average are not going to maturity. There again you have a question of whether this is truth in lending or not. You scare the dickens out of this guy on a $20,000 home by telling him he is going to pay more in interest on the home costs on a 30-year mortgage when he is not going to do it. He will be out of that house and pay it off and be out of the situation in 5 to 10 years.

Mr. MINISH. Do you want to keep them in the dark? There is nothing wrong in the buyer knowing exactly what the costs will be. There is no reason to believe the truth will scare him.

Mr. WALKER. You said that. I do not think it is necessary in the first mortgage field. I haven't seen it demonstrated that it is and the problem is in FHA and I think administratively they can handle that problem.

Mrs. SULLIVAN. Would the gentleman yield?

Mr. MINISH. Yes, I yield.

Mrs. SULLIVAN. When you say there are no abuses in this area of $230 billion in mortgages by the private lenders, I think you should ride out to St. Louis and look into what is a national scandal. People are paying 12 to 17 percent on first mortgages, and they have second and third mortgages, besides, on houses that were sold to them at inflated prices by unscrupulous real estate men.

Mr. WALKER. Does Missouri have a usury statute?

Mrs. SULLIVAN. No, I don't think so.

Mr. WALKER. This is an abuse and the State legislature in Missouri ought to do something about it.

Mrs. SULLIVAN. We tried to work this out with the real estate board and we got nowhere. We are trying to help these people refinance, but when they get their property appraised, they find it is worth less than half of what they paid for it about 8 years ago, because the house has been used and misused and of course the value was never there.

Mr. WALKER. There is some misunderstanding. Mr. Rolph tells me that there is an 8 percent usury statute in Missouri.

Mrs. SULLIVAN. I do not know enough about the statutes in Missouri to argue the legality of these high rates, but I have seen instances of people paying them. I can show you where we have tried to help these people to refinance—it is now a rehabilitation area where they are eligible for financing assistance from the Federal Government.

But when they come to have the property refinanced the house is only valued at one-half of what they paid for it 8 or 10 years ago. Often it has not been kept up, that is true. But we have proof of these awful mortgage charges, too. These are the things we are trying to find the answer to—trying to stop—and our real estate board in that area has not done a thing about it.

Mr. WALKER. I wouldn't mess with them. It is an enforcement problem.

Mrs. SULLIVAN. I wish I had the authority to do something about it.

Mr. WILLIAMS. Will you yield, Madam Chairman?

You were citing an illustration where somebody purchased a home 8 years ago and as I understand your comment that home is worth half as much today because it has not been kept up?

Mrs. SULLIVAN. Right.