

Mr. Swood

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Atlanta One of 12 For HUD Housing

Home ownership for low-income families who have poor credit ratings was brought a step closer to reality in Atlanta and 11 other cities Wednesday through a new pilot program launched by the Department of Housing and Urban Development (HUD).

The program was authorized by the Housing and Urban Development Act of 1968. Operating through the Federal Housing Administration (FHA), HUD will insure mortgage loans for low-income families that might not otherwise qualify as borrowers due to previous credit history or irregular income.

P. N. Brownstein, assistant HUD secretary and commissioner of the FHA, said a local service organization in each of the 12 cities will provide budget and credit counseling to the low-income families who receive an insured loan under the new program.

In Atlanta, the service agency is the Consumer Credit Counseling Service of Greater Atlanta, Inc.

The other cities where the pilot plan is being tried are Rochester, N. Y.; Jacksonville; Milwaukee; Denver; Seattle; Washington, D.C.; Duluth Minn.; Wilmington, Del.; Pittsburgh; St. Louis, and Memphis.

BROWNSTEIN SAID in his announcement that the controlling factor in the FHA's decision to underwrite a mortgage will be the local service agency's

promise that the family involved can be helped through budget counseling and guidance to handle the responsibilities of home ownership.

Said Brownstein: "With this new program, we hope to offer the prospect of home ownership to people who have had little hope of ever owning a home."

He said the local service agencies invited to take part in the pilot study were selected on the basis of their previous experience in dealing with limited income home buyers under other HUD programs for low and moderate income families.

Mortgages insured by HUD under this program will have to meet the same requirements as existing FHA mortgage insurance plans, except that regular credit and income requirements will not apply.

MORTGAGE LOANS up to \$15,000 will be eligible for insurance. The amount is up to \$17,500 in high cost regions. However, the monthly payments of principle, interest, insurance and taxes must not total more than 25 per cent of the family's average monthly income.