

# Farmers Home Administration Revises Rural Housing Program

The U.S. Department of Agriculture (USDA) has moved to stimulate the production of rental housing for the elderly and for low-and moderate-income families in rural areas.

James V. Smith, Administrator of USDA's Farmers Home Administration, today announced new regulations that will benefit rural families, ranging from newly-formed ones not ready for home ownership to the elderly for whom little provision is made in most small towns.

Farmers Home Administration is a direct mortgage lender in rural areas, including towns with a population of 10,000 and less. In this program, mortgage financing up to \$750,000 may be available for the cost of development of rental housing projects, including the purchase and improvement of land, recreation, service facilities and water and waste disposal as well as landscaping.

Benefits for elderly persons as well as for others whose incomes are in the low to moderate range

are expected from these changes:

1. There is no residency requirement for borrowers who designate a local managing agent with full authority to act for them. Previously the borrowers was required to live near and supervise the project.

2. Performance bonds or some form of assurance will be required for all projects of \$60,000 or more.

3. The developer — an individual, partnership or corporation — is expected to furnish construction financing, giving flexibility to his building schedule. Interest on the construction loan may be included in the rental housing loan as a cost of development.

4. Limited profit borrowers who will build rental housing for low-income families are now eligible for interest rates as low as one percent. Previously this rate was offered only to nonprofit or public body applicants.

5. Limited profit borrowers will be allowed a six percent return on

their initial investment. The loan will be limited to 95 percent of either the development cost or the value of security, whichever is less. Nonprofit borrowers may receive 100 percent financing. All borrowers must have working capital at least equal to two percent of the value of the loan.

6. Rural rental units may now be made available to those of very low income through special arrangements with the Department of Housing and Urban Development under its Section 23 leasing program.

The FHA borrower leases his completed rental units to a local public housing authority which manages the property. HUD pays the difference between the rent the family can afford and the rental rate established for the apartment.

FHA expects these changes to materially increase the supply of rental housing for rural people, according to Mr. Smith. Presently the budget allocates \$70 million for this purpose, double a year ago, and it is expected to continue to grow in subsequent years.

## Pa. Proposes End to Double Inspections

The Pennsylvania Department of Agriculture has announced it will submit a proposal to the U.S. Food and Drug Administration designed to eliminate duplication of effort in the area of inspection of food and medicated livestock feed and laboratory analyses.

At present both state and federal agencies are visiting the same establishments. The contract offer to have state inspectors take over the federal functions is due by October 20, 1972.

Pennsylvania Secretary of Agriculture Jim McHale said that state inspectors can perform all of the necessary functions to assure the processing and manufacture of uniform, high quality products in the Commonwealth. This program would provide the consumer and the farmer with wholesome, high quality products and maintain markets for the affected businesses, according to McHale.

Congressional action has allocated up to 4.4 million for the transfer of this responsibility from the FDA to the states with an estimated net saving of state-federal monies nearly equal to the federal funding.

## USDA Estimates Of 1959-71 Farm Income Available

The U. S. Department of Agriculture's Economic Research Service has issued estimates of marketing receipts, gross and net income per farm, production expenses, and government loans by States for 1959 through 1971.

State estimates for 1969 and 1970, published previously, have been revised in line with more up-to-date information on production, marketings, prices and loan activity.

The estimates are on a calendar-year basis and are coordinated with the national income and product accounts and State and regional income estimates of the Department of Commerce.

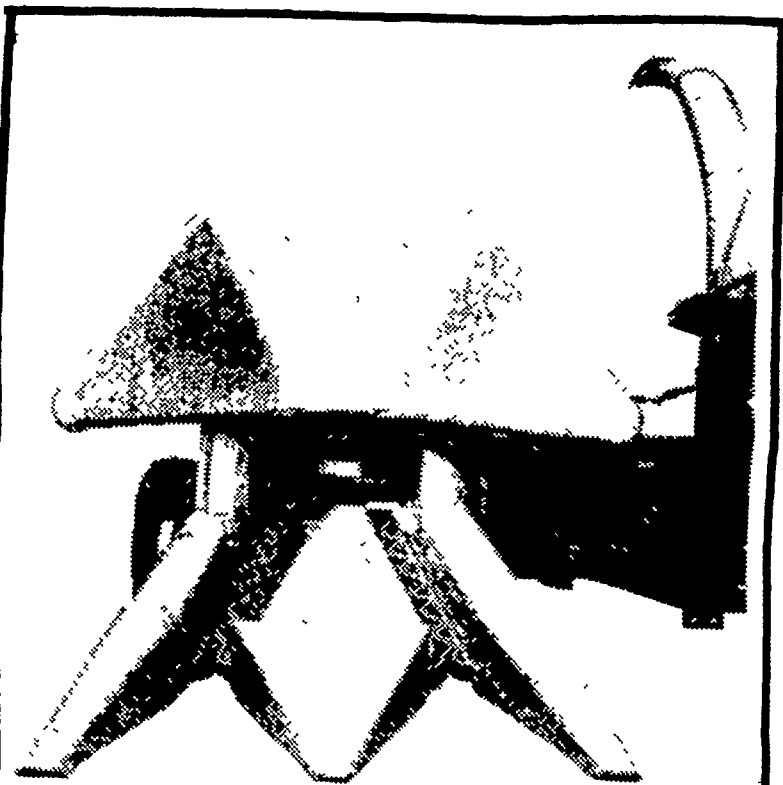
The report notes that California led the Nation in marketing receipts from farming last year with \$4.9 billion; Iowa was second at \$4 billion. California farmers' production expenses were also the largest, at \$4 billion, followed

by Iowa producers' costs of \$3.4 billion. These States were also first and second in realized net farm income in 1971.

Tables in the report cover the following topics: Leading States for cash receipts, 1971; States ranked by cash receipts, 1971; Realized gross, net and total income per farm, by States 1959-71; Realized gross and net income from farming by States, regions, and the U.S.; Farm production expenses by States, 1959-71; Cash receipts by commodities and groups, by States, regions, and U.S. 1969-71; Government payments, by programs and States, 1969-71.

### Chestnuts

The horse chestnut is a member of the buckeye family, while the true chestnut belongs to the beech family, along with the oak.



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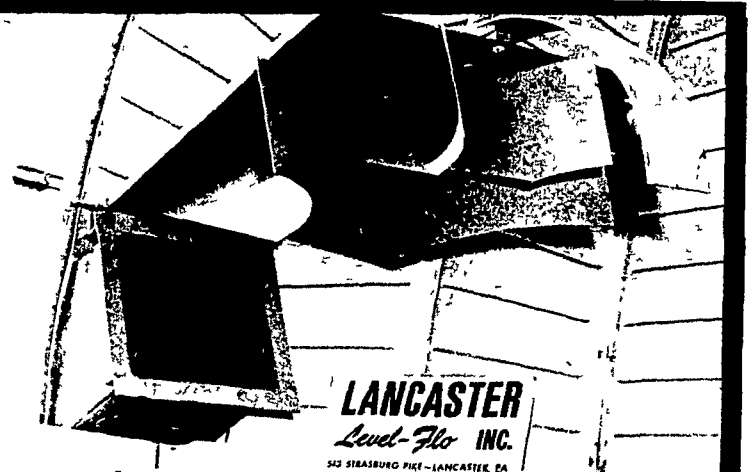
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