

NOTICE TO THE PRESS

EXCERPTS FROM AMPLIFIED PHONE CALL BY THE PRESIDENT TO THE NATIONAL ASSOCIATION OF HOMEBUILDERS IN SALT LAKE CITY, UTAH.

Let me share my thoughts with you on the vital domestic concern of good housing for all Americans. The majority of Americans we know from history as well as current attitudes want to own their own homes. Every American wants a decent place to live in a decent neighborhood, and I can say with conviction it is the goal of this Administration that these dreams be realized.

We all fully recognize that inflation today, as it has been for the last few years, is the greatest obstacle to home ownership and affordable rents. Most people concede that Government deficit spending primarily brought about by some of the irresponsible Congressional actions in handling of the budget has led to an unfortunately very high interest rate problem that we have in America today.

I have been struggling with the Congress using whatever powers I could to hold down the inflationary Federal spending, thereby hoping to take the necessary corrective action to do something affirmative about the high interest rates.

In addition to seeking to get control over deficit spending, my Administration has pledged to sustain the growth of the economy to assure steady jobs and steady incomes. We have made tremendous progress in not only adding jobs for Americans, some four million new jobs in the last 17 months, but we have also been able to reduce the rate of inflation.

I think the old theory that you could not increase jobs and make progress against inflation is out the window because in the last 12 to 24 months we have been very successful in reducing the rate of inflation and, at the same time, add new jobs to the work force in our country.

But, in addition to trying to be successful in those areas, I want it to be very clear that I favor tax relief for low and moderate income families, allowing them to keep more of what they earn.

In the tax message that I submitted to the Congress, I specifically recommended that the personal exemption be increased from \$750 per person to \$1,000. If you take a family of four, that means that that taxpayer has an additional \$1,000 in tax exemption. That is the kind of beneficial tax relief that is understood and meaningful to the middle income taxpayers.

Unfortunately, the Congress didn't act affirmatively on that this year, but I can assure you that we will fight for that in the next Congress because that is the kind of tax relief that we need in America for this vast middle income tax paying citizenry.

Now, if we can reduce inflation, if we can give this kind of tax relief, we can have more take-home pay and greater individual savings of the fundamental basis of a healthy housing picture in this country.

My Administration in addition has also addressed itself to specific problems concerning housing. I recently fully released the \$2 billion of additional tandem mortgage purchase funds to stimulate multi-family housing production and to insure adequate housing in the future for people who want to rent.

I am optimistic as to what I hear from the Secretary of HUD as to what is taking place as to the release of that tandem money.

Now, to help more American families to own their own homes, I will recommend changes in the FHA mortgage insurance program. These changes will accelerate home ownership by reducing downpayments on FHA loans for lower and middle priced homes by as much as 50 percent.

It would also increase from \$45,000 to \$60,000 the maximum priced mortgage FHA would insure. Our figures indicate that about 87 percent of all homes sold in 1975 were below this mortgage limit.

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

This program, which we are going to push, will aid moderate income families, especially young families, to buy their own home. It will also prove a long-term stimulus to the housing industry because it will appeal to many of the 3,500,000 households in the \$14,000 to \$20,000 a year range who are not now homeowners.

Let me make one other specific point. You may be sure that so long as I am President we will preserve the tax deductions for mortgage interest rate and property taxes. Those who urge the abolition of these deductions simply do not understand the beneficial role that these deductions have played in helping billions and billions of American families become home owners.

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