

Congress of the United States
House of Representatives
Washington, D. C.

1/17/48

Dear ~~Mr.~~ Chairman:

I wish to quote the pertinent part of a letter I have received from Mr. Glover Tunnell, President, Realtors Association, Tyler, Texas:

"The problem that I speak of is the loans for the veterans in buying homes. The existing companies who have been making the loans have just about all quit, that is the G.I. loans, therefore it is giving us a very serious problem in financing homes for the veterans.

All local Building and Loan Companies and Banks are over-run, so to speak, with loans, and practically all the insurance companies have gotten so very particular in what few loans they are making, that we have practically no place to finance these sales.

We all realize that our government is overburdened tremendously, but it looks as though unless the government sets up an agency to make these loans themselves, that we are soon going to be confronted with the G.I. Bill of Rights being completely worthless.

I certainly do not want you to misunderstand me, and think that I make this appeal for a selfish

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reason, but as President of the Tyler Realtors Association, I feel that it is my duty to at least give you a fairly true picture of this existing situation."

Any consideration you may give Mr. Tunnell will be appreciated.

Sincerely,

Lindley Beckworth
Lindley Beckworth, M. C.

LB:mtm

January 21, 1948.

The Honorable Lindley Beckworth,
House of Representatives,
Washington, D. C.

Dear Mr. Beckworth:

This is to acknowledge your letter of January 17 quoting the pertinent part of a letter from Mr. Glover Tunnell, President of the Realtors Association of Tyler, Texas.

His comments confirm reports I have had from various parts of the country. At a time like this, it is a healthy development to slow up and diminish the excessive demand which has so greatly inflated housing costs. You might care to send Mr. Tunnell a copy of the enclosed statement which I made recently on the housing situation, which has led me to the following conclusions:

1. There should be no further authorization of mortgage insurance under Title VI of the National Housing Act except for multiple-unit rental projects. For such rental projects the maximum insured mortgage should be 90 per cent of long-term stabilized value.

2. Government insurance of mortgages for the purchase of old houses, except by veterans, should be suspended. Appraisals for insured or guaranteed loans on both old and new houses should be made by FHA, using the standards established for insurance under Title II of the National Housing Act. Mortgages should not be eligible for insurance or guarantee if the total borrowing of the mortgagor exceeds \$9,000.

As far as possible, these changes should be made by administrative regulation, but to the extent necessary, Congress should be asked to authorize changes in present programs to apply for a temporary period.

3. The so-called "warehousing plan" for GI loans made by members of the Federal Home Loan Bank System should not be adopted, and no other Government-financed secondary markets for mortgages should be allowed to operate.

The Honorable Lindley Beckworth - (2)

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Adoption of these three points would go far toward restraining further inflation in the real estate market and thus help to reduce inflationary pressures generally.

Sincerely yours,

M. S. Eccles,
Chairman.

Enclosure

 ET:b