



News Service

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Nearly one million families in rural areas, on the average, can only afford \$14 a month for rent, according to George Rucker, research director of the Rural Housing Alliance who testified today on the nation's rural housing needs before the Senate Subcommittee on Housing and Urban Affairs.

Rucker used this and similar data to show that existing rural housing programs are unable to serve low-income rural families. His testimony supported legislation (S. 2190) which would establish an Emergency Rural Housing Administration authorized to provide whatever subsidies are needed to house the rural poor.

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"One of the most significant and innovative features of the proposed legislation," Rucker said, "is the establishment of an effective rural housing delivery system responsive to local needs. Local rural housing Associations, chartered under state law but serving as delegates of a Federal agency would serve to decentralize the basic administration and create an important institutional structure in rural communities. Patterned after rural electric cooperatives they would be controlled by those they serve..."

"We would like to remind the Congress that there was a time when it had been proved to the satisfaction of almost everybody that rural areas could not be electrified. The power companies in collaboration with the American Farm Bureau had conducted studies which purported to prove with all objectivity that farmers could not afford to pay enough to justify rural electrification. Once REA came into existence the objectivity began to appear more like mist or myth than fact."

Subsidies provided in the proposed legislation introduced by Senators James Abourezk and George McGovern with 21 co-sponsors include: homeownership loans on which payments on half the principal are deferred for up to 40 years, rental housing in which rents are held to 25 percent of a tenant's income, grants for housing rehabilitation.

Rucker said the proposed agency would not compete with or duplicate the functions of the Farmers Home Administration. A newly released USDA study "Inadequate Housing and Poverty Status of Households" notes at the outset that FmHA has difficulty in reaching the very poor, he pointed out. The study suggests that those below the poverty line should not even be considered as the target of Farmers Home Administration's housing program.

The ERHA would serve families below the level reached by the Farmers Home Administration, he said. "We see the need for an independent agency with the responsibility of providing minimum adequate housing, clean water and sanitary facilities to the worst-housed of the nation's rural areas, and directed to ascertain the need for such housing in all areas with a population of 25,000 or less, to mobilize the resources of other agencies in developing a five-year plan for meeting those needs, and to act directly to insure that those people not being served by other agencies and programs are, in fact, served."

The RHA spokesman said his organization was concerned about efforts to enable Farmers Home to hire appraisers, building inspectors, and loan servicers. "We believe that if these duties pass from the hands of Federal employees to those in the private sector, the road will be open to the kind of chicanery that nearly wrecked the Federal Housing Administration program in many cities.