

EMBARGOED FOR RELEASE  
UNTIL 1:45 PM EDT  
Wednesday, July 2, 1975

JULY 2, 1975

Office of the White House Press Secretary

---

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I am pleased to sign into law H.R. 5398, the Emergency Housing Act of 1975. This Act embodies the alternative approach which I urged at the time of my veto of H.R. 4485 last Tuesday.

I commend Members of Congress of both parties for quickly enacting meaningful and effective housing legislation. This is an excellent example of the way in which the Congress and the Executive Branch can-- and should--work together in the best interests of the American people.

This Administration is committed to a prompt recovery of the housing industry and to getting construction workers back on the job. Both of these actions are crucial to our overall economic recovery.

This legislation provides an additional \$10 billion of mortgage purchase authority to the Government National Mortgage Association which will be available if required to sustain the housing recovery presently under way. It also expands coverage to other types of housing construction including condominiums.

Last week I directed Secretary Hills to release \$2 billion in GNMA mortgage purchase funds. As a result of the swift enactment of this new housing bill by the Congress, those funds will be released at an interest rate of 7-1/2 percent. Condominium mortgages will also be eligible, thus assisting a hard-pressed sector of the housing industry. These funds will finance an estimated 65,000 units of housing and provide jobs for the building trades.

The bill meets the problem of mortgage foreclosures head on. It provides standby authority for the Secretary of Housing and Urban Development to co-insure loans made by lending institutions or to make mortgage relief payments to other lenders to preclude mortgage foreclosures. Presently, mortgage foreclosures and defaults have remained level, at rates less than those which prevailed during the mid-1960's, indicating that private lenders are cooperating with homeowners. However, if foreclosure rates rise significantly, this legislation will enable us to act quickly to keep owners from losing their homes.

I hope the cooperation between the Congress and the Executive Branch shown in this legislation will continue in other badly-needed measures.

# # #