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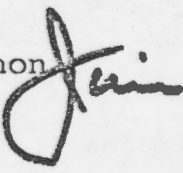
THE WHITE HOUSE

WASHINGTON

September 21, 1976

TELEPHONE CALL TO THE BOARD
OF THE NATIONAL ASSOCIATION OF
HOME BUILDERS

Tuesday, September 21, 1976
12:00 (noon), (10 minutes)
The Oval Office

From: Jim Cannon 

I. PURPOSE

To discuss your initiative to promote accelerated home ownership for young families.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background:

The National Association of Home Builders (NAHB) is the largest trade association in housing. It represents approximately 80,000 members, who employ several hundred thousand people. Home builders generally are small businessmen who build 10 to 25 housing units a year.

The NAHB was very supportive of your veto of common situs legislation, but was opposed to attempts by the Treasury to reduce real estate and construction investment incentives in the current tax legislation. It will support your home ownership proposals but would like a larger interest subsidy than now exists in current HUD programs.



B. Participants:

Approximately 1100 members of the NAHB Board and staff will listen to your call in the ballroom of the Utah Hotel in Salt Lake City. John Hart, president of the NAHB and Republican Committeeman, will introduce you to the assembled group. There will be no questions following your remarks.

III. TALKING POINTS

Tab A.

September 21, 1976
FINAL DRAFT

TELEPHONE TALKING POINTS TO THE BOARD MEETING OF THE
NATIONAL ASSOCIATION OF HOMEBUILDERS

It is a pleasure to talk to you today. I regret that I can't be there in person, both to exchange ideas one to one and also to breathe in some of the beautiful fresh air of Utah.

To begin, let me share my thoughts with you on the vital domestic concern of good housing for all Americans. The majority of Americans want to own their own homes. Every American wants a decent place to live. It is the goal of my Administration that these dreams be realized.

Today, inflation is the greatest obstacle to home ownership and affordable rents. Government deficit spending brought about by Congressional irresponsibility has led to rapidly escalating interest rates. I have used the powers of my office to hold down inflationary Federal spending.

In addition to controlling deficit spending, my Administration is pledged to sustain the growth of the economy to assure steady jobs and incomes.

I also favor tax relief for low and moderate income families allowing them to keep more of what they earn and I will work to achieve this as a counterpart to a reduction in Federal spending. Reduced inflation, more take-home pay, and greater individual savings are the fundamental basis of a healthy housing picture in this country.



My Administration has also addressed itself to specific problems concerning housing. I recently released two billion dollars of additional tandem mortgage purchase funds to stimulate ~~the~~ multifamily housing production and to ensure adequate housing in the future for people who rent.

To help more American families to own their own homes, I will recommend changes in FHA's mortgage insurance programs. These changes will accelerate home ownership by reducing down payments on FHA loans for lower and middle-priced homes by as much as 50 percent. It would also increase from 45 thousand dollars to 60 thousand dollars the maximum priced mortgage FHA would insure. About 87 percent of all homes sold in 1975 were below this mortgage limit.

My program contains an additional feature which would extend FHA insurance to mortgages with a graduated payment plan. This would allow young families to have lower monthly payments at the beginning of mortgages and gradually increase them as the families' income increased.

My program will aid moderate income families, especially young families, to buy their own homes. It will also prove a long-term stimulus to the housing industry, because it will appeal to many of the 3.5 million households in the 14 thousand dollar to 20 thousand dollar a year range who are not now homeowners.



In addition, you may be sure that so long as I am President we will preserve the tax deductions for mortgage interest rates and property taxes. Those who urge the abolition of these deductions simply do not understand the beneficial role ~~they~~ ^{*These deductions*} have played in helping millions of American families become homeowners.

Before I close, let me pay my respects to the Nation's homebuilders. We all owe you a tremendous debt of gratitude. As small businessmen, you daily struggle with the difficulties of rising costs, bureaucratic red tape, and obtaining financing -- yet you have overcome these problems to produce the finest housing in the world and provide millions of jobs for Americans.

I pledge to you that I will resist unnecessary government red tape that adds to your costs. I will work to lower interest rates and increase the production of quality housing and, finally, I will work to improve the diversity and delivery of Federal housing programs to ensure decent housing for all Americans.

Thank you very much.

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