

Public Law 90-300

AN ACT

May 4, 1968
[H. R. 15344]

To amend section 14(b) of the Federal Reserve Act, as amended, to extend for two years the authority of Federal Reserve banks to purchase United States obligations directly from the Treasury.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 14(b) of the Federal Reserve Act, as amended (12 U.S.C. 355), is amended by striking out "July 1, 1968" and inserting in lieu thereof "July 1, 1970" and by striking out "June 30, 1968" and inserting in lieu thereof "June 30, 1970".

Approved May 4, 1968.

Federal Reserve Act, amendment.
80 Stat. 235.

Public Law 90-301

AN ACT

May 7, 1968
[H. R. 10477]

To amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1810(c) of title 38, United States Code, is amended by striking out "\$7,500" and inserting in lieu thereof "\$12,500".

(b) Paragraph (2) of section 1811(d) of such title is amended by striking out "\$7,500" each time it occurs and inserting in lieu thereof "\$12,500".

SEC. 2. (a) Section 1810(b) of title 38, United States Code, is amended—

(1) by amending paragraph (5) thereof to read as follows:

"(5) the loan to be paid by the veteran for such property or for the cost of construction, repairs, or alterations, does not exceed the reasonable value thereof as determined by the Administrator; and," and

(2) by adding at the end thereof the following new sentence: "After the reasonable value of any property, construction, repairs, or alterations is determined under paragraph (5), the Administrator shall, as soon as possible thereafter, notify the veteran concerned of such determination."

(b) Section 1822(a) of such title is amended by striking out "section 1810, 1812, 1813, or 1818 of this title, or made under section 1811 or 1818" and inserting in lieu thereof "section 1812 or 1813".

SEC. 3. (a) Notwithstanding the provisions of sections 203(b) (5), 207(c) (3), 213(d), 220(d) (4), 220(h) (2) (iii), 221(d) (5), 231(c) (6), 232(d) (3) (B), 234(f), and 1101(c) (4) of the National Housing Act regarding the maximum interest rates which the Secretary of Housing and Urban Development may establish for certain mortgage insurance programs authorized by that Act, the Secretary is authorized, until October 1, 1969, to set the maximum interest rates for such programs at not to exceed such per centum per annum on the amount of the principal obligation outstanding at any time as he finds necessary to meet the mortgage market, and during that time the interest rates so set shall be deemed to be for all purposes the interest rates in effect under the provisions of said section 203(b) (5) and the other sections referred to above: *Provided*, That in determining the rate to

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Veterans' Administration.
Home loans.

12 USC 1709 et seq.

be applicable for the said section 203(b)(5) program, the Secretary shall consult with the Administrator of Veterans' Affairs regarding the rate which the Administrator considers necessary to meet the mortgage market for guaranteed or insured home loans to veterans under chapter 37 of title 38, United States Code.

(b) Section 207(c)(3) of the National Housing Act is amended by inserting before the period at the end of the first sentence of the second paragraph the following: ", or not to exceed such per centum per annum not in excess of 6 per centum as the Secretary finds necessary to meet the mortgage market".

(c) Section 213(d) of such Act is amended by striking ", except that" and all that follows preceding the period at the end of the first sentence and inserting in lieu thereof "on the amount of the principal obligation outstanding at any time, or not to exceed such per centum per annum not in excess of 6 per centum as the Secretary finds necessary to meet the mortgage market".

(d) Section 231(c)(6) of such Act is amended by striking "or not to exceed" and all that follows preceding the semicolon and inserting in lieu thereof "or not to exceed such per centum per annum not in excess of 6 per centum as the Secretary finds necessary to meet the mortgage market".

(e) Section 234(f) of such Act is amended by inserting before the period at the end of the first sentence the following: ", or not to exceed such per centum per annum not in excess of 6 per centum as the Secretary finds necessary to meet the mortgage market".

SEC. 4. (a) The Congress finds that the national goal of "a decent home and a suitable living environment for every American family" cannot be reached unless there is an adequate supply of mortgage credit at rates of interest the American family can afford; that in recent years this credit has been available only at unreasonably high rates of interest, up as much as 50 per centum in the last three years; that for a moderate income family the cost of financing a home now is greater than the combined cost of land, labor, and construction material; that under existing constitutional arrangements our monetary and fiscal policies seem to be inadequate to cope with these high finance charges; that many financial institutions tend to withdraw from the mortgage market during tight money periods; that the purpose of Government ceilings seems to be thwarted by insidious discount points; that there exists in the public and private sections of the economy the resources and capabilities necessary to eliminate the problems; and that new and more effective ways should be explored to exploit the power of Government and the economic resources of our Nation to resolve this difficult problem.

(b) There is hereby established a commission to study mortgage interest rates and to make recommendations to assure the availability of an adequate supply of mortgage credit at a reasonable cost to the consumer (hereinafter referred to as the "Commission") which shall be comprised of fifteen members as follows:

(1) The chairman and ranking minority member of the Banking and Currency Committee of the United States Senate.

(2) The chairman and ranking minority member of the Banking and Currency Committee of the House of Representatives.

(3) The chairman and the ranking minority member of the Committee on Veterans' Affairs of the House of Representatives.

(4) Two members appointed by the President of the Senate, one from the majority party and one from the minority party other than those referred to in paragraph (1).

38 USC 1801.

12 USC 1713.

12 USC 1715e.

12 USC 1715v.

12 USC 1715y.

Mortgage credit
interest rates.Study commis-
sion.

(5) Two members appointed by the Speaker of the House of Representatives, one from the majority party and one from the minority party other than those referred to in paragraphs (2) and (3).

(6) Five members appointed by the President, at least three of whom will be public members representing the consumer.

(c) A vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) The Chairman of the Commission shall be designated by the President.

(e) Eight members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(f) The Commission shall undertake a comprehensive study and make recommendations on—

(1) The necessity for statutory or administrative controls over interest rates in connection with Government-assisted mortgages;

(2) The appropriate level for such interest rates to enable low- and moderate-income families to afford decent housing;

(3) Ways to assure the availability of an adequate supply of mortgage credit to produce the volume of housing required to meet the goals set forth in housing and urban development laws; and

(4) The institutional changes, through legislation, administration, or tax incentives, that can be made among the Nation's financial institutions to encourage them to make available a larger share of capital funds for home financing purposes.

(g) Said report of the Commission shall be made by April 1, 1969, so as to enable the President, Congress, and the Secretary of Housing and Urban Development to take necessary action before October 1, 1969, when the authorization for the increase in interest rates above present statutory ceilings will expire.

Study commission report.

(h) The Commission is authorized to secure directly from any department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the executive branch of the Federal Government information, suggestions, estimates, and statistics for the purposes of its work; and each department, bureau, agency, board, commission, office, independent establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics to the extent permitted by law and within available funds.

(i) The members of the Commission specified in paragraphs (1) through (4) of subsection (a) shall serve without additional compensation. The members of the Commission appointed under paragraph (5) of subsection (a) shall receive \$75 per diem when engaged in the performance of the duties of the Commission. All members of the Commission shall receive reimbursement for necessary traveling and subsistence expenses incurred by them in the performance of the duties of the Commission.

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Traveling expenses.

(j) The Secretary of Housing and Urban Development shall designate the Executive Director of the Commission. Financial and administrative services (including those relating to budgeting, accounting, financial reporting, personnel, and procurement) shall be provided the Commission by the Department of Housing and Urban Development, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and said Department.

Executive Director of commission.

(k) The Commission shall have power to appoint and fix the compensation of such additional personnel as may be necessary to carry out its duties, without regard to the provisions of the civil service laws and the Classification Act of 1949.

63 Stat. 954.
5 USC 5101
et seq.

(1) The Commission may also procure, without regard to the civil service laws and the Classification Act of 1949, temporary and intermittent services to the same extent as is authorized for the executive departments by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a) but at rates not to exceed \$50 per diem for individuals.

5 USC 3109.

(m) To the extent of available appropriations, the Commission may obtain, by purchase, rental, donation, or otherwise, such additional property, facilities, and services as may be needed to carry out its duties.

Appropriation.

(n) There are authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out this section.

Commission termination.

(o) The Commission shall cease to exist sixty days after the submission of its final report.

38 USC 1801.

SEC. 5. (a) Chapter 37 of title 38, United States Code, is amended by adding at the end thereof the following new section:

“§ 1827. Expenditures to correct or compensate for structural defects in mortgaged homes

“(a) The Administrator is authorized, with respect to any property improved by a one- to four-family dwelling inspected during construction by the Veterans’ Administration or the Federal Housing Administration which he finds to have structural defects seriously affecting the livability of the property, to make expenditures for (1) correcting such defects, (2) paying the claims of the owner of the property arising from such defects, or (3) acquiring title to the property; except that such authority of the Administrator shall exist only (A) if the owner requests assistance under this section not later than four years (or such shorter time as the Administrator may prescribe) after the mortgage loan was made, guaranteed, or insured, and (B) if the property is encumbered by a mortgage which is made, guaranteed, or insured under this chapter after the date of enactment of this section.

Expenditures.

“(b) The Administrator shall by regulation prescribe the terms and conditions under which expenditures and payments may be made under the provisions of this section, and his decisions regarding such expenditures or payments, and the terms and conditions under which the same are approved or disapproved, shall be final and conclusive, and shall not be subject to judicial review.

“(c) The Administrator is authorized to make expenditures for the purposes of this section from the funds established pursuant to sections 1823 and 1824 of this title, as applicable.”

(b) The analysis of chapter 37 of title 38, United States Code, is amended by adding at the end thereof the following:

“1827. Expenditures to correct or compensate for structural defects in mortgaged homes.”

Approved May 7, 1968.