Mr. Stephens was discussing.

Mr. Brownstein, you are always a fine witness and a great help to us.

Mr. FINO. Madam Chairman, I have just one question I would like to ask Mr. Brownstein, if I may.

Mrs. SULLIVAN. All right.

Mr. FINO. Mr. Brownstein, from your many years of experience with FHA have you found many cases where banks cheated in financial charges for home mortgages?

Mr. BROWNSTEIN. Well, we have had cases, Mr. Fino, where some mortage originators who were then in the program—are not now in because of some irregularities—but this has been an extremely rare occasion.

Mr. FINO. Rare case. So when you are speaking of rare occasions, are you speaking of banking institutions, financial institutions?

Mr. BROWNSTEIN. Probably there have been a couple over the many years that FHA has been in existence, but it has been an extremely rare thing.

Mr. FINO. Thank you.

Mrs. DWYER. Madam Chairman, I have just one more question. We are all concerned over the one major sector of our economy that is apparently depressed, namely the homebuilding industry. During a period of tight money or high interest rates if we were to reveal total dollar costs, would not potential home buyers delay home purchases until interest rates declined, thus sharpening the gyrations in an industry that already suffers the effects of tight money?

Mr. BROWNSTEIN. I think it depends entirely, Mrs. Dwyer, on the particular home buyer and what his circumstance is and depends, if he finds a house that meets his family needs and if this is the house that he believes is what he wants, and if he can afford the downpayment and the monthly payments, these I think will be the elements of his primary consideration.

Mrs. DWYER. Thank you.