mended, and Congress adopted, the Senate's one-year provision and the Administration's recommended payment formula, based upon 20 percent of the recipient's income, but provided that the full amount be paid in five months, with a $500 limit in the total payment.

Although both bills contained major defects or omissions, the Senate version had the advantage of providing a true rent supplement, based on need, whereas the House version provided merely a bonus for moving to everyone, irrespective of need. Nevertheless, if *either* version, rather than the compromise, had been adopted, the administration of the payments would have been greately simplified.

SHORTCOMINGS

Among the shortcomings in Section 114(c) (2), as adopted, is the fact that no provision is made for asset limitation in determining the eligibility of a displacee. Theoretically, a person or family could have extensive property or assets, such as jewelry, real estate, or even a million dollars cash in a bank vault. Yet if their actual verified income is low, they would qualify for the relocation adjustment payment.

Another provision of the section requires that in order to qualify for such payment, the displacee shall be unable to secure a dwelling unit in a low-rent housing project. Such projects have asset limitation policies that may disqualify otherwise eligible persons if their assets exceed a certain sum. By being rejected for public housing, such persons would immediately qualify for the relocation adjustment payment.

Another fallacy of Section 114(c) (2) is that it fails to take cognizance of the actual rent that the displacee pays in the computation of the amount due him. It requires that the local public agency determine the *average* rental required in the community for the size of unit necessary to house the elderly individual or a family consisting of a certain number of persons. For example, if the local public agency determined the average rental for a two-bedroom apartment of modest standards to be $100 per month in the particular community, but the eligible displacer obtained an apartment to meet all requirements at $80 per month, his payment would still be determined on the $100 basis.

Another apparent oversight in this section is the failure to differentiate between the eligibility of an owner or tenant. If a family or an elderly person has adequate assets to buy a good standard home free and clear of a mortgage, with sufficient income to afford the necssary payments for taxes and other expenses within the 20 percent of income criteria, they would still qualify for the relocation adjustment payment. The payment would also be determined by the average rental criteria, except that they would recive the full amount in a lump sum.

In many instances elderly persons choose to move in with children or other family members who are financially able to care for them. Under such conditions, even if the eligible relocatee is not required to pay a cent for his care, he would still be entitled to the full relocation adjustment payment, in a lump sum.

Section 114(c) (2) states "a local public agency *may* pay * * * a relocation payment * * * to *assist* such displaced individual and family to acquire a decent, safe, and sanitary dwelling." In interpreting this section, HHFA and its successor, the Departmentof Housing and Urban Development, seem to have ignored the fact that the section says "may" rather than "shall" and that its purpose is to "assist" in acquiring decent facilities. In the two preceding instances, it is questionable whether such lump sum payments were intended within the meaning of the act or in any way "assist" in relocating the recipients in decent housing. The detailed regulations adopted by HHFA leave little, if any discretion to the local public agency in determining eligibility.

It is interesting to note that according to the rules and regulations promulgated by the HHFA, every eligible low-income family and elderly individual who move from a renewal project area any time after the signing of a loan and grant contract or HUD concurrence in project execution activities are entitled to a relocation adjustment payment. There is no requirement for length of prior tenancy within the project area.

A low-income family could purposely move into the project area just before this period with full knowledge that they would have to move shortly thereafter and with full knowledge that they would receive these benefits. An elderly derelict, for instance, could move into a $1 a day flophouse just before this period and then relocate shortly thereafter to an efficiency apartment with all standard housekeeping facilities. He would have his full rent paid for five months and also receive a cash payment. Furthermore, the local public agency would be