The original documents are located in Box D13, folder “House Speech Cooperative Housing Bill, March 22, 1950” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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MR. CHAIRMAN, before any member of the House votes for or against the controversial Title I of H.R. 7402 I firmly believe a thorough and complete examination should be made of the precise situation in each Representative's respective district. Although we are legislating for the benefit of the nation as a whole, none of us should forget that we also represent limited geographical areas. We have a responsibility to reflect the views, understand the problems and seek answers for the citizens who live in our own congressional districts.

No one denies that our nation still needs additional housing particularly in certain areas where the shortage of homes is still acute. The problem is how to remedy the situation. Should we enact Title I, the Cooperative Housing Act, or should we rely on a continuation of legislation such as our existing F.H.A. statute which has worked rather effectively for a number of years.

Under the controversial Title I of H.R. 7402 approximately 250,000 homes can be constructed. A new federal agency, the Cooperative Housing Administration, will handle the job if Title I is approved. Interest rates will be 3% and the amortization period for the mortgages will range between...
50 and 60 years. Down payments will be required. The group seeking to set
up a cooperative project must buy an amount of stock in the Cooperative Hou-
ing Administration equal to 2½% of the total cost of their project at the time
the contract for mortgage financing is signed. At the time each family is ready
to move in it must put up another 2½%. In other words, the total down payment
is 5%. This would amount to $400 on a home costing $8,000 or $300 on a $6,000
home.

With these facts in mind, will Title I aid in solving the housing
problem in Kent and Ottawa Counties of Michigan, my district. The proposal
might be helpful in some instances but let's examine the record to see whether
or not it might have discriminatory or harmful results. Further, will the
co-op provision provide a solution which is not already on the statute books.

Titles II and VI of the previous F.H.A. legislation have proved
extremely helpful in Kent and Ottawa Counties. I believe we can point with
pride to the job done by our local office in Grand Rapids. From various sources
and after considerable digging for the facts, I have prepared the following
table. Here is the record from January 1, 1946 through December 31, 1947.
I am particularly interested in the Sec. 203 2(b)(d) loans for I was somewhat instrumental in initiating the use of this provision among Grand Rapids leasing institutions. This provision provides for mortgages up to $6,000, at 4½% with a maximum term of 30 years. The above chart indicates 257 loans of this type are committed in Kent County and 10 in Ottawa County.

In other words, a person, veteran or otherwise, under this provision can buy his own home with a down payment of $300 to $400 and monthly charges of approximately $41 including payment on principal, interest, taxes and insurance. These homes must meet F.H.A. specifications. They include 2 bedrooms, a living room, a kitchen and dinette, full basement, gas furnace, plastered walls, and a reasonably sized lot.

In addition I would like to mention homes that are being constructed in a slightly higher price range. Here is the copy of an advertisement in the
The April 2, 1950, edition of the Grand Rapids Herald included an advertisement for a property located on Lots 14, 15, and 16, which were priced at $6,800. The listing highlighted various amenities such as 2 Large Bedrooms, Spacious Living Room, Large Kitchen and Dinette, Full Basement, Gas Furnace and Hot Water Heater, Plastered Walls, and a Prefabricated construction. Monthly payments include taxes and insurance. All this on your lot if acceptable to FHA or Veterans Administration. Public water supply must be available.

The advertisement also included a note to veterans, stating that if you have $300 to $400 cash, it may be possible to build this house on a lot of your own choice. It mentioned that there are several lots available or perhaps you have a lot which you would like to buy for you.

I ask in all sincerity, isn't this the kind of housing which is needed, at the right price and on fair terms? The local newspapers include other rather similar advertisements. Another ad reads as follows: "We don't sell to a veteran.

$4,3 per month (including taxes and insurance)." Here is another advertisement:


"$250 down to veterans covers all mortgage costs; $56 monthly payment includes taxes and insurance."

One of the most perplexing problems to low-cost home purchasers is the down payment whether it be $100 or $1,000. Under a combination of Title II loans and GI financing, homes can be financed with no down payment. I believe under Title I a $50 down payment in two installments is mandatory with some very limited qualification. In other words, Title I will not help the person in the low-income group who cannot acquire sufficient funds for the down payment. In contrast, as I have said before, a combination FHA-GI loan will obviate the necessity of a down payment.
There is justification to the argument that Title I is discriminatory, particularly as regards G.I.s of World War II who have already purchased homes with the help of a G.I. loan guarantee. In Ottawa County, 938 G.I.s as of February 25, 1950 are now buying homes at 4½ on a 20 year term. In Kent County as of February 25, 1950, there are 3,085 G.I.s in the same category. These veterans would be discriminated against by the ceiling of Title I. There is no 3½ interest rate for them. They have no 30 to 60 year term for the repayment of their loan.

I recently compiled some facts and figures on the situation in Kent and Ottawa Counties, which should be included in the record.

<table>
<thead>
<tr>
<th></th>
<th>Kent County</th>
<th>Ottawa County</th>
</tr>
</thead>
<tbody>
<tr>
<td>W.W.I Veterans</td>
<td>7,759</td>
<td>1,551</td>
</tr>
<tr>
<td>W.W.II Veterans</td>
<td>25,672</td>
<td>6,688</td>
</tr>
<tr>
<td>Total</td>
<td>37,431</td>
<td>8,239</td>
</tr>
</tbody>
</table>

Kent County G.I. Loan Data as of February 25, 1950

<table>
<thead>
<tr>
<th>Type of Loan</th>
<th>Number of Loans</th>
<th>Amount of Guarantee and/or Insurance</th>
<th>Dollar Amounts of Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home</td>
<td>3,085</td>
<td>$8,627,940.00</td>
<td>$17,598,418.00</td>
</tr>
<tr>
<td>Farm</td>
<td>18</td>
<td>$35,182.00</td>
<td>50,392.00</td>
</tr>
<tr>
<td>Business</td>
<td>18</td>
<td>$179,032.00</td>
<td>234,034.00</td>
</tr>
<tr>
<td>Total</td>
<td>3,285</td>
<td>$8,669,455.00</td>
<td>$17,832,518.00</td>
</tr>
</tbody>
</table>

Ottawa County G.I. Loan Data as of February 25, 1950

<table>
<thead>
<tr>
<th>Type of Loan</th>
<th>Number of Loans</th>
<th>Amount of Guarantee and/or Insurance</th>
<th>Dollar Amounts of Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home</td>
<td>928</td>
<td>$2,359,920.00</td>
<td>$4,746,253.00</td>
</tr>
<tr>
<td>Farm</td>
<td>6</td>
<td>$15,900.00</td>
<td>31,800.00</td>
</tr>
<tr>
<td>Business</td>
<td>57</td>
<td>$78,557.00</td>
<td>161,305.00</td>
</tr>
<tr>
<td>Total</td>
<td>1,001</td>
<td>$2,454,077.00</td>
<td>$4,901,358.00</td>
</tr>
</tbody>
</table>
If the 3% rate in Title I is raised to 4%, there will be no discrimination against those veterans of World War II in Kent and Ottawa Counties who haven't yet purchased a home with a G.I. loan but there will be an everlasting bias against the 4023 who have already bought or constructed their homes. This injustice can never be corrected unless the 50 to 60 year loan term provision is corrected.

The gentlemen from Michigan, Mr. Valcott, ably showed how ridiculous the 50 to 60 year amortization schedule is under Title I. A veteran who is now 25 years old will finish paying for his home at the age of 75 or 85. Obviously this is unsound on its face.

The advocates of Title I claim there will be no additional cost to the federal government. What about the new agency with the tremendous staff that will be required to handle the “co-op” loan applications. It will undoubtedly require at least 5000 new federal employees plus a director at $15,000 per year. The federal treasury can't stand this additional burden.

In conclusion, I wish to emphasize my opposition to Title I for the following reasons: 1) it will discriminate against G.I.s who have
already purchased homes, some 4023 in my district; 2) the Administrative cost burdens will be excessive; the federal treasury can’t afford a new federal agency with some 5000 additional employees; 3) existing F.H.A.-G.I. loan programs can and will provide an ample supply of low cost and middle income homes.