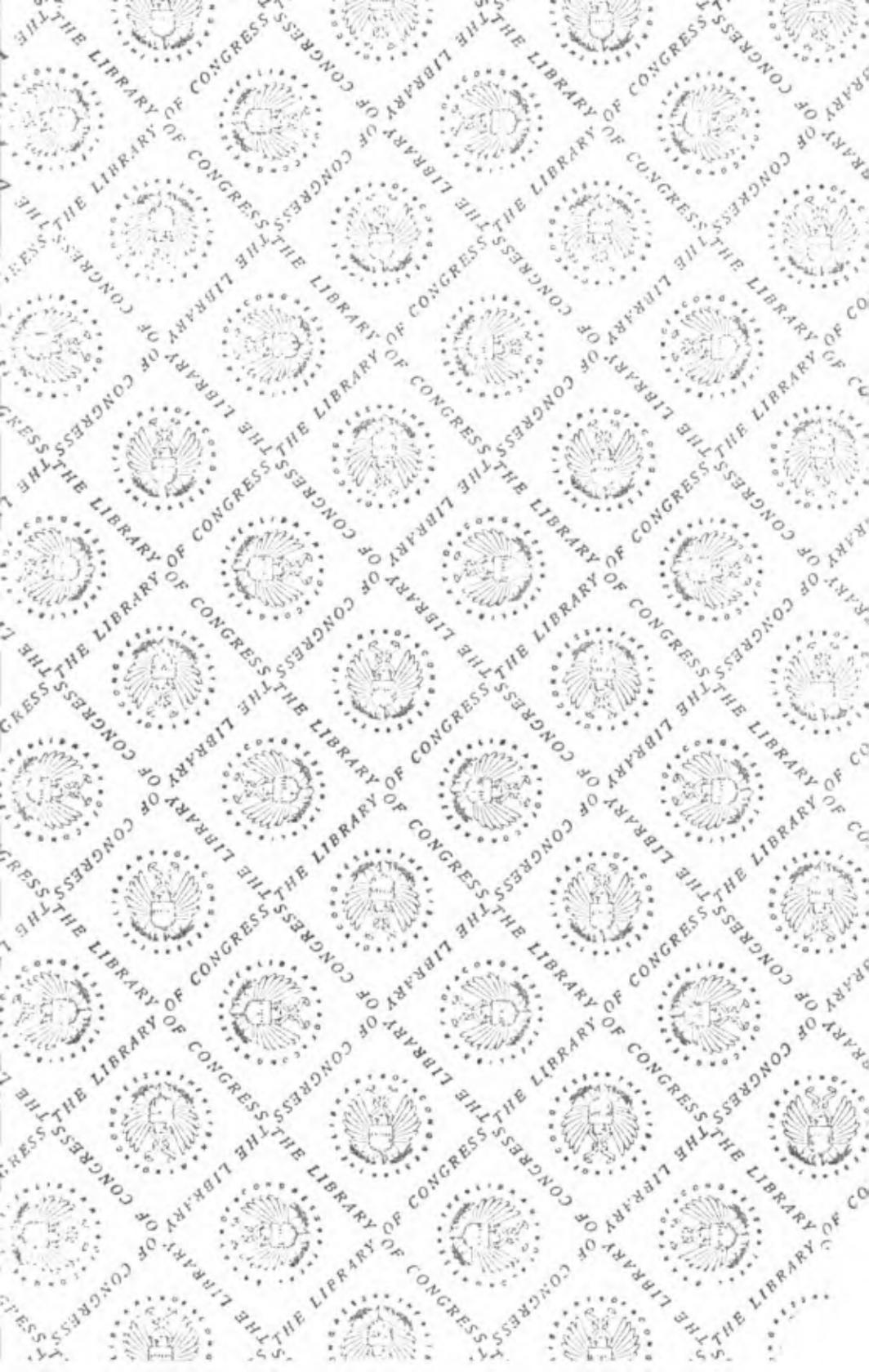


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EQUAL OPPORTUNITY IN VETERANS ADMINISTRATION HOUSING PROGRAMS

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HEARINGS

BEFORE THE
SUBCOMMITTEE ON
CIVIL AND CONSTITUTIONAL RIGHTS
OF THE
COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES
NINETY-FOURTH CONGRESS
SECOND SESSION
ON
EQUAL OPPORTUNITY IN VETERANS ADMINISTRATION
HOUSING PROGRAMS

SEPTEMBER 23 AND 27, 1976

Serial No. 57



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EQUAL OPPORTUNITY IN VETERANS ADMINISTRATION HOUSING PROGRAMS

THURSDAY, SEPTEMBER 23, 1976

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS
OF THE COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:10 a.m., in room 2237, Rayburn House Office Building, the Honorable Don Edwards [chairman of the subcommittee] presiding.

Present: Representatives Edwards, Drinan, and Butler.

Also present: Janet M. McNair, counsel; and Roscoe B. Starck III, associate counsel.

Mr. EDWARDS. The subcommittee will come to order.

Today is the first of a 2-day hearing inquiry into the fair housing enforcement activities of the Veterans Administration.

The Veterans Administration is very often overlooked when Federal housing programs are being examined in terms of their impact on minorities and women. However, as we commence these hearings, I think that it is important to underscore that VA does indeed engage in substantial housing activities.

In 1976 alone, the Veterans Administration guaranteed well over 300,000 home loans made to veterans. Also, as a result of foreclosures, the Veterans Administration has itself developed a substantial housing inventory. And, under its somewhat limited direct loan authority, the Veterans Administration has been making nearly 3,000 direct loans annually to veterans living in credit short, rural areas.

As a result of these housing activities, the Veterans Administration engenders benefits not only for veteran homebuyers, but also for thousands of lenders, developers, builders, appraisers, and brokers.

The purpose of this 2-day inquiry is to review VA's own internal fair housing policies as well as that agency's efforts to insure that those with whom it does business operate on a nondiscriminatory basis.

This morning we welcome as our witness Ms. Betty Adams, chairperson of the housing task force of the Leadership Conference on Civil Rights. The task force is comprised of numerous organizations which have, for a number of years, been concerned with equal housing enforcement. Some of the organizations participating in the task force are the League of Women Voters, the Joint Center for Political Studies, the National Urban League, and the NAACP.

Ms. Adams, we welcome you this morning. Will you introduce to the subcommittee the person accompanying you and proceed with your testimony.

TESTIMONY OF BETTY ADAMS, CHAIRPERSON, LEADERSHIP CONFERENCE ON CIVIL RIGHTS, ACCOMPANIED BY GLENDA SLOANE, ATTORNEY, CENTER FOR NATIONAL POLICY REVIEW, CATHOLIC UNIVERSITY

Ms. ADAMS. Thank you, Mr. Chairman.

With me this morning is Mrs. Glenda Sloane, who is supervising attorney of the Center for National Policy Review, Catholic University.

Mr. EDWARDS. We welcome you, too.

Ms. ADAMS. The housing task force commends the subcommittee for undertaking these long-overdue hearings. Our concerns are with equal opportunity in housing in its broadest sense. That is, we believe that all people, regardless of race, creed, sex, or national origin, should have an equal opportunity to live in decent housing within their means, in locations of their choice.

Our concerns with the Veterans Administration are very basic. They address the commitment to provide effective enforcement of civil rights provisions. We have found, as our testimony will demonstrate, that such a commitment is totally lacking at the Veterans Administration. We are convinced that only as continuing attention and oversight is exerted by the Congress will we begin to improve the unfortunate and tragic status of equal housing opportunity in programs operated by the Veterans Administration.

Governmental policy, particularly Federal policy, has played a substantial role in creating and perpetuating segregated housing patterns across the country. While the loan-guarantee program, administered by the Veterans Administration since 1944, has made homeownership possible for many American families, including minority families, of modest income, and its policies have been characterized as neutral on race, in fact the program has been implemented within the framework of the dual housing market.

From the inception of the program to the present, VA has maintained an amazingly consistent posture and philosophy with respect to its obligations to assure nondiscrimination, notwithstanding the issuance of the Executive order on equal opportunity in housing in 1962, title VI in 1964, title VIII in 1968, as amended, to include sex in 1974, and most recently the Equal Credit Opportunity Act of 1974, as amended in 1976.

While some of the more blatant practices have been officially condemned, the policy of neutrality, more aptly described, in our view, as inaction, has continued to reinforce the dual market and has precluded any effort to undo the effects of past discrimination. For example, real estate brokers were selected by VA to manage and sell VA-acquired properties in designated sections of the city. Where black brokers were chosen, they were assigned properties in black areas or in areas changing from white to black. This practice continued well into the 1960's, perpetuating segregation and actively assisting in changing neighborhoods, not stabilizing them.

In the lending area, inaction is the byword. In its 1961 report on housing, the U.S. Commission on Civil Rights quoted the then Chief

Benefits Director, who had the responsibility in VA to assure non-discrimination in the making of VA-guaranteed loans. He said:

"It has always been VA's position that we cannot require lenders to make GI loans or to prescribe lending practices." Thus, "VA makes no attempt to determine whether these lenders discriminate."

Although VA is authorized to bar a lender from participation if he or she is found to have willfully or negligently engaged in practices otherwise detrimental to the interests of the veteran, the agency did not apply the provision to cover denial of a loan to a minority veteran based on race. It was not considered detrimental to the interests of the veteran.

The VA adopted the passive role with respect to builders who received approval to sell homes with guaranteed mortgages as well. Both the Civil Rights Commission's 1959 and 1961 reports noted that VA had entered into cooperative agreements with the few States having fair housing laws at that time. The agreements provided that where the State found a builder had discriminated and VA determined that a veteran was involved, VA would suspend the builder from its program. No suspensions occurred.

As a result of its investigations, the Civil Rights Commission in 1959 recommended that VA require builders in those States to agree in writing to abide by those laws and to establish its own factfinding machinery to determine whether such builders are violating these laws, and, if it found that they were, immediate steps should be taken to withdraw these benefits from them.

The Commission reported in 1961 that VA did not contemplate taking these basic steps because:

"They [the builders] are charged with knowledge of the law and are bound to know the possible consequences of violations. The enforcement of these laws is the responsibility and the prerogative of the State or local authorities."

This overall attitude was best stated by the chief benefits director in response to a question concerning the desirability of requiring nondiscrimination as a uniform policy throughout the country. He said:

All aspects of the problem must be weighed and balanced. I do not believe anyone would suggest that in order to avoid discrimination of one group, all groups should be discriminated against. Thus, there is presented the question of the extent to which other veterans would lose the opportunity to participate in the programs because of an interest in avoiding discrimination against one group of veterans.

That VA's obligation was to avoid discrimination against all groups of veterans evidently was not considered. The same insensitivity was demonstrated in the reasoning for not collecting racial data—it was considered that they would not serve any useful purpose insofar as VA or the applicant of the loan is concerned.

With the signing of the Executive order in 1962, VA inaugurated a nondiscrimination policy requiring a builder, sponsor, or other seller to submit a certification of nondiscrimination. The complaint-oriented program did result in the suspension of 13 builders by the FHA and VA in accordance with the agreement between the two agencies. A single survey of racial occupancy in VA subdivisions revealed, however, that minorities secured little new housing and

that those who did were located in all-minority developments—13 builders is hardly a significant number over a 6-year period. Consistent with past policy and practice, no regulations were issued under the Executive order respecting VA-approved lenders or the disposition of acquired properties.

The enactment of title VIII in 1968 established a national fair housing policy and mandated that agencies having housing and urban related programs take action to affirmatively implement that policy. VA's response was again consistent with its past record on civil rights. The regulations promulgated in 1963, pursuant to the Executive order, continued to stand, a rebuke to the congressional mandate for affirmative action to promote fair housing.

In fact, in the past 6 years VA has actually taken regressive action. For one, the certification requirement has been nullified—although the regulations have not been amended—with respect to builders and sellers by the elimination of the certification from form No. 1805. In its place is a notice to applicants alerting them to the existence of fair housing laws.

On August 25, 1972, VA published proposed affirmative fair housing marketing regulations in the Federal Register—4 years had elapsed since title VIII was passed. We, at the leadership conference, filed our comments on September 2, 1972, commending VA for what we considered improvements over the FHA regulations.

When no final regulations were published, the leadership conference housing task force requested an explanation. In an exchange of letters with the Administrator during the summer of 1973, we were told that the VA was awaiting the President's housing message; later, that HUD was evaluating its operation under affirmative marketing regulations; and then that the regulations were "too onerous and could cause builders to withdraw from the housing program, which would seriously reduce the impact of any affirmative marketing requirements." Yet another excuse for postponing adoption was the moratorium on Federal subsidy programs, the relevancy of which is unclear, to say the least.

We wrote to the Administrator expressing our exasperation. We said:

"We are at a loss to understand the basis for postponing action on this matter. The reasons set forth in your letter do not justify the absence of regulations to implement title VIII. More than 5 years after passage is time enough to promulgate regulations."

Well, now it has been 8 years. As a result, for the last 4 years we have before us the spectacle of a national policy administered by two agencies in accordance with vastly different requirements. Thus, a builder under FHA must submit a plan and take certain action whereas one participating in VA may not even be required to certify that he or she will not discriminate.

The past and present record of VA strongly suggests that the Veterans' Administration would just as soon pass its responsibility off to another agency. Whether on the grounds of avoiding duplicated effort or that another agency is the proper administering body, VA seeks to escape its obligations, obligations that are unequivocally articulated in Executive Order 11063 and title VIII.

For example, VA does not require its approved lenders to promise not to discriminate or to take positive steps to assure equal treatment.

Nor does VA monitor lenders to assure that they are not discriminating in violation of the law. Instead, it points to FHA's program as fulfilling these requirements and thereby avoiding duplication. In fact, FHA does not monitor for equal opportunity purposes and even if it did, it does not send its findings to VA.

If FHA is not doing the job, then VA assumes the agencies that supervise lenders will fill the gap. Even if they did, it would not cover 75 percent of VA-approved loans which originate with mortgage bankers who are not subject to the Federal regulatory agencies. This posture is an extension of the precivil rights laws period when VA adopted a passive role, thereby abdicating responsibility for taking action to eliminate housing discrimination.

An obvious and readily available statement of an agency's commitment to civil rights enforcement is found in its budget allocations, the size of its civil rights staff, the placement and visibility of the enforcement function within agency hierarchy, and provisions for training personnel to assure equal opportunity in the administration of the agency's programs, particularly in the implementation of its affirmative action obligations.

Before civil rights can be delegated as a line responsibility, the agency must develop a civil rights presence and expertise, that is, an identifiable civil rights function which may eventually be absorbed as an integral part of the operation. One need only look at its structure to conclude that VA has never formulated a policy or developed a civil rights capacity to justify its reliance on the implementation of civil rights requirements by line personnel. There are no budget figures available on expenditures for equal opportunity in housing that we have been able to find.

Equal housing opportunity as a staff responsibility and activity is practically invisible. According to the agency's organization chart, there is an equal opportunity in housing staff of two attached to the Office of the Director of the Loan Guarantee Service in the central office. There are no EO staff specialists in the regional offices, or field stations, scattered across the country. We are told that the responsibility for implementing equal housing opportunity policies has been so thoroughly integrated with the ongoing operations of loan guarantee divisions, that the agency does not deem it necessary to designate anyone who could be accountable or responsible for equal housing opportunity policies.

Currently, the two equal housing opportunity staff people in the central office are the only such specialists for the entire country. Further, they have no discernible policymaking authority or responsibility, much less the resources to implement, monitor, and evaluate an equal housing opportunity policy and program through-out such a vast agency. It is inconceivable that the line staff is performing this function or even supporting the EO staff in view of the fact that the agency does not provide specific equal housing opportunity training and does not systematically monitor equal housing opportunity requirements.

As we noted earlier, VA has no affirmative action housing program. It relies solely on the complaint process which has proved to be totally bankrupt. It is not surprising that a staff of two, isolated from the operation of the program in both the central and field offices, has been unable to secure an effective system for receiving and processing

complaints no less an affirmative action strategy. An inevitable consequence has been the paucity of complaints and the total absence of the use of sanctions.

In a 15-year period, during which a Federal fair housing law extending the prohibition against discrimination was enacted, the loan guarantee service reports that the flow of complaints has remained fairly constant averaging from 10 to 15 complaints a year. All complaints are initially reviewed by the loan processing division, and if they determine that the complaint constitutes an allegation of discrimination, they will refer it to EO staff. It is our understanding that EO staff does not have authority to review all complaints, or even selected ones, other than those referred by the loan processing division. Undoubtedly, this accounts in part for the low volume which in turn is traceable to the lack of capability of loan processing staff to discern whether a complaint involves discriminatory treatment, or is a credit or appraisal or other more traditional matter.

In addition, field offices are required to notify and forward copies of complaints to the EO staff in the central office. Incredibly, only two such notifications have been made in the last 3 years. As in the situation cited above, the absence of personnel trained in equal opportunity is no doubt largely responsible for this absurd record. Equally absurd is the fact that in 4 years HUD has only referred three complaints to VA.

VA, however, without any further examination, has attributed its low volume of complaints to mean that there is little, if any, discrimination in the operation of its housing programs.

As a result, VA has never publicized its complaints handling authority and responsibility, has never required its field offices to handle complaints processing and investigation in a uniform manner; does not monitor or evaluate or report this activity in a systematic manner; and has an outreach program which consists entirely of the display of housing discrimination posters in field offices.

Evidently, VA sees no connection between an outreach program to apprise people of the law and their rights under the law and the number of complaints received. VA does not appear to have accepted the premise that affirmative action is necessary to undo the effects of past discrimination. Nor does it seem to recognize that the most recent census data shows increasing residential segregation, specifically between suburb and central city.

In March 1973, the Veterans Administration and HUD agreed to extend broker certification requirements from a simple assurance of nondiscrimination to a promise by all brokers participating in the sale and management of HUD or VA-owned properties that neither they nor anyone authorized to act for them would act in violation of the fair housing provision of the Civil Rights Act of 1968, or of Executive Order 11063. Brokers were to be required to further agree that their staffs would be instructed in policies of nondiscrimination; that the fair housing poster would be prominently displayed and the equal housing opportunity logo used in all advertising; that minority media would be utilized in advertising the sale of any properties; that a nondiscriminatory hiring practice would be maintained; and most importantly, that noncompliance by the brokers or their staffs

would be cause for ending their participation in VA and HUD programs. The VA field stations sent letters to all of the management and sales brokers who received their listings in June 1973, informing them of the expanded certification requirements.

We have yet to see this certification requirement monitored or enforced. VA field offices continue to provide listings of their properties to firms that have been sued by the U.S. Department of Justice for violating the Fair Housing Act of 1968. We do not have the resources to determine the full extent of this problem; however, we do know that field offices in Los Angeles and Connecticut, as of 2 days ago, are among those who continue to ignore the filing of such suits by the Justice Department. We also know that VA's headquarters staff has not taken any action to address or correct the problem.

Additionally, we find that VA has not taken any steps to insure that the management and sales brokers who participate in its programs sign the certification. It continues to allow uncertified brokers to sell VA-owned properties. VA's explanation for this inaction is yet another example of the apparent agency philosophy that civil rights enforcement is someone else's responsibility. The official explanation offered for VA's failure to enforce certification in 1974 was: Until the HUD program is fully and uniformly implemented, and the operating procedure of the two agencies are balanced, VA has not and will not take any sanctions against brokers.

Apparently, this policy is still operational, for we have yet to see VA take sanctions against any broker. We do not accept the argument that the problems in VA's relationship with HUD are an excuse for VA's refusal to carry out its enforcement and compliance responsibilities.

In general, VA has not institutionalized a relationship with other agencies that have housing responsibilities. These include Federal agencies that regulate mortgage lenders, the Farmers Home Administration, the Department of Justice, and HUD. It is impossible to determine how many matters involving VA housing programs have come to the attention of these agencies; nor is there any indication that VA has referred or notified other agencies of complaints involving their authority.

On the one hand, VA maintains that Justice does not inform them of lawsuits against entities participating in VA programs. As we noted earlier, Justice has pending suits involving five realty companies which are currently participating in the VA-acquired property program. They are charged with violating title VIII. Among the violations cited are "steering," making statements indicating racial preference and discrimination re the sale of homes, assigning sales personnel to deal with persons of their own race and to show homes inhabited by residents of their own race. One of these realtors alone has 20 offices in the Los Angeles area. On the other hand, we have been told that VA refers complaints to Justice only if they allege a violation of the criminal code. This would exclude all title VIII and Executive Order 11063 complaints.

Although the Veterans Administration has collected racial data in its acquired property program since 1968, and in its guaranteed and direct loan programs since 1971, and reportedly expanded its

data system so as to be able to identify monthly trends in minority participation in 1974, we have yet to see any meaningful analysis or reporting of the data that are collected. There are still no plans to include cross tabulation by sex. Similarly, there has been no effort to use the data as a basis for program planning, monitoring, or evaluation.

Present plans to review the data broken down by new and existing housing and race for acquired property only are a further indication of the lack of intent to develop and utilize a comprehensive data system. Even if the proposed plan is in fact carried out, data will only be available by States. As the smallest geographic breakdown available, statewide data is virtually useless, and will provide no assistance in examining the utilization of the program by metropolitan areas, or to review the city versus suburban distribution of veterans assisted.

The needed neighborhood delineation appears to be of no concern to VA officials. Even if they were to review the data on that basis, current operating definitions would make the resulting statistics virtually useless. Presently, neighborhoods are characterized by the VA as white, minority, or mixed. Mixed is defined as occurring when the block on which the property is located and the facing block is inhabited by a member of the other race, with no further delineation as to the proportion or predominance of a single race. Further, VA relies solely on the common-knowledge reports of fee appraisers for the racial designations of neighborhoods. The accuracy of such reports is questionable, but nonetheless never investigated or monitored.

The lack of concern by VA officials about this problem is most disturbing. How, for example, without such data for individual subdivisions, can they monitor or enforce requirements that prohibit builders and developers from discriminating? Most distressing of all is the fact that in all of the years that VA has collected data, even given the limitations of the way that geographic areas are designated, central office staff has never utilized the information in any meaningful way.

Similarly, it is difficult to assess the benefits that are being derived by 20 percent of the veterans' population which resides in rural areas. We know, for example, that minority participation—3.5 percent of the rural veteran population—in the direct loan program in rural areas has decreased from 3.4 percent in 1974 to 1.5 percent in 1976, while white participation increased from 94.6 percent to 95.9 percent during the same period. There is no indication, however, that VA is reviewing this situation to determine whether or not this is a result of discrimination.

We understand that VA plans to initiate a program to record data from rejected applications on October 1 of this year. We urge you to examine in detail VA's plans for this program and its use.

As our testimony has indicated, we find that the Veterans Administration has no commitment or mechanism for achieving the equal housing opportunity mandates of the Executive order or subsequent legislation. They do not recognize the problem, do not have a policy or program for solving the problem, have not promulgated regulations, provide no training, have collected data to

no purpose, and would sooner see anyone else assume the enforcement responsibilities which are clearly theirs by law.

These factors are not causes but symptoms of the agency's total lack of commitment to eliminate discrimination and to expand opportunities for minorities and women. In the 8 years since the enactment of title VIII, VA has either done nothing, or failed to act upon published intentions. It does not appear to recognize the fact that the fair housing law went beyond the restrictive provisions of Executive Order 11063 in terms of both coverage and the Federal responsibility to take action to promote fair housing. As a result, the VA is operating, in effect, under regulations issued in 1963.

In addition to instituting a program to correct the deficiencies outlined above, we strongly urge VA to take a broader view of its position in relation to the Nation's housing policy. At a time of urgent need for decent housing for low and moderate income families, VA's inventory of 11,000 acquired properties could be a source of shelter. The program permits great flexibility in disposing of these units, for example, nominal rents, rental with option to buy. In some parts of the country available units could be used to assist communities to better meet their housing needs.

VA does not provide housing counseling services to veterans. At a time of high interest rates, inflated housing costs and unemployment, veterans, particularly young veterans, need assistance both before and after the purchase of a home. The VA offers counseling in 22 cities, but primarily on matters related to direct VA programs such as education and employment assistance. Housing counseling should be added to the services available in these programs. Emphasis should be given to the rights and remedies available under the Federal, State, and local fair housing laws.

Finally, it is most essential, however, that VA take the steps necessary to fulfill through its programs the unfulfilled promise of equal opportunity to secure a home of one's choice.

We thank the subcommittee for this opportunity to present our views. Mrs. Sloane and I will be pleased to answer any questions you may have.

Mr. EDWARDS. Thank you very much, Ms. Adams, for your excellent testimony. The gentleman from Massachusetts, Mr. Drinan.

Mr. DRINAN. Thank you very much, Mr. Chairman.

Ms. Adams, I want to congratulate you on this statement, which I find rather overwhelming.

We have been furnished by counsel with the replies to some questions propounded by the committee. I have many, many questions, and one of them is this. Has the Leadership Conference on Housing Task Force attempted to break down the statistics that we have from VA, which give only State-wide facts, and which, as you know, are meaningless? Is it possible to break through them and find out what is happening, for example, in Greater Boston?

Ms. ADAMS. We have not been able to do it as of yet. We expect that it can be done, and that the State-wide data must have been aggregated from something else; but we have had no success in getting these breakdowns from the Veterans Administration. It is our understanding that they do not intend to provide them.

Mr. DRINAN. Do they have them?

Ms. ADAMS. I do not know.

Mr. DRINAN. They would have to supply them.

Ms. ADAMS. We assume they must have them in order to have aggregated the data up to State-wide figures.

Mrs. SLOANE. I understand that the material that is fed into the field offices, which would identify the location of the property, as well as the broker, is then sent to some central file; and no longer are you able to relate that specific material back to the State. So, even if we could put our hands on it, it is obvious that it could in no way be made useful in that manner.

Mr. DRINAN. As you know, we will have another hearing on this matter next week. We have a good deal of material, including recommendations on your part. Where do you think that we should begin? What is the most important recommendation we should make to VA?

Ms. ADAMS. The problem is so overwhelming that it is hard to respond. I suppose, as a start, we must look at commitment and staffing. Also in November of 1975 the VA announced plans to reconstitute a Civil Rights Advisory Committee.

Mr. DRINAN. When was that?

Ms. ADAMS. November of 1975, this past November. At that time the Administrator told us at the leadership conference that they had plans to reconstitute their Civil Rights Advisory Committee. We have heard nothing further on that, and we hope that you will inquire as to the status of that committee; who is on it; if they have met, how often, and what the agenda was.

Mr. DRINAN. The advisory committee does exist now, on paper.

Ms. ADAMS. We are not sure it is even on paper.

Mr. DRINAN. Are they mandated by Federal law, or by their own regulations?

Ms. ADAMS. I'm not absolutely certain. But we do have correspondence from the Administrator where he indicated that the committee would be reconstituted.

But beyond that, as our testimony indicated, we just find no indication that there is any understanding, commitment or sensitivity to the VA's responsibility in carrying out their equal housing opportunity responsibilities. So, it has to begin at the top.

Mr. DRINAN. I assume that the subcommittee in its inquiry went to the top. As I understand the responses of the VA, they indicate no intention to implement the affirmative marketing requirements proposed by the VA 4 years ago. So, I assume that we have been to the top.

Ms. ADAMS. Well, beyond that, we view affirmative marketing as critical, and it seems to me that they are required to do that under the law. Of their on-going programs certification would certainly be the next most important area.

Mrs. SLOANE. Perhaps, as you say, going to the top has not resulted in any action, since VA does not seem to understand that title VIII is very specific in terms of being subject to affirmative action requirements for all Federal agencies having housing programs.

Perhaps the only way to get through to them is amending the legislation, to name very specifically the fact that they are under the obligation to take action. I would hope that it would not be necessary

to go through that process, but they obviously do not see affirmative action as amounting to more than requiring builders—not even lenders, but builders—

Mr. DRINAN. Does the VA claim it is not covered by title VIII?

Mrs. SLOANE. No, but their interpretation of title VIII is a limited one. For example, I would imagine VA maintains that the FHA would have a primary responsibility and theirs would be rather a tangential one, FHA has affirmative marketing regulations. That is fine; and in the happenstance that a particular builder is also under an FHA program, he would fall under affirmative marketing plans, taking VA off the hook. But the notion that VA directly must implement the rules—the fact is that they have not issued any regulations pursuant to title VIII. They amended the 1963 regulations issued under Executive order in terms of sex in 1974, and to apply certification of nondiscrimination to individual veterans. That has been the extent of any action since 1963. Lenders are under no restriction on discrimination, no less affirmative action.

Mr. DRINAN. Have there been hearings in either the House or the Senate, in any committee, including the Veterans Committee, on this problem?

Ms. ADAMS. Not that I am aware of.

Mr. DRINAN. Am I right in concluding, then, that this set of hearings is the first hearing within living memory on this question of discrimination in VA housing?

Ms. ADAMS. To the best of my knowledge it is.

Mr. DRINAN. Well, I feel a little consoled that I didn't know much about the problem, and that somehow it has not been searched. I think my 5 minutes have expired.

Mr. BUTLER. If the gentleman will yield for a moment. You have had a chance to review the information provided the committee by the Veterans Administration?

Mr. DRINAN. Yes.

Mr. BUTLER. How long have you had a chance to review that?

Mr. DRINAN. Well, we had it yesterday, or the day before, not all of it, but we had a very good summary of it, of at least one part of it provided by counsel.

Mr. BUTLER. When did you get that information from the VA, counsel?

Ms. McNAIR. The second set of responses, evening before last, and the first set, approximately a week or so ago.

Mr. BUTLER. Mr. Chairman, I would like the record to show that our minority counsel did not receive these responses until this morning. That is a form of discrimination that perhaps we ought to try to stamp out in our staff. I have nothing further to say on it.

Mr. DRINAN. I don't mean to say that I saw part of it just now, an hour ago, when this hearing began. We did have a summary under the date of September 20, which went to all of the members of the subcommittee. It was from that summary that I learned about the responses of the VA. I am certain that the gentleman from Virginia received that on September 20 or 21, as well as his counsel.

[A copy of the transmittal memo for the summary referred to follows: (Both the transmittal memo and the summary were provided on September 20, 1976, to all members and counsel of the subcommittee.)¹

CONGRESS OF THE UNITED STATES,
 COMMITTEE ON THE JUDICIARY,
 HOUSE OF REPRESENTATIVES,
 Washington, D.C., September 20, 1976.

Memorandum

To: Members of the Subcommittee on Civil and Constitutional Rights.
 From: Don Edwards, Chairman.
 Subject: Veterans' Administration housing oversight hearings.

In order to prepare you for the Veterans' Administration Housing Oversight hearings, to be held September 23 and 27, I am enclosing a background memorandum.

Responses to questions submitted by the Subcommittee to the Veterans' Administration will be provided to the minority counsel and will also be available in the Subcommittee's offices and during the hearings. Much of the data thus far received is already referred to in the attached memorandum.

Mr. EDWARDS. Well, the Chair will state that the policy of the committee shall be and is equality as far as both sides of the aisle are concerned. I promise the gentleman from Virginia, the ranking minority member, to work out any arrangements always which are fair.

Mr. BUTLER. I thank the gentleman.

Mr. EDWARDS. I recognize the gentleman from Virginia, Mr. Butler.

Mr. BUTLER. Thank you, Mr. Chairman.

Thank you, ladies, for your testimony. Generally, of course, I receive your conclusion quite clearly. It does concern me because as the Representative of a constituency that has a substantial minority, I want instances of discrimination brought to my attention.

I wonder if you have taken any particular individual complainant that has come to your attention and have tried to check the reaction it received within the Veterans Administration itself. Could you cite me a specific instance, and how it was handled?

Ms. ADAMS. We could request that specific information be provided to you by organizations that are members of the task force. The National Urban League and the NAACP, for example, are involved in veterans counseling in local cities throughout the country without VA assistance, on their own. I am sure we could provide you with that information.

Mr. BUTLER. I am sure you have some conclusions based on statistical analysis, but I do not find any evidence, or any statement of a specific instance of discrimination against specific individuals. I think that is lacking in your whole approach to it.

The housing problem, as far as the individual veteran is concerned, is the individual problem of that veteran. I want to assure you that we have a regional office of the Veterans Administration in my area, and we have substantial veterans financing for the housing area; and yet, I do not recall a single instance in which a person has come to me and said, "We don't feel we are getting fair treatment because we are a minority." If it were, I would insist that the Veterans Administration respond to that charge. I think that is your function.

But, as far as I can tell from this analysis, you have really never gotten down on the firing line.

Ms. ADAMS. Your comment goes to the very heart of our concern. We think the Veterans Administration has the responsibility for seeing that the minority, a female veteran or any other veteran, has

an equal opportunity to utilize their housing benefits. They should have a data collection system so that we can systematically review and see to what extent the problem exists. We do not have that, and the VA seems to have no interest in it.

Mr. BUTLER. Well, I recognize your disappointment. But it seems to me if you are appearing here as the champion of civil rights, you ought to have found the facts and talked to the individuals whose rights are in question. I find that short-coming in your overall approach. You are at the top. You criticize the VA at the top for not responding. I suspect that your analysis has not gone to the heart of the problem.

You have presented much too broad a picture here to really tell us if discrimination is really taking place in the administration of the housing program by the Veterans Administration. Absent that, you have not given us much basis on which to suggest improvement within the VA.

Mrs. SLOANE. I think your question and our response, as Ms. Adams suggests goes to the heart, and I would describe it a little differently, and that is, we are moving from a period in which there was discrimination in housing, it was permitted by law.

Mr. BUTLER. Excuse me?

Mrs. SLOANE. It was permitted by law at one point.

Mr. BUTLER. Well, many years ago.

Mrs. SLOANE. You could deny loans, deny sales on the basis of race, many years ago. In order to undo these past practices, we had to go through a period of education for people to understand their rights.

Our point here is that the Veterans Administration makes no attempt to inform a veteran of his rights. There are posters in the field offices which he may set foot in once. A veteran is told when his loan is not approved, or the house is not available, that it is on the basis of credit problems; on the basis of someone else putting in a bid before him.

This veteran, for the most part, is unaware that he has recourse, that there is anybody in the field office he might perhaps speak to, or that he may send a complaint to the central office. So, therefore few would even know enough to complain to the Agency and say, "As a veteran I have specific rights under the Fair Housing law, it is guaranteed that I have fair treatment.

The problem is that awareness is not there. There is no one in the field office that has any sensitivity, or is under any obligation to ask the right questions.

Mr. BUTLER. Don't you see that that is not a really good answer? We are saying, "We don't have any complaints, therefore we must conclude that nobody is telling anybody to complain."

Quite frankly, I don't see that problem in my area, and we probably have in my area as many minorities as in any other. I think they are getting fair treatment because nobody tells me otherwise. We have people in our community—as every community does—who are concerned that there is fair administration of these programs. The absence of complaints, it seems to me, is strong evidence that they are meeting their responsibilities. I don't think you can respond to that question

by saying, "There must be something wrong because nobody is complaining."

Ms. ADAMS. If I may add something. In our statement we made reference to the fact that we do know of five specific instances where the Justice Department has brought suit against realtors for violation of title VIII.

Mr. BUTLER. Well, that is only five instances. Did you review those instances yourself to find out what the discrimination was, and did you find out from the Veterans Administration what they did? Five instances is not an overwhelming statistic. You have the resources: All those people are supporting your operations. Surely you have the resources to tell us what those five instances are all about.

Ms. ADAMS. Well, I would suggest that the Justice Department is certainly much more equipped than us, since they are doing the investigation. We could tell you specifically what those cases were, if that would be helpful to you.

Mr. BUTLER. Well, I would like to know whether they involved abuse or discrimination in the VA program?

Ms. ADAMS. Yes. In the suits brought by the Justice Department they allege that the realtors are guilty of steering prospective home buyers to certain areas, and away from others on account of race, in violation of the Fair Housing Act of 1968.

They also contain allegations that representatives of the firms made statements indicating racial preference and discrimination regarding the sale of homes.

Mr. BUTLER. That is a pattern or practice of certain realtors, but did that involve the Veterans Administration?

Ms. ADAMS. These realtors are still—and the suit was brought over 2 years ago—participating in programs operated by the Veterans Administration.

Mr. BUTLER. Oh, I see, then the thrust of what you have to say is that when the Justice Department brings a suit, it is the responsibility of the Veterans Administration to automatically put them on some kind of a black list; is that correct?

Ms. ADAMS. That is correct.

Mr. BUTLER. All right, there is a lot to be said to that. What does the Veterans Administration do now when they receive notice that the Justice Department has filed an action? Obviously, these particular realtors were not indicted. Was an investigation proceeding on behalf of the Veterans Administration?

Ms. ADAMS. Not to our knowledge.

Mr. BUTLER. Did you make any inquiry?

Mrs. SLOANE. Yes. The VA said they were never notified by the Justice Department about the pending suits.

Mr. BUTLER. Well, that is a reflection on the Justice Department, not the Veterans Administration.

Mrs. SLOANE. One of our points is that there is no coordination among the agencies having responsibility for fair housing.

Mr. BUTLER. That is a legitimate complaint, but I wonder whether we can charge the Veterans Administration with the responsibility of ferreting out the information available in other agencies?

All right, my time has expired, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Butler.

Well, we had a witness yesterday as part of another set of housing hearings which we now have ongoing, a very scholarly professor from the University of Michigan, who pointed out that his statistics indicated that racial residential segregation was caused by a "web of institutional discrimination," and the institutional web is comprised of many interrelated components which range from the services of realtors, mortgage lenders, and developers, and that the Federal Government is doing very little about it.

You would say, from all your evidence, that the Veterans Administration fits right into that pattern. They are making no attempt whatsoever to find out whether or not their programs are in compliance with the law.

Ms. ADAMS. That is correct. And I think what is worse is that they do not seem to recognize that they even have a responsibility or an obligation to do that.

Mr. EDWARDS. They do not do as well as the FHA.

Ms. ADAMS. No.

Mr. EDWARDS. The FHA makes some effort.

Ms. ADAMS. Yes.

Mr. EDWARDS. The Veterans Administration makes none, and then, when they are asked why they do not have an affirmative action program, their answer is that they require builders and brokers to sign paper assurances.

Ms. ADAMS. That is correct.

Mr. EDWARDS. But they do not review what the builders and brokers do.

Ms. ADAMS. There is no monitoring.

Mr. EDWARDS. They work through private builders and private brokers. That was 300,000 houses, I believe, last year.

Ms. McNAIR. That is correct; 300,000 loan guarantees.

Mr. EDWARDS. The number of houses they have foreclosed and are selling, that number is relatively small, 17,000 a year?

Ms. McNAIR. 11,000 currently, but last year over 17,000.

Mr. EDWARDS. They sold over 17,000, and they sold those through some brokers, anyway, who are being sued by the Justice Department for discrimination. That is something we are going to have to ask them. Why is that being done? They should be suspended during the period, anyway at least until they have received their due process, they should not be selling Government-owned houses if they are accused by another department of the Government for violating the law; right?

Ms. ADAMS. That is correct.

Mr. EDWARDS. Well, we had a number of years ago the head of the Federal Power Commission, and that seemed to be a similar case. I am not sure whether the gentleman from Virginia was on the committee then.

Mr. BUTLER. No.

Mr. EDWARDS. Well, the head of the Federal Power Commission said that they would take no responsibility for the fair employment practices of their licensees; that is, private power companies throughout the country, regulated by the Federal Power Commission and licensed by the Federal Power Commission; that it was none of their business if they discriminated all over the lot

We disagreed with them. I think there is a new head now, and we are going to have him in next year and ask him, if they changed their mind about this because it seems to me that they should require their licensees to comply with Federal law, if they give Federal licenses.

Here you have the Federal Government conferring huge benefits on brokers and private builders, and yet not requiring affirmatively that they comply with the law.

Now, on page 11 of your testimony you do have some figures that indicate that white people are doing a lot better than black people in purchasing, or participating in the direct loan program in rural areas. Minority participation decreased from 3.4 percent in 1974 to 1.5 percent in 1976, while white participation increased from 94.6 to 95.9 percent. That is a rather startling figure. That means that no poor blacks to speak of are participating in the program in rural areas?

Ms. ADAMS. Well, there are very few. The point we wanted to make here is that this is a figure that is readily available. If there were an ongoing concern or monitoring of how the program is benefiting veterans across the country, it seems to us that the Veterans Administration would be interested in examining this figure and finding out why that figure is decreasing. There is nothing in terms of normal market mechanisms that we are aware of, for the period cited, that would explain that decrease. That is precisely the kind of information that should not only be brought to their attention, but be acted upon, if they implemented a decent data collection system.

Mr. EDWARDS. Don't you think that the complaint program, or the complaint route is certainly not the best way of assuring fair practices in housing, if you have to rely just on complaints, especially from poor people—you are not going to get any complaints.

Ms. ADAMS. That is absolutely correct.

Mrs. SLOANE. The complaint process is a very weak tool and certainly not a measure. I think that was very amply demonstrated last year when the Federal lending agencies, who maintained there were so few complaints in the area of lending there could not possibly be lending discrimination until they did their own pilot project; and, lo and behold, there was substantial evidence that there was extended discrimination in the area of lending.

If we relied on the number of complaints that came into an agency, then there would be the question of HUD also because HUD only received 3,000 complaints and has a number of programs of its own, that covers a vast number of units, plus all private housing for the entire Nation; 3,000 would certainly indicate that we have solved our problems.

Mr. BUTLER. If the gentleman would yield.

Mr. EDWARDS. Yes.

Mr. BUTLER. When we are talking about discrimination in unidentified instances, as you just did, do you think it is based more often on a matter of sex or on a matter of race? Specifically, the lending discrimination with respect to sex is quite apparent, and it seems to me that a case on the issue has been made pretty well. But recent instances of discrimination based on the basis of race are not quite so readily apparent to me. I wonder if you make any distinction?

Mrs. SLOANE. Well, I think if you look at the findings of these private surveys, looking at statistical data, comparing for example black families of the same income and all other factors being the same, the rejection rate of loans as compared to white families of the same income with these variables taken care of, the rate of rejection among blacks is much higher, substantially higher.

I think that with respect to sex discrimination, some of the agencies are more ready to cope with that than with race. I think the problem of a divorced woman living next door would not present the same emotional reaction as having a black family moving in next door.

Mr. BUTLER. I think the statistics would indicate that. Mr. Chairman, since I have interrupted you briefly, and since the ladies suggest that this information might be available, I would like for the witnesses to go back to their people and come back with specific instances that they believe look like there has been discrimination, on whatever basis, in the veterans housing program, a rejection. I would like to know a little bit more about specific instances.

If you think you could develop that information, I would like to have it in the record.

Mr. EDWARDS. I have some problems with that because you are generally volunteering your services, isn't that correct?

Ms. ADAMS. Yes.

Mr. EDWARDS. Although we would certainly appreciate getting any information like that—it would be most helpful to have it—it seems to me that the Veterans Administration is spending all of this Federal money and passing out all of these benefits to the veteran population, and yet, they should also make an affirmative effort to prove to us that they are not discriminating, which we are going to require that they do.

Certainly, the Veterans Administration's obligation is to comply with the law; and certainly the Veterans Administration should be sending people out to subdivisions and brokers and ascertaining themselves whether the law is being complied with. They could send out people making inquiries as to who is working for the Veterans Administration and find out pretty darned fast whether brokerage firms and builders are on the spot in different parts of the country; apparently they do not even do that. They are not taking their responsibility seriously. They will say so specifically, that they are not, is that correct?

Ms. ADAMS. That is correct.

Mr. BUTLER. It does concern me, as I have said before. Out in the field my observation has been that when you deal with veterans and housing, you are limited by your income problems. We really do not get into an area where there is a whole lot of fluctuation as to the size of the loans or availability of the number of applicants.

My observation has been that there are not complaints. I would like to see these complaints. You developed statistical information which you say would indicate that there must be something wrong. When you get down to the nitty-gritty, I think it is important that we have some evidence of how these programs are working. Whether it is working against the rights of minorities is what concerns me.

I am not really too upset about discrimination based on sex. My observation is that development has taken care of itself pretty well.

But discrimination on the basis of race does concern me, if it exists. On the whole, I have seen no evidence.

Ms. ADAMS. Our concern, of course, with civil rights is that whether it is race, sex, or whatever, they should be protected as required by the law.

I would agree with the chairman that the Veterans Administration is not only charged by law to provide the kind of information that you want, but that they are better equipped to do that than we are.

Mrs. SLOANE. If I may add something. One of the bits of information we secured in trying to prepare our testimony was the fact that the field offices have notified the central office's Equal Opportunity staff, of two complaints of discrimination in 3 years, although the field staff is required to notify the central staff of all complaints of discrimination.

Now, it seems to us in addition to the fact that I don't believe the complaint process reflects the extent of discrimination, we have the added problem here of having people processing complaints who are not educated in the equal opportunity provisions of the law. People will file a complaint and not state it in clear terms that, "I think my race has something to do with it", or, "My sex has something to do with it", and yet, it may be implicit, there may be a strong suggestion in that complaint. The people in the field offices are not equipped to make these kinds of judgment.

It is very hard for us to believe that in 3 years in the entire country only two complaints of discrimination in housing were filed in any of the field offices. So, by the time you get to these 10, 15 per year, going through a filtering process, that doesn't indicate the true number.

Mr. BUTLER. I certainly agree with that. I also find it hard to believe that with all the resources you have, you couldn't come up with a few people who feel that their complaints have not been properly processed; that is what I would like to know.

Mr. EDWARDS. Mr. Drinan?

Mr. DRINAN. Thank you, Mr. Chairman.

I am familiar with specific cases, which were brought to the Massachusetts Commission Against Discrimination. The observations of the gentleman from Virginia prompt me to ask this question.

I would assume that statistics are available on the number of cases brought to State anti-discrimination agencies, complaining of discrimination in housing where the lender or guarantor is the VA. In the report of the Massachusetts Commission Against Discrimination, for example, the number of cases of alleged discrimination in housing is reported. I assume that many of them are traceable to the VA.

I have the information the VA has furnished to the subcommittee. It is inadvertently misleading because it gives us, for example, the total veteran population of California, which is 3,272,000, of which 81.3 percent is white. However, that includes veterans of the Spanish-American War and World War I.

My question is this: What is the median age of the people who borrow? That would be the figure we need. In other words, the group that takes out 90 to 95 percent of the loans is heavily black, I would assume they are the Vietnam veterans who are disproportionately black.

I would assume we cannot clear the VA and say that they are doing a good job until we have those facts. Let me focus on Massachusetts.

It says that of 875,000 veterans, 97.1 percent are white. But once again, of the Vietnam veterans, it is by no means 97.1 percent white. In Massachusetts it is probably 20 to 40 percent minorities, or blacks.

Have you seen statistics on that particular question?

Ms. ADAMS. No, but we have seen the broad, overall figures. In addition to the problem that you are having in making use of the data, it would have to be broken down on a yearly basis so that we could indeed look at the population post-Vietnam, as opposed to the entire veterans population.

Mr. DRINAN. The data give the year. For example, in fiscal 1975, in California, 10.1 percent of the loans were given to black veterans, and 7.1 percent to Spanish Americans. The following year, fiscal year 1976, it declined for blacks to 8.9 percent, and Spanish Americans, to 6.6 percent. But the 8.9 percent black would be, I would feel, quite small in relation to the group that would ordinarily be in a position that did want a loan. So that these statistics are really without meaning.

Ms. ADAMS. That is right.

Mr. DRINAN. Have you seen some statistics on the average age of the people in a particular year?

Mrs. SLOANE. They released some charts on it. Again, probably they have the information available and are not making it public.

Ms. ADAMS. Even the charts do not have the age breakdown that would allow you to pull out the age when people are most likely to buy homes. What they have done, by the cost of housing purchased, is broken the population down into five groups. They have racial breakdowns according to each of those groups. But that does not address the basic problem.

Mr. DRINAN. Mr. Chairman, may I ask counsel to acquire this information. I will first ask counsel if I am clear on the point I am trying to make.

Ms. McNAIR. You are clear. I do think, based on some information which I have received, that there may be this data available with the age breakdown, which would make it more of a reflection of what your concerns are. I think we should ask the VA when they appear whether or not we can get this data with age factored in.

Mr. DRINAN. It would be helpful if they could be requested to compile that information and send it in ahead of time because, obviously, it has to be carefully evaluated. I would like to ask this—

Ms. ADAMS. Excuse me, if I may. We were just looking at the data you referred to, which is broken down by quantities and includes the age factor. But what they have done is to break it down as to age.

Mrs. SLOANE. They don't have it as to race.

Ms. ADAMS. We don't have it as to race.

Mr. EDWARDS. Counsel?

Ms. McNAIR. Do you know whether it is correlated with race, whether they have that available? I could find out from them.

Mrs. SLOANE. I think that is available.

Ms. ADAMS. They don't have them together, but they have the data base to develop it.

Ms. McNAIR. All right.

Mr. DRINAN. One last question. I assume from the thrust of your testimony that the VA, when it gave out last year's 326,000 mortgage guarantees, in effect reinforced the pattern of segregation in housing.

I am wondering if anyone has made a study, for example, where black or hispanic veterans do, in fact, settle. Is there graphic, statistical proof?

Ms. ADAMS. I am not aware of a formal study that has been done on that specifically.

Mr. DRINAN. Let me clarify my question. The VA data here seem to indicate that one-third of the black persons who bought property purchased in minority neighborhoods, while the remaining two-thirds bought houses in so-called mixed neighborhoods. Now, that applies only to the second category of what the VA does; namely, selling houses it has acquired by foreclosure, which approximates 17,000 VA-acquired properties a year.

But on the much larger question of the 326,000 mortgages, is the VA reinforcing desegregation?

Mrs. SLOANE. Well, they are keeping racial statistics on neighborhoods in which the houses are located, the ones which received guaranteed mortgages. Our problem with that is the definition of mixed. In other words, if there is any family of a different race living on the block on which the property is located, or facing the block, it is noted down as mixed.

I just personally came across some information when a veteran came to me, who was purchasing a new house in Oxon Hill, using his VA benefits. In the course of conversation he said to me, "It is a neighborhood that is going from white to black", and I immediately realized this is going to be marked a mixed neighborhood, and chalked up by VA to show how well their program is working.

I think the statistics are terribly misleading. If you look at the census figures and the Commission on Civil Rights report, housing demographic studies, you will see that segregation is actually increasing. And yet, the Veterans Administration says their units are located for the most part in mixed areas.

Mr. EDWARDS. If the gentleman would yield.

Mr. DRINAN. Yes.

Mr. EDWARDS. Are most VA loans, guaranteed loans, new constructions?

Mrs. SLOANE. No. Out of that 300,000-odd figure last year 63,000 were new construction. That is the other question we raised with the VA about affirmative marketing, the absence of an affirmative marketing plan required in the building of subdivisions. The answer was, "We only have 63,000 units, what does it matter?"

Of course it matters. It is not only 63,000 units because when the builder comes in to get VA's approval, it is for the whole subdivision. He may end up not selling one house with a VA mortgage guarantee, but presumably he was under an obligation to make sure that all the houses in the subdivision are marketed without discrimination. So, that 63,000 does not reflect the extent to which VA could have some influence for open housing in new housing.

Mr. EDWARDS. It could go up to a significant number.

Mrs. SLOANE. The VA programs have been increasing in the last couple of years, and the FHA's insurance programs have been shrinking. So, we have less and less FHA, with VA taking on more and more of it.

Ms. ADAMS. Also, that 63,000 figure was low, because it reflected a time when new construction starts were down across the country.

Mr. DRINAN. If the gentleman will yield. Why is that so? The total rose from 290,000 in 1975 to 326,000 in 1976, in years when housing was a disaster area. Is this rehabilitated housing?

Mrs. SLOANE. No.

Mr. DRINAN. If these 63,000 are new, what are the rest?

Mrs. SLOANE. Existing housing, which could involve rehabilitation or not.

Mr. DRINAN. I see.

Mrs. SLOANE. But of course, on the VA program no downpayment is required, it is very desirable. Mortgage money was available for new or existing housing.

Mr. DRINAN. One question on what Mr. Butler was talking about, on specific complaints. It was my limited experience in the past that the VA tended to say to somebody who had a complaint, "Go to a Federal agency, or State agency; we are just like a banker, we just guarantee it."

Do you have evidence that VA sent victims away to other agencies, saying, "We are not the agency to process the complaint based on discrimination"?

Mrs. SLOANE. No. I think the problem is, No. 1, they don't recognize the complaint, necessarily, as being discriminatory; and No. 2, they don't say to people that are being discriminated against to come to them.

Mainly, so long as another agency will take the initiative, like the FHA, in the certification of lenders, FHA can go out and take care of mortgage bankers, let them do it; I think it is more that kind of pattern, rather than re-directing them to someone else.

Mr. DRINAN. I want to thank you once again.

Mr. EDWARDS. Ms. McNair?

Ms. McNAIR. Thank you, Mr. Chairman.

In answers provided by VA, which incidentally were summarized for all members of the subcommittee and minority counsel, VA indicated that its compliance inspectors were used to go out and review VA-assisted new construction as it was underway. In fact, in responding to the subcommittee VA indicated that one of the obligations of these compliance inspectors was to see whether or not the builder had posted equal employment posters.

I am wondering whether or not you think there might be some way to expand on the concept of utilizing compliance inspectors, or any other persons from VA to engage in onsite monitoring of any kind to actually monitor fair housing compliance.

The issue here is whether or not there are any existing VA mechanisms that could be used or expanded to get them to start monitoring the activities of builders or brokers, or whoever, because now, as I understand it, all they do is collect pieces of paper, certifications, from such persons.

Ms. ADAMS. I think the construction compliance officer or something of the sort is something that certainly should be explored. But if it is going to be done, there must be a provision for training prior to their carrying out that responsibility. There must be someone else who they are responsible to report to, so that it is not just submerged as part of their ongoing function, and in such an unidentifiable manner that you cannot find out what they are and are not doing.

To send someone who has not had the proper training in the civil rights field and equal opportunity compliance review, to just dump that responsibility on someone, does not address the problem.

Ms. McNAIR. Presumably, though, if the Civil Rights Commission's recommendations were implemented by VA, then they would have at least some civil rights experts, some EO experts out in the various field stations. Those people could provide that kind of training, that kind of oversight. And, of course, the other issue is whether or not VA is now requiring its program participants to keep necessary data, to maintain necessary file data that would be available to be reviewed by persons engaged in such monitoring. Do they require that such data be kept?

Ms. ADAMS. We do not object to civil rights compliance as part of an ongoing operation, ideally that is the way it should be. Our concern with VA is that unless you have trained staff who are capable and equipped to carry out the function and are accountable to someone, it can be just another guise for inaction.

Ms. McNAIR. I have no further questions.

Mr. EDWARDS. Mr. Starek?

Mr. STAREK. Thank you, Mr. Chairman.

With respect to page 4 of your statement, you say that the certification requirement has been nullified, which resulted in regressive action on the part of VA over the last 6 years. I am confused about which certification was nullified, certification from various builders?

Ms. ADAMS. That is correct, builders and sellers.

Mr. STAREK. Builders and sellers?

Ms. ADAMS. Yes.

Mr. STAREK. This has been the policy for the past 6 years. Is it true they did not amend the regulations, but rather just stopped requiring certification?

Mrs. SLOANE. It is our understanding that it was dropped in about 1972, when they pushed this proposed affirmative marketing regulation. The rationale was that if you had affirmative marketing regulations, you no longer needed certification. The certification was dropped and the affirmative marketing regulations never adopted.

Mr. STAREK. With respect to the proposed affirmative marketing regulations, does the absence of finalized regulations violate title VIII of the 1968 Civil Rights Act?

Mrs. SLOANE. Assuming that an agency would adopt an innovative, affirmative program which would open up housing opportunities for minorities and women, I would say there was no specific requirement that an agency adopt an affirmative fair housing marketing regulation.

This, however, has been the vehicle for affirmative action programs and no other has been suggested by VA, adopted by VA, or in any way initiated by VA. The fact is, there is no affirmative program to promote fair housing.

Mr. STAREK. I would like to ask one other question if I may. The majority counsel addressed this question, but I would like to have a specific recommendation if I may, as to what we could tell the VA next week about how to improve this obvious lack of EO staff personnel. Are you suggesting one additional person in each field office, one for each region, or what?

Ms. ADAMS. Well, surely you are not asking us to recommend staffing patterns for the Veterans Administration. I think you should talk to some professional EO compliance officers. We are not prepared to recommend staffing patterns for the entire agency today, but we would be glad to work with you and others in developing one, if that would be helpful.

Mrs. SLOANE. One thing, I think the status of the equal opportunity staff in the Veterans Administration should be immediately changed. We understand from several meetings that the EO staff people were characterized as "consultants". They are not in any position to make even recommendations—they recommend perhaps as consultants, but as we say in our testimony, they are really invisible. Without that kind of participation there is no hope for equal opportunity programs.

Mr. STAREK. Well, I am confused about exactly what their role is.

Ms. ADAMS. So are we.

Mr. STAREK. That is something we will have to discern. I appreciate your views because I think the VA should be challenged. We need a clear statement from them just exactly what these persons do. Do they in fact review all the complaints that are reviewed?

Mrs. SLOANE. The complaints?

Mr. STAREK. Is an investigation carried out?

Mrs. SLOANE. They are referred to the EO people through the loan processing division. They review all complaints. Another aspect, as I understand it, when they do investigate a complaint in the central office, they do it from the files and perhaps a telephone call. There is no field investigation, that we could find out.

Mr. STAREK. So, for example, the VA reports that in fiscal year 1976 there were seven formal discrimination complaints. We have discussed how that might not be an accurate figure. Have the EO specialists reviewed all seven of those complaints?

Ms. ADAMS. We assume.

Mrs. SLOANE. The field office has to notify them of any complaint. And then, I believe, if the field office cannot resolve it, it is sent to the central office for review. I don't know what happened or if they were notified by the field offices of these seven complaints.

Mr. STAREK. So you believe, then, that these seven formal discrimination complaints are only the ones which could not be resolved by the field offices. When the VA gave us the number seven, it could have been more?

Ms. ADAMS. You know, of course, there is another aspect to that. When you talk about resolution at the field office level, there are no EO specialists in the field offices.

Mr. STAREK. That is why I asked you that.

Ms. ADAMS. We don't know what kind of resolution might be taking place in the field offices.

Mrs. SLOANE. Since only two were referred over a 3-year period from the field offices, I would imagine the seven were received in the central office, or at least five of them.

Mr. STAREK. Thank you, Mr. Chairman.

Mr. EDWARDS. Congress appropriated nearly \$20 million for the Veterans Administration's expenditures in the next coming fiscal year. Wouldn't you think that out of \$20 billion there could be an

adequate staff of fair housing specialists, so that these private companies—that is what they really are—that are dealt with by the Veterans Administration could be monitored, at least spot checked?

Ms. ADAMS. Most certainly; yes. It would seem that the Federal Government would want that itself as a protection for its investment.

Mr. EDWARDS. I think we also want to find out very definitely about these lawsuits, these discrimination suits against the realty companies, and whether really those realty companies are still being utilized by the Veterans Administration. You understand that they are still using the companies?

Ms. ADAMS. Yes. The field offices maintain a list of companies who receive their listings. And we know that in the examples we cited, they have continued to provide listings to these companies since the suits have been brought; one suit was brought in 1974 and the other was brought in 1972. So, over an extended period of time that practice has continued.

Mrs. SLOANE. This was the result of a spot check of ours on Department of Justice press releases. So, there are those we were unable to follow through with respect to builders and developers.

Ms. ADAMS. That was offered as an example?

Mrs. SLOANE. Yes.

Mr. EDWARDS. Well, if there are no further questions we thank you, Mrs. Sloane, and Ms. Adams very much for giving us a good start on this very important subject.

On Monday we will be looking forward to hearing from the Veterans Administration.

So, again our thanks, and this committee will be adjourned until Monday morning at 10 o'clock in the same room.

[Whereupon, at 11:35 a.m., the subcommittee adjourned, to reconvene at 10 a.m., Monday, September 27, 1976.]

EQUAL OPPORTUNITY IN VETERANS ADMINISTRATION HOUSING PROGRAMS

MONDAY, SEPTEMBER 27, 1976

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS
OF THE COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 2237, Rayburn House Office Building, the Honorable Don Edwards [chairman of the subcommittee] presiding.

Present: Representative Edwards.

Also present: Janet M. McNair, counsel; and Roscoe B. Starek III, associate counsel.

Mr. EDWARDS. The subcommittee will come to order.

Today we continue our inquiry into the fair housing enforcement program of the Veterans Administration.

Last week, witnesses told this subcommittee that there were serious shortcomings in the way in which VA attempts to require fair housing practices from builders, brokers, and lenders participating in its programs. Pursuant to title VIII of the 1968 Civil Rights Act, VA is required to insure that such persons, benefiting as a result of participation in VA housing activities, act affirmatively to promote fair housing.

Indeed, the U.S. Civil Rights Commission has pointed out that unless VA uses its leverage and refuses to take its business to bankers, appraisers, builders, and brokers who do not take affirmative fair housing steps, it will continue to be a passive party to discrimination and to the perpetuation of segregated housing in this country. Today, we will learn from VA itself what steps it is taking to comply with the law.

We are most anxious to receive that testimony since reports published on 1974 and 1975 have been critical of VA's failure to implement affirmative marketing requirements; its failure to monitor the activities of participating lenders, brokers, and builders; its failure to have a full-time Equal Housing Opportunity director with policy-making authority; and its failure to provide proper training to program personnel who are supposed to perform EO duties.

We hope to discuss some of these issues today, and, representing the Veterans' Administration, we welcome Mr. Robert C. Coon. Mr. Coon is the director of the Loan Guaranty Service in VA.

Mr. Coon, will you introduce your colleagues and then proceed with your statement.

TESTIMONY OF ROBERT C. COON, VETERANS ADMINISTRATION

Mr. Coon. Thank you, Mr. Chairman. It is a pleasure to have the opportunity to appear before your subcommittee and discuss the GI loan program and particularly the Equal Housing Opportunity aspects of the program.

With me this morning is my deputy director, Mr. Albert Glass on my left, and my staff assistant for Equal Housing Opportunity, Mrs. Lissie Harman, on my immediate right. In addition, I am accompanied by Mr. William G. Malone, assistant general counsel.

Mr. Chairman, since we have not heretofore had the opportunity to appear before this subcommittee, I thought it appropriate to furnish a brief history of the GI loan program and its accomplishments and then discuss the Equal Housing Opportunity aspects of the program.

The Veterans Administration home loan programs serve a clientele which is diverse in many ways. The only common denominator of this clientele is service in the Armed Forces of the Nation. Since the inception of these programs the objective has been to assist eligible veterans to become homeowners. Veterans are assisted by making it possible for them to compete in the marketplace for credit with persons who were not obliged to forego the pursuit of gainful occupations by reason of service in the Armed Forces of the Nation. The Congress intended the VA programs to benefit men and women because of their service to the country, and they are not designed to serve as instruments of attaining general economic or social objectives.

Cumulatively to June 30, 1976, the VA guaranty has been instrumental in inducing private lenders to extend \$123.4 billion to more than 9.1 million veterans to purchase or construct homes on an unsubsidized basis. All empirical evidence points to the VA loan programs having made mortgage credit available to many veterans whose loans otherwise would not have been made. In this connection, although VA borrowers have been directly favored by the more liberal terms on those loans, it is also likely that these terms have induced a competitive liberalization of the terms on conventional mortgages, whose recipients have benefited as well. As a result, the impact of the VA home loan program on the economy and on the mortgage market over the years vastly exceeds the actual volume of VA home loans.

The home loan guaranty program was originally conceived in 1944 as a part of an attack on the harsh aftermath associated with wars. The overall objectives of this attack were to diminish to the greatest possible extent the economic and sociological problems of postwar readjustments of millions of men and women then serving in the Armed Forces.

The program was one of the major innovations and a most important part of the original Servicemen's Readjustment Act of 1944, Public Law 78-346. The first legal framework was set forth in title III of that act. In a way, the loan guaranty program was advanced as an alternative device to a cash bonus, because it would be vastly less expensive to the Government and because it would better serve the needs of veterans.

Credit was viewed as one of the cornerstones of a program to aid the veteran in his effort to readjust himself to civilian life. In the opinion

of the supporters of the original legislation, the Government should provide the means whereby the veteran could obtain favorable credit which would permit him to shelter his family or begin his business or farming venture. This concept arose because of the feeling that veterans, in view of their service in the Armed Forces, had missed an opportunity to establish themselves in business or a profession, and to establish a credit rating which could be the basis of borrowing to acquire a home or to establish a business. The establishment of the loan guaranty program was an attempt to place the veteran on a par with his nonveteran counterpart.

The loan guaranty program also provided an investment outlet for large amounts of savings which existed in the economy at the end of World War II. During the years of the war, normal investment outlets were restricted because of the shift from the production of civilian goods to war production. By imposition of price and production controls on many items, the normal flow of consumer durable goods had been reduced. Thus, individual savings reached record proportions, and large amounts of money became available for investment purposes. Expectations at the time that there would be a normal postwar depression shortly after termination of the war made it seem important that planning be done to stimulate the redirection of accumulated liquid capital into normal peacetime avenues.

Under the foundation law—Public Law 78-346—the maximum amount of guaranty was limited to 50 percent of the loan, but not to exceed \$2,000; loans were limited to a maximum of 20 years, with a maximum interest rate of 4 percent; the purchase price paid or to be paid, or the construction cost, including the value of the land, could not exceed the reasonable normal value as determined by an appraisal; and loans could be made by persons, firms, associations, corporations or by governmental agencies and corporations under either State or Federal jurisdictions. Home loans could be used for the purchase, construction, improvement, or repair of residential property which veterans intended to occupy as their homes. With reference to terms of the loan, the act further stated that such terms should bear a proper relation to the veteran's present and anticipated income. Initially, all loans had to have the prior approval of the Veterans' Administration.

To be eligible to make use of the loan guaranty benefit, the veteran must have served in the active military or naval forces of the United States for a period of 90 days or more any time on or after September 16, 1940, and before official termination of World War II. In this connection, a veteran could apply for a loan any time within 2 years after separation from the service or 2 years after the official end of the war, whichever was the later date. However, no applications were to be received more than 5 years after the termination of the war.

The original version of the loan guaranty program contained various shortcomings which became evident during the first year of operation. First, real estate prices had risen so much that the \$2,000 maximum guaranty was not large enough. Second, the requirement that the price of the real estate must be normal caused difficulties because to many this indicated prewar prices. Third, the limitation of 2 years after the war as the period during which loan guarantees could be

obtained was feared to be too short because of the great potential number of veteran borrowers and the possible inflationary potential. And, fourth, the 20-year maturity on loans required by the act meant that monthly payments were so high that many veterans were precluded from obtaining loans.

These various shortcomings of the program were considered in hearings before committees of the House and Senate and amendments were enacted to title III in 1945 by Public Law 79-268.

The maximum amount of guaranty available to a veteran was increased to \$4,000 for home loans. The maximum maturity for real estate loans was extended to 25 years and for farm loans to 40 years. The term normal was removed from the requirement of reasonable normal value, leaving it as reasonable value.

These changes constituted a basic change in objectives. No longer was the home loan benefit aimed at immediate readjustment aid. It was to be a long-range benefit open to any eligible veteran wishing to buy a home within 10 years if he could meet the credit requirements. The original idea of keeping the purchase price low by the use of reasonable normal value was abandoned in favor of a large volume of transactions at current market prices.

These changes constituted an almost complete revision of the loan guaranty program. It changed many of the basic objectives, such as holding the price of properties to prewar level. An even more basic philosophical change was that the original act was considered only as a readjustment aid for the veteran who wanted to start a home, business, or buy a farm when he got out of service. The extension of readymade credit by the Government was to make up for his lost time. The new act provided something different. It could no longer be considered solely as an adjustment benefit for the few who had immediate and specific plans after leaving service. It was now open to all veterans who might decide to avail themselves of the benefit at any time within 10 years after the official end of the war. In terms of aiding the economy over the reconversion period, the objectives had also changed. It was now a long-range housing program for veterans. This last of the new objectives has been maintained consistently throughout the subsequent changes in the program.

Over the years legislation has been enacted vastly changing the program. Nearly all changes have been presumed to help the veteran become a homeowner by extending the terms, increasing the guaranty to lenders, extending eligibility to veterans of service subsequent to World War II, and other liberalizing provisions. Taken together, these changes constituted an almost complete revision of the loan guaranty program.

In recent years additional legislative action made even further improvements in the program to assist veterans to become homeowners.

The Veterans Housing Act of 1970, Public Law 91-506, was a milestone for the VA home loan program, making important changes which greatly enhanced the viability of the loan guaranty and direct loan programs.

The law made seven major changes in these programs. It removed the delimiting dates on veterans' entitlement. It authorized a mobile home loan program. It authorized direct loans for veterans qualified

for especially adapted housing grants, irrespective of location. It also eliminated the terminal date of the direct loan program. In addition, the law eliminated the funding fee for post-Korean veterans and authorized loans on condominium units and for refinancing loans.

The elimination of charging a funding fee to post-Korean veterans was a change rendered inevitable by events in Southeast Asia after 1965. The funding fee requirement was imposed by Public Law 89-358, in the interest of distinguishing between the "hot war" veterans of World War II and the Korean conflict and the "cold war" veterans of service after January 31, 1955.

Of all changes made by the Veterans Housing Act of 1970, the most salutary effect was the removal of the delimiting dates on veterans' entitlement. The expired, unused entitlement of nearly 9 million World War II and Korean conflict veterans was revived. The entitlement of every eligible veteran remains available until used. A veteran's entitlement is now insulated against periodic intervals of stringency in the availability of mortgage capital.

The refinancing loan provision was born out of concern for veterans who had purchased homes with conventional financing at high-interest rates. The reasoning behind the provision was that such veterans should have the opportunity to avail themselves of lesser interest cost when rates come down. This new authority, however, permits refinancing for any reason. There are millions of veterans who have built up substantial equities in their properties and who can now use their GI loans to cash in on these equities. The VA loan program now affords veterans the opportunity to realize cash by refinancing paid-down loans and this gives them the means to make improvements in their homes, to pay for educating their children, and to accomplish other worthwhile purposes.

Taken as a whole, the Veterans Housing Act of 1970 restructured the loan guaranty and direct loan programs so that the future of those programs has been much more active and dynamic.

The Veterans Housing Act of 1974, enacted December 31, 1974, contained a number of provisions which further expanded VA home loan benefits.

Restoration of entitlement: The act makes it possible for a veteran who has used his GI loan benefit, to regain the use of his entitlement provided the veteran has disposed of the property and the loan has been paid in full, or another veteran has agreed to assume the outstanding balance on the GI loan and has consented to the use of his entitlement.

Restoration of entitlement was previously restricted by a requirement for a compelling reason for the veteran's disposition of the property, or loss of the property by condemnation or hazard. As a consequence of the elimination of the compelling-reason requirement, over 4 million veterans whose GI loans have been paid in full are potentially eligible for new loans.

Expanded automatic processing: Previously, the law provided that only supervised lenders—those subject to State or Federal supervision and examination, such as savings and loan associations, banks and insurance companies—could make VA loans without prior VA approval. The act authorized VA to extend the automatic processing

privilege to nonsupervised lenders which meet standards prescribed by VA.

Condominiums: The act also authorized VA to approve condominium projects for guaranteed loans without the previous stipulation that HUD must have, prior to VA guaranty of any loan in such a project, insured at least one loan in the project. This feature is also expected to generate new business of substantial volume.

Increases—specially adapted housing grant or guaranty: The specially adapted housing grant—made to assist severely disabled veterans in constructing or modifying their homes—was increased from \$17,500 to \$25,000. The maximum guaranty for conventionally constructed housing was raised to \$17,500. These changes were made in recognition of the increasing costs of housing.

Mobile homes: The act removed the July 1, 1975, expiration date for VA's mobile home program and authorizes the following increased loan maximums: \$12,500 for single-wide mobile homes; \$20,000 for double-wide units, or a maximum for double-wide and undeveloped lots of \$27,500; the loan maturity for double-wide homes was set at 20 years.

Under the act, VA received authority to guarantee loans for the purchase of used mobile homes which met VA requirements for construction, design, general acceptability, and safety.

VA may now guarantee loans for the purchase of mobile home lots in those cases where a veteran already owns his mobile home. These loans may include the cost of making necessary site preparations.

Farm and business loans: The act repealed VA's authority to guarantee loans for these purposes. VA, however, is still authorized to guarantee loans for the purchase or construction of farmhouses which veterans will occupy as their homes.

The act also amended the Federal Credit Union Act to permit credit unions to make GI mobile home loans at maturities set forth in the new law.

The Veterans Housing Amendments Act of 1976, Public Law 94-324, made further refinements in the program. The act extended eligibility to veterans whose only service was between World War II and the Korean conflict, increased the maximum direct loan from \$25,000 to \$33,000, increased the guaranty on mobile home loans from 30 percent to 50 percent, and continued the direct loan revolving fund. The act also defined "veterans with service after January 31, 1955," eligible for housing benefits in chapter 37 of title 38, United States Code, thus separating eligibility for education benefits from eligibility for housing benefits. This change expressed the intent of Congress to continue the housing benefits for future veterans.

Thus, currently eligible veterans and service personnel may obtain loans for the following purposes: To buy a home; to buy a residential unit in a condominium project; to build a home; to repair, alter, or improve a home; to refinance an existing home loan; to buy a mobile home and/or lot; to buy and improve a mobile home lot on which to place a unit owned and occupied by the veteran.

I would now like to provide a summary of the measures taken in the VA loan programs with respect to equal housing opportunity.

A discussion of such measures falls naturally into three periods; one, the time prior to Executive Order 11063 in November 1962;

next, the period between November 1962 and the passage of the Civil Rights Act of 1968; and, lastly, the time since the act.

The period prior to 1962 begins with the *Shelley v. Kramer* decision of the U.S. Supreme Court in 1948. Following the lead enunciated in that landmark case, the VA revised its policy on restrictive covenants. The effect of the change was to make title to any property on which such restrictions had been filed subsequent to February 15, 1950, unacceptable to VA. The purpose and effect was to discourage the filing of such deed restrictions.

The years between 1950 and 1962 saw the passage of State legislation designed to eliminate discrimination in housing. In the absence of Federal legislation or mandates, the VA undertook a program of cooperation in those States where fair housing laws were on the books. Beginning in 1956, agreements of cooperation were concluded with the fair housing agencies in Connecticut, New Jersey, New York, Oregon, Pennsylvania, and Washington. An agreement with the civil rights agency for Colorado was executed after 1962. These agreements provided for such matters as the exchange of information concerning complaints of discrimination, the provision by VA of detailed information about housing developments for which master certificates of reasonable value were issued, exchange of information concerning parties charged with discriminatory practices, and submission to State agencies of lists of VA-approved management and sales brokers.

In March 1955, in order to eliminate any possible bias in the appraisal of the property because of race, the VA ordered the deletion from appraisal reports of all references to the racial characteristics of neighborhoods.

The issuance of Executive Order 11063, in November 1962, marked a significant step forward in equal housing opportunity. It not only enunciated the Federal policy to provide free choice in housing, but created the President's Committee on Equal Opportunity in Housing for the purpose of implementing the provisions of the order.

One of the first acts of the committee was to execute a series of memoranda of understanding with various State and city civil rights commissions. Also included in the agreements were provisions for the exchange of rules, procedures, and information relating to compliance and enforcement measures undertaken by the respective parties. Pursuant to these memoranda of understanding, the VA appointed liaison officers with Alaska, Colorado, Connecticut, Massachusetts, Minnesota, New Jersey, Oregon, and Washington and the cities of Des Moines, Iowa; Erie, Pa.; New York, N. Y.; Philadelphia, Pa.; Pittsburgh, Pa.; Wichita, Kans.; and Albuquerque, N. Mex. The VA had already made direct cooperative agreements with New York, New Jersey, Pennsylvania, Connecticut, Oregon, and Washington prior to the issuance of the Executive order.

Immediately after issuance of Executive Order 11063, VA amended its regulations to provide a basis for suspension of builders and lenders who declined to sell or to lend to a veteran on the basis of race, color, religion, or national origin.

In 1963, steps were taken to insure that the opportunity to purchase acquired properties on a nondiscriminatory basis would not be threatened by persons who, in some instances, had resorted to force and threats to keep minorities from purchasing or renting VA houses

in all-white neighborhoods. A detailed set of guidelines was issued advising field stations of preventive and protective measures to take in the face of threats to inhibit the free choice of prospective purchasers. Measures enumerated included public information programs, community contacts, cooperation with local and national enforcement officials, and close liaison with the VA central office.

Also, in 1963, VA regulations governing the unacceptability of titles burdened with restrictive covenants were amended to bring VA practices in closer accord with the objectives of Executive Order 11063. Such title was thereafter considered acceptable if the property was in a State that declared such covenants legally void, or when, in the opinion of the VA, the persons against whom the restrictions were designed would, in fact, be assisted to purchase homes in areas undergoing change.

To insure nondiscrimination in the sale of acquired properties, the VA instituted, in March 1963, a certification procedure for sales and management brokers involved in the sale of VA properties. The certification was required as a condition of participation and bound the signer, or any member of his organization, to a policy of nondiscrimination in the sale or rental of VA properties. Violation of the nondiscrimination certification would result in being barred from selling, renting, or managing VA-owned properties.

Concurrent with the above, similar measures were introduced to require a certification against discrimination by builders, sponsors, or other sellers in applications for master certificates of reasonable value. The effect of these commitments was to bind the signer to sell covered properties to eligible veterans regardless of race, color, religion, or national origin.

Policies were also promulgated in 1963 in connection with requests for site and subdivision planning approval requiring the builder to agree to sell any properties in the subdivision on a nondiscriminatory basis with the understanding that failure to do so would result in the rejection of any future request for appraisal.

A detailed statement of policy and procedure in the processing of complaints was issued in 1963 to implement the objectives of Executive Order 11063. As required by the Executive order, it classified complaints according to whether they came within the provisions of section 101 or 102 of the order, which, in turn, reflected actions based on whether Federal assistance had been provided prior, or subsequent to the date of the order. Under section 101 of the order, a complaint found to be proven could lead to the suspension of the lender, broker, builder, or other participant; under section 102, persuasion was the only vehicle for resolving complaints of discrimination. Wherever a complaint filed with the VA involved a possible violation of a State statute and a cooperative agreement existed between the VA and that State the complaint was to be brought to the attention of the appropriate State enforcement agency. During the time this procedure was in effect, VA processed 61 complaints under the provisions of section 101 and 14 under section 102.

In March 1966, a program was instituted to ascertain possible discrimination experienced by veterans seeking to utilize their certificates of eligibility for loan guarantees. Based on a 10-percent sample, veterans were asked to respond to a questionnaire designed to ascertain

the degree to which certificates were used and reasons for their nonuse, including alleged discrimination. The program was discontinued in 1968. The information on discrimination obtained was found to be inadequate in volume and inconclusive in substance.

In cooperation with the President's committee, a plan was developed in 1967 to assist minority employees in Federal installations throughout the country to obtain housing of their choice. The plan consisted of the regular mailing of lists of VA-owned properties to specially designed housing officers in all Federal agencies within the areas served by field stations. In addition to the lists of acquired properties, the mailings included information about properties covered by master certificates of reasonable value showing location, price range, and other pertinent information.

A special effort was made in February 1968 to insure that ghetto areas which had been the scenes of civil disorder and riots were not excluded from eligibility for loan guarantees or rejected for the processing of requests for certificates of reasonable value. A statement of policy on this subject was distributed to all field stations.

To insure that the sale of acquired properties was made without discrimination, a special metal sign was designed for display on the lawn of the house offered for sale. In addition to the usual information, the sign carried the legend: "No discrimination—anyone can buy." Pending the production and distribution of this sign a special adhesive strip was distributed to be affixed to existing signs.

During this period, all sales brokers were advised that any advertising of acquired properties, whether paid for in whole or in part by the broker, was required to include language stating that such properties were offered for sale without regard to race, color, religion, or national origin.

VA regulations were promulgated in 1966 to implement Executive Order 11246 concerning equal employment opportunity in federally assisted construction contracts. Builders, sponsors, or developers participating in the home loan guaranty program of the VA were declared to be applicants for Federal assistance. Accordingly, they were required to certify that all construction contracts or subcontracts in excess of \$10,000 would incorporate detailed provisions designed to insure the employment of persons without regard to race, color, religion, sex, or national origin.

The signing of Public Law 90-684, known as the Civil Rights Act of 1968, on April 11, 1968, marked the beginning of the last period covered by this summary. Its significance was augmented further by the U.S. Supreme Court decision in *Jones v. Mayer*, decided in June of the same year.

Almost on the heels of Public Law 90-284, the VA, in May 1968, initiated a program aimed at gathering hard information about the way minorities shared, or did not share, in the benefits of the VA's housing program. The sale of acquired properties was chosen as the area in which to start, and with the concurrence of the Bureau of the Budget, whose approval was required under the Federal Reports Act, a requirement was instituted for reporting the face of all prospective purchasers of VA properties.

The beginning of fiscal year 1969 also ushered in a central office staff of two professionals and a secretary, especially hired for full-time equal housing opportunity problems.

The problem of restrictive covenants was finally disposed of by amendments to VA regulations in July 1969, which had the effect of rendering restrictive covenants meaningless, regardless of the date they were created.

All field stations were reminded in July 1969 of the need to use the revised "For Sale" signs that carried the legend: "No discrimination—anyone can buy" in posting acquired properties offered for sale.

In September 1969, a new advertising requirement was introduced. Wherever a substantial portion of any field station's veteran population consisted of minorities, the station was to run paid advertisements of properties offered for sale. If the paper was printed in a foreign language, or bilingual, the ad was to be run in the paper's foreign language. The advertisements were to include either all, or typical, properties offered for sale by the VA, and to carry the same nondiscrimination legend used on the "For Sale" signs.

Also, in September 1969, VA extended the racial data collection program to cover the broker submitting the prospective purchaser's offer in the sale of acquired properties. This move was prompted by the need for information about possible racial patterns in the customer-broker relationships.

Another step for obtaining sophisticated racial data in the property management program was taken in early October 1969. It called for the recording of property location code, at the time the property was acquired, that would describe the racial character of the neighborhood. Designations were made showing whether the neighborhood was classified as all white, all minority, or mixed.

In April 1969, in conformance with the provisions of title VIII of the Civil Rights Act of 1968, the VA entered into an agreement with the Housing Opportunities Council of Washington, D.C., a private fair housing organization, for the purpose of rendering assistance to their program of assisting minorities to obtain housing of their choice in the Washington metropolitan area. This agreement provided for supplying to HOC lists of minority GI's who obtained certificates of eligibility for loan guarantees through the VA regional office in Washington, D.C. HOC then offers whatever assistance and counseling it can to those veterans expressing a need or interest. HOC materials are also distributed at their request. In the fall of 1969, a similar agreement was made between the regional office and the Leadership Council for Metropolitan Open Communities in Chicago.

In 1970 VA regional offices were required to use the minority press when advertising VA acquired properties for sale. This effort was initiated to bring to the attention of readers of the ethnic press the availability of homes for sale with VA financing in white and mixed neighborhoods.

In July 1971, VA regulations were amended to require that each veteran buyer who applies for a guaranteed direct loan or specially adapted housing grant execute a nondiscrimination certification. In essence, the veteran certifies that he or she will not discriminate in any subsequent resale of the property.

In January 1973, VA published advertising guidelines for fair housing, which outlined the type of advertising prohibited by title VIII as well as advertising that would promote fair housing. These guidelines were an integral part of the affirmative marketing required

of management and sale brokers participating in the VA-acquired property sale program.

In February 1973, VA published the first in a series of directives to regional offices and program participants clarifying VA's policy that spouses' incomes would be considered when determining whether a veteran could financially qualify for a VA-guaranteed or direct loan.

Also in February, VA revised all forms concerning an appraisal. All parties submitting an appraisal request were placed on notice that they must comply with all Federal, State, and local fair housing laws and appraisers were required to certify that in determining the property value they were not influenced by the racial composition of the neighborhood. The appraiser's certification was added to insure that the new requirement for appraisers to identify the racial composition of the neighborhood would not be misused or misunderstood by appraisers.

In May 1973, VA announced the joint HUD-VA affirmative marketing and nondiscrimination certification program for management and sales brokers and required full compliance by July 1.

In June 1973, VA distributed fair housing posters for prominent display at VA regional offices. Those posters invited persons who felt they had been subjected to discrimination to write directly to the VA equal housing opportunity staff in Washington. Then, in July, the same fair housing poster in Spanish was distributed to regional offices having jurisdiction over areas with sizable concentrations of Spanish-speaking people.

Also in June, VA formalized the policies and procedures for the minority veteran counseling program. A pilot program operating at 10 regional offices had proven successful and was now to become an integral part of the loan guaranty program.

In March 1974 and in cooperation with HUD, VA advised regional offices of the communities HUD had earmarked for development of areawide voluntary affirmative marketing agreements. Regional offices were directed to cooperate in the process.

A significant milestone in Federal fair housing occurred August 22, 1974, with the enactment of section 808 of the Housing and Community Development Act of 1974. That section contained the first Federal proscription of discrimination in housing based on sex. On November 14, 1974, VA advised all regional offices and program participants that all outstanding VA directives concerning the prohibition of discrimination based upon race, color, religion, or national origin in relation to any housing unit financed, in whole or in part, with a VA direct, guaranteed or insured loan; housing unit acquired, constructed, or modified with the assistance of a VA specially adapted housing grant; or VA-acquired properties shall henceforth be interpreted to equally prohibit discrimination based upon sex.

Prohibitions against discrimination in housing based upon sex were augmented by the Congress with the enactment of the Equal Credit Opportunity Act in October 1974. The act was effective 1 year from the date of enactment. VA accordingly supplemented its directives prohibiting sex discrimination with a series of specific guidelines for credit underwriting to implement Federal fair housing and equal credit legislation.

While the foregoing has focused on VA efforts to promote fair housing for minorities and women, loan guaranty has also been concerned about the involvement of minority businessmen in the program. Beginning in February 1970, VA directed regional offices to cooperate with the Small Business Administration in involving minority businessmen in the loan guaranty program. By July 1970, loan guaranty had directed regional offices to directly recruit minority businessmen as appraisers and management brokers and required regular reports on minority business participation.

We believe that the success of the measures that VA has undertaken to insure and promote fair housing is most recently evidenced by the activity in the fiscal year just closed in June in which minority veterans, who constitute 11 percent of the veteran population, obtained from private lenders over 16 percent of the loans guaranteed. The total amount of loans guaranteed for all veterans in fiscal year 1976 was almost \$10 billion. Further, in the VA-acquired property sales program, minority purchasers, who represent just over 17 percent of the total general population, purchased on favorable VA terms over 47 percent of the \$303 million worth of properties sold on terms by VA in fiscal year 1976.

Notwithstanding the foregoing achievements, the VA intends to continue to aggressively promote and further the objectives of fair housing in all aspects of the home loan programs.

At your request, Mr. Chairman, we have previously furnished the subcommittee detailed data and responses to a number of specific questions. I have assumed that these questions and answers will be a part of the record; and, consequently, I have not repeated this information in this statement.

Mr. Chairman, this concludes our statement. We will be pleased to answer any questions you or your staff care to ask.

Mr. EDWARDS. Thank you very much, Mr. Coon.

Insofar as the sale of property acquired by the VA, you have pretty strict rules and regulations with regard to nondiscrimination, advertising, et cetera on property?

Mr. COON. Yes, sir.

Mr. EDWARDS. But that is a very small part of the housing business that you are involved in.

Mr. COON. Certainly, that is correct, Mr. Chairman.

Mr. EDWARDS. Most of it is—

Mr. COON. Private industry.

Mr. EDWARDS. Right.

Mr. COON. About 75 percent of all our guaranteed loans are on existing properties, homes which have been previously owned, are presently occupied, and the seller of course is an individual. The balance are new and proposed construction.

Mr. EDWARDS. Why do you not require your private developers, sellers, brokers, and so forth, to be equally as diligent as you are in your own nondiscrimination efforts in sales?

Here, for example, is an advertisement for a typical new subdivision in Washington, and there is no indication in the ad that it will be sold on a nondiscriminatory basis. And yet, your own VA-acquired property would have that fair housing advertising requirement applied to it.

Mr. COON. Well, I suppose that could be done, Mr. Chairman. Do you know of any legal prohibitions, Mr. Malone?

Mr. MALONE. Is it indicated that it is a VA?

Mr. EDWARDS. It says "VA, no money down." The Washington Post and Star are loaded with these advertisements every day. On special real estate days, there are dozens of them.

[The ads referred to by the chairman follow:]

Saturday, September 25, 1976

the Willows of Riverbend



VA—NO MONEY DOWN or 8¾% CONV.—10% DOWN.

Secluded in a wooded estate overlooking the Potomac, you're only 20 minutes from downtown Washington and 10 minutes from downtown Alexandria. Enjoy magnificent views from a peaceful undisturbed setting. A much more convenient location than Tantalion.

Distinctively designed homes for sophisticated living. Custom kitchens include self-cleaning, double ovens, ice-maker refrigerators, and designer wood cabinets. Other features include formal dining rooms, beamed family rooms, brick fireplaces, master bedrooms with private sitting rooms and much more.

DIRECTIONS:

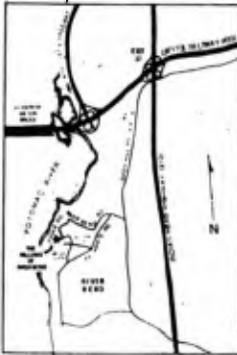
From Beltway Exit 37 South. Make an immediate right on Oxon Hill Rd. Turn right on Fort Foote Rd. Bear right on River Bend Rd. Turn left on Cagle Rd. to model home at top of hill.

Priced from Upper 60's. VA Financing Available

Typical Example of VA Financing—Price \$66,950—No Money Down. \$66,950 First Trust, balance payable in 360 equal monthly P&I installments. \$515.00 at 8¾%.

Typical Example of Conventional Financing—Price \$66,950—10% Down (\$6,695.00)—\$60,255 First Trust, balance payable in 360 equal monthly P&I installment. \$472.00 at 8¾%.

PHONE 567-1990



A Distinguished Community by

A. G. Van Metre Associates, Inc.

Crest View

IN FAIRFAX COUNTY



**TOWNHOMES
IN THE COUNTRY**

from **\$39,500***

Three bedroom, two and a half baths with
central air conditioning and much, much more . . .

NO CLOSING COSTS
VA or CONVENTIONAL 5% DOWN

*VA—No Down Payment Mortgage is \$39,500 paid in 360 equal payment (\$303.73 principal and interest) Annual Percentage Rate is 8½ %

*CONV. 5% Down (\$2,000) mortgage is \$37,500 paid in 360 equal payments (\$275.17 Principal and interest) Annual Percentage Rate is 8%.

LIMITED 8% FINANCING



DIRECTIONS:

12 minutes West of Beltway Exit 10W or 11S Follow sign to Reston via Route 7 and Route 604. Follow Route 606 to the Crest View Sign. Telephone 471-1240. Open 11 'til 6

**More for Your Money
CALL TODAY**

471-1240

or come by and see for yourself

Mr. MALONE. Is that a local ad?

Mr. COON. Is the ad there local?

Mr. EDWARDS. Yes. Why do you have a different fair housing practice than the FHA?

Mr. COON. I don't know that our procedures are different in that respect.

Mr. EDWARDS. Would you check into that and advise the committee later?

Mr. COON. We will be pleased to do so.

Mr. EDWARDS. Now, you do get certain nondiscrimination certifications from the builders. Of course, those builders are getting big benefits, assurance for their programs from the Veterans Administration. It makes it much easier in sales in many cases, low downpayments, subsidized interest benefits, and so forth. So, it is not only the veterans benefitting, but also the homebuilders and developers themselves. Of course, the real estate brokers and banks, too—they all benefit from your programs.

Now, you require an equal employment certification from your participating builders, in which they assure that they will display equal employment posters. But they are not required to display equal housing posters on construction sites, sales offices, and so forth. Also, you do not require them to engage in fair housing newspaper advertising. Why don't you even require them to post fair housing posters on the site, a simple posting on the site, like in your own field offices?

Mr. COON. Well, again, that could be done; we have not, so far. Generally, when they have VA financing available, I think the implication is there, obviously, that any eligible veteran can purchase without regard to race, creed, color, sex, et cetera. I think there is one thing, Mr. Chairman, where we are different from the other agencies offering Federal assistance. It is obvious that not every veteran is eligible for loan guaranty benefits. He must come to us and apply for a certificate of eligibility. This piece of paper he gets means that he served the requisite period of time during an eligible period, and he was discharged under conditions other than dishonorable, and he has full entitlement to a GI loan.

For example, at the time we issue—I did not cover that in my statement—but at the time we issue the certificate of eligibility the veteran is sent several pamphlets. One of them is called "Questions and Answers," in which there are two pages of advice and information with respect to equal housing opportunity. Another one is "To the Home-Buying Veteran," which again has a section on equal opportunity in housing, and advises that if he or she has any complaints or thinks he or she is being discriminated against, to contact us or contact HUD.

So, I think the veterans are fairly well informed. Of course, not every veteran reads every pamphlet that he is given.

I might also say that as far as the overall VA outreach programs which cover education, compensation, and medical benefits, as well as GI loans, in many of the States now have a toll-free telephone system where a veteran anywhere in that State can dial a toll-free number to the VA office and can discuss any questions or problems he may have, including those relating to loan guaranty. We even have

a limited number of mobile vans that go around the country and are staffed by what we call veterans benefit counselors who, again, are there to discuss with the veteran any problems he may have.

My point is that we do go to considerable expense to help veterans in all aspects of the programs, including the fair housing aspects of the GI loan program. We stand ready to assist, help, or whatever, where necessary.

Mr. EDWARDS. I am sure that that is very useful, Mr. Coon. However, don't most veterans go out and start to buy the house on their own? They don't come to the Veterans Administration first and get their certificate; they would go out and look at condominiums and houses for sale, and then, after determining that they would like to buy a particular piece of property, then they apply for the certificate of eligibility; they don't carry it around with them in advance of buying a house.

Mr. COON. Well, this of course would vary, Mr. Chairman. We do have another program that I have not mentioned, where every veteran who is discharged today, who has only one period of service, is automatically issued a certificate of eligibility out of the computer. We get a copy of his discharge papers from the military, which goes to the computer center, and it generates a certificate of eligibility, mailed to him automatically, again, along with the pamphlets explaining to him what the program is all about.

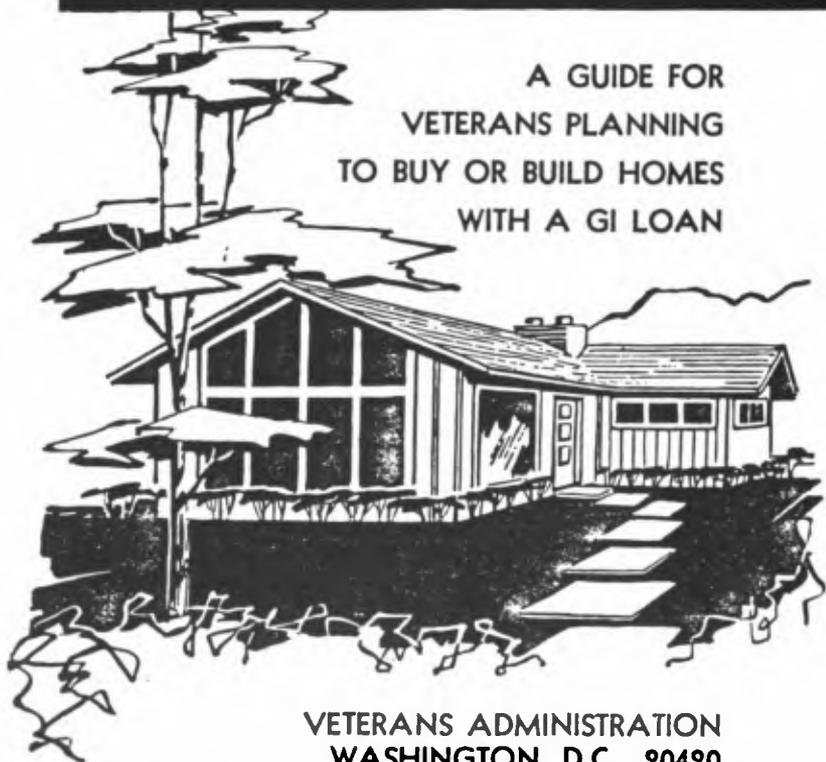
[The pertinent pages in the pamphlets referred to are as follows:]

VA Pamphlet 26-6, Revised
May 1976

TO THE

Home-Buying Veteran

A GUIDE FOR
VETERANS PLANNING
TO BUY OR BUILD HOMES
WITH A GI LOAN



VETERANS ADMINISTRATION
WASHINGTON, D.C. 20420

Foreword

This pamphlet is a guide to assist veterans in their planning to purchase or construct homes, particularly those veterans who intend to finance the cost thereof with the assistance of loans to be guaranteed or insured by the Veterans Administration.

The most important factors discussed herein are:

- (1) Selecting the neighborhood, lot, and house.
- (2) General characteristics of property, both new houses and those previously occupied. For your convenience, checklists are provided herein to assist you in determining whether the property is suitable for your present and future family needs.
- (3) Initial costs and possible future expenses in connection with homeownership.
- (4) Pointers on what the sales contract should provide.
- (5) Your responsibility with respect to the repayment of the loan.
- (6) The conditions under which you may be released from personal liability for repayment of the loan or have your benefit restored in the event you should later decide to sell the property.

Also, this pamphlet should aid you in understanding what the VA can and cannot do for the home purchaser.

This pamphlet does not attempt to discuss the arguments for or against homeownership. It is up to each veteran to decide whether homeownership is best for his or her family.

This pamphlet does not apply to mobile homes; for information on them, the veteran should consult the local VA regional office Loan Guaranty Division for details and ask for a pamphlet on mobile home loans.

Administrator of Veterans Affairs

RESCISSION: VA Pamphlet 26-6, Revised March 1975.

Are You Planning to Buy a Home?

Since the end of World War II more than 8½ million veterans have bought homes with the aid of GI loans. The great majority of these veterans have bought soundly constructed homes and are now making regular repayments on their mortgages as satisfied homeowners.

However, a relatively small percentage of these veterans have had just cause to be dissatisfied with the outcome of their venture into homeownership. It is hoped that this pamphlet, by stressing the important things that a prospective homeowner should know, will help to reduce the number of such cases in the future.

Buying a home is usually the most important financial transaction in the lifetime of the average family. Before you decide to buy a house, therefore, you and your family should be certain that you are:

- Getting the right house—the one that suits the needs of your family.
- Aware of the responsibilities that homeownership brings.

The main purpose of the GI home loan program is to help veterans finance the purchase of reasonably priced homes at a favorable rate of interest. It encourages private lending institutions to make bigger loans than they otherwise could by guaranteeing part of the loan.

A GI loan to purchase, construct, alter, improve, refinance or repair a home cannot be approved by the Veterans Administration unless you certify that you occupy or intend to occupy the property as your home. Any veteran who makes a false certification may be subjected to criminal prosecution.

You make your own arrangements for the loan through the usual financing channels. VA then guarantees the lender against loss up to 60 percent of the loan, with a maximum guarantee of \$17,500 for home loans.

Equal Housing Opportunity

Discrimination in the sale of housing because of race, color, religion, sex or national origin is prohibited by Federal laws. In November 1962, Executive Order 11063 banned discrimination in all federally assisted housing. The "Fair Housing Law," Title VIII of the Civil Rights Act of 1968, followed by amending legislation, required positive action be taken by Federal agencies to prevent discrimination in all housing.

The VA affirmatively administers the GI housing program by assuring that all veterans are given an equal opportunity to buy homes with VA assistance.

All VA program participants—builders, brokers and lenders offering GI financing or VA guaranteed housing—must comply with Executive Order 11063 and the Civil Rights Act of 1968, as amended.

Builders must sell newly constructed homes with GI financing to eligible veterans without regard to the race, color, religion, sex or national origin of the veteran.

Brokers participating in the GI home loan program must not discriminate against a person on the basis of race, color, religion, sex or national origin by refusing to show or sell a property; by discriminating in the terms of the sale; by representing that property is not available for inspection. Lenders participating in the GI loan program must act on applications for GI home loans without regard to the race, color, religion, sex or national origin of the veteran.

Therefore, if you are a veteran seeking to use your entitlement to buy a home, you may be assured that VA will protect your civil rights and equal housing opportunity.

The following actions, when based on discrimination because of race, color, religion, sex or national origin, are recognized violations of the Federal fair housing law:

- Refusal to negotiate to sell real property.
- Discrimination in terms or conditions of sale of real property.
- Advertising indicating any racial, religious, ethnic or gender preference.
- False representations that real property is not available for inspection or sale.
- Blockbusting or inducing owners to sell real property by representations regarding entry into the neighborhood of persons of a particular race, color, religion, sex or national origin for profit.
- Discrimination in financing, terms or conditions of a loan, or denying a loan.

In the event that you experience or suspect discrimination by a builder, broker, or lender, a written complaint should be filed with the closest VA office.

To file a written complaint, set forth the entire facts of the matter giving names, addresses, and telephone numbers of parties involved; a full description of the discriminatory action, including dates and address of the property involved.

You should note that in many localities fair housing associations have been organized to assist you in locating and purchasing a house of your choosing. There may be such an organization in your area.

When the discrimination concerns FHA (Federal Housing Administration) home loans and other housing, complaint letters should be directed to the Department of Housing and Urban Development, Assistant Secretary for Equal Opportunity, Washington, D.C. 20410.

If you are unable to find new homes available for sale with GI financing in your area, or if you are unable to determine whether particular homes being built are available for sale with GI financing, we suggest you contact the local VA regional office. Our local offices will furnish a list of new housing available for sale in the area with GI financing to any person who requests such information. In addition, in many areas VA has repossessed homes which it will sell to qualified buyers. Inquiry as to the availability of any VA repossessed homes for sale in the locality in which you are interested may be ascertained by contacting local real estate brokers.



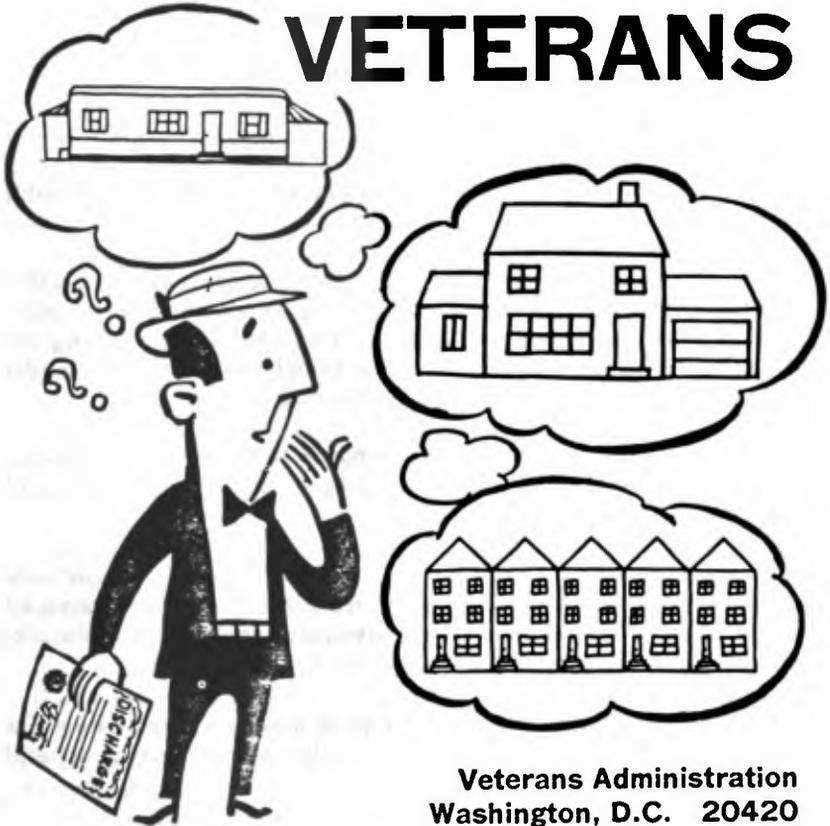
Don't Buy Hastily

All veterans, beginning with World War II, have loan guaranty entitlement available until used whether derived from service in World War II or the Korean conflict or from service after January 31, 1955. All delimiting dates on veterans' entitlement previously in effect have been removed.

World War II and Korean conflict veterans who previously used their loan guaranty entitlement may have additional entitlement available for use in obtaining another GI loan. Originally, the maximum entitlement available for home loan purposes was \$4,000. This maximum was increased to \$7,500 on September 1, 1951; was increased further to a \$12,500 maximum on May 7, 1968 and to \$17,500 on December 31, 1974.

VA Pamphlet 26-4
August 1976

Questions & Answers
ON GUARANTEED AND DIRECT
**LOANS FOR
VETERANS**



Veterans Administration
Washington, D.C. 20420

EQUAL HOUSING OPPORTUNITY

Discrimination in the sale of housing because of race, color, religion, sex or national origin is prohibited by Federal laws. In November 1962, Executive Order 11063 banned discrimination in all Federally assisted housing. The "Fair Housing Law," Title VIII of the Civil Rights Act of 1968, followed by amending legislation, required positive action be taken by Federal agencies to prevent discrimination in all housing. Further, title VIII protects you from the following acts when they are based on discrimination on account of race, color, religion, sex or national origin:

- Refusal to deal,
- Discrimination in terms of sale,
- Discriminatory advertising,
- False representations that a dwelling is not available,
- Blockbusting,
- Discrimination in financing, and
- Discrimination in real estate services.

These laws provide every person an equal opportunity to choose suitable housing.

The VA affirmatively administers the GI housing program by assuring that all veterans are given an equal opportunity to buy homes with VA assistance. All VA program participants—builders, brokers and lenders offering GI financing or VA guaranteed housing—must comply with Executive Order 11063 and the Civil Rights Act of 1968 as amended.

Builders must sell newly constructed homes with GI financing to eligible veterans without regard to the race, color, religion, sex or national origin of the veteran.

Brokers participating in the GI home loan program must not discriminate against a person on the basis of race, color, religion, sex or national origin by refusing to show or sell a property; by discriminating in the terms of the sale; or by representing that property as not available for inspection.

Lenders participating in the GI loan program must act on applications for GI home loans without regard to the race, color, religion, sex or national origin of the veteran.

Therefore, if you are seeking to use your entitlement to buy a home, you may be assured that VA will protect your civil rights and equal housing opportunity.

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- Blockbusting or inducing owners to sell real property by representations regarding entry into the neighborhood of persons of a particular race, color, religion, sex or national origin for profit.
- Discrimination in financing, terms or conditions of a loan, or denying a loan.

In the event that you experience or suspect discrimination by a builder, broker, or lender, a written complaint should be filed with the closest VA office. The VA regional offices listed in the back of the pamphlet will also assist you in filing a complaint.

To file a written complaint, set forth the entire facts of the matter giving names, addresses, and telephone numbers of the parties involved; a full description of the discriminatory action, including dates and address of the property involved.

You should note that in many localities fair housing associations have been organized to assist you in locating and purchasing a house of your choosing. There may be such an organization in your area.

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Mr. COON. So, many veterans have a certificate of eligibility shortly after they leave the service and know all about it. In addition, of course, the law provides that any person on active military duty for a period of 181 days is also eligible for GI loan benefits. So, GI loans are pretty well known throughout the veteran community.

Since September 1973, when we started this computer generated certificate of eligibility, there have been over a million issued to veterans automatically.

Mr. EDWARDS. Well, I think it is still clear that you do require of the builders certifications with regard to their employment practices.

Mr. COON. Yes. We also require certification at that point in time when he comes in to us for approval for subdivision analysis and site planning. We do that in two steps, Mr. Chairman, because in many cases the person or company developing the land is not the one who is going to do the building. He develops the land and sells it to one builder or several builders.

So, we require that the land developer execute a certification that he will not decline to sell any lots in the proposed subdivision because of race, creed, color, sex, et cetera, and then likewise the builder—whether it is the developer or a different builder—when he comes in to us for what we call a master certificate of reasonable value, also is required to sign a certification that in the marketing of these properties he will not decline to sell to any eligible veteran because of race, creed, color, sex, et cetera.

Mr. EDWARDS. I certainly cannot find any fault with that part of the program. However, there you stop short. You do not have fair housing requirements in the advertising of these properties where the Federal Government is making a major contribution to the enterprise and where there is very definite Federal law that the people who are selling these properties must not discriminate. However, when you look at their advertising there is no indication that the Federal fair housing law is involved here.

So, you are going to check that out, Mr. Coon, and discuss it with your people, and let us know how you feel about that.

Mr. COON. We will be pleased to do that, Mr. Chairman.

I might, just to put things in perspective, say, the VA only guarantees or participates in about 7 percent of the new residential construction in this country. In other words, we are sort of the "tail on the dog," the vast bulk of residential homes being sold through conventional financing. Since in the vast bulk of cases, builders are not seeking Federal assistance, they are not covered.

Mr. EDWARDS. But they are getting Federal assistance. Every private loan that is made by a savings and loan bank is federally assisted; their deposits are guaranteed, there are all sorts of Federal benefits. That is another subject entirely.

Mr. COON. Yes.

Mr. EDWARDS. Whether or not they comply with what we consider the law to be, I don't think is very relevant here.

Mr. COON. Well, what I was driving at, Mr. Chairman, I don't believe that it has been extended to the builders using conventional financing.

Mr. EDWARDS. No, not yet, I know it has not. But I think you will agree that the FHA and VA programs since World War II have caused

some problems in the country in that they have created all-white suburbs and have left our inner cities in a bad situation which we won't go into now. It is a rather sophisticated problem, but I think you agree that we have to do everything we can to have fair housing practices in the suburbs as well as everywhere in our country. That is what we are really talking about today, and whatever contribution the VA can make.

Now I will yield to Ms. McNair.

Ms. McNAIR. Thank you, Mr. Chairman.

Mr. Coon, all program participants in VA housing programs except lenders have nondiscrimination certifications that they are required to supply to the VA in order to participate. Why are lenders the only class that is exempted from the nondiscrimination certification requirement?

Mr. COON. Well, for one thing, when a lender submits a loan application, he has already made a commitment, as far as we are concerned. In other words, there is a loan in process. When the lender submits the loan application to the VA the lender is saying: I stand ready, willing, and able to make this particular veteran a loan, as specified if VA will approve and issue a commitment.

Ms. McNAIR. But you have no idea what his practices are across the board, whether or not he turns some other veteran away on account of unlawful reasons. There is no information, or data collection, or monitoring. For that matter, there is not even a certification, an assurance that is received from the lender. That is what I am trying to get at.

Mr. COON. Well, it is true that we do not presently review or monitor all applications taken by a lender, in order to ascertain, as you suggest, those that might have been rejected and not submitted to the VA. That is what you are talking about, I think.

Ms. McNAIR. If you do not review all applications, do you monitor? Do you have a spot check of some of them? What sort of monitoring do you have? I ask because implicit in what you say is that there is some VA monitoring that is short of reviewing all applications of the lender.

Mr. COON. Well, to be frank about it, no, we do not at this time. What we do have, of course, is a complaint procedure. Any veteran who is turned down by the lender, or if the loan is rejected by the VA, can appeal, or file a complaint, and we then of course look into it.

The lenders are also well aware that discrimination and refusing to lend to an eligible veteran because of race, creed, color, and so forth could be a practice detrimental to the interest of veterans and/or the Government under section 1804(d) of title 38 United States Code, and a basis for imposing sanctions against the lender.

The complaint level has been very, very minimal in the last few years.

Ms. McNAIR. Do you believe that that is because there is no discrimination?

Mr. COON. No, ma'am, I would not say that because I have no way of knowing.

Ms. McNAIR. Has there been any assessment made as to why there is a low complaint level? I think that it is running about nine complaints per year, dealing with housing discrimination. Has there been any attempt by VA to make judgment as to why it is at that low level?

Mr. COON. About the only way I can respond to that is to go to the data that we have assembled, which we furnished you, which shows that minority veterans are obtaining guaranteed loans, a percentage of guaranteed loans in excess of the percentage of minorities in the veteran population.

Ms. McNAIR. But mostly in minority neighborhoods or mixed neighborhoods. That is what we are attempting to get at now, when we are talking about affirmative marketing efforts undertaken by builders, brokers and developers who are receiving VA assistance. What action is taken by VA to try to assure affirmative marketing practices on the part of those individuals?

What is VA's explanation for now refusing to implement affirmative marketing requirements similar to FHA's? Do you now have no plans to issue those regulations which were proposed in 1972, and which were indeed published in proposed form in 1972?

Mr. COON. Well, as we answered your question, we did consider it, we have considered it; but we are inclined to believe that the steps we have taken are accomplishing the intent of the act.

To go into the so-called fair marketing agreement on a city-by-city, town-by-town basis, would, for one thing impose quite an administrative burden; and to monitor it on any meaningful basis would require in our view a sizeable increase in staff and expenditures of money which we just do not have, as desirable as it may be.

Ms. McNAIR. What is your explanation for interpreting title VIII as not requiring of VA an affirmative marketing requirement when FHA interprets that same statute as indeed requiring affirmative marketing plans of builders?

What I am getting at is this: Your response is that requiring certification from builders is adequate to meet the affirmative housing obligation of title VIII—that that is sufficient when obviously, FHA does not find that certification to be adequate.

That certification doesn't even have an affirmative marketing promise; it doesn't even require that an equal housing poster be posted; it doesn't require the fair housing logo in advertising in the newspapers.

Mr. COON. Well, we have tried to assure, to the extent that we can, within the resources available to us, that discrimination is reduced, eliminated to the extent we can, through a whole series of steps.

Ms. McNAIR. Is it a staffing problem? Have you come to the Congress requesting more assistance, more staff because there is a problem of lack of monitoring?

Mr. COON. Well, I think, as we explained in answer to one of the questions, we have tried to integrate the fair housing aspects of our program throughout our operating elements.

Ms. McNAIR. Is that working?

Mr. COON. I think it is working quite well, yes, ma'am.

Ms. McNAIR. Well, if indeed these program personnel are adequately trained in your view, why could they not undertake the efforts which you are saying you don't have personnel to perform? That is, affirmative marketing monitoring efforts, monitoring of lenders, monitoring of brokers and so forth?

Mr. COON. Well, that would be quite an additional burden if it were to be done effectively.

Ms. McNAIR. So, the program personnel are not sufficient in order to carry out the responsibilities necessary under title VIII, and you do not now have, you feel, adequate personnel to perform those responsibilities.

Mr. COON. Well, I would not put it quite that way. Let me just say, from the standpoint of the VA as a whole, in a memorandum to all elements of the VA about a year ago our Administrator pointed out that equal opportunity and civil rights responsibilities are carried out as an integral part of the substantive program to which they relate, and are assigned to the official who is responsible to him as the Administrator for the basic program. There are two major operating departments—one is the Department of Veterans Benefits and the other one the Department of Medicine and Surgery—the heads of those two departments and several others make up the Civil Rights Advisory Committee responsible to the Administrator. Loan Guaranty, being one relatively small part of the Department of Benefits, has of course followed the policy of the Administrator in trying to integrate the fair housing provisions throughout our program.

Ms. McNAIR. But it is not working, is it, to the extent that you are falling short, at least by FHA's standards, of meeting your affirmative marketing, or monitoring requirements under title VIII?

Mr. COON. Well, it depends in what sense you are using that, Ms. McNAIR. For example, if you are trying to ascertain where does discrimination occur in housing, it can occur obviously.

It would be very rare to find it in the issuance, for example, of certificates of eligibility. But it can come into play in appraising a home, putting a value on it; was the value affected because of the buyer, or the seller, or the neighborhood.

Now, in respect to that aspect of it the VA makes the determination of reasonable value in the field station through staff appraisers, review appraisers. The VA fee appraiser does not set the value; the VA sets it.

We have a program, for example, of staff field reviews of 5 percent of all the appraisals that are made, wherein a staff appraiser from a field station goes out to the property and checks himself to see whether the appraiser is doing a proper job.

Ms. McNAIR. What kinds of programs comparable to that do you have for monitoring occupancy in new developments which are VA subsidized, or VA assisted; how do you monitor occupancy as these developments are becoming filled with new homeowners, by race?

Mr. COON. Checking to see how many properties in a particular subdivision were sold to minorities; is that what you mean?

Ms. McNAIR. That's right, monitoring as does HUD, as does FHA.

Mr. COON. We have not gone to that extent.

Ms. McNAIR. You indicated in response to the subcommittee's question that you do monitor lenders, brokers, appraisers, through a number of efforts, and listed there, I think, the 18-month field review and a number of statistical quality control evaluations.

Mr. COON. That is correct.

Ms. McNAIR. Could you provide for the record and describe for us briefly now what the fair housing components are for each of those?

Mr. COON. I will have Mr. Glass answer that.

Mr. GLASS. Well, included in each of our, what we call an end product, a loan guaranty, a loan application approved, a loan application rejected, is a quality review process that is carried out by the supervisors and loan guaranty officers, someone other than the person who made the determination, in the field stations. That is an ongoing system in the field stations. Each month a certain selection is made. The station cannot select its cases. The cases to be reviewed are selected on a statistically sound, at least as statistics go, selection process.

In other words, the person making the review has no option of choosing one case over another, it is a random sampling.

Ms. McNAIR. What comprises the fair housing checklist, what items?

Mr. GLASS. For example in the loan application, there is a series of questions directly related to manual or directive provisions as to whether or not the credit underwriting was proper; whether the income, the credit determination, whether all exhibits required were in that case folder.

Ms. McNAIR. So, there is nothing set out as separate fair housing criteria that is utilized to determine whether or not—

Mr. GLASS. Only that the credit underwriting is identical, or essentially the same for each individual that applied. Now, through our systematic analysis procedure, which is separate and apart from the quality control—the quality control relates itself to the selection of individual case folders; the systematic analysis relates to the ongoing entire procedural operation and processing of these cases. There are mandatory requirements that stations maintain, for example, certification by builders, certification by brokers in order to check that no offer to purchase, for example, is accepted from a broker who has not signed a nondiscrimination certification.

We review this in the field, to see that they are carrying out these requirements.

Ms. McNAIR. The extent of the monitoring of the brokers, then, in this process, is to see whether or not they have filed the assurance or certification.

Mr. GLASS. Through that process and statistical analysis of the data we get in, the participation is reviewed in the central office and the field stations.

Mr. EDWARDS. Mr. Starek?

Mr. STAREK. Thank you, Mr. Chairman.

Mr. COON, in response to the subcommittee's questions I note that there is a very minimal number of formal discrimination complaints with respect to housing filed each year. I think that speaks well on its face. However, I would like to inquire a little bit further and try to discern some of the procedures involved in investigating these complaints after receipt?

The first question is, how many people comprise the equal housing opportunity staff?

Mr. COON. In the central office we have three specialists and a clerk.

Mr. STAREK. And in the field?

Mr. COON. We have no one designated specifically as equal opportunity official.

Mr. STAREK. Do you think it would be helpful?

Mr. COON. Other than the fact that the loan guaranty officer who heads up the loan guaranty division in the field stations has the overall responsibility for the entire operation, including fair housing.

Mr. STAREK. Have these loan guaranty officers in these various field offices had any EO training?

Mr. COON. Many of them have, yes. In our minority counseling program one of the equal opportunity staff assistants from the central office has been to the field, in these 22 stations, and held formal EO training-type procedures.

Mr. STAREK. Are the loan guaranty officers in the field encouraged, or are they informed about housing discrimination complaints during the training sessions? Are they told during this training to tell all prospective applicants and buyers about the procedures of filing complaints?

Mr. COON. Well, as I indicated previously, we send pamphlets when they receive the certificate of eligibility which informs them, if they read it and that at any time they have a feeling or believe they have been discriminated against, to come to VA, and we will look into it. Now, we have had a standard operating procedure in our manuals at the field stations for years, dealing with investigations leading toward suspension of participation in the program. Originally it was primarily aimed at the failure of builders; for example, to correct construction defects which VA determined to be their responsibility, or a builder who was determined to be engaging in marketing practices unfair or unduly prejudicial to veterans or, of course, fraud. When a situation comes to their attention that smacks of this—and this procedure has since been expanded to include any allegations of discrimination—they are investigated, either through their own staff, or through the district counsel which are in each field station. Their instructions are that if there is an incident, or the facts indicate a possible violation of title 18 of the Criminal Code, it be referred to the District Counsel. He then makes a determination whether in his legal view it constitutes a violation of title 18, and if so, he is required to refer the matter to the FBI and/or the U.S. Attorney.

In discrimination complaints the same procedure is followed. We do require the complaint be in writing. The field stations are advised that if the person complaining of discrimination needs assistance to help him put it in writing and a copy of that is to be forwarded to Washington.

The loan guaranty officer then is responsible for investigating the allegation to see whether there is any substance to it, or whether there is not. During this process they contact each party that is involved in the incident, obtain affidavits, depositions, or whatever is appropriate under the circumstances.

If he finds that there is no substance to the complaint, he is to report the situation to the central office so that we can review it and see whether we agree with it or not. If we do not, it will be referred back to him for additional investigation.

Mr. STAREK. Let me interrupt you here, if I may. If I heard you correctly, when a complaint is initially filed in the field office, a copy of that complaint is sent to the central office?

Mr. COON. Right.

Mr. STAREK. Then an investigation is initiated by the loan guaranty officer in the field office.

Mr. COON. I should add that some complaints come directly in to Washington to the equal opportunity staff, and they will direct the investigation from this point. But it is still done in the field station, if that is what you are driving at.

Mr. STAREK. That is the point I am driving at. In response to the subcommittee's question—let's take fiscal year 1975—there are seven complaints here which were formal discrimination complaints.

Now, as to the tabulation, is the initial copy of the complaint forwarded to the central office or is the number of seven complaints arrived at after there has been a resolution of the complaint to the satisfaction of both parties in the field offices?

Mr. COON. These are initial complaints.

Mr. STAREK. These are initial complaints?

Mr. COON. Yes, sir.

Mr. STAREK. Now, I would like to continue with that and find out a little more about the investigation procedure conducted by the loan guaranty officer. How does this officer proceed to try to bring the complaining party and the party charged with alleged discrimination together? Can you explain that?

Mr. COON. That can vary, depending on the circumstances of the case. But ordinarily they will go to the builder or to the broker and get his version of the incident, as well as to the veteran, and query them to see whether there is an agreement on the facts, or just what did happen.

If there is some indication of discrimination, they will try to persuade the builder or broker to complete the sale, or accept the offer, or whatever it might be.

Of course, our policy has been aimed at conciliation, persuasion, education, rather than to try to see how many people we can put out of business.

Mr. STAREK. Absolutely.

Mr. COON. My point is, suspension of a builder participating in the program, or of a lender, particularly, is a very serious matter. Their interests are safeguarded by regulations. In other words, if we determine there is a basis for suspension of a program participant and we decide to take that action, he is entitled to a hearing. The burden of proof is on the VA to prove its charge. The other party can be represented by counsel of his choice, has a right to bring his own witnesses; we even extend the right of subpoena to them within a 100-mile radius of the site; and to cross-examination. This is a hearing before a three-member board consisting of VA employees not from the station where the incident occurred.

So, as I say, it is a very serious matter. You could put a lender clear out of business. This is why we try persuasion, conciliation, and of course try to get assurances that nothing like this is going to happen again, and for them to take steps, for example, to clearly inform all of their employees of what the rules are.

Mr. STAREK. How often do these formal hearings take place?

Mr. COON. Actually, we don't have very many. Most of those have been in the area of failure to correct construction defects, or fraud.

Mr. STAREK. All right. One more question before we leave this area. I am curious as to when the central office staff specialists come into the investigation process on a formal discrimination complaint.

Mr. COON. If the complaint comes directly into Washington, in other words, bypassing the field station, the equal opportunity staff assistant will direct the investigation from the beginning, as to what should be done; and we, of course, get a report of exactly what was done. We advise the field station as to what conclusions we have reached.

If the complaint comes initially to the field station, as I have said, a copy of the complaint is forwarded, we get a copy of the report on what was done, what the situation is, so that we can review it and direct the field station as to what action we want them to take.

Does that answer your question?

Mr. STAREK. Yes, I think it does. I would like to ask one other question with respect to a different area. We received testimony last week indicating that the VA inventory of acquired properties was approximately 11,000; is that an accurate figure?

Mr. COON. Yes, sir.

Mr. STAREK. The suggestion made during that testimony was that possibly this inventory of property could be used for purposes other than direct sales, in other words, rental units, leased with option to buy at a relatively reasonable rate. Has that been considered, and is it feasible? I would like your comments on that suggestion.

Mr. COON. Well, I might say that as of August 31 our inventory of property on hand is 11,450; but out of that 11,450 only 6,409 were available for sale; the rest were under adverse occupancy, under redemption, or undergoing repairs. So, actually on August 31 there were 6,400 properties immediately available for sale.

Under the law—maybe I should explain it this way. The loan guaranty program gets its money through a revolving fund set up in the law. We have a guaranteed loan revolving fund and a direct loan revolving fund.

Now, all the expenses of acquiring properties, managing properties, and paying claims have to come out of that revolving fund. Income that comes into the fund comes from sale of properties and some rental income. We don't get any appropriation. So, we must have money coming into the fund constantly in order to have sufficient funds with which to pay future claims and property acquisitions.

If the suggestion is to set aside, for example, a certain amount of property here and there to rent at below market rates—is that what you are driving at?

Mr. STAREK. Well, I think that is part of the suggestion, but I do not think it necessarily has to be restricted to renting below market rates.

Mr. COON. I don't believe it would be feasible because of the fact that we must derive funds with which to keep the loan guaranty revolving fund at a level to enable us to pay claims and acquire properties.

If we guaranteed the loan and if the loan goes to foreclosure and the lender files a claim, under our contract we are obligated to pay. I might say, if the day ever comes where we do not have the money to

pay claims to lenders and investors, our program could go down the drain in very short order.

I might say this, too, that after we sell an acquired property and we have a note and are the mortgagee, that in order to keep money flowing into the revolving fund, we sell the loans simply because we need the money because we do not get appropriations.

What I am driving at is that an extensive leasing program would not be in the best interest of the program.

Mr. EDWARDS. If the gentleman would yield. When FHA forecloses on a piece of property, under the Federal law they have to sell. Presumably you are under the same kind of restriction where you are not allowed under the law to go into the landlord business.

Mr. COON. That is certainly nothing that is authorized. Our authority under the law is quite broad, Mr. Chairman. It authorizes the Administrator to buy, sell, rent, lease, and otherwise deal with property that we acquire. But from an operating standpoint—

Mr. EDWARDS. So, you could do what Mr. Starek suggests under the law.

Mr. COON. There is legal authority. Do you agree, counsel, do you want to qualify that?

Mr. MALONE. I think we would have to take a close look at the existing law to see whether we could go into a wholesale rental business. The purpose of the loan guaranty program is to guarantee the lender that he will not lose money if he makes this loan to the veteran. Now, if the veteran defaults, we have to pick up the loan, and our program is geared to disposing of that piece of property just as quickly as we can because we are not in the rental business.

Mr. STAREK. How fast is the turnover, and what is the average inventory in a particular year? Let's take this year, 11,450?

Mr. EDWARDS. Mr. Starek, we have a problem here this morning. The LEAA conference is meeting, and I am a member of that conference—forgive me for interrupting.

Can we submit some of these questions to you in writing?

Mr. COON. Certainly, sir.

Mr. EDWARDS. And within a few weeks get a reply. Of course, we do have a lot of questions, further questions to ask you. In particular, we are going to invite you back here in early February or, at the latest, in March, and we hope that you will have some plans you can tell us about.

We will also have in HUD, and we are also very interested in a lot of other areas of housing.

Let me just ask you one question now. FHA requires affirmative marketing. Now, don't you think that you are undercutting HUD when you do not require it?

Mr. COON. Well, I suppose that is a matter of opinion, Mr. Chairman; I don't think we are.

Mr. EDWARDS. Don't you intend to have such a requirement?

Mr. COON. Fair marketing?

Mr. EDWARDS. Yes; fair marketing plans setting forth fair marketing requirements for VA housing.

Mr. COON. Well, I think that is one of the things we said we would consider.

Mr. EDWARDS. All right. I believe then that what we will do is submit to you a number of questions in writing over the next few days—at least during the next 2 or 3 months after adjournment, when we can be working with you on these questions. Then we will schedule another public hearing in February or March.

Let me suggest that it would certainly be appropriate for you to move ahead and impose an affirmative marketing plan, as the FHA has done. Usually the FHA and VA work in tandem. Their requirements sort of are the same all the time, that is what the marketplace understands. Even the subdivision requirements are about the same, and you use each other's subdivision standards for streets, and sidewalks, and improvements. I don't see any reason why you should vary here.

Do you see any reason why the FHA and the VA should be different, insofar as combating discrimination is concerned; do you think the FHA should have a better record on requiring nondiscrimination in housing than the VA?

Mr. COON. Not at all, sir, we both operate under the Executive.

Mr. EDWARDS. You both operate under Federal law.

Mr. COON. Yes; and under the same head of the administration.

Mr. EDWARDS. I am sorry that we will have to adjourn these hearings. We thank you very much, Mr. Coon, and your colleagues for coming here today. You have been very helpful.

Mr. COON. Thank you, Mr. Chairman.

[Whereupon, at 11:35 a.m., the subcommittee adjourned, subject to the call of the Chair.]

APPENDIXES

APPENDIX 1

AUGUST 19, 1976.

Mr. RICHARD L. ROUDEBUSH,
Administrator of Veterans Affairs,
Veterans Administration Building,
Vermont at H Street,
Washington, D.C.

DEAR MR. ROUDEBUSH: The Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary plans to invite you to appear at a hearing before it on September 30, 1976. The Subcommittee anticipates extending this invitation to you in order that you might testify regarding all Veterans Administration programs designed to insure equal opportunity for women and minorities in VA housing activities. We expect to hear, in detail, about VA's Title VI, Title VIII and Executive Order 11063 enforcement in its acquired property, loan guaranty and direct loan programs.

In order that we might have background data for the upcoming hearings, we would appreciate your responding to the following questions by no later than September 13, 1976:

1. Please describe the VA organizational structure and where civil rights/housing enforcement responsibilities rest within that structure. Please provide any appropriate organizational charts.

2. How many housing discrimination complaints were filed with VA in FY 1973, FY 1974, FY 1975, and FY 1976?

3. During those same years, how many housing discrimination complaints were brought to VA's attention by HUD?

4. How many of the complaints referred to in #2 and #3 were investigated by VA? How many of these complaints resulted in findings of discrimination? When discrimination was found, what was the corrective action which VA required to be taken?

5. What are the VA procedures for investigating and resolving complaints of housing discrimination?

6. Has VA ever stopped doing business with a lender, builder, developer, individual home seller, appraiser, or management and sales real estate broker because of civil rights violations?

7. Please describe all VA nondiscrimination certification requirements and indicate those individuals (i.e., appraisers) from whom such certifications are required. Are such certifications required of lenders in the VA loan guaranty program? Please describe VA efforts to monitor the nondiscrimination certifications which it receives.

Be sure to describe the special joint HUD-VA nondiscrimination certification required of all brokers participating in the sale or management of VA-owned properties. Also, describe the steps taken by VA to enforce and monitor this certification requirement. Does VA allow brokers who have not signed such certifications to sell VA-owned properties?

8. Has VA implemented affirmative marketing regulations applicable to new VA-approved subdivisions and new VA-appraised housing? If so, please provide a copy of any such regulations.

9. Based on race and sex data collected by VA:

(a) What percentage of VA-acquired property has been purchased by minorities; what percentage has been purchased by whites? Please provide this information by fiscal year.

(b) What percentage of minority purchasers of VA-acquired housing bought homes in white neighborhoods; what percentage of white purchasers of VA-acquired housing bought homes in white neighborhoods; what percentage of minority buyers of such housing bought homes in all-minority neighborhoods? Please provide this information on a fiscal year breakdown.

(c) What percentage of VA-acquired housing has been sold to female purchasers; what percentage of such housing has been sold to male purchasers? Please provide this information on a fiscal year breakdown.

(d) What percentage of applications for VA home loan guarantees was submitted by minorities; what percentage of such applications was submitted by whites; what percentage of such applications was submitted by women; what percentage of such applications was submitted by men? Please provide this information on a fiscal year breakdown.

(e) What percentage of VA home loan guaranties has gone to minority applicants; what percentage of such guaranties has gone to white applicants; what percentage of such guaranties has gone to female applicants; what percentage of such guaranties has gone to male applicants? Please break down this information by fiscal year.

(f) What percentage of minority purchasers of VA-guaranteed housing bought that housing in white neighborhoods; what percentage of white purchasers of VA-guaranteed housing bought that housing in white neighborhoods; what percentage of minority buyers of VA-guaranteed housing bought that housing in all-minority neighborhoods? Please provide this data on a fiscal year breakdown.

(g) What percentage of the applications for direct VA housing loans was received from minorities; from whites; from males; from females? Please provide this data on a fiscal year basis.

(h) What percentage of direct VA housing loans has gone to minorities; to whites; to males; to females? Please provide this information on a fiscal year breakdown.

(i) What percentage of minorities receiving direct VA housing loans purchased housing in white neighborhoods; what percentage of whites receiving direct VA housing loans purchased housing in white neighborhoods; what percentage of minorities receiving direct VA housing loans purchased homes in all-minority neighborhoods? Please provide this information on a fiscal year basis.

10. How many VA-acquired properties did VA sell in FY 1973, FY 1974, FY 1975, and FY 1976?

11. How many home loans did VA guarantee in FY 1973, FY 1974, FY 1975, and FY 1976? What was the total amount of the loans guaranteed by VA in FY 1973, FY 1974, FY 1975, and FY 1976?

12. How many direct home loans did VA make in FY 1973, FY 1974, FY 1975, and FY 1976?

Where minority data is requested, please provide that data separately for Blacks, Spanish speaking, Asian Americans, and American Indians.

We look forward to receiving responses to the foregoing questions and to working with the Veterans Administration in insuring that minorities and women are afforded equitable treatment in all VA housing activities.

Sincerely,

DON EDWARDS,

Chairman, Subcommittee on Civil and Constitutional Rights.

VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
Washington, D.C., September 16, 1976.

Hon. DON EDWARDS,
Chairman, Subcommittee on Civil and Constitutional Rights, Committee on the Judiciary, House of Representatives, Washington, D.C.

Dear Mr. CHAIRMAN: This is in reply to your letter of August 19, 1976, advising us of the hearings scheduled by your Subcommittee. As noted in our letter of September 1, 1976, Mr. Robert C. Coon, Director, Loan Guaranty Service, will be the Veterans Administration witness.

Our responses to the questions presented in your correspondence are attached hereto.

Your letter of September 1, 1976, submitting additional questions, was received on September 7, and we are in the process of assembling the requested data. This material will be forwarded to you shortly.

We will be pleased to assist the Subcommittee in any manner possible.

Sincerely,

RICHARD L. ROUDEBUSH,
Administrator.

Attachment.

DATA REQUESTED AUGUST 19, 1976, BY CHAIRMAN DON EDWARDS, SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS, COMMITTEE ON THE JUDICIARY

1. Please describe the VA organizational structure and where civil rights/housing enforcement responsibilities rest within that structure. Please provide any appropriate organizational charts.

The VA is administered under the supervision and direction of the Administrator of Veterans Affairs. The agency is organized under the Administrator and his staff into two major operating departments: The Department of Veterans Benefits and the Department of Medicine and Surgery. The loan guaranty program is a part of the Department of Veterans Benefits.

Authority to issue regulations is restricted to the Administrator. The issuance of departmental policy and directives is the responsibility of the Chief Benefits Director and Chief Medical Director. The loan guaranty program is headed by the Director, Loan Guaranty Service who is a member of the Chief Benefits Director's staff. The Director, Loan Guaranty Service formulates and recommends to the Chief Benefits Director policies, plans, regulations, procedures and standards for department-wide application within the limitations of VA-wide policies and plans pertaining to the loan guaranty program, and appraises and advises the Chief Benefits Director as to the efficiency and economy of operations in the program.

In the VA regional office system, the chief operating officer is the station Director. The Director is responsible to the Chief Benefits Director, through the Area Field Director, for the effective, efficient, and economical operations of the complete departmental program of benefits and services provided by law for veterans, their dependents and beneficiaries. The Director of the regional office, within agency and department policies and limitations, has full authority to organize and operate the regional office programs.

One of the divisions of the regional office organization is the loan guaranty division. This division is headed by the Loan Guaranty Officer, who is a member of the staff of the Director of the regional office. The loan guaranty division is the most important element of the VA home loan programs. It is through this division that decisions are made as to the eligibility of individual veterans for home loan entitlement benefits, the determination of reasonable value of properties and the guaranteeing and making of VA home loans. In addition, the loan guaranty division is responsible for managing VA's portfolio loans, the acquisition, management, and disposition of VA acquired properties, and to adjudicate and determine VA's liability under the contracts of guaranty. The Loan Guaranty Officer and his personnel have specialized knowledge of all VA home loan benefits. Their basic job is to expeditiously serve the veteran including the obligation to ensure that each veteran applicant has been accorded an equal opportunity to obtain the house of the veteran's choice.

The VA programs have been administered with particular reliance placed primarily on fee personnel to perform real estate appraisal, construction analysis and property management functions.

While full operating authority and responsibility is thus delegated to station Directors subject to established policies, plans, regulations, procedures and standards for department-wide application, Central Office maintains close surveillance of field operations to assure compliance.

An important aspect of the organizational structure of the Loan Guaranty Service is the direct relationship between the equal housing opportunity staff and the Director of the Service. As staff assistant to the Director, the equal housing opportunity staff occupies a position equal to program components. The staff assistant for equal housing opportunity has the opportunity and responsibility to review and advise the Director on the civil rights aspects of all policies and regulations and procedures promulgated by the Service. Such advice, coupled with the awareness of all staff elements that all directives must be so structured as to preclude discrimination to the maximum extent possible assures that equal opportunity is an integral part of all program policies and operating procedures.

As requested, enclosed are two organizational charts believed to be appropriate, one showing the organization of the VA overall, the other showing the organization of the Loan Guaranty Service in Central Office.

2. How many housing discrimination complaints were filed with VA in FY 1973, FY 1974, FY 1975 and FY 1976?

Our records indicate we received the following number of formal discrimination complaints: FY 1973—9, FY 1974—14, FY 1975—7, FY 1976—7.

3. During those same years, how many housing discrimination complaints were brought to VA's attention by HUD?

Our Central Office records indicate we have received three complaints referred by HUD.

4. How many of the complaints referred to in #2 and #3 were investigated by VA? How many of these complaints resulted in findings of discrimination? When discrimination was found, what was the corrective action which VA required to be taken?

All of the complaints received by the Loan Guaranty Service were investigated by the Equal Housing Opportunity Staff. Discrimination was determined to be the problem in only one of the complaints received. The lender required only the veteran's spouse to submit a letter stating that she would continue to work after the house was purchased. The Loan Guaranty Officer reminded the lender in writing that such special assurances from veterans' spouses was in violation of outstanding VA policies and procedures, demanded the lender cease this practice immediately and so advise its employees, and requested written confirmation from the lender that the employees had been properly advised and such special assurances would not be sought from veteran applications in the future. The Department of Justice has assumed jurisdiction in this case and filed a suit against the lender which is now pending.

5. What are the VA procedures for investigating and resolving complaints of housing discrimination?

When a complaint is received at a VA Regional Office, the Loan Guaranty Officer is responsible for investigation and resolution. Upon receipt of the complaint, a copy is sent to Central Office. The Loan Guaranty Officer investigates the complaint with the goal of securing the house or loan the veteran buyer desires. When the complaint has been successfully resolved, notice of resolution is forwarded to Central Office. Referral to Central Office is also required in the following instances:

- a. When the complaint involves Loan Guaranty personnel;
- b. When the Loan Guaranty Officer is unable to resolve the complaint.

Upon receipt in Central Office of an original complaint or a referral from a field station appropriate action is taken depending on the facts of the individual case.

6. Has VA stopped doing business with a lender, builder, developer, individual home seller, appraiser, or management and sales real estate broker because of civil rights violations?

Yes, in a limited number of instances but none in the last few years.

7. Please describe all VA nondiscrimination certification requirements and indicate those individuals (i.e., appraisers) from whom such certifications are required. Are such certifications required of lenders in the VA loan guaranty program? Please describe VA efforts to monitor the nondiscrimination certifications which it receives.

Be sure to describe the special joint HUD-VA nondiscrimination certification required of all brokers participating in the sale or management of VA-owned properties. Also, describe the steps taken by VA to enforce and monitor this certification requirement. Does VA allow brokers who have not signed such certifications to sell VA-owned properties?

The Loan Guaranty Service requires nondiscrimination certifications from appraisers, management brokers, sales brokers, veteran purchasers, purchasers of VA acquired properties, and other program participants as outlined below.

Appraisers. When our appraisal form was revised in 1973 to incorporate racial identification of the neighborhood of the subject property—all white, mixed and all minority—a certification was also incorporated to make it abundantly clear that such identification would have no influence on the value of the property being appraised. In the certification section at the bottom of the Appraisal Report, the appraiser certifies, ". . . (c) in arriving at the estimated reasonable value I have not been influenced in any manner whatsoever by the race, religion, or national origin of any person residing in the property or in the neighborhood wherein it is located."

Management and Sales Brokers. In June 1973 VA embarked upon a joint HUD-VA nondiscrimination certification program for all management and sales brokers participating in the HUD and VA acquired properties program. VA required that each management and sales broker immediately submit a signed certification to the local VA Regional Office. The penalty for refusing to sign and return the Joint HUD-VA Nondiscrimination Certification (see enclosed VA Form 26-8138) was refusal by VA to do future business with them. For management brokers this

meant removal from the VA roster of approved management brokers and thereby not being assigned any properties in the future. For sales brokers it meant that purchase offers submitted would be rejected by VA, regardless of the quality of the offer.

Sales Brokers. In addition to the requirement that each broker submitting an offer to purchase a VA acquired property have a Joint HUD-VA nondiscrimination Certification on file at the local VA Regional Office, the broker certifies on the actual offer to purchase form that ". . . neither I nor anyone authorized to act for me has declined to sell this property or to make it available for inspection or consideration by a prospective purchaser because of race, color, religion, sex or national origin."

With respect to the foregoing certifications it should be noted that VA in March 1963 required all VA management and sales brokers on the rosters and all future applicants to submit the following certification.

"The undersigned real estate broker agrees that neither he, nor any of his sales personnel, employees, or others authorized to act for him will decline to sell or rent any VA-owned property now or hereafter listed with him to any prospective purchaser or tenant because of his race, color, creed, or national origin. The undersigned agrees that noncompliance by him or any of his organization with the policy of the Veterans Administration against such discrimination in the sale or rental of any VA-owned property, shall be a proper basis for barring the undersigned from participation in the program of selling, managing or renting VA-owned properties."

Purchasers of VA Acquired Properties. On the purchase offer, prospective purchasers of VA acquired properties are required to sign the following certification:

"Neither I, nor anyone authorized to act for me, will refuse to sell or rent, after the making of a bona fide offer, or refuse to negotiate for the sale or rental of, otherwise make unavailable or deny the dwelling or property covered by this offer to purchase to any person because of race, color, religion, sex or national origin. I recognize that any restrictive covenant on this property relating to race, color, religion, sex or national origin is illegal and void and any such covenant is hereby specifically disclaimed. I understand that civil action for preventive relief may be brought by the Attorney General of the United States in any appropriate U.S. District Court against any person responsible for the violation of the applicable law."

Veteran Purchasers. An integral part of an application for a VA guaranteed or direct loan is the veteran's nondiscrimination certification. Essentially the veteran certifies that in the event of rental or a subsequent sale of the property, the veteran will not discriminate.

Builders. (a) VA issues a master certificate of reasonable value (MCRV) to a builder who proposes to build 5 or more houses in a project. The MCRV establishes the value for each house to be built as well as additional optional features, provided the houses are built in substantial conformity with the plans and specifications approved by VA. In other words it is an assurance that if the houses are built as proposed, VA will guarantee loans for veteran buyers in the subdivision. The value and thereby the possibility of a guaranteed loan are predicated upon certain conditions. One of the conditions is agreement ". . . that in the sale of properties included in the master certificate of reasonable value that neither the builder nor anyone authorized to act for the builder will decline to sell any property listed to a prospective purchaser because of his or her race, color, religion, sex or national origin."

(b) Builders proposing to develop a subdivision, which is a tract of land with 25 or more building lots, must secure VA approval of the site and subdivision feasibility. The initial stage in securing VA approval is the builder's submission of Application for Subdivision Feasibility Analysis. In the certification section of this form the builder certifies that "neither it nor anyone authorized to act for it will decline to sell, rent or otherwise make available any of the properties or housing in the subdivision to a prospective purchaser or tenant because of his race, color, religion, sex or national origin;"

(c) Builders also must have on file with each VA Regional Office in whose jurisdiction they operate, an Equal Employment Opportunity Certification, VA Form 26-421, enclosed. In this certification they commit themselves to affirmatively recruit, hire, train and promote minority employees, and to have the stipulated equal opportunity clause incorporated into any and all subcontracts over \$10,000. A corollary requirement of this certification is the prominent display of the Department of Labor's equal employment opportunity poster. This posting requirement is monitored by VA compliance inspectors. During an onsite inspection, should the inspector find no poster displayed, the builder is immediately

notified and no further VA inspections will be made until the poster is prominently displayed for prospective and present employees.

Lenders, Sellers, Real Estate Brokers, Builders and Veterans. Any of these parties may request a VA appraisal on an individual property. An integral part of this request is the Equal Opportunity in Housing—Notice, which reads as follows:

"Federal laws and regulations prohibit discrimination because of race, color, religion or national origin in the sale or rental or financing of residential property. Numerous State statutes and local ordinances also prohibit such discrimination.

"Non-compliance with applicable antidiscrimination laws and regulations in respect to any property included in this request shall be a proper basis for refusal by the VA to do business with the violator and for refusal to appraise properties with which the violator is identified. Denial of participation in any program administered by the Federal Housing Administration because of such violation shall constitute basis for similar action by the VA."

8. Has VA implemented affirmative marketing regulations applicable to new VA-approved subdivisions and new VA-appraised housing? If so, please provide a copy of any such regulations.

We have considered adopting some form of affirmative marketing program, such as HUD has adopted. However, we believe our present builder requirements, as outlined above, coupled with the Administrator's authority to impose sanctions, meet the spirit and intent of the requirement in Title VIII that the agency "administer their programs and activities relating to housing and urban development in a manner affirmatively to further the purposes of this Title . . ."

9. Based on race and sex data collected by VA:

(a) What percentage of VA-acquired property has been purchased by minorities; what percentage has been purchased by whites? Please provide this information by Fiscal Year.

MINORITY PARTICIPATION—VA ACQUIRED PROPERTIES

Race/ethnic group	General population (percent)	Properties sold (fiscal years)			
		1976	1975	1974	1973
Percent distribution (total).....	100.0	100.0	100.0	100.0	100.0
White.....	82.6	52.6	50.7	57.7	60.5
Black.....	10.9	38.0	39.8	31.7	28.8
Spanish American.....	5.0	8.5	8.5	9.7	10.0
American Indian.....	.4	.4	.3	.3	.2
Oriental.....	.7	.5	.7	.6	.5
Other.....	.4	0	0	0	0

(b) What percentage of minority purchasers of VA-acquired housing bought homes in white neighborhoods; what percentage of white purchasers of VA-acquired housing bought homes in white neighborhoods; what percentage of minority buyers of such housing bought homes in all minority neighborhoods? Please provide this information on a Fiscal Year breakdown.

MINORITY PARTICIPATION BY NEIGHBORHOOD—VA ACQUIRED PROPERTIES

	White	Black	Spanish American	American Indian	Oriental
FISCAL YEAR 1975					
Percent distribution (all properties).....	100.0	100.0	100.0	100.0	100.0
White neighborhood.....	38.6	3.0	7.2	8.7	24.7
Minority neighborhood.....	3.6	34.0	7.5	2.2	5.6
Mixed neighborhood.....	57.9	63.0	85.4	89.1	69.7
FISCAL YEAR 1976					
Percent distribution (all properties).....	100.0	100.0	100.0	100.0	100.0
White neighborhood.....	40.3	2.6	8.1	13.6	5.8
Minority neighborhood.....	3.3	35.6	6.7	0	2.9
Mixed neighborhood.....	56.8	61.8	85.3	86.4	91.2

(c) What percentage of VA-acquired housing has been sold to female purchasers; what percentage of such housing has been sold to male purchasers? Please provide this information on a Fiscal Year breakdown.

VA acquired properties can be purchased in two ways; the purchaser arranges his or her own financing independently of VA, or VA provides long-term financing to the purchaser. Almost 90% of VA acquired properties are sold with VA financing. VA has collected gender data since July 1974 on these cases. Females comprised 11.4% and 13.2% of the purchasers using VA financing in Fiscal Years 1975 and 1976, respectively.

(d) What percentage of applications for VA home loan guaranties was submitted by minorities; what percentage of such applications was submitted by whites; what percentage of such applications was submitted by women; what percentage of such applications was submitted by men? Please provide this information on a Fiscal Year breakdown.

MINORITY PARTICIPATION—APPLICATIONS FOR GUARANTEED LOANS

Race/ethnic group	Veteran population	Fiscal year—			
		1976	1975	1974	1973
Percentage distribution (total).....	100.0	100.0	100.0	100.0	100.0
White.....	89.0	82.7	82.4	81.8	83.9
Black.....	7.1	11.7	11.9	12.5	11.1
Spanish American.....	2.9	4.5	4.7	4.8	4.3
American Indian.....	.5	.1	.1	.1	.1
Oriental.....	.3	.3	.3	.2	.1
Other.....	.2	.7	.5	.5	.6

VA does not compile gender data at the application stage of processing a guaranteed loan. It should be noted that female veterans constitute about 2% of eligible veterans in civil life.

(e) What percentage of VA home loan guaranties has gone to minority applicants; what percentage of such guaranties has gone to white applicants; what percentage of such guaranties has gone to female applicants; what percentage of such guaranties has gone to male applicants? Please break down this information by Fiscal Year.

MINORITY PARTICIPATION—VA GUARANTEED LOANS CLOSED

Race/ethnic group	Veteran population	Loans closed (fiscal years)			
		1976	1975	1974	1973
Percentage distribution (total).....	100.0	100.0	100.0	100.0	100.0
White.....	89.0	83.3	82.6	83.2	85.2
Black.....	7.1	10.7	11.7	11.6	10.0
Spanish American.....	2.9	4.4	4.8	4.3	3.8
American Indian.....	.5	.1	.1	.1	.1
Oriental.....	.3	.3	.3	.3	.3
Other.....	.2	.7	.5	.5	.6

VA commenced collection of gender data on guaranteed loans closed July 1975; during Fiscal Year 1976, female veterans obtained 0.6% of the guaranteed loans closed.

(f) What percentage of minority purchasers of VA-guaranteed housing bought that housing in white neighborhoods; what percentage of white purchasers of VA-guaranteed housing bought that housing in white neighborhoods; what percentage of minority buyers of VA-guaranteed housing bought that housing in all-minority neighborhoods? Please provide this data on a Fiscal Year breakdown.

VA started to compile neighborhood data for guaranteed loans in July 1975; thus, FY 1976 is the first Fiscal Year for which data is available.

MINORITY PARTICIPATION BY NEIGHBORHOOD—VA GUARANTEED LOANS, FISCAL YEAR 1976

Race/Spanish origin of borrower	Percentage distribution by neighborhood			
	Total	White	Minority	Mixed
White.....	100	52.8	0.5	46.7
Black.....	100	8.8	13.4	77.8
Spanish American.....	100	18.2	2.4	79.4
American Indian.....	100	35.3	.8	63.9
Oriental.....	100	14.8	.7	84.6

(g) What percentage of the applications for direct VA housing loans was received from minorities; from whites; from males; from females? Please provide this data on a Fiscal Year basis.

MINORITY PARTICIPATION—VA DIRECT LOAN APPLICATIONS

Race/ethnic group	Veterans in rural areas	Fiscal year—			
		1976	1975	1974	1973
Percentage distribution (total).....	100.0	100.0	100.0	100.0	100.0
White.....	94.4	93.1	93.7	92.9	93.3
Black.....	3.5	4.1	3.7	4.6	4.3
Spanish American.....	1.3	1.5	1.4	1.3	1.4
American Indian.....	(¹)	1.1	1.2	1.0	.9
Oriental.....	1.8	.1	.1	.1	.1
Other.....	(¹)	.2	0	0	0

¹ 0.8 figure applies to combined data for all 3 categories.

VA started collecting gender data on direct loan applications July 1974. Female veterans submitted 1.4% and 1.3% of the direct loan applications received during Fiscal Years 1976 and 1975 respectively.

(h) What percentage of direct VA housing loans has gone to minorities; to whites; to males; to females? Please provide this information on a Fiscal Year breakdown.

MINORITY PARTICIPATION—VA DIRECT LOANS

Race/ethnic group	Veterans in rural areas	Direct loans closed (fiscal years)			
		1976	1975	1974	1973
Percentage distribution (total).....	100.0	100.0	100.0	100.0	100.0
White.....	94.4	95.9	95.6	94.6	95.7
Black.....	3.5	1.5	2.6	3.4	2.2
Spanish American.....	1.3	1.2	1.0	1.3	1.0
American Indian.....	(¹)	1.0	.8	.6	1.0
Oriental.....	1.8	.1	.1	.1	.1
Other.....	(¹)	.3	0	0	0

¹ 0.8 figure applies to combined data for all 3 categories.

As with direct loan applications, collection of gender data began in July 1974. Female veterans obtained 1.3% and 1.5% of the direct loans closed in Fiscal Years 1976 and 1975 respectively.

(i) What percentage of minorities receiving direct VA housing loans purchased housing in white neighborhoods; what percentage of whites receiving direct VA housing loan purchased housing in white neighborhoods; what percentage of minorities receiving direct VA housing loans purchased homes in all-minority neighborhoods? Please provide this information on a Fiscal Year basis.

VA does not compile neighborhood data on direct loans because the term "neighborhood" is not easily applied to rural areas.

10. How many VA-acquired properties did VA sell in FY 1973, FY 1974, FY 1975, and FY 1976?

VA properties sold

Fiscal year:	
1973	16, 182
1974	17, 664
1975	17, 001
1976	17, 389

11. How many home loans did VA guarantee in FY 1973, FY 1974, FY 1975, and FY 1976? What was the total amount of the loans guaranteed in FY 1973, FY 1974, FY 1975, and FY 1976?

Number of home loans guaranteed

Fiscal year:	
1973	365, 122
1974	311, 250
1975	290, 191
1976	326, 727

Amount of home loans guaranteed

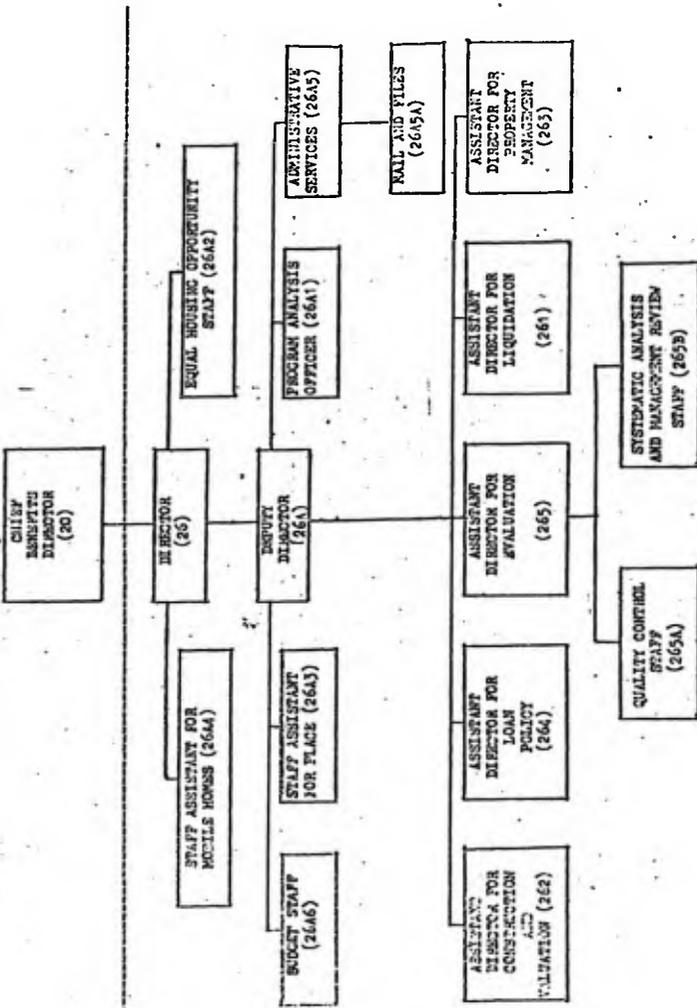
Fiscal year:	
1973	\$8, 357, 506
1974	7, 709, 441
1975	8, 091, 365
1976	9, 951, 196

12. How many direct home loans did VA make in FY 1973, FY 1974, FY 1975, and FY 1976?

Number of direct loans closed

Fiscal year:	
1973	2, 930
1974	2, 608
1975	2, 665
1976	2, 782

ORGANIZATION OF
LOAN GUARANTY SERVICE
IN GENERAL OFFICE



JOINT HUD-VA NONDISCRIMINATION CERTIFICATION

The undersigned broker participating in the sale or management of HUD- or VA-owned properties agrees that neither the broker nor any of his or her sales or rental personnel, employees, or others authorized to act for the broker will, in violation of Title VIII of the Civil Rights Act of 1968 (the "Fair Housing" Title of Public Law 90-284) or Executive Order 11063, decline to show or will discriminate in the sale or rental of any property now or hereafter listed with him or her.

It is further agreed that the undersigned will:

- (1) instruct the staff in the policies of nondiscrimination and applicable laws;
- (2) prominently display the Fair Housing Poster in all offices in which sale or rental activity takes place;
- (3) use the approved Equal Housing Opportunity logo, slogan, or statement in all advertising in conformance with Advertising Guidelines for Fair Housing;
- (4) when advertising VA acquired properties located in predominantly white areas, utilize any available minority media (solely or in addition to other media);
- (5) maintain a nondiscriminatory hiring policy in affirmatively recruiting from both minority and majority groups for staff; and
- (6) (For Management Brokers Only) post the official sign in a conspicuous place on all HUD- or VA-owned property.

The undersigned agrees that noncompliance by the broker or any employee of his or her organization with the laws, executive orders, or regulations, against discrimination in the sale or rental of any property or with this certification will be proper basis for barring the undersigned from participation in the program of selling, renting, or managing HUD- or VA-owned properties. The undersigned understands that such determination of delinquent by either HUD or VA shall be honored by both.



**EQUAL HOUSING
OPPORTUNITY**

VA FORM
AUG 1975 26-8138

_____	_____
SIGNATURE OF BROKER	DATE
_____	_____
FIRM NAME	TELEPHONE NO.

(STREET)	

(CITY, STATE & ZIP CODE)	

150461

VETERANS ADMINISTRATION
EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

1. The undersigned understands and agrees that it is the "applicant" within the meaning of VA Regulation 4391.
2. To induce the Veterans Administration to act on any request submitted by or on behalf of the undersigned for site approval of land to be improved for the construction of housing thereon to be financed with loans guaranteed, insured or made by the Veterans Administration, or for establishment by the Veterans Administration of reasonable value relating to proposed construction or for direct loan fund reservation commitments, the undersigned hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work or modification thereof, as defined in the rules and regulations of the Secretary of Labor relating to the land or housing included in its request to the Veterans Administration, the equal opportunity clause contained in VA Regulation 4392 and printed on the reverse side hereof.
3. The undersigned further agrees that it will be bound by the equal opportunity clause in any federally assisted construction work which it performs itself other than through the permanent work force directly employed by an agency of government.
4. The undersigned agrees that it will cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Secretary, that it will furnish the administering agency and the Secretary such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance. The undersigned further agrees that it will refrain from entering into any contract or contract modification subject to Executive Orders 11246 and 11375 with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to Part II, Subpart D of Executive Order 11246, as amended, and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon the contractors and subcontractors by the administering agency or the Secretary pursuant to Part II, Subpart D of Executive Order 11246, as amended.
5. In addition, the undersigned agrees that if it fails or refuses to comply with these undertakings such failure or refusal shall be a proper basis for the cancellation by the Veterans Administration of any outstanding Master Certificates of Reasonable Value or Individual Certificates of Reasonable Value relating to proposed construction, except in respect to cases in which an eligible veteran has contracted to purchase a property included on such certificates, and for the rejection of future requests submitted by the undersigned or on his behalf for site approval, appraisal services, and direct loan fund reservation commitments until satisfactory assurance of future compliance has been received from the undersigned, and for referral of the case to the Department of Justice for appropriate legal proceedings.

NAME OF FIRM		ADDRESS OF FIRM	
BY: (Signature)	TITLE	DATE	

VA FORM 26-421
FEB 1975

EXISTING STOCKS OF VA FORM 26-421,
OCT 1970, WILL BE USED.

EQUAL OPPORTUNITY CLAUSE

During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, religion, sex, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations and advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, sex, color, or national origin.
- (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and Executive Order 11375 of October 13, 1967, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The contractor will furnish all information and reports required by these two Executive Orders, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as therein provided, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

APPENDIX 2

September 1, 1976.

Mr. RICHARD L. ROUNEUBUSH,

Administrator of Veteran Affairs, Veterans' Administration Building, Vermont at H Street, Washington, D.C.

DEAR MR. ROUNEUBUSH: In preparation for the Subcommittee's hearings on equal opportunity in VA housing programs, during which the Veterans Administration's representative(s) are now scheduled to appear on September 27, we would greatly appreciate your responding to the following additional questions. You will recall that we submitted a number of background questions to you in a letter dated August 19. After further study, we are now submitting the following supplemental questions:

1. Please describe the various sections or divisions within the Washington and regional Loan Guaranty Offices. Please describe the functions performed by each.
2. Please supply a breakdown, by grade, of the number and percentages of minorities and women employed in each division or section of VA's Loan Guaranty Office in Washington.
3. Please supply a breakdown, by grade, of the number and percentages of minorities and women employed in each division or section of each regional Loan Guaranty Office.
4. How much money (total amounts and percentages) has VA allocated to fair housing enforcement each year since 1973?
5. How many VA employees work full time on fair housing enforcement in VA programs?
6. What civil rights fair housing training is provided to the Loan Guaranty staff? Who receives the training and who gives the training?
7. Are central office equal opportunity staff sent out to train regional Loan Guaranty staff?
8. Please provide loan guaranty denial rates by sex and race for each regional office. Also, please explain any significant differences in denial rates from region to region.
9. By state, please provide, by sex and race, the average loan amount for VA-guaranteed loans. Provide this information for Fiscal Year 1973 to the present.
10. For each state, please provide data which compares total guaranteed loan activity with the total eligible veteran population. Also, for each state, compare minority guaranteed loan activity with the eligible minority veteran population. In addition, provide such comparative information by sex.
11. For each state, please provide data which compares VA's total direct loan activity with the total eligible rural veteran population. Also, for each state, compare minority direct loan activity with the eligible minority veteran population. In addition, provide such comparative information by sex.
12. For each state, please provide the number and percentage of VA appraisers, compliance inspectors and management/sales brokers who are members of minority groups. Provide the minority breakdown for blacks, Spanish speaking, Asian Americans, and American Indians.
13. Please provide the number and percentage of VA-guaranteed loans by type of lender (i.e. mortgage bankers) for each fiscal year since 1973.
14. For each type of lender, please provide breakdowns, by sex and race, of participation rates in the VA-guaranteed loan program.
15. In addition to any monitoring of VA-required nondiscrimination certifications, which you were asked to describe in my earlier correspondence, I would appreciate your describing, in detail, *all* VA monitoring efforts to insure fair housing practices among lenders, brokers, appraisers, and builders.

If at all possible, I would appreciate receiving responses to these additional questions by September 17, 1976.

Thank you for your cooperation.

Sincerely,

DON ENWARDS,
Chairman, Subcommittee on Civil and Constitutional Rights.

VETERANS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., September 21, 1976.

Hon. DON EDWARDS,
Chairman, Subcommittee on Civil and Constitutional Rights, House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter of September 1, 1976, which presented supplemental questions to be answered by the Veterans Administration as background information in preparation for the upcoming hearings scheduled by your Subcommittee.

Our responses to the supplemental questions are attached hereto.

If we may be of further assistance, please so advise.

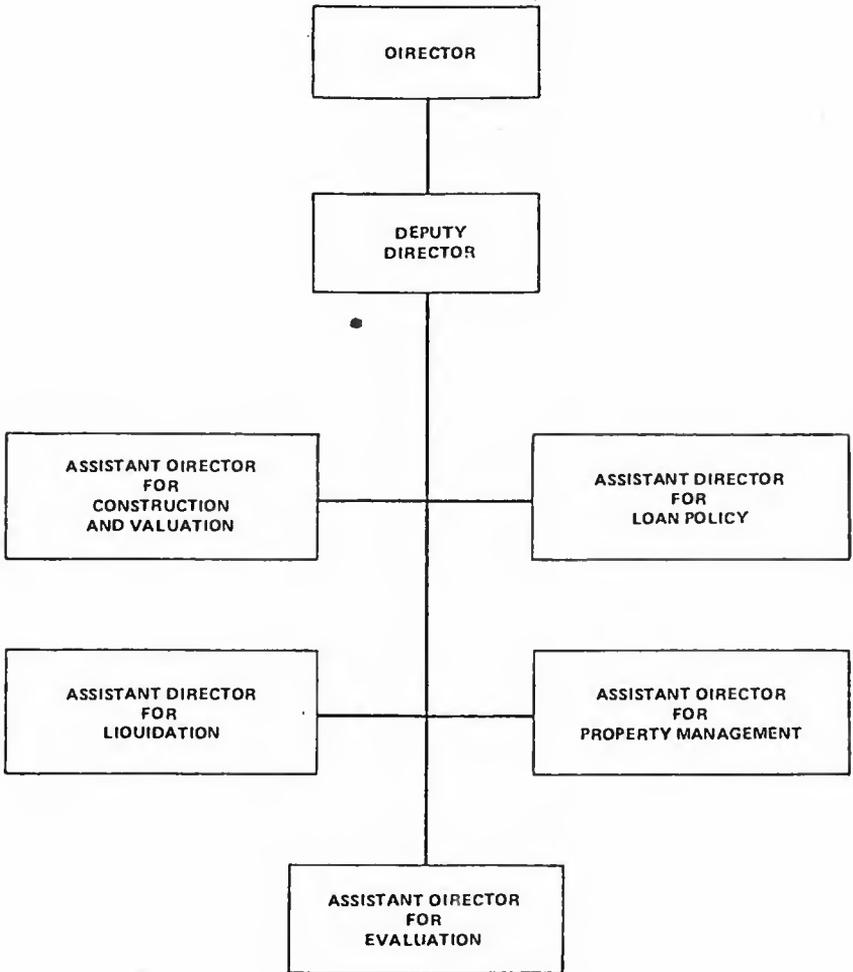
Sincerely,

Associate Deputy Administrator—in the absence of
RICHARD L. ROUDEBUSH, Administrator.

Attachment.

1. Please describe the various sections or divisions within the Washington and regional Loan Guaranty offices. Please describe the functions performed by each. The attached pages from the VA Organizational Manual cover the organization and functional responsibilities of the Central Office Loan Guaranty Service.

LOAN GUARANTY SERVICE



LOAN GUARANTY SERVICE

303.1 DIRECTOR, LOAN GUARANTY SERVICE

a. Formulates and recommends to the Chief Benefits Director, policies, plans, regulations, procedures and standards for departmentwide application within the limitations of VA-wide policies and plans pertaining to the guaranty or insurance of loans, the guaranty of mobile home and refinancing loans, the making of direct loans, and the making of grants for specially adapted housing, and for activities pertaining to the liquidation, sale, or other disposition of loans and properties.

b. Appraises for the Chief Benefits Director the effectiveness, efficiency and economy of policies, regulations, procedures and standards in implementing public laws and attaining program objectives and the significant effects of the loan guaranty and direct loan programs nationally.

c. Reviews proposed legislation and Executive orders to determine the specific effects upon the programs and comments and recommends with respect thereto; also recommends changes in existing laws affecting the loan guaranty and direct loan programs. Participates in congressional hearings on proposed legislation, when requested.

d. Formulates and recommends policies, procedures and standards for obtaining compliance with Title VIII of the Civil Rights Act of 1968, pertinent Executive orders and related fair housing laws through substantive operations of the Loan Guaranty and Direct Loan programs.

e. Maintains top-level liaison with other Government departments and agencies and industry and financial organizations interested in the construction, marketing and financing of residential dwellings and the extension of credit to consumers for home, condominium and mobile home purposes.

f. Develops long-range plans, policies and objectives for the loan guaranty and direct loan programs.

g. Directs staff coordination and technical assistance to insure that automatic data processing programs and procedures are consistent with loan guaranty and direct loan programs' substantive and procedural requirements.

h. Advises the Chief Benefits Director on resources necessary for programwide operations, to pay claims, acquire properties, make direct loans and defray operating expenses and on the sources of funds, including revenues from operations and sales of loans and properties, available for such expenditures. In collaboration with the Director, Budget Staff, performs budgetary functions relating to the general operating expenses of the programs.

303.2 DEPUTY DIRECTOR, LOAN GUARANTY SERVICE

a. Coordinates all program activities and provides staff leadership in respect to the fulfillment of objectives and approved plans.

b. Directs a program of financial research to evaluate the effects of Government and private housing, lending, fiscal and underwriting policies and program on loan guaranty, guaranteed mobile home, refinancing, and direct loan activities, the adequacy of the interest rate on VA loans, and the levels and capacity of the housing market.

c. Directs the analysis and evaluation of economic data and trends, including the availability of mortgage funds, residential construction, money market, interest rates, and default and foreclosure rates.

d. Maintain staff liaison with other Government agencies in respect to the formulation and implementation of policies, plans, and programs relating to the financing, servicing and liquidation of loans and properties.

e. Formulates and directs the implementation of long-range plans, policies, and objectives, including emergency plans, for the loan guaranty and direct loan programs.

f. Renders staff coordination and technical assistance to insure that automatic data processing programs and procedures are consistent with loan guaranty and direct loan programs' substantive and procedural requirements.

g. Formulates and directs a reporting system to obtain information on the characteristics, volume and level of performance, activity and workload at field stations.

h. Directs budgetary functions relating to estimated and actual expenditures and financing of the Loan Guaranty and Direct Loan Revolving Funds, and in

collaboration with Budget Staff determines fund requirements for general operating expenses of the program and the distribution of available funds therefore, by objects and field stations.

i. Acts as full operating assistant to the Director and has full authority to act for the Director.

303.3 ASSISTANT DIRECTOR FOR CONSTRUCTION AND VALUATION

a. Formulates and recommends to the Director, Loan Guaranty Service, policies, plans, regulations, procedures and standards pertaining to:

- (1) Minimum requirements for planning, construction, and general acceptability of properties;
- (2) Determination of the replacement cost of properties;
- (3) Establishment of the reasonable values of properties; and
- (4) Determining the conformity of properties to minimum requirements and approved plans and specifications.

b. Appraises for the Director, Loan Guaranty Service, the effectiveness of regulations, policies and procedures in implementing public laws and attaining program objectives pertaining to the acceptability and valuation of residential properties.

c. Recommends to the Director, Loan Guaranty Service, decisions on unprecedented problems, techniques and cases relating to the construction, planning and valuation of residential properties.

d. Recommends decisions for release, and provides technical advice and guidance, to veterans, industry groups, trade associations, professional societies, and program participants, as well as to Members of Congress and other Government agencies.

e. Reviews proposed legislation and Executive orders pertaining to construction and valuation activities, and makes recommendations thereon to the Director, Loan Guaranty Service. Recommends to the Director, Loan Guaranty Service, changes to existing laws in order to improve the effectiveness, quality and efficiency of construction and valuation activities.

f. Maintains liaison on technical construction and valuation matters with trade associations and industry groups, professional societies and other Government agencies.

g. Recommends administrative practices and procedures to be required of fee appraisers, compliance inspectors, builders, lenders and other program participants, in connection with the construction and valuation of residential properties.

h. Recommends methods and techniques whereby field stations may effectively supervise persons and firms serving VA in a fee capacity.

i. Recommends action on appeals received from suspended builders.

303.4 ASSISTANT DIRECTOR FOR LOAN POLICY

a. Formulates and recommends to the Director Loan Guaranty Service, policies, plans, regulations, procedures and standards pertaining to:

- (1) Eligibility of veterans for loan benefits;
- (2) Guaranty or insurance of loans;
- (3) Making of direct loans;
- (4) Making of grants for specially adapted housing for paraplegic veterans; and
- (5) Marketing practices of builders, sellers and owners.

b. Appraises for the Director, Loan Guaranty Service, the effectiveness of regulations, policies and procedures in implementing public laws and attaining program objectives pertaining to the underwriting of loans, the extension of credit to eligible veterans, and the making of grants for specially adapted housing.

c. Recommends to the Director, Loan Guaranty Service, decisions on unprecedented problems and loans or grants, including credit determinations and marketing practices.

d. Recommends decisions for release, and provides technical advice and guidance to veterans, industry groups, trade associations, professional societies, and program participants, as well as to Members of Congress and other Government agencies.

e. Reviews proposed legislation and Executive orders pertaining to loans and grants, underwriting, eligibility of veterans and marketing practices, and

makes recommendations thereon to the Director, Loan Guaranty Service. Recommends to the Director, Loan Guaranty Service, changes to existing laws in order to improve the effectiveness, quality and efficiency of activities pertaining to the approval of loans and grants and the extension of credit.

f. Maintains liaison on lending and credit matters with trade associations and industry groups, professional societies, and other Government agencies.

g. Recommends administrative practices and procedures to be required of lenders and other program participants, including fee attorneys acting as loan closers, in connection with the origination of loans.

h. Recommends methods and techniques whereby field stations may effectively supervise persons and firms originating loans or serving VA in a fee capacity.

i. Directs action on appeals received from suspended lenders.

303.5 ASSISTANT DIRECTOR FOR LIQUIDATION

a. Formulates and recommends to the Director, Loan Guaranty Service, policies, plans, regulations, procedures, and standards pertaining to:

(1) Management and sale of loans owned;

(2) Servicing of guaranteed, insured and owned loans;

(3) Adjudication and determination of liability under contracts of guaranty or insurance; and

(4) Liquidation of the security for loans.

b. Appraises for the Director, Loan Guaranty Service, the effectiveness of regulations, policies and procedures in implementing public laws and attaining program objectives pertaining to the servicing, management and liquidation of loans and security for loans.

c. Recommends to the Director, Loan Guaranty Service, decisions on unprecedented problems, techniques and cases relating to the management, servicing and liquidation of loans and security for loans.

d. Recommends decisions for release, and provides technical advice and guidance, to veterans, industry groups, trade associations, and program participants, as well as to Members of Congress and other Government agencies.

e. Reviews proposed legislation and Executive orders pertaining to the management, servicing and liquidation of loans and makes recommendations thereon to the Director, Loan Guaranty Service. Recommends to the Director, Loan Guaranty Service, changes in existing laws in order to improve the effectiveness, quality and efficiency of loan servicing, management and liquidation activities.

f. Maintains liaison with trade associations and industry groups and with other Government agencies on loan servicing and liquidation matters, including the sale of loans.

g. Recommends administrative practices and procedures to be required of holders, servicing agents, and investors, in connection with the servicing liquidation and sale of loans.

h. Recommends methods and techniques whereby field stations may effectively supervise persons and firms serving VA in a fee capacity.

i. Directs action on appeals received from suspended holders.

303.6 ASSISTANT DIRECTOR FOR PROPERTY MANAGEMENT

a. Formulates and recommends to the Director, Loan Guaranty Service, policies, plans, regulations, procedures, and standards pertaining to:

(1) Acquisition of properties;

(2) Management, maintenance and repair of properties owned;

(3) Rental of properties owned; and

(4) Sales of properties owned.

b. Appraises for the Director, Loan Guaranty Service, the effectiveness of regulations, policies and procedures in implementing public laws and attaining program objectives pertaining to the acquisition, management and sale of acquired properties.

c. Recommends to the Director, Loan Guaranty Service, decisions on unprecedented property management problems, techniques and cases.

d. Recommends decisions for release, and provides technical advice and guidance, to veterans, industry groups, trade associations, and program participants, as well as to Members of Congress and other Government agencies.

e. Reviews proposed legislation and Executive orders pertaining to property management activities, and makes recommendations thereon to the Director,

Loan Guaranty Service. Recommends to the Director, Loan Guaranty Service, changes in existing laws in order to improve the effectiveness, quality, and efficiency of property management activities.

f. Maintains liaison on property management matters with trade associations and industry groups and with other Government agencies.

g. Recommends administrative practices and procedures to be required of holders, servicing agents, management brokers, sales brokers and repair contractors.

h. Recommends methods and techniques whereby field stations may effectively supervise persons and firms serving VA as management or sales brokers and repair or management contractors.

303.7 ASSISTANT DIRECTOR FOR EVALUATION

a. Formulates and recommends to the Director, Loan Guaranty Service, policies, plans, procedures and standards for program-wide application with respect to the organization of Loan Guaranty Divisions at field stations and the maintenance of effectiveness, productivity and quality of operations throughout all activities concerned with the guaranty or insurance of loans, the making of direct loans, and related transactions.

b. Directs a continuing program of technical surveys to determine the quality of performance and service to veterans, builders and lenders rendered by Loan Guaranty Divisions at field stations and to assess the utilization of manpower, fund and material resources and the management of such divisions; recommends evaluations of performance at field stations.

c. Supervises the review and analysis of field station estimates of workloads and employment and recommends adjustments to Area Field Directors, Advises the Deputy Director of workload and employment conditions pertinent to financial management activities of the program.

d. Directs the formulation and administration of a system of performance standards, including work rate standards and quality measurement standards, for the purpose of determining and improving the effectiveness of operations at field stations.

e. Initiates action to correct imbalances between field stations with respect to the distribution of allowances for manpower. Also, recommends to the Chief Benefits Director, through the Director, Loan Guaranty Service, changes in regulations, policies and procedures necessary and appropriate to improve efficiency, economy and effectiveness in operations in any or all functional areas of the program.

f. Directs a staff engaged in development of policies, plans and procedures for systematic analysis of technical and operational factors in all functional areas of Loan Guaranty field operations, and the monitoring and adjustment of a management information system producing measures of program operations.

Similarly, paragraph 511.2 Loan Guaranty Division of the VA Organization Manual sets forth the duties and responsibilities of the regional office Loan Guaranty Officers as quoted below.

511.2 LOAN GUARANTY DIVISION

a. Determines eligibility of individual veterans to loan entitlement benefits.

b. Guarantees, insures, and makes home, condominium and mobile home loans.

c. Determines reasonable value of properties to be sold, constructed, or repaired with financing under provisions of law and the enforcement of established planning, construction, and general acceptability standards, including the administration of a fee system of appraisal and compliance inspection.

d. Manages VA's portfolio of direct loans, vendor accounts and acquired loans and the servicing of loans guaranteed or insured.

e. Adjudicates and determines VA's liability under contracts of guaranty and insurance, including the liquidation of security and disposition of personal liabilities.

f. Manages and disposes of properties acquired by VA as a result of program operations.

g. Provides technical advice and assistance to certain physically handicapped veterans who purchase or build a home with the aid of a grant.

h. Furnishes staff assistance to the Committee on Waivers and Compromises.

i. Implements the provisions of Executive orders, Federal statutes and regulations pertaining to fair housing, with respect to the loan guaranty, direct loan and acquired property disposal programs.

In carrying out these duties and responsibilities the regional office Loan Guaranty Divisions are organized into the following functional elements.

CONSTRUCTION AND VALUATION SECTION

Assign requests for determination of reasonable value on proposed, existing, foreclosures, mobile homes and condominiums to fee appraisers. Review appraisal reports; check comparables, determine contingencies; establish values, issue CRVs and MCRVs. Review plans and specs for compliance with MPS; make cost breakdowns. Review documentation supporting condominium and planned unit development submissions. Prepare subdivision analyses and make environmental determinations coordinating with FHA and State/local clearinghouses; conduct land planning. Make inspections of sites for subdivisions, mobile home parks, manufactured housing plants and condominiums. Handle construction complaints & coordinate with FHA. Maintain current roster of Compliance Inspectors and Appraisers. Assign Compliance Inspectors for proposed construction; check compliance inspection reports. Maintain roster & files on all approved builders. control monetary limitations of funds paid to fee personnel & quality control registers. Perform clerical functions for section. Conduct quality reviews. Maintain information as to Federal Flood Insurance Program.

LOAN PROCESSING SECTION

Review and evaluate applications for guaranty or insurance of loans for homes, mobile homes, condominiums and refinancing. Issue certificates of commitment and loan guaranty certificates for approved loans. Make direct home loans in eligible areas. Approve escrows to insure completion of postponed improvements. Evaluate and approve sales contracts for use in connection with proposed construction cases. Review and make determinations on requests for release from personal liability and for substitution of entitlement. Process paraplegic grants. Counsel and assist veterans and others concerning eligibility for various loans. Establish veterans' eligibility and issue certificates for VA and FHA Veteran's Status loans. Process and make determinations for exclusion of used entitlement. Maintain quality control registers and roster of active lenders, and perform clerical functions pertaining to the section. Conduct quality reviews.

LOAN SERVICE AND CLAIMS SECTION

Supplement mortgage holders' servicing of insured & guaranteed loans. Services portfolio of direct, vendee & acquired loans from output generated by PLACE system. Maintain on all portfolio loans—tax records, insurance, security files, invoices for payment, etc. Analyze all accounts & adjust monthly payments. Handle RPOs, perform coding and analyze output pertaining to T&I. Inspect security for loans periodically. Counsel & maintain liaison with veterans & others. Determine type of liquidation procedure to be followed when portfolio loan is insoluble. Examine and review all claims filed under loan guaranty. Maintain quality control registers & conduct quality reviews. Process portfolio loan sales.

PROPERTY MANAGEMENT SECTION

Responsible for the acquisition, inspection, demolition, custody protection, maintenance, repair, rental (including collection of rents), offer acceptance, credit underwriting, listing & sales of VA-owned properties, adjust post sale complaints. Make property and subdivision analyses, establish sales prices and supervise activities of sales and management brokers. Review and write repair specifications and determine adequacy of same. Prepare advertisements and copy for newspaper and radio releases. Pay vouchers for acquisition, fees, commission, repair and maintenance bills. Perform clerical duties for section. Maintain quality control registers and conduct quality reviews.

2. Please supply a breakdown, by grade, of the number and percentages of minorities and women employed in each division or section of VA's Loan Guaranty Office in Washington.

Current Loan Guaranty Service staffing as shown below includes Blacks and women. No other minorities are represented.

Grade	Total employees	Number and percent of employees by grade	
		Female	Black
Office of Director:			
17.....	1		
14.....	3	1— 33½	1— 33½
13.....	1		
8.....	1	1—100	
4.....	1	1—100	
Office of Deputy Director:			
16.....	1		
14.....	2		
13.....	5	3— 60	
12.....	2	1— 50	
11.....	6	2— 33½	
9.....	2	1— 50	
7.....	2	2—100	
6.....	2	2—100	
5.....	2	1— 50	2—100
4.....	3	3—100	1— 33½
3.....	1	1—100	
Office of Assistant Director for Liquidation:			
15.....	1		
14.....	2		
13.....	1		
12.....	1		
7.....	2	2—100	
5.....	1	1—100	
Office of Assistant Director for Construction and Valuation:			
15.....	1		
14.....	3		
13.....	2		
7.....	1	1—100	
6.....	1	1—100	1—100
5.....	1	1—100	
Office of Assistant Director, Property Management:			
15.....	1		
14.....	1		
13.....	2		1— 50
9.....	1	1—100	1—100
7.....	1	1—100	
6.....	1	1—100	1—100
Office of Assistant Director for Loan Policy:			
15.....	1		
14.....	2		
13.....	5		
12.....	1		
11.....	1		
7.....	1	1—100	
6.....	2	2—100	1— 50
5.....	1	1—100	1—100
Office of Assistant Director for Evaluation:			
15.....	1		
14.....	2		
13.....	4		
12.....	2		
7.....	1	1—100	
6.....	1	1—100	
4.....	2	2—100	

3. Please supply a breakdown, by grade, of the number and percentages of minorities and women employed in each division or section of each regional Loan Guaranty office.

The requested data are not available. Nationwide totals for all full-time VA employees as of May 31, 1976 were as follows:

	White	Negro	Spanish surname	American Indian	Oriental
Males.....	93,749	22,450	3,569	217	1,169
Females.....	98,693	25,954	1,846	189	1,483
Total.....	192,442	48,404	5,405	406	2,652

4. How much money (total amounts and percentages) has VA allocated to fair housing enforcement each year since 1973?

The organizational structure and attendant responsibilities upon incumbents for equal opportunity renders an accurate dollar expenditure on fair housing enforcement efforts impossible. VA employs an organizational principle which weaves equal opportunity and fair housing responsibilities throughout the entire program's administration. One of the basic responsibilities of the Director of the Loan Guaranty Service, as well as his counterpart Loan Guaranty Officer in each regional office, is administration of the GI housing program in a manner to promote fair housing. The Loan Guaranty Service Director, assisted by the equal opportunity staff, is responsible for ensuring that each policy and procedure promulgated by Central Office contributes to the goal of fair housing. Comparably, each Loan Guaranty Officer is responsible for ensuring that the regional office implementation of policies and procedures promote fair housing. This responsibility pertains as well, of course, to the daily administration of the operating elements within Loan Guaranty.

Therefore, with equal housing opportunity and fair housing responsibilities woven so tightly into the fabric of the Loan Guaranty program, it is not feasible to separate out a specific amount for fair housing enforcement activities.

5. How many VA employees work full time on fair housing enforcement in VA programs?

The Equal Housing Opportunity staff of the Loan Guaranty Service is comprised of three professionals and one clerical assistant. The clerical assistant is currently vacant and one of the three professionals is on detail through a special intragovernment agreement to the City of Nashville.

6. What civil rights fair housing training is provided to the Loan Guaranty staff? Who receives the training and who gives the training?

A member of the Equal Housing Opportunity staff trains Loan Guaranty Staff at VA regional offices. The focus of this training is to provide sensitivity to minorities' problems and perception and an understanding of the conceptual foundation and framework of VA's equal opportunity regulations, policies and procedures, which Central Office promulgates and VA regional offices implement.

Based on this conceptual framework of equal housing opportunity, the Loan Guaranty Officer at each VA Regional Office continues this training through each of the operating elements in how equal opportunity relates to their daily operations. The Loan Guaranty Officer is also available for answering staff questions as they arise or assisting in special cases.

The equal housing opportunity training at VA regional offices is augmented by the quality survey team. Each regional office is visited by a quality review team from Central Office every 18 months. An integral part of the quality review is implementation of equal opportunity policies and procedures. Where a regional office is found to be at variance with a policy or procedure, the team brings this to the attention of the Loan Guaranty Officer and the particular operating element. The Central Office team explains the nature of the variance and trains the staff in the proper interpretation and implementation.

Special training has been provided staff in 22 regional offices by the Equal Housing Opportunity staff. Counseling programs designed for minority veterans have been established at these 22 regional offices and Loan Guaranty staff have received specific training in how to counsel. The counsellors are trained to assist minority veterans who have been unable to purchase homes outside the confines of the inner city, are seeking home ownership for the first time, are uncertain of all the costs involved in home ownership, have previously been rejected for home loans, or who have had difficulty locating lenders willing to make loans.

7. Are central office equal opportunity staff sent out to train regional Loan Guaranty staff?

As indicated in our response to the question above, equal housing opportunity staff have conducted training for Loan Guaranty staffs at VA regional offices. For example in calendar year 1975, an equal housing opportunity staff assistant spent 121 working days or 48% of his time in the field. During 1975 he visited the following cities and VA regional offices: St. Petersburg, Miami and Jacksonville, FL; Buffalo, NY; Detroit, MI; Milwaukee, WI; Atlanta, GA; San Diego, Los Angeles and San Francisco, CA; Nashville, TN; Philadelphia, PA; Indianapolis, IN; Chicago, IL; Cincinnati and Cleveland, OH; New Orleans, LA; and Charlotte, NC.

8. Please provide loan guaranty denial rates by sex and race for each regional office. Also, please explain any significant differences in denial rates from region to region.

VA does not currently have data on rejected guaranteed loan applications.

Computer reports have been developed which will provide the same information (race, sex, income, etc.) on rejected loan applications as is currently available for approved loans. This new data is expected to be available in the spring of 1977 for the FY beginning October 1, 1976.

9. By state, please provide, by sex and race, the average loan amount for VA-guaranteed loans. Provide this information for Fiscal Year 1973 to present.

Fiscal year 1975 was the first year for which VA compiled data by state on the average loan amount, by race/Spanish origin of borrowers obtaining VA guaranteed loans. Data on the average loan amount by sex is only available for FY 1976 and by regional office as opposed to state. The information requested, as available, is given below in tables showing average loan amount by race/Spanish origin and sex.

AVERAGE LDAN AMDUNT, BY RACE/SPANISH ORIGIN OF BORROWERS OBTAINING VA GUARANTEEO LOANS
DURING FISCAL YEAR 1976

State	White	Black	Spanish American	American Indian	Oriental	Other
Alabama.....	\$30,496	\$25,259	\$24,936	\$23,000	\$50,700	\$27,800
Alaska.....	55,230	57,328	48,830	51,375	53,920	54,380
Arizona.....	30,045	28,016	26,068	28,597	30,432	28,769
Arkansas.....	25,886	23,449	24,720	16,500	20,000	.....
California.....	36,089	32,221	31,881	33,735	36,987	35,421
Colorado.....	32,193	31,168	27,445	28,984	33,256	29,119
Connecticut.....	29,536	27,879	27,196	.....	21,375	30,188
Delaware.....	30,976	25,154	29,560	.....	24,900	17,900
District of Columbia.....	59,675	34,737	33,375	.....	.....	52,000
Florida.....	30,538	28,881	31,519	47,757	30,173	28,599
Georgia.....	30,830	29,122	28,754	.....	30,142	34,188
Hawaii.....	54,703	49,506	48,200	.....	56,040	51,949
Idaho.....	30,309	29,810	26,750	26,500	16,500	20,150
Illinois.....	30,611	24,445	28,179	23,450	40,375	28,300
Indiana.....	23,281	21,500	21,866	20,900	24,625	26,079
Iowa.....	25,000	24,908	21,481	15,500	16,625	21,367
Kansas.....	23,612	22,578	21,589	21,083	18,500	14,950
Kentucky.....	26,835	24,999	33,007	.....	27,488	25,725
Louisiana.....	29,530	25,830	25,150	24,360	32,760	30,546
Maine.....	25,979	24,280	31,100	18,500	29,500	29,525
Maryland.....	38,686	39,157	40,211	45,120	42,612	43,696
Massachusetts.....	27,442	24,457	30,000	20,833	31,550	15,100
Michigan.....	24,290	20,281	20,405	26,267	30,100	24,133
Minnesota.....	31,601	32,261	31,348	27,725	27,975	20,000
Mississippi.....	28,121	23,946	31,231	26,875	31,000	29,188
Missouri.....	24,730	22,979	25,357	28,888	23,908	24,300
Montana.....	28,782	29,550	28,938	26,950	28,860	32,500
Nebraska.....	27,967	24,561	26,300	26,475	25,857	26,363
Nevada.....	36,220	32,893	35,083	34,950	35,041	37,489
New Hampshire.....	29,311	29,929	30,667	.....	.....	.....
New Jersey.....	32,893	32,632	31,447	36,400	26,673	34,850
New Mexico.....	29,333	27,123	25,830	26,293	25,700	31,550
New York.....	27,927	32,289	33,684	23,330	30,590	29,670
North Carolina.....	29,049	26,925	28,744	23,180	31,761	35,285
North Dakota.....	27,415	34,800	19,180	26,400	.....	18,967
Ohio.....	26,654	23,694	24,075	24,400	31,943	27,938
Oklahoma.....	24,579	22,472	18,605	21,938	16,875	22,972
Oregon.....	29,507	25,015	24,896	25,467	27,300	35,740
Pennsylvania.....	26,411	16,638	14,738	32,000	18,671	24,050
Puerto Rico.....	.....	.....	35,082	.....	.....	.....
Rhode Island.....	25,489	23,533	.....	.....	.....	.....
South Carolina.....	28,590	26,402	29,027	.....	27,523	27,453
South Dakota.....	25,123	39,000	27,700	24,975	21,800	17,000
Tennessee.....	26,982	23,774	23,165	22,400	23,667	.....
Texas.....	28,273	24,110	22,074	24,010	29,228	29,886
Utah.....	30,967	31,702	28,192	30,820	30,988	29,155
Vermont.....	27,143	.....	17,600	.....	.....	.....
Virginia.....	40,063	32,959	36,076	36,700	38,631	37,648
Washington.....	29,300	30,265	28,091	27,092	31,557	28,063
West Virginia.....	25,956	27,986	17,500	.....	32,500	26,000
Wisconsin.....	29,791	23,646	20,700	25,450	.....	33,460
Wyoming.....	30,730	26,670	25,667	25,767	35,300	.....

**AVERAGE LOAN AMOUNT, BY RACE/SPANISH ORIGIN OF BORROWERS OBTAINING VA GUARANTEED LOANS DURING
FISCAL YEAR 1975**

State	White	Black	Spanish American	American Indian	Oriental	Other
Alabama.....	\$28,850	\$22,971	\$29,019	\$25,600	\$31,263	\$27,815
Alaska.....	48,390	46,435	47,135	42,938	46,500	44,433
Arizona.....	27,815	26,157	23,993	24,149	30,122	28,020
Arkansas.....	24,323	20,983	23,846	18,900		
California.....	31,597	28,842	27,744	30,004	32,574	31,540
Colorado.....	29,789	28,783	24,850	28,640	37,365	28,488
Connecticut.....	26,949	26,463	26,559		25,500	29,950
Delaware.....	28,296	29,686	19,325			35,500
District of Columbia.....	56,098	30,454	38,063	20,000		32,050
Florida.....	29,793	27,586	31,577	32,469	26,843	25,705
Georgia.....	30,136	26,626	29,440	25,267	29,900	27,450
Hawaii.....	54,440	60,725	56,917		48,865	45,423
Idaho.....	27,693	23,450	26,200		15,650	18,500
Illinois.....	28,438	23,266	24,049	27,933	32,068	28,843
Indiana.....	21,421	19,305	19,413			19,236
Iowa.....	22,229	20,503	19,318	12,800		22,000
Kansas.....	21,585	19,591	17,996	19,394		24,700
Kentucky.....	24,970	24,916	20,217		27,175	21,550
Louisiana.....	27,223	23,448	24,390	19,500	23,360	22,914
Maine.....	22,897	23,933	27,000	16,000		21,750
Maryland.....	37,153	35,303	38,578	40,172	39,061	38,725
Massachusetts.....	25,718	21,300	18,471	25,100		20,240
Michigan.....	23,188	18,808	19,552	25,433	19,950	27,425
Minnesota.....	27,647	27,074	26,696	24,422	29,400	33,250
Mississippi.....	25,980	22,250	23,058	23,500	25,750	38,000
Missouri.....	24,082	20,772	23,998	18,000	27,400	27,863
Montana.....	25,306	24,208	22,000	22,480		21,250
Nebraska.....	26,516	28,846	23,467	18,863	32,500	22,000
Nevada.....	32,239	30,946	30,113	28,020	33,857	30,982
New Hampshire.....	26,676	26,180	35,900			
New Jersey.....	31,396	29,374	29,066	29,750	29,220	30,280
New Mexico.....	25,439	28,478	22,671	23,694	18,100	19,180
New York.....	25,941	30,074	30,848	24,080	32,929	30,010
North Carolina.....	27,850	25,309	27,874	22,747	28,310	27,700
North Dakota.....	24,945			16,500		
Ohio.....	24,486	22,235	20,687	28,193	25,767	26,022
Oklahoma.....	22,510	20,720	18,613	17,471	20,575	23,593
Oregon.....	26,898	22,567	26,269	20,975	21,400	26,167
Pennsylvania.....	23,812	15,324	14,498		16,950	18,774
Puerto Rico.....	36,200	32,000	33,198			
Rhode Island.....	23,908	25,367				26,533
South Carolina.....	26,986	24,800	27,664	27,025	29,429	22,261
South Dakota.....	22,656		21,500	31,050		
Tennessee.....	25,230	21,256	24,396	30,150	21,425	30,950
Texas.....	25,862	21,924	19,938	21,331	28,438	25,463
Utah.....	27,282	26,861	23,094	23,033	28,023	20,975
Vermont.....	24,776	37,800				
Virginia.....	37,824	29,593	36,811	29,000	41,912	35,982
Washington.....	25,880	26,721	24,023	23,981	27,728	25,259
West Virginia.....	23,179	19,071				16,500
Wisconsin.....	26,898	21,022	19,905	21,017	30,425	20,000
Wyoming.....	25,395	23,433	21,652		22,550	21,500

AVERAGE LOAN AMOUNT, BY SEX OF BORROWERS OBTAINING VA GUARANTEED LOANS DURING FISCAL YEAR 1976

Regional office	Male	Female
Alabama: Montgomery	\$29,909	\$29,196
Alaska: Juneau	55,175	57,310
Arizona: Phoenix	29,795	28,353
Arkansas: Little Rock	25,537	22,372
California:		
Los Angeles	35,867	36,113
San Francisco	34,909	34,970
Colorado: Denver	32,301	30,314
Connecticut: Hartford	29,415	28,500
Delaware: Wilmington	30,260	25,375
District of Columbia: Washington	47,177	47,235
Florida: Jacksonville	30,544	33,134
Georgia: Atlanta	30,876	20,987
Hawaii: Honolulu	53,954	48,055
Idaho: Boise	30,441	28,426
Illinois: Chicago	28,791	28,191
Indiana: Indianapolis	23,001	17,344
Iowa: Des Moines	24,967	23,791
Kansas: Wichita	23,505	23,805
Kentucky: Louisville	26,687	27,191
Louisiana: New Orleans	28,955	26,658
Maine: Togus	25,652	25,169
Maryland: Baltimore	33,853	37,368
Massachusetts: Boston	27,387	28,185
Michigan: Detroit	23,528	27,072
Minnesota: St. Paul	31,799	36,137
Mississippi: Jackson	27,635	30,861
Missouri: St. Louis	24,443	23,773
Montana: Ft. Harrison	28,989	27,712
Nebraska: Lincoln	27,786	27,457
Nevada: Reno	35,235	36,128
New Hampshire: Manchester	29,040	30,312
New Jersey: Newark	32,826	-----
New Mexico: Albuquerque	27,724	28,641
New York:		
Buffalo	23,000	18,233
New York	33,542	32,333
North Carolina: Winston-Salem	28,748	29,950
North Dakota: Fargo	27,352	34,000
Ohio: Cleveland	26,258	24,693
Oklahoma: Muskogee	24,379	24,784
Oregon: Portland	29,714	29,257
Pennsylvania:		
Philadelphia	23,913	24,158
Pittsburgh	24,042	15,000
Puerto Rico: San Juan	35,615	33,785
Rhode Island: Providence	27,846	29,400
South Carolina: Columbia	28,316	28,932
South Dakota: Sioux Falls	25,118	-----
Tennessee: Nashville	26,598	25,628
Texas:		
Houston	28,908	27,200
Waco	27,129	27,384
Utah: Salt Lake City	30,953	31,230
Vermont: White River Junction	24,793	-----
Virginia: Roanoke	32,075	-----
Washington: Seattle	29,165	25,618
West Virginia: Huntington	26,140	30,820
Wisconsin: Milwaukee	28,773	23,500
Wyoming: Cheyenne	30,350	37,740
U.S. total	30,557	30,623

10. For each state, please provide data which compares total guaranteed loan activity with the total eligible veteran population. Also, for each state, compare minority guaranteed loan activity with the eligible minority veteran population. In addition, provide such comparative information by sex.

State data comparing VA guaranteed loans closed with veteran population for each race/Spanish origin group is available only for Fiscal Years 1975 and 1976. VA does not have data comparing loans closed and veteran population by sex. The data available is shown below on the table, Comparison of VA Guaranteed Loans Closed with Veteran Population by Race/Spanish Origin of Borrower.

COMPARISON OF VA GUARANTEED LOANS CLOSED WITH VETERAN POPULATION BY RACE/SPANISH ORIGIN OF BORROWER

	Total number	Percent distribution by race/Spanish origin					
		White	Black	Spanish American	American Indian	Oriental	Other
Alabama:							
Veteran population.....	421,000	85.7	13.9	0.4	(¹)	(¹)	(¹)
Loans closed—fiscal year 1975.....	5,887	85.4	14.2	.2	(¹)	0.1	0.1
Loans closed—fiscal year 1976.....	7,020	86.9	12.7	.2	(¹)	.1	.1
Alaska:							
Veteran population.....	41,000	85.9	1.7	1.4	3.2	.6	7.2
Loans closed—fiscal year 1975.....	1,003	93.1	3.8	1.0	.8	.1	1.2
Loans closed—fiscal year 1976.....	802	92.0	5.2	.6	.2	.6	1.2
Arizona:							
Veteran population.....	285,000	81.8	2.0	13.5	2.3	.2	.2
Loans closed—fiscal year 1975.....	8,996	87.2	3.8	8.2	.4	.2	.2
Loans closed—fiscal year 1976.....	9,078	88.4	3.4	7.2	.4	.2	.3
Arkansas:							
Veteran population.....	251,000	90.5	8.4	.7	.1	.1	.2
Loans closed—fiscal year 1975.....	2,267	86.1	13.3	.6	(¹)	0	0
Loans closed—fiscal year 1976.....	2,187	88.5	11.2	.2	(¹)	(¹)	0
California:							
Veteran population.....	3,272,000	81.3	5.6	10.4	.3	1.8	.6
Loans closed—fiscal year 1975.....	47,740	79.7	10.1	7.1	.2	1.0	1.9
Loans closed—fiscal year 1976.....	57,657	81.2	8.9	6.6	.1	1.0	2.1
Colorado:							
Veteran population.....	344,000	87.5	2.4	9.5	.2	.2	.2
Loans closed—fiscal year 1975.....	12,247	87.2	4.6	7.4	.1	.3	.3
Loans closed—fiscal year 1976.....	14,790	87.4	4.6	7.5	.1	.2	.2
Connecticut:							
Veteran population.....	461,000	94.9	3.8	1.1	(¹)	.1	.1
Loans closed—fiscal year 1975.....	1,278	90.5	7.6	1.3	0	.2	.5
Loans closed—fiscal year 1976.....	1,741	88.4	6.7	1.5	0	.2	3.2
Delaware:							
Veteran population.....	79,000	89.5	9.5	.7	.1	.1	.1
Loans closed—fiscal year 1975.....	866	85.2	13.7	.9	0	0	.1
Loans closed—fiscal year 1976.....	892	86.3	12.9	.6	0	.1	.1
District of Columbia:							
Veteran population.....	113,000	32.2	65.5	1.5	.1	.4	.3
Loans closed—fiscal year 1975.....	878	26.8	71.6	.5	.1	0	1.0
Loans closed—fiscal year 1976.....	773	23.5	75.7	.5	0	0	.3
Florida:							
Veteran population.....	1,167,000	88.6	8.1	3.1	(¹)	.1	.1
Loans closed—fiscal year 1975.....	17,880	88.5	9.0	1.8	.1	.1	.5
Loans closed—fiscal year 1976.....	17,028	87.2	8.3	3.9	(¹)	.2	.5
Georgia:							
Veteran population.....	593,000	85.9	13.3	.6	(¹)	.1	.1
Loans closed—fiscal year 1975.....	8,623	83.7	15.7	.5	(¹)	(¹)	(¹)
Loans closed—fiscal year 1976.....	9,114	84.2	15.2	.4	0	.1	(¹)
Hawaii:							
Veteran population.....	93,000	35.5	.6	2.7	.2	48.2	12.8
Loans closed—fiscal year 1975.....	241	45.6	.8	1.2	0	23.2	29.0
Loans closed—fiscal year 1976.....	663	51.4	1.2	.3	0	15.5	31.5
Idaho:							
Veteran population.....	97,000	97.7	.1	1.5	.4	.2	.1
Loans closed—fiscal year 1975.....	1,112	99.5	.1	.3	0	.1	.1
Loans closed—fiscal year 1976.....	1,673	98.6	.3	.8	.1	.1	.2
Illinois:							
Veteran population.....	1,557,000	88.9	9.1	1.6	(¹)	.2	.2
Loans closed—fiscal year 1975.....	8,388	75.6	22.2	1.8	(¹)	.1	.3
Loans closed—fiscal year 1976.....	8,264	73.3	24.6	1.8	(¹)	(¹)	.2
Indiana:							
Veteran population.....	717,000	93.8	5.2	.9	(¹)	(¹)	.1
Loans closed—fiscal year 1975.....	5,977	87.1	11.1	1.7	0	0	.2
Loans closed—fiscal year 1976.....	6,797	87.8	10.1	1.9	.1	(¹)	.1
Iowa:							
Veteran population.....	370,000	98.5	.9	.5	(¹)	(¹)	.1
Loans closed—fiscal year 1975.....	2,570	97.1	1.8	.8	(¹)	0	.2
Loans closed—fiscal year 1976.....	2,784	96.9	1.4	1.5	(¹)	.1	.1

COMPARISON OF VA GUARANTEED LOANS CLOSED WITH VETERAN POPULATION BY RACE/SPANISH ORIGIN OF
BORROWER—Continued

	Total number	Percent distribution by race/Spanish origin					
		White	Black	Spanish American	American Indian	Oriental	Other
Kansas:							
Veteran population.....	307,000	94.4	3.5	1.7	.2	.1	.1
Loans closed—fiscal year 1975.....	2,787	91.8	5.9	2.0	.1	0	.1
Loans closed—fiscal year 1976.....	3,594	91.2	6.5	1.9	.3	(¹)	.1
Kentucky:							
Veteran population.....	401,000	94.1	5.6	.3	(¹)	(¹)	(¹)
Loans closed—fiscal year 1975.....	2,052	89.9	9.8	.1	0	(¹)	.1
Loans closed—fiscal year 1976.....	1,797	89.1	9.8	.8	0	.1	.1
Louisiane:							
Veteran population.....	447,000	81.0	17.1	1.7	.1	(¹)	.1
Loans closed—fiscal year 1975.....	4,751	81.1	18.1	.5	(¹)	.1	.1
Loans Closed—fiscal year.....	6,014	83.0	16.0	.6	.1	.1	.2
Maine:							
Veteran population.....	141,000	99.4	.1	.4	.1	(¹)	(¹)
Loans closed—fiscal year 1975.....	1,482	99.5	.2	.1	.1	0	.1
Loans closed—fiscal year 1976.....	2,095	99.1	.2	.1	(¹)	.1	.4
Maryland:							
Veteran population.....	604,000	85.8	12.9	.9	.1	.2	.1
Loans closed—fiscal year 1975.....	8,126	72.3	25.5	.7	.1	.5	.9
Loans closed—fiscal year 1976.....	7,825	71.3	27.2	.8	.1	.3	.3
Messachusetts:							
Veteran population.....	875,000	97.1	2.0	.6	(¹)	.2	.1
Loans closed—fiscal year 1975.....	2,446	95.1	3.6	.3	.1	0	.9
Loans closed—fiscal year 1976.....	2,948	94.9	4.6	.3	.1	.1	.1
Michigan:							
Veteran population.....	1,176,000	89.7	9.1	.9	.1	.1	.1
Loans closed—fiscal year 1975.....	4,894	81.1	17.8	1.0	.1	.1	.1
Loans closed—fiscal year 1976.....	4,213	80.0	18.8	1.0	.1	.1	.9
Minnesota:							
Veteran population.....	544,000	98.1	.8	.5	.4	.1	.1
Loans closed—fiscal year 1975.....	6,971	98.5	.6	.7	.2	(¹)	.1
Loans closed—fiscal year 1976.....	9,365	96.9	.7	2.2	.1	(¹)	(¹)
Mississippi:							
Veteran population.....	239,000	82.6	16.9	.4	.1	(¹)	(¹)
Loans closed—fiscal year 1975.....	3,281	84.1	15.5	.2	.1	.1	(¹)
Loans closed—fiscal year 1976.....	3,668	86.0	13.5	.2	.1	.1	.1
Missouri:							
Veteran population.....	685,000	91.5	7.4	.8	.1	.1	.1
Loans closed—fiscal year 1975.....	2,918	85.2	13.8	.8	.1	(¹)	.1
Loans closed—fiscal year 1976.....	4,724	88.0	11.1	.5	.1	.1	.1
Montana:							
Veteran population.....	100,000	96.3	.1	.9	2.5	.1	.1
Loans closed—fiscal year 1975.....	729	98.1	.8	.1	.7	0	.3
Loans closed—fiscal year 1976.....	1,211	97.4	.9	.3	.7	.4	.2
Nebraska:							
Veteran population.....	195,000	96.5	2.0	1.0	.3	.1	.1
Loans closed—fiscal year 1975.....	1,951	95.4	3.0	1.3	.2	.1	.1
Loans closed—fiscal year 1976.....	2,435	94.8	3.9	.8	.1	.3	.2
Nevede:							
Veteran population.....	89,000	90.5	3.3	4.4	1.0	.5	.3
Loans closed—fiscal year 1975.....	2,243	92.4	5.1	1.4	.2	.3	.6
Loans closed—fiscal year 1976.....	2,549	92.6	4.4	1.6	.2	.4	.8
New Hampshire:							
Veteran population.....	119,000	99.4	.2	.4	(¹)	(¹)	(¹)
Loans closed—fiscal year 1975.....	611	99.3	.5	.2	0	0	0
Loans closed—fiscal year 1976.....	1,102	99.1	.6	.3	0	0	0
New Jersey:							
Veteran population.....	1,096,000	91.8	7.4	.6	(¹)	.1	.1
Loans closed—fiscal year 1975.....	6,277	84.3	13.0	2.4	(¹)	.1	.1
Loans closed—fiscal year 1976.....	5,823	81.9	14.5	3.2	(¹)	.1	.3
New Mexico:							
Veterans population.....	138,000	61.4	1.3	33.7	3.2	.1	.3
Loans closed—fiscal year 1975.....	1,364	73.4	2.7	22.2	1.2	.1	.4
Loans closed—fiscal year 1976.....	1,654	77.3	2.3	19.3	.8	.1	.1
New York:							
Veteran population.....	2,512,000	88.7	8.5	2.2	.1	.3	.2
Loans closed—fiscal year 1975.....	6,979	75.2	18.8	5.4	.1	.1	.5
Loans closed—fiscal year 1976.....	6,715	76.0	17.0	6.2	.1	.1	.5
North Carolina:							
Veteran population.....	601,000	87.4	11.9	.3	.4	(¹)	(¹)
Loans closed—fiscal year 1975.....	7,362	82.1	17.0	.4	.2	.1	.3
Loans closed—fiscal year 1976.....	7,915	81.8	17.0	.8	.1	.1	.2
North Dakota:							
Veteran population.....	66,000	98.1	.3	.3	1.1	.1	.1
Loans closed—fiscal year 1975.....	618	99.8	0	0	.2	0	0
Loans closed—fiscal year 1976.....	714	98.0	.4	.7	.4	0	.4

COMPARISON OF VA GUARANTEED LOANS CLOSED WITH VETERAN POPULATION BY RACE/SPANISH ORIGIN OF BORROWER—Continued

	Total number	Percent distribution by race/Spanish origin					
		White	Black	Spanish American	American Indian	Oriental	Other
Ohio:							
Veteran population.....	1,497,000	91.9	7.3	.6	(¹)	.1	.1
Loans closed—fiscal year 1975.....	16,514	83.8	15.4	.5	(¹)	(¹)	.2
Loans closed—fiscal year 1976.....	17,082	85.6	13.8	.4	(¹)	(¹)	(¹)
Oklahoma:							
Veteran population.....	383,000	91.2	4.3	1.1	3.1	.1	.2
Loans closed—fiscal year 1975.....	3,766	92.2	5.7	.7	1.1	.1	.2
Loans closed—fiscal year 1976.....	4,123	91.6	5.6	1.1	1.3	(¹)	.4
Oregon:							
Veteran population.....	352,000	96.9	.9	1.2	.4	.4	.2
Loans closed—fiscal year 1975.....	1,322	90.5	2.2	6.7	.3	.2	.2
Loans closed—fiscal year 1976.....	1,524	92.7	1.1	5.4	.2	.3	.3
Pennsylvania:							
Veteran population.....	1,742,000	92.9	6.8	.1	(¹)	.1	.1
Loans closed—fiscal year 1975.....	8,948	76.4	22.0	1.5	0	(¹)	.1
Loans closed—fiscal year 1976.....	9,456	77.2	21.7	1.0	(¹)	.1	.1
Puerto Rico:							
Veteran population.....	157,000	(¹)	(¹)	100.0	(¹)	(¹)	(¹)
Loans closed—fiscal year 1975.....	2,918	.1	(¹)	99.8	0	0	0
Loans closed—fiscal year 1976.....	1,793	0	0	100.0	0	0	0
Rhode Island:							
Veteran population.....	147,000	97.2	1.9	.5	.1	.2	.1
Loans closed—fiscal year 1975.....	44	86.4	6.8	0	0	0	6.8
Loans closed—fiscal year 1976.....	65	90.8	9.2	0	0	0	0
South Carolina:							
Veteran population.....	310,000	84.6	15.1	.3	(¹)	(¹)	(¹)
Loans closed—fiscal year 1975.....	4,133	82.6	16.0	.8	(¹)	.3	.2
Loans closed—fiscal year 1976.....	4,705	83.6	15.5	.5	0	.3	.2
South Dakota:							
Veteran population.....	80,000	96.1	.1	.3	3.4	(¹)	.1
Loans closed—fiscal year 1975.....	399	98.7	0	.8	.5	0	0
Loans closed—fiscal year 1976.....	606	96.7	.2	2.0	.7	.2	.3
Tennessee:							
Veteran population.....	520,000	89.9	9.8	.3	(¹)	(¹)	(¹)
Loans closed—fiscal year 1975.....	5,273	82.4	17.2	.3	(¹)	.1	(¹)
Loans closed—fiscal year 1976.....	6,396	85.5	14.0	.3	(¹)	.1	0
Texas:							
Veteran population.....	1,558,000	80.1	8.4	11.1	.1	.1	.2
Loans closed—fiscal year 1975.....	25,102	76.2	11.4	12.0	.1	.1	.2
Loans closed—fiscal year 1976.....	29,452	78.7	9.8	11.1	.1	.1	.2
Utah:							
Veteran population.....	144,000	95.5	.4	3.2	.5	.3	.1
Loans closed—fiscal year 1975.....	2,182	95.6	.8	2.6	.3	.5	.1
Loans closed—fiscal year 1976.....	2,665	94.6	1.2	3.3	.2	.3	.4
Vermont:							
Veteran population.....	62,000	99.0	.1	.7	(¹)	.1	.1
Loans closed—fiscal year 1975.....	116	99.1	.9	0	0	0	0
Loans closed—fiscal year 1976.....	132	99.2	.8	0	0	0	0
Virginia:							
Veteran population.....	636,000	86.9	12.1	.8	(¹)	.1	.1
Loans closed—fiscal year 1975.....	11,608	87.1	10.6	.6	(¹)	.4	1.2
Loans closed—fiscal year 1976.....	13,309	87.9	9.8	1.5	(¹)	.4	.5
Washington:							
Veteran population.....	561,000	95.4	1.7	1.4	.6	.7	.2
Loans closed—fiscal year 1975.....	4,710	91.5	5.0	1.6	.2	.4	1.4
Loans closed—fiscal year 1976.....	6,065	91.6	4.2	1.5	.2	.4	2.1
West Virginia:							
Veteran population.....	232,000	96.7	2.9	.4	(¹)	(¹)	(¹)
Loans closed—fiscal year 1975.....	833	95.8	4.1	0	0	0	.1
Loans closed—fiscal year 1976.....	1,110	96.3	3.3	.1	0	.1	.2
Wisconsin:							
Veteran population.....	575,000	97.0	1.9	.6	.3	.1	.1
Loans closed—fiscal year 1975.....	1,869	82.5	15.8	1.0	.3	.1	.3
Loans closed—fiscal year 1976.....	1,389	81.7	17.1	.7	.1	0	.4
Wyoming:							
Veteran population.....	49,000	94.7	.4	3.7	.8	.2	.2
Loans closed—fiscal year 1975.....	616	93.8	1.9	3.9	0	.2	.2
Loans closed—fiscal year 1976.....	824	92.8	2.4	4.2	.4	.1	0
U.S. totals:							
Veteran population.....	29,201,000	88.9	7.2	3.0	.2	.5	.2
Loans closed—fiscal year 1975.....	284,148	82.6	11.7	4.8	.1	.3	.6
Loans closed—fiscal year 1976.....	318,321	83.8	10.7	4.4	.1	.3	.7

¹ Less than 0.05 percent.

11. For each state, please provide data which compares VA's total direct loan activity with that total eligible rural veteran population. Also, for each state, compare minority direct loan activity with the eligible minority veteran population. In addition, provide such comparative information by sex.

The VA does not have precise data on the number of veterans eligible for direct loans. The program operates only in rural areas, small cities and towns of under 30,000 which have been designated as capital shortage areas. Some rural areas are not designated eligible for VA direct loans.

The best available frame of reference for minority participation in the VA direct loan program is rural veteran population as reported by the Census Bureau. In providing the requested data comparing direct loan activity with eligible veterans, we used rural veteran population as a reasonable approximation of eligible veterans. Census data on rural veterans is available only for whites, blacks, Spanish American and all other minorities.

The VA has no state data, by sex, on veterans living in areas eligible for direct loans.

COMPARISON OF VA DIRECT LOANS CLOSED WITH RURAL VETERANS POPULATION BY RACE/SPANISH ORIGIN OF BORROWER—FISCAL YEAR 1973 THROUGH 1976

	Total	White	Black	Spanish American	American Indian ¹	Oriental ¹	Other ¹	Race number reported
Alabama:								
Rural veteran population	154,000	138,000	16,000					
Loans closed:								
1973	22	18		3				1
1974	22	20		2				
1975	29	25		4				
1976	11	8		3				
Alaska:								
Rural veteran population	22,000	18,000					4,000	
Loans closed:								
1973								
1974								
1975								
1976								
Arizona:								
Rural veteran population	55,000	42,000	1,000	7,000			5,000	
Loans closed:								
1973	1					1		
1974	1					1		
1975	2					2		
1976								
Arkansas:								
Rural veteran population	122,000	113,000	8,000	1,000				
Loans closed:								
1973	211	204	4	2	1			
1974	189	169	18		1			1
1975	235	221	14					
1976	205	195	9		1			
Delaware:								
Rural veteran population	20,000	18,000	2,000					
Loans closed:								
1973	28	23	2	2				1
1974	9	7	2					
1975	17	17						
1976	11	10	1					
Florida:								
Rural veteran population	219,000	203,000	13,000	3,000				
Loans closed:								
1973	37	29						8
1974	51	47	1		2			1
1975	38	36			2			
1976	26	24			2			
Georgia:								
Rural veteran population	219,000	200,000	18,000	1,000				
Loans closed:								
1973	50	38	1					11
1974	40	31	2					7
1975	20	17	3					
1976	21	20	1					

COMPARISON OF VA DIRECT LOANS CLOSED WITH RURAL VETERANS POPULATION BY RACE/SPANISH ORIGIN
OF BORROWER—FISCAL YEAR 1973 THROUGH 1976—Continued

	Total	White	Black	Spanish American	American Indian ¹	Oriental ¹	Other ¹	Race num- ber re- ported
Michigan:								
Rural veteran popula- tion.....	296,000	290,000	3,000	2,000			1,000	
Loans closed:								
1973.....	4	1						3
1974.....	1	1						
1975.....	1	1						
1976.....								
Minnesota:								
Rural veteran popula- tion.....	151,000	150,000					1,000	
Loans closed:								
1973.....	379	362			1			16
1974.....	286	271		1				14
1975.....	241	234			2			5
1976.....	309	305			3		1	
Mississippi:								
Rural veteran popula- tion.....	120,000	100,000	20,000					
Loans closed:								
1973.....	6							6
1974.....	4	2		1				1
1975.....	5	1		3				1
1976.....	1							1
Missouri:								
Rural veteran popula- tion.....	191,000	188,000	2,000	1,000				
Loans closed:								
1973.....	45	34	2					9
1974.....	17	17						
1975.....	33	33						
1976.....	28	28						
Montana:								
Rural veteran popula- tion.....	45,000	43,000					2,000	
Loans closed:								
1973.....	147	140		1	2			4
1974.....	108	105		1	1	1		
1975.....	192	187		1	4			
1976.....	217	209		1	6		1	
Nebraska:								
Rural veteran popula- tion.....	69,000	69,000						
Loans closed:								
1973.....	13	12		1				
1974.....	3	3						
1975.....	31	31						
1976.....	20	20						
New Hampshire:								
Rural veteran popula- tion.....	54,000	54,000						
Loans closed:								
1973.....								
1974.....								
1975.....	69	67	2					
1976.....	95	93	2					
New Mexico:								
Rural veteran popula- tion.....	35,000	17,000		14,000			4,000	
Loans closed:								
1973.....	6	3		3				
1974.....	7	4		2	1			
1975.....	5	3		1	1			
1976.....	1			1				
New York:								
Rural veteran popula- tion.....	360,000	355,000	4,000				1,000	
Loans closed:								
1973.....	3	3						
1974.....	10	10						
1975.....	4	4						
1976.....	22	22						

COMPARISON OF VA DIRECT LOANS CLOSED WITH RURAL VETERANS POPULATION BY RACE/SPANISH ORIGIN
OF BORROWER—FISCAL YEAR 1973 THROUGH 1976—Continued

	Total	White	Black	Spanish American	American Indian ¹	Oriental ¹	Other ¹	Race number reported
North Carolina:								
Rural veteran population	321,000	287,000	31,000	1,000				
Loans closed:								
1973	5	4		1				
1974	9	6	3					
1975	6	5	1					
1976	8	3	1				1	
North Dakota:								
Rural veteran population	50,000	49,000					1,000	
Loans closed:								
1973	32	29			2			1
1974	17	16						1
1975	16	15						1
1976	19	19						
Ohio:								
Rural veteran population	349,000	344,000	4,000	1,000				
Loans closed:								
1973	49	41	1					7
1974	51	47	2	1				1
1975	41	38		1				2
1976	37	36	1					
Oklahoma:								
Rural veteran population	112,000	104,000	2,000	1,000			5,000	
Loans closed:								
1973	154	128	2		9			15
1974	117	102	3		6			6
1975	115	107	1	2	5			
1976	146	131	3	1	10	1		
Oregon:								
Rural veteran population	116,000	114,000		1,000			1,000	
Loans closed:								
1973	81	75	1			1		4
1974	52	52						
1975	34	33				1		
1976	31	31						
Pennsylvania:								
Rural veteran population	479,000	474,000	5,000					
Loans closed:								
1973	56	49	2	2	1			2
1974	35	33	2					
1975	53	51	2					
1976	42	41	1					
South Carolina:								
Rural veteran population	155,000	132,000	23,000					
Loans closed:								
1973	56	44	5					7
1974	38	29	7	1				1
1975	18	11	7					
1976	4	3	1					
South Dakota:								
Rural veteran population	41,000	39,000					2,000	
Loans closed:								
1973	83	71			5			7
1974	64	53		1	2			8
1975	52	49		1	2			
1976	67	65			2			
Tennessee:								
Rural veteran population	196,000	188,000	8,000					
Loans closed:								
1973	22	16	2					4
1974	11	9	1	1				
1975	26	24	2					
1976	15	15						
Texas:								
Rural veteran population	296,000	260,000	16,000	20,000				
Loans closed:								
1973	166	134	13	10				9
1974	168	141	15	10				2
1975	124	105	11	8				
1976	136	115	8	11	1		1	

COMPARISON OF VA DIRECT LOANS CLOSED WITH RURAL VETERANS POPULATION BY RACE/SPANISH ORIGIN
OF BORROWER—FISCAL YEAR 1973 THROUGH 1976—Continued

	Total	White	Black	Spanish American	American Indian ¹	Oriental ¹	Other ¹	Race number reported
Utah:								
Rural veteran population.....	24,000	24,000	-----	-----	-----	-----	-----	-----
Loans closed:								
1973.....	174	143	-----	2	-----	2	-----	27
1974.....	105	93	-----	6	2	-----	-----	4
1975.....	89	86	-----	3	-----	-----	-----	-----
1976.....	85	82	-----	3	-----	-----	-----	-----
Vermont:								
Rural veteran population.....	42,000	42,000	-----	-----	-----	-----	-----	-----
Loans closed:								
1973.....	12	12	-----	-----	-----	-----	-----	-----
1974.....	28	28	-----	-----	-----	-----	-----	-----
1975.....	43	43	-----	-----	-----	-----	-----	-----
1976.....	36	36	-----	-----	-----	-----	-----	-----
Virginia:								
Rural veteran population.....	167,000	146,000	20,000	1,000	-----	-----	-----	-----
Loans closed:								
1973.....	51	42	6	-----	-----	-----	-----	3
1974.....	52	43	5	-----	-----	-----	-----	4
1975.....	41	39	2	-----	-----	-----	-----	-----
1976.....	52	48	3	-----	-----	1	-----	-----
Washington:								
Rural veteran population.....	156,000	152,000	-----	2,000	-----	-----	2,000	-----
Loans closed:								
1973.....	5	4	-----	-----	-----	-----	-----	1
1974.....	5	4	-----	-----	-----	-----	-----	1
1975.....	1	1	-----	-----	-----	-----	-----	-----
1976.....	10	10	-----	-----	-----	-----	-----	-----
West Virginia:								
Rural veteran population.....	118,000	115,000	3,000	-----	-----	-----	-----	-----
Loans closed:								
1973.....	26	20	1	-----	-----	-----	-----	5
1974.....	19	17	2	-----	-----	-----	-----	-----
1975.....	9	9	-----	-----	-----	-----	-----	-----
1976.....	3	3	-----	-----	-----	-----	-----	-----
Wisconsin:								
Rural veteran population.....	173,000	172,000	-----	-----	-----	-----	1,000	-----
Loans closed:								
1973.....	87	87	-----	-----	-----	-----	-----	-----
1974.....	94	94	-----	-----	-----	-----	-----	-----
1975.....	104	99	1	-----	4	-----	-----	-----
1976.....	97	95	-----	-----	2	-----	-----	-----
Wyoming:								
Rural veteran population.....	18,000	18,000	-----	-----	-----	-----	-----	-----
Loans closed:								
1973.....	141	119	5	1	3	-----	-----	13
1974.....	205	118	5	-----	2	-----	-----	10
1975.....	171	165	5	-----	-----	-----	-----	1
1976.....	190	183	4	1	2	-----	-----	-----
U.S. total:								
Rural veteran population.....	6,912,000	6,535,000	243,000	88,000	-----	-----	46,000	-----
Loans closed:								
1973.....	2,960	2,588	58	27	27	4	-----	246
1974.....	2,591	2,367	84	32	16	2	-----	90
1975.....	2,630	2,495	67	26	21	1	-----	20
1976.....	2,825	2,700	42	33	29	3	8	10

¹ Separate population data for American Indian, oriental and other minority veterans in rural areas is not available; the total for the three groups is shown under other.

12. For each state, please provide the number and percentage of VA appraisers, compliance inspectors and management/sales brokers, who are members of minority groups. Provide the minority breakdown for blacks, Spanish speaking, Asian American, and American Indians.

The rosters of fee personnel, which includes appraisers, compliance inspectors and management brokers, are currently being updated at VA regional offices. This data is due in Central Office September 20, where it will be compiled and forwarded to the Committee prior to the hearing.

With respect to real estate sales brokers, the following data shows the minority sales brokers who received commissions for the sale of VA acquired properties during the fourth quarter of F Y 1976.

SALES BROKERS

Race/Spanish origin	Number making sales, April to June 1976	Percentage distribution
Total.....	2,189	100.0
White.....	1,702	77.8
Black.....	399	18.2
Spanish American.....	58	2.6
American Indian.....	9	.4
Oriental.....	9	.4
Other.....	12	.5

13. Please provide the number and percentage of VA-guaranteed loans by type of lender (i.e., mortgage bankers) for each fiscal year since 1973.

NUMBER OF LOANS BY TYPE OF LENDER

Fiscal year —	Total	Mutual savings banks	Commercial banks	S & L's	Insurance companies	Real estate and mortgage companies	Others
1973.....	359,276	16,811	40,447	57,540	2,105	214,772	571
Percent.....		4.7	11.3	16.0	0.6	67.3	0.1
1974.....	306,198	11,571	29,411	46,564	2,862	215,250	540
Percent.....		3.8	9.6	15.2	0.9	70.3	0.2
1975.....	288,167	7,602	24,251	41,391	2,278	212,253	392
Percent.....		2.6	8.4	14.4	0.8	73.7	0.1
1976.....	324,968	9,942	25,676	48,205	1,879	239,975	291
Percent.....		3.1	7.9	14.8	0.6	73.5	0.1

Note: Includes primary home loans, refinancing and direct loans sold and guaranteed.

14. For each type of lender, please provide breakdowns, by sex and race, of participation rates in the VA-guaranteed loan program.

The table below provides the requested data on the distribution of loans closed by borrowers' race/Spanish origin for each type of lender. No such data is available by sex of the borrower.

VA GUARANTEED LOANS CLOSED BY TYPES OF LENDER FOR EACH RACE/SPANISH ORIGIN GROUP, FISCAL YEAR 1976

Lender	Percentage distribution						
	Total	White	Black	Spanish American	American Indian	Oriental	Other
All lenders.....	100	83.8	10.7	4.4	0.1	0.3	0.7
Mortgage and real estate companies.....	100	82.1	11.8	4.9	.1	.3	.7
Savings and loan associations.....	100	88.5	7.8	2.9	.1	.2	.5
Mutual savings banks.....	100	93.2	5.1	0.7	.1	.1	.8
Commercial banks.....	100	86.9	7.6	3.9	.2	.5	1.0
Insurance companies.....	100	87.0	8.6	4.0	-----	.1	.4
Others.....	100	90.7	8.2	.4	.4	-----	.4

15. In addition to any monitoring of VA-required nondiscrimination certifications, which you were asked to describe in my earlier correspondence, I would appreciate your describing, in detail, all VA monitoring efforts to insure fair housing practices among lenders, brokers, appraisers, and builders.

VA monitors lenders, brokers, appraisers and builders through their submissions of appraisal requests, sales contracts, appraisals, and loan applications; documents essential to VA review and approval of GI loan applications. In addition, top field station loan guaranty staff are directed to meet with lenders, builders, brokers and other program participants on an individual or group basis to explain and emphasize VA policies and procedures.

Activities throughout the VA loan programs are subject to continuous evaluation as to compliance with VA policy directives and to ensure maintenance of high levels of quality and management.

Compliance with fair housing directives and responsibilities are an integral part of this evaluation system. The ongoing review of reports on minority participation in Central Office by the equal housing opportunity staff also serves to monitor this aspect of the program.

The evaluation process is divided into four distinct areas: statistical quality control, systematic analyses of operations, statistical evaluation reviews, and evaluation visits by Central Office personnel.

Statistical quality control has as its foundation the random selection and review of cases in each of 30 work processes. In each of the work processes quality criteria have been established. The nature of the reviews and their continuing character allow immediate identification of non-compliance as they are developing and points the way to prompt remedial action. Central Office monitors quarterly the results of field station quality reviews.

As an adjunct to the statistical quality control system and to ensure its continuing validity and usefulness, the results of each field activity's findings are subjected to a Central Office validation study once each 18 months.

Work processes and internal processing controls that are not amenable to statistical quality control procedures are subjected to a systematic analysis once during each 12 months. For this purpose, eight program areas have been identified and review criteria established. Typical of these analyses are reviews of attainment of program goals, including fair housing, and maintenance of internal control devices.

Each field activity is visited by Central Office personnel at least once in every 18 months for the purpose of completing the evaluation process by firsthand knowledge. During these visits, a review is made of the systematic analysis records of the activity, the results of the most recent validation study are discussed, and an evaluation of the quality of the management of the activity is made.

On the basis of all the foregoing evaluation items a written report is prepared that brings out any deficiencies and makes recommendations as to how such deficiencies may be overcome.

Performance and activity levels are also monitored through reviews of reports generated from station input to an automated management information system (AMIS). This system receives basic data for all major functional areas, i.e., loan processing, construction and valuation, etc. The basic data is placed in various report formats that provide data of all important program indicators including minority participation in the various aspects of the home loan program.

APPENDIX 3

THE ATTACHED IS ADDITIONAL VA MATERIAL, SUBMITTED ON THE DAY OF THE HEARING

VA GUARANTEED LOANS CLOSED OBTAINED BY VIETNAM ERA VETERANS BY RACE/SPANISH ORIGIN OF VETERAN FISCAL YEAR 1976

[Percent distribution]

	Total	White	Black	Spanish American	American Indian	Oriental	Other
Percent of loans.....	100.0	84.4	10.0	4.4	0.1	0.4	0.7

VA GUARANTEED HOME LOANS CLOSED BY ENTITLEMENT OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP, FISCAL YEAR 1976

Total under all entitlements,	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	6.7	6.1	11.1	7.4	4.8	6.6	5.5
Korean.....	4.0	3.7	5.8	5.5	5.1	4.0	2.6
Post Korean.....	13.4	13.2	15.2	14.0	17.6	8.2	12.5
Post Korean-Vietnam era.....	70.4	70.9	65.7	69.7	68.3	77.7	74.5
Entitlement previously excluded.....	5.4	6.0	1.8	3.2	3.5	3.0	4.5
Surviving spouse.....	.2	.1	.3	.1	.8	.6	.3

VA GUARANTEED HOME LOANS CLOSED BY AGE OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP, FISCAL YEAR 1976

Total, all ages.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25 yr old.....	6.5	6.5	6.5	8.3	5.6	3.0	3.9
25 to 29 yr old.....	34.6	35.4	28.8	35.7	33.1	26.5	28.5
30 to 34 yr old.....	23.0	23.3	21.2	21.3	23.7	26.0	23.7
35 to 39 yr old.....	12.3	12.2	13.0	10.9	12.3	18.1	16.1
40 to 44 yr old.....	9.1	8.8	11.4	9.0	13.9	11.3	12.1
45 to 49 yr old.....	6.2	6.0	8.2	6.4	5.1	7.2	7.8
50 to 54 yr old.....	4.8	4.6	6.2	4.9	4.3	5.0	5.0
55 to 59 yr old.....	2.5	2.5	3.3	2.6	1.3	1.4	1.5
60 or more years old.....	.9	.9	1.4	.9	.8	1.4	1.4

FEE PERSONNEL AND BROKERS BY RACE/SPANISH ORIGIN, FISCAL YEAR 1976

	Total	White	Black	Spanish American	American Indian	Oriental	Other
Alabama:							
Fee appraisers.....	130	130					
Compliance inspectors.....	74	74					
Management brokers.....	51	49	2				
Sales brokers ¹	26	22	3			1	
Alaska:							
Fee appraisers.....	30	30					
Compliance inspectors.....	2	2					
Management brokers.....	3	3					
Sales brokers ¹	0						
Arizona:							
Fee appraisers.....	93	91	2				
Compliance inspectors.....	49	49					
Management brokers.....	24	22	2				
Sales brokers ¹	86	82	2	2			

FEE PERSONNEL AND BROKERS BY RACE/SPANISH ORIGIN FISCAL YEAR 1976—Continued

	Total	White	Black	Spanish American	American Indian	Oriental	Other
Arkansas:							
Fee appraisers.....	71	71					
Compliance inspectors.....	47	47					
Management brokers.....	42	42					
Sales brokers ¹	33	29	4				
California:							
Fee appraisers.....	442	396	32	11		3	
Compliance inspectors.....	49	47	1	1			
Management brokers.....	64	47	10	6		1	
Sales brokers ¹	341	200	96	25	7	7	6
Colorado:							
Fee appraisers.....	125	118	5	2			
Compliance inspectors.....	41	41					
Management brokers.....	33	32		1			
Sales brokers ¹	48	41	6	1			
Connecticut:							
Fee appraisers.....	69	69					
Compliance inspectors.....	15	15					
Management brokers.....	23	22	1				
Sales brokers ¹	3	3					
Delaware:							
Fee appraisers.....	14	14					
Compliance inspectors.....	4	4					
Management brokers.....	4	4					
Sales brokers ¹	3	3					
District of Columbia:							
Fee appraisers.....	8	2	6				
Compliance inspectors.....	0						
Management brokers.....	1	1					
Sales brokers ¹	2	1	1				
Florida:							
Fee appraisers.....	181	180		1			
Compliance inspectors.....	48	48					
Management brokers.....	53	52	1				
Sales brokers ¹	88	81	4	3			
Georgia:							
Fee appraisers.....	136	130	6				
Compliance inspectors.....	22	22					
Management brokers.....	66	65	1				
Sales brokers ¹	125	76	49				
Hawaii:							
Fee appraisers.....	20	11				8	1
Compliance inspectors.....	16	6				8	2
Management brokers.....	0						
Sales brokers ¹	0						
Idaho:							
Fee appraisers.....	67	67					
Compliance inspectors.....	29	29					
Management brokers.....	43	42		1			
Sales brokers ¹	5	5					
Illinois:							
Fee appraisers.....	207	201	6				
Compliance inspectors.....	42	42					
Management brokers.....	121	118	3				
Sales brokers ¹	54	49	5				
Indiana:							
Fee appraisers.....	188	187	1				
Compliance inspectors.....	39	39					
Management brokers.....	85	81	4				
Sales brokers ¹	92	71	19		1		1
Iowa:							
Fee appraisers.....	154	154					
Compliance inspectors.....	37	37					
Management brokers.....	51	51					
Sales brokers ¹	11	11					
Kansas:							
Fee appraisers.....	73	72		1			
Compliance inspectors.....	33	33					
Management brokers.....	87	86	1				
Sales brokers ¹	24	17	7				
Kentucky:							
Fee appraisers.....	66	64	2				
Compliance inspectors.....	32	31	1				
Management brokers.....	55	54	1				
Sales brokers ¹	10	9	1				
Louisiana:							
Fee appraisers.....	94	93	1				
Compliance inspectors.....	71	71					
Management brokers.....	65	64	1				
Sales brokers ¹	45	43	2				

FEE PERSONNEL AND BROKERS BY RACE/SPANISH ORIGIN FISCAL YEAR 1976—Continued

	Total	White	Black	Spanish American	American Indian	Oriental	Other
Maine:							
Fee appraisers.....	110	110					
Compliance inspectors.....	26	26					
Management brokers.....	55	55					
Sales brokers ¹	5	5					
Maryland:							
Fee appraisers.....	89	85	4				
Compliance inspectors.....	11	11					
Management brokers.....	17	15	2				
Sales brokers ¹	4	3	1				
Massachusetts:							
Fee appraisers.....	139	135	4				
Compliance inspectors.....	22	22					
Management brokers.....	34	33	1				
Sales brokers ¹	31	26	5				
Michigan:							
Fee appraisers.....	101	94	7				
Compliance inspectors.....	24	23	1				
Management brokers.....	62	61	1				
Sales brokers ¹	83	54	29				
Minnesota:							
Fee appraisers.....	256	253	3				
Compliance inspectors.....	105	103	2				
Management brokers.....	138	137	1				
Sales brokers ¹	81	31					
Mississippi:							
Fee appraisers.....	147	145	2				
Compliance inspectors.....	43	42	1				
Management brokers.....	48	48					
Sales brokers ¹	81	78	2				1
Missouri:							
Fee appraisers.....	137	126	11				
Compliance inspectors.....	26	26					
Management brokers.....	76	68	8				
Sales brokers ¹	59	40	19				
Montana:							
Fee appraisers.....	45	45					
Compliance inspectors.....	32	32					
Management brokers.....	63	63					
Sales brokers ¹	1	1					
Nebraska:							
Fee appraisers.....	59	59					
Compliance inspectors.....	13	13					
Management brokers.....	69	69					
Sales brokers ¹	16	15	1				
Nevada:							
Fee appraisers.....	40	40					
Compliance inspectors.....	10	10					
Management brokers.....	2	2					
Sales brokers ¹	17	16	1				
New Hampshire:							
Fee appraisers.....	37	37					
Compliance inspectors.....	18	18					
Management brokers.....	32	32					
Sales brokers ¹	4	4					
New Jersey:							
Fee appraisers.....	68	64	4				
Compliance inspectors.....	2	2					
Management brokers.....	34	30	4				
Sales brokers ¹	88	72	14	1			1
New Mexico:							
Fee appraisers.....	70	70					
Compliance inspectors.....	27	27					
Management brokers.....	24	23		1			
Sales brokers ¹	5	4		1			
New York:							
Fee appraisers.....	228	224	4				
Compliance inspectors.....	42	42					
Management brokers.....	66	62	4				
Sales brokers ¹	43	32	11				
North Carolina:							
Fee appraisers.....	159	158	1				
Compliance inspectors.....	84	84					
Management brokers.....	58	53	5				
Sales brokers ¹	67	51	14	1	1		
North Dakota:							
Fee appraisers.....	68	68					
Compliance inspectors.....	12	12					
Management brokers.....	28	28					
Sales brokers ¹	1	1					

FEE PERSONNEL AND BROKERS BY RACE/SPANISH ORIGIN FISCAL YEAR 1976—Continued

	Total	White	Black	Spanish American	American Indian	Oriental	Other
Ohio:							
Fee appraisers.....	185	179	6				
Compliance inspectors.....	11	11					
Management brokers.....	103	98	5				
Sales brokers ¹	166	123	41				2
Oklahoma:							
Fee appraisers.....	103	98			5		
Compliance inspectors.....	50	46			4		
Management brokers.....	61	58	2		1		
Sales brokers ¹	73	54	19				
Oregon:							
Fee appraisers.....	56	55	1				
Compliance inspectors.....	24	24					
Management brokers.....	37	37					
Sales brokers ¹	12	11	1				
Pennsylvania:							
Fee appraisers.....	330	318	12				
Compliance inspectors.....	47	44	3				
Management brokers.....	168	156	12				
Sales brokers ¹	37	32	5				
Puerto Rico:							
Fee appraisers.....	39	3	1	34		1	
Compliance inspectors.....	9	1	1	7			
Management brokers.....	3	1		2			
Sales brokers ¹	3			3			
Rhode Island:							
Fee appraisers.....	10	10					
Compliance inspectors.....	1	1					
Management brokers.....	0						
Sales brokers ¹	1	1					
South Carolina:							
Fee appraisers.....	48	46	2				
Compliance inspectors.....	12	12					
Management brokers.....	33	32	1				
Sales brokers ¹	42	38	4				
South Dakota:							
Fee appraisers.....	45	45					
Compliance inspectors.....	11	11					
Management brokers.....	41	41					
Sales brokers ¹	3	3					
Tennessee:							
Fee appraisers.....	48	47	1				
Compliance inspectors.....	19	19					
Management brokers.....	24	24					
Sales brokers ¹	49	36	12			1	
Texas:							
Fee appraisers.....	363	349	8	6			
Compliance inspectors.....	77	74		3			
Management brokers.....	172	162	5	5			
Sales brokers ¹	208	170	16	21			1
Utah:							
Fee appraisers.....	32	32					
Compliance inspectors.....	20	20					
Management brokers.....	8	8					
Sales brokers ¹	2	2					
Vermont:							
Fee appraisers.....	43	43					
Compliance inspectors.....	5	5					
Management brokers.....	24	24					
Sales brokers ¹	1	1					
Virginia:							
Fee appraisers.....	150	147	3				
Compliance inspectors.....	51	50	1				
Management brokers.....	37	35	2				
Sales brokers ¹	24	22	2				
Washington:							
Fee appraisers.....	101	98	2			1	
Compliance inspectors.....	20	20					
Management brokers.....	50	46	4				
Sales brokers ¹	28	27	1				
West Virginia:							
Fee appraisers.....	53	51	2				
Compliance inspectors.....	39	39					
Management brokers.....	35	33	2				
Sales brokers ¹	1	1					
Wisconsin:							
Fee appraisers.....	120	118	2				
Compliance inspectors.....	28	28					
Management brokers.....	102	100	2				
Sales brokers ¹	13	10	3				

FEE PERSONNEL AND BROKERS BY RACE/SPANISH ORIGIN FISCAL YEAR 1976—Continued

	Total	White	Black	Spanish American	American Indian	Oriental	Other
Wyoming:							
Fee appraisers.....	46	46					
Compliance inspectors.....	26	26					
Management brokers.....	14	14					
Sales brokers ¹	1	1					
Total:							
Fee appraisers.....	5,693	5,478	141	55	5	13	1
Percentage distribution.....	100.0	96.2	2.5	1.0	0.1	0.2	
Compliance inspectors.....	1,597	1,561	11	11	4	8	2
Percentage distribution.....	100.0	97.7	0.7	0.7	0.3	0.5	0.1
Management brokers.....	2,589	2,483	88	16	1	1	
Percentage distribution.....	100.0	95.9	3.4	0.6			
Sales brokers.....	2,189	1,702	399	58	9	9	12
Percentage distribution.....	100.0	77.8	18.2	2.6	0.4	0.4	0.5

¹ Includes only brokers making sales during April to June 1976.

APPENDIX 4

OCTOBER 5, 1976.

Mr. ROBERT C. COON, *Director, Loan Guaranty Service, Veterans Administration, Vermont at H Street, NW., Washington, D.C.*

DEAR MR. COON: During your appearance before the Subcommittee on September 27, 1976, it was agreed that the Subcommittee would submit additional written questions to the Veterans Administration. Those additional questions are attached.

In order to insure that the Veterans Administration's responses to the attached questions will be made a part of the hearing record, I am requesting that those responses be provided by no later than October 20, 1976.

Thank you.

Sincerely,

DON EDWARDS,

Chairman, Subcommittee on Civil and Constitutional Rights.

Attachment.

ADDITIONAL QUESTIONS SUBMITTED BY THE SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS TO THE VETERANS ADMINISTRATION

NONDISCRIMINATION CERTIFICATIONS

1. VA requires an equal employment certification from its participating builders, in which they assure that they will display equal employment posters. However, such builders are not required, in their VA fair housing certifications, to display equal housing posters at construction sites, sales offices, etc. What is VA's explanation for not requiring from its builders the simple posting of the fair housing logo?

2. Why, in general, is the VA builders' fair housing certification so much weaker than their equal employment certification? In the employment area, builders commit themselves to taking affirmative steps. Why is there no such affirmative action required in the fair housing area—especially since Title VIII requires such affirmative action?

3. What would prevent VA from immediately strengthening its builder fair housing certification to at least bring it in line with the equal employment certification (i.e. requiring a fair housing poster display and a commitment to affirmative action)?

4. VA requires nondiscrimination certifications from most classes of persons with whom it does business. It requires them from builders, brokers, veteran home buyers, purchasers of its acquired property and appraisers. It does not, however, require written assurances from the lenders with which it deals. Why? Why does VA refuse to require lenders to sign assurances when such assurances are required from all others doing housing business with the agency? What makes lenders appropriate for special treatment or exemption?

5. In its 1974 housing report, the Civil Rights Commission found that VA was continuing to do business with brokers, in its acquired property program, who had failed to sign the Joint HUD-VA Nondiscrimination certification. The explanation given at the time was that VA would not sanction any brokers for failing to sign until HUD stopped lagging behind in its enforcement of the certification requirement. Are you continuing to do business with brokers who have not signed the joint assurance? If so, why?

6. In 1974, you found that HUD was extremely lax in terms of requiring participant brokers to sign the joint HUD-VA Certification. Does this situation persist? Have you found that HUD is still lax in imposing the requirement?

MONITORING OF CERTIFICATIONS AND PROGRAM PARTICIPANTS

1. Why does VA fail to monitor the housing nondiscrimination certifications which it receives? How can VA justify a fair housing enforcement program which relies solely on collecting and filing paper assurances?

2. In terming VA's failure to monitor as the most serious deficiency in its entire enforcement program, the Civil Rights Commission detailed the numerous law suits and instances which demonstrate that housing discrimination still persists among builders and lenders. Why does VA fail to monitor its paper assurances in the face of evidence of continuing discrimination?

3. In recent months, the Justice Department has filed suit against four national appraiser organizations because those organizations encourage their members to place a negative value on housing located in integrated neighborhoods. Don't you agree that this suggests the need to do more than simply accept the words, the written assurances, of the appraisers with whom VA does business?

4. Does VA at least require that those participating in its programs maintain and file with VA race and sex data? For example, are lenders required to file with VA loan application and approval rates, by race and sex? If not, why not? Are builders required to keep data on housing applications and approval rates, by sex and race? If not, why not?

5. If VA is not to be a passive participant in allowing its housing programs to perpetuate segregation, isn't it clear that VA must have an enforcement program that examines actual results, rather than simply whether or not paper assurances are on file?

6. VA utilizes compliance inspectors to make periodic checks on VA-assisted housing as it is being constructed. VA has indicated that such inspectors have, as part of their responsibility, checking to see whether equal employment posters are displayed at the construction sites. If properly trained, couldn't the activities of such inspectors be expanded to monitor builders' compliance with fair housing certifications as well? For example, couldn't the race and sex data on those applying and accepted for the housing be checked during such on-site visits? In general, couldn't an appropriate compliance check list be devised and couldn't final on-site inspections be scheduled when occupancy is taking place?

7. The Civil Rights Commission has recommended that each VA field station have at least some part time EO personnel. (Those stations now have no EO personnel whatsoever.) If you had such field personnel, couldn't they engage in some systematic monitoring of the fair housing practices of lenders, appraisers, brokers, and builders doing business with the regional office?

8. Also, has VA ever considered expanding the scope of its 18-month program reviews—conducted on each field station every 18 months—to include some type of special fair housing monitoring for those doing business with the particular field station? If not, why not?

9. What ever happened to the demonstration monitoring project for sellers and brokers which was being designed in FY 1974? Was the project carried out? If not, why not? If so, what were the results? (That project is described in the 1974 housing report of the Civil Rights Commission.)

10. The Leadership Conference's testimony before the Subcommittee pointed out that your failure to monitor the mortgage bankers who receive over 73% of your business is particularly egregious since neither the Federal financial regulatory agencies nor FHA monitors the fair lending practices of mortgage bankers. How can VA justify its failure to monitor such lenders?

11. When asked by the Subcommittee how VA monitors the fair housing practices of participating brokers, lenders, appraisers and builders, VA listed a number of items.

First, VA stated that it monitors through participants' submission of required VA documents. Obviously, the nondiscrimination certifications on such documents do not provide any means for monitoring actual compliance with the law. Therefore, what other data is required on those forms which could demonstrate the degree to which fair housing obligations are being met?

Second, VA also states that it monitors fair housing enforcement through statistical quality control, systematic analyses of operations, statistical evaluation reviews, and evaluation visits by Central Office personnel. Please describe in detail what the specific fair housing components are for each of these four evaluation processes. Also, please provide for the record the relevant handbook or manual provisions setting forth the fair housing criteria for each of these four evaluation processes. What kinds of fair housing deficiencies have these evaluations turned up? What corrective action did VA take with respect to the offending lender, broker, etc.?

12. Have monitoring proposals been submitted to you by any of your fair housing staff? If so, what did they entail and what was your response to them?

AFFIRMATIVE MARKETING REQUIREMENTS

1. During your recent appearance before the Subcommittee, you agreed that there were no legal obstacles to VA's implementing an affirmative marketing requirement; and that you would immediately consider the possibility of now instituting such a requirement. When responding to these questions on or before October 20, 1976, could you please apprise us of the decision which you have reached regarding this matter?

MONITORING OF INTERNAL COMPLIANCE WITH FAIR HOUSING POLICY

1. What are VA's primary methods for regularly monitoring the compliance of VA personnel with fair housing law and policy?

2. In the *Jefferson Mortgage* sex discrimination case, recently filed by the Justice Department, the defendant mortgage company has argued in defense that the VA required it to get the controversial special letter from the working wife, with no such requirement existing for the husband. In that case, VA admits that one of its field employees did sometimes require that lenders get such letters, *although this was contrary to VA policy*. How did VA allow an employee to engage in discriminatory activities when performing his duties, in violation of VA policy and the law?

3. Doesn't the *Jefferson Mortgage* case suggest that there are serious weaknesses in whatever spot check or monitoring system VA has to insure internal compliance with fair housing policy and law?

4. Does VA still do business with *Jefferson Mortgage* despite the fact that the Justice Department has found that that company engages in sex discrimination in its lending practices?

HOUSING DISCRIMINATION COMPLAINTS

1. Over the past several years, VA has been receiving an average of only nine (9) housing discrimination complaints per year. To what does VA attribute this low complaint volume?

2. The Civil Rights Commission believes that the low number of complaints is due to the relative anonymity of VA's complaint processing and procedures. Does VA have any plans to publicize its fair housing enforcement obligations to the public?

3. VA's response indicates that of the complaints processed at Central Office, only one resulted in a noncompliance finding, and that one involved the *Jefferson Mortgage* case. However, according to VA's data, some complaints are processed in the field stations. When one includes the field station-processed complaints, how many noncompliance findings have there been?

4. VA indicates that in most cases Loan Guaranty Officers and program personnel in the field stations investigate and resolve complaints. How can VA rely on such program personnel to perform these duties when the Civil Rights Commission has found that they are inadequately trained and generally unfamiliar with how to go about investigating discrimination complaints? Wouldn't it be better to have EO personnel in the field stations who could be responsible for such duties?

5. According to VA, the Central Office resolves complaints which it receives in the first instance; that is, complaints that were filed at the Central Office rather than at the field stations. Who, in the Central Office, is responsible for investigating such complaints? Why does VA have a complaint investigation system which depends on the fortuitousness of where you happen to file your complaint?

6. VA's response also states that complaints are referred to the Central Office when VA personnel are involved in the incident complained of or when the field station has been unable to resolve the complaint. Under those circumstances, what does the Central Office then do with the referred complaints? If VA personnel are involved, do they immediately investigate the charges and, if appropriate, proceed to take disciplinary action? When unresolved complaints have been referred by field stations, does the Central Office then move to suspension proceedings for the offending lender, builder, broker, etc.?

7. According to the Civil Rights Commission, your formal written complaint investigation procedures are outdated, having been developed at a time when there were not even any full time EO personnel in the Central Office. Is this still the case?

8. The Commission found that VA's failure to have written updated complaint procedures has resulted in field personnel simply not knowing what to do with complaints. Don't you agree, in light of this, that clear and updated written procedures are needed?

9. As you know, VA, unlike HUD—which has only conciliation authority—has considerable leverage when processing complaints. It can ultimately suspend the offending broker, lender, etc. Therefore, it is obvious that, whenever possible, VA should investigate and resolve complaints. Has VA entered into any formal agreement with HUD whereby HUD forwards to VA all discrimination complaints where VA housing or program participants are involved? If not, why not?

ORGANIZATION AND STAFFING

1. VA has five Assistant Directors in its Loan Guaranty Service who are responsible for areas such as loan policy, liquidation, and property management. In view of findings that your fair housing program suffers because you do not have a full time EO Director with policy making authority, why don't you have an Assistant Director for Fair Housing Enforcement?

2. You have explained that you do not have separate EO staff in the Loan Guaranty Service because all of your program personnel have fair housing responsibilities. You state that equal housing opportunity and fair housing responsibilities are "woven . . . tightly into the fabric of the Loan Guaranty program." Why is EO relegated to being simply adjunct responsibilities of regular program staff rather than being accorded some full time staff treatment as is done in the areas of loan policy, property liquidation and property management? Is fair housing enforcement simply not as high a priority as these other areas?

3. In the VA Organization Manual, it states that one of your responsibilities, Mr. Coon, as Director of the Loan Guaranty Service, is that of formulating and recommending policies, procedures and standards for obtaining compliance with fair housing laws in your loan guaranty and direct loan programs. Could you please tell us what specific fair housing recommendations you have made in carrying out this particular job responsibility? To whom were such recommendations made? Were they adopted, and, if so, have they been effective in bringing about integration under VA's housing programs?

4. The VA Organization Manual also indicates that the Loan Guaranty Officers (who are in charge in the various regional offices) are responsible for implementing statutes, Executive orders and regulations pertaining to fair housing. How do they do this? Specifically, what actions do they perform in carrying out this responsibility? What criteria do you use to judge whether or not they are doing a good job?

5. In the Washington Office, the Loan Guaranty Service has 86 employees. 36 of those employees are women and 10 of them are black. No other minorities are represented at all. What steps have you taken to recruit other minorities and additional black employees?

6. Thirty-one of the thirty-six women employed in the Central Office are below the GS-12 level. Eight of the 10 blacks employed in that office are below the GS-12 level. What steps are you taking to move minorities and women into the higher policy making grades in the Central Office?

7. Because the Civil Rights Commission criticized, as long ago as December 1974, VA's failure to have minority staff in the loan guaranty divisions of the regional offices, the Subcommittee asked you to provide race and sex employment data for each region. You have responded that this data is not available. In view of the Commission's finding two year ago, how is it that you have yet to even collect the necessary data to make a proper assessment of their charges? Could you please provide the requested data for the hearing record?

Despite your lack of data on the subject, have you taken steps to increase the number of minority and female professionals in the regional field stations? If so, please describe those steps.

8. You have responded that you cannot provide the Subcommittee with figures on the percentage of the VA budget allocated to fair housing enforcement. Why is it that you have placed fair housing enforcement at such a low priority that it does not even show up in your budget? How much money have you requested in recent fiscal years specifically for fair housing enforcement? How much money do you have set aside for travel for your small Central Office fair housing staff?

TRAINING

1. Which of the three members of your Central Office staff provides fair housing training at the regional offices? Has such training been taking place during the past nine months? You have listed the cities where fair housing training was provided in calendar year 1975. In what cities has such specific training been provided in calendar year 1976?

2. What steps have you taken to determine whether or not the training provided has actually been effective?

3. Since the Civil Rights Commission has found that the program personnel at your regional offices have very negative attitudes toward the need for fair housing enforcement, don't you agree that this casts serious doubt upon your view that only program personnel are needed for fair housing enforcement? Also, doesn't it call into question just how receptive such personnel will be to civil rights training?

4. You have indicated that the 18-month review compliance teams also engage in civil rights training. Does this mean that the two Central Office fair housing specialists are always members of these review teams? Please list for us the fair housing elements reviewed by those teams, which would point to the need for civil rights training.

PARTICIPATION DATA

1. How have you adequately monitored fair housing without having yet collected loan guaranty denial rates by sex and race for each regional office? Since you state that such data will be available in the spring of 1977, we request that you provide that information to us then. Does that mean that we should receive it in about March of 1977?

2. Based on questions raised by Congressman Drinan, majority staff has requested data, by state, of percentages of guaranteed and direct loan applications and loans closed by race, with age breakdowns. It was requested that this data be provided in a manner which compares it with the eligible veteran population with age and race breakdowns. You have already provided such data on a nationwide basis. Could you please provide it by state or regional office?

3. According to data which VA has provided, in three southern states, black veterans have had VA guaranteed loans closed at a rate less than their eligible population. This has taken place in Alabama, Mississippi, and Virginia. Similarly, in states with substantial Spanish speaking veteran populations, those veterans fall far short of receiving VA guaranteed loans in proportion to their population. For example, in Arizona, although Spanish speaking veterans are 13.5% of the eligible veteran population, in FY 1976, they received only 7.2% of the guaranteed loans. Similar substantial disparities can be found in California, Colorado, Nevada, and New Mexico. What explanation do you have for such disparities existing for black and Spanish speaking veterans? What special steps do you take in states where such disparities are identified in order to determine whether discrimination is involved?

4. The Leadership Conference on Civil Rights, when testifying before the Subcommittee last week, was extremely critical of VA's failure to analyze the data which it collects. Why do you not conduct at least annual evaluations of your race and sex data so as to identify where problem spots might exist?

5. VA's data indicates that most minorities participating in its programs are buying housing in "mixed" neighborhoods. How does VA define the term "mixed"? Is the definition sufficiently refined so as to weed-out neighborhoods which are in a rapid state of transition toward becoming all minority?

MINORITY BROKERS, APPRAISERS, INSPECTORS AND LENDERS

1. Exactly how does a broker, an appraiser, or an inspector go about being appointed to a VA roster?

2. The Civil Rights Commission found that, although the Central Office has made it clear that it wants the number of minorities on the rosters increased, field stations are generally ignoring that directive. What have you done to correct the situation?

VETERANS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., October 29, 1976.

Hon. DON EDWARDS, *Chairman, Subcommittee on Civil and Constitutional Rights, House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN. This will reply to your letter of October 5, 1976, presenting additional questions for inclusion in the record of the recent hearings of your Subcommittee on equal opportunity in the Veterans Administration's housing program.

Our responses to these questions are enclosed. Please note that we have broken down our reply into the ten broad subject areas identified in your submission. While we have not specifically responded on a one-for-one basis with each of the numbered questions within each category, we believe our narrative on each section covers all of your queries.

We hope this information will serve your purpose.

Sincerely,

RICHARD L. ROUDEBUSH,
Administrator.

Enclosures.

NONDISCRIMINATION CERTIFICATIONS

Builder. The variance in requirements between the equal employment certification and the fair housing certification is due to the language of the pertinent Executive Orders. Executive Order 11246, as amended by Executive Order 11375, which prohibits employment discrimination by government contractors and subcontractors, details specific provisions to be incorporated into every government contract. The equal employment certification, therefore, embodies each of the stipulated provisions. Executive Order 11063, by contrast, directs Federal agencies with housing programs to prevent discrimination in the provision and operation of these programs. The fair housing certification, therefore, prohibits discrimination and sets forth the sanctions that can be imposed where a violation is found.

Lenders. As promised to the Chairman, VA is presently considering amending the fair housing certification and requiring such certifications from lenders. When a decision is made the Chairman will be advised.

Joint HUD-VA Nondiscrimination Certification. The VA has fully implemented this joint certification program for management and sales brokers in the VA acquired properties program. As of April 1975 the joint certification program was formally incorporated into the operations manual for property management. Therefore, VA regional offices have been clearly instructed not to accept offers to purchase a VA acquired property from any management or sales broker who does not have the requisite nondiscrimination certification on file at the VA regional office selling the property.

MONITORING OF CERTIFICATIONS AND PROGRAM PARTICIPANTS

In analyzing questions 1, 2, 5, 6, 7, 8 and 11, all appear to address the basic question of what VA has done, is doing or proposes to do to monitor compliance with certifications required of all the various program participants. In this connection we have heretofore tried to explain in answer to question 7 of the Subcommittee's first inquiry, to question 1 of the Subcommittee's first and second inquiries, in answer to questions 6 and 7 in the Subcommittee's second inquiry, and in answer to question 15 of the Subcommittee's second inquiry as well as in our testimony of September 27, that VA has and is carrying out the spirit and intent of affirmatively administering its program. Title VIII gave the authority and responsibility for administering the Title to HUD.

With respect to the matter raised in question 4, VA does not require program participants—builders and lenders—to keep minority and sex data because the Loan Guaranty Service has its own elaborate data system. The raw data for this system is drawn from original documents submitted by builders, lenders and brokers. The collection of this data enables VA to monitor minority veteran participation in considerable detail, to correlate the participation rate at each regional office with the potentially eligible veteran population, and to identify areas that require more intensive study, research and possibly field investigation.

Examples of these correlations were forwarded to the Subcommittee in answer to question 9 and questions 9-14 in the first and second inquiries, respectively.

Operating on a basic presumption of innocence until proven guilty and having no proof that parties involved in pending lawsuits are guilty as charged, VA awaits the outcome of a court case prior to taking any action against the party named in the action. We would like to note, however, that while VA assigns private fee appraisers to appraise properties, VA determines the actual value placed on a property based on the appraiser's report, VA comparables, and a trained staff appraiser's review.

In addition, VA staff appraisers are required to perform a minimum of 5% field reviews of all appraisals made by fee appraisers to ensure that these fee appraisers are conforming to VA's policies and regulations, including the valuation of property without regard to race, color, religion, sex or national origin.

The "demonstration monitoring project" was conceived as a pilot project at two regional offices through the participation of two volunteer civil rights and minority groups. The cost of this pilot at two offices for 6 months with such appropriately trained and sensitive groups, when expanded to all 49 regional offices was estimated to cost approximately \$1 million a year. This cost was considered prohibitive, and the project was cancelled.

In question 10 it is stated that the Leadership Conference testified, in effect, that VA should monitor mortgage bankers because no Federal financial regulatory agencies—nor FHA—monitor these companies. The Committee, apparently assuming that the above allegation was factual, asked how VA "can justify its failure to monitor such lenders." We would point out that in FY 1976 that mortgage bankers as one type of lender made a higher percentage of loans to minority veterans than any other class of lenders (including those supervised by Federal regulatory agencies). In addition, while no conclusive data is available, it is a well known fact that many mortgage companies (perhaps as many as 50%) are wholly-owned subsidiaries of banks and bank holding companies, and, hence, are subject to the same examination and supervision by Federal regulatory agencies as is their parent corporations. Further, mortgage companies operating in the VA program are subject to the Equal Credit Opportunity Act.

There are no separate fair housing components in the Statistical Quality Control System. The quality review questions for each end product are sufficiently broad of scope that they encompass the area of fair housing compliance by VA employees. Typical questions are: Does the file contain a completed application with required documents and exhibits necessary to issue a commitment? Was all information, documentation, and evidence which had a bearing on the rejection decision, including income of spouse, fully developed and reviewed before the decision was made? Was the rejection decision proper? Negative findings to the questions must be described, investigated, and corrective action taken.

Specific fair housing components in the systematic analysis of operations are:

Review to determine that supervisory correspondence reviews cover the output of each employee who originates correspondence.

Identity of parties at interest submitting appraisal requests is clearly established and procedures are being followed which will preclude the issuance of Certificates of Reasonable Value in cases where parties of interest have been prejudicial to the interests of veterans.

A list of construction projects covered by Master Certificates of Reasonable Value is posted on the station bulletin and that it contains the information required, that it is current, it is supplied to individuals and groups upon request and that a copy is maintained in the Loan Guaranty Division.

Verify the performance of the fee appraisers and adequacy of staff field procedure by a review of a selected number of cases field reviewed to determine that the cases are properly documented and that appropriate corrective action, by admonishment and even removal from the fee panel, was taken with respect to any fee appraiser's unsatisfactory performance.

Controls to preclude acceptance of subdivisions previously determined unacceptable because of denial to appraise for particular builders, owners, or sponsors who have prejudiced veterans.

Assure that copies of VA Pamphlets 26-4, *Questions and Answers on Guaranteed and Direct Loan Applications*, 26-5, *Pointers for the Veteran Homeowner*, and 26-6, *To the Homebuying Veteran*, are routinely supplied to each veteran determined eligible for loan guaranty benefits.

Examine for the following evidences of program effectiveness: that the volume of requests for eligibility determinations indicates a general interest and incentive

on the part of the eligible veteran population to make use of loan guaranty benefits and that there is no evidence that lenders, brokers, and sellers are discouraging veterans from seeking GI loan benefits, that participation in the program is encouraged by timely service and consistent application of credit underwriting standards, that each application is considered individually, based on the particular circumstances and characteristics of the purchaser and the property, that the ratio of rejections to approvals appears logical and reasonable, and that necessary safeguards and requirements are implemented in such a manner that obstacles and deterrents to participation in the GI loan program are minimized.

Review and analyze the direct loan attrition rate and analyze the frequency of various causes or reasons for rejections, withdrawals or denials.

Verify that a current set of listings of VA owned properties for sale or rent is available in the Loan Guaranty Division for public inspection, and that sales listing procedures permit all sales brokers to receive listing information at the same time.

Verify that a method of control has been established to provide ready information on all brokers removed from the roster, and deliberations leading to removal or suspension are documented, and that there is a control method in use to assure no offer is processed from a broker who has not submitted a VA Form 26-8138, Joint HUD-VA Nondiscrimination Certification.

The small number of deficiencies turned up by the evaluation process have related to partial misunderstanding or misinterpretation of directives by field stations, as for example, when to advertise and what category of acquired properties are to be included in minority media advertising or, what constitutes the definition of a neighborhood for describing racial characteristics. Corrective action generally has been by means of on-the-spot training.

The function of the equal opportunity staff is to formulate and propose policies and procedures. These policies are reviewed and tailored to complement current operating procedures. Some examples of particular note are the development and distribution of a minority media directory listing all minority media and live programming times. Further all of the reports relating to minority participation, the methods of analyzing such data and recommendations for the improvements of such programs are on an ongoing basis.

AFFIRMATIVE MARKETING REQUIREMENTS

As we agreed on September 27, Loan Guaranty is re-evaluating its affirmative action program and has several alternatives under consideration. We will keep the Subcommittee apprised of any new developments.

MONITORING OF INTERNAL COMPLIANCE WITH FAIR HOUSING POLICY

A major portion of the Loan Guaranty quality review, statistical analysis and management review is specifically addressed to field personnel's observance of VA policies and procedures. This includes, of course, ensuring that all fair housing and equal opportunity directives are closely followed.

It should be noted that the government, in this case both the Veterans Administration and the Justice Department, have not admitted to any of defendant Jefferson Mortgage's contentions. In fact, the allegation in the Subcommittee's second question is one of the issues in the case and therefore VA cannot comment on this case any further at this time. Until this case is resolved by the courts VA will continue to process loan applications submitted by this lender.

HOUSING DISCRIMINATION COMPLAINTS

Although the present discrimination complaint processing procedure is being updated, the procedure clearly outlines how a complaint will be investigated and resolved at regional offices. A copy of all complaints received at VA regional offices is forwarded to the equal housing staff at Central Office, which affords them an opportunity to review the complaint prior to its resolution at the regional office.

Like findings at Central Office, findings of complaint investigations at regional offices usually indicate either a misunderstanding on the veteran's part of the steps involved in processing a loan application or oversight on someone's part—a lender has not submitted a loan to VA because the employer's verification of the veteran's income has not been received, a credit report did not accurately reflect all payments on an account, etc.

While Title VIII accords HUD only education and conciliation powers or referral to Justice, HUD, like VA has statutory authority to suspend program participants for many reasons, including discrimination. HUD and VA also have statutory authority to impose reciprocal sanctions.

ORGANIZATION AND STAFFING

The Loan Guaranty Service has the responsibility to assist veterans to secure housing (construction and valuation section) and to secure a loan that the veteran can reasonably be expected to repay (loan processing section). The loan servicing section is concerned with loans in default and assist borrowers in retaining their homes. Property management is responsible for selling VA acquired properties.

Promoting equal housing, like environmental standards, the Equal Credit Opportunity Act, and the Real Estate Settlement Procedures Act, are significant, but corollary aspects of assisting a veteran secure a home. Therefore each of these aspects in their turn becomes involved in securing a home, because each is intended to afford the veteran homebuyer a little extra protection. Equal housing ensures a house, a neighborhood of one's choice; environmental standards ensures unpolluted air and clean water; equal credit ensures that a spouse's income will be counted or a single person can secure a loan; and RESPA ensures that the buyer will have advance notice of the costs of settlement. Thus each of these corollary aspects becomes a part of the larger whole, getting the veteran a house and a loan.

Equal opportunity directives have been promulgated by Directors of the Loan Guaranty Service since the inception of the program. The most recent directives have concerned ECOA and the amendment of Title VIII to include sex discrimination.

Loan Guaranty Officers at VA regional offices implement equal opportunity and fair housing directives exactly as they would a directive concerning any other aspect of the program.

In our attempts to recruit minorities to VA Central Office, contact was made with National, local and civic minority-oriented organizations including IMAGE, United Planning Organization, D.C. Manpower, and the U.S. Veterans Assistance Center.

We recruit annually for typists and stenographers at schools in San Antonio, Texas, where Spanish surnamed students are enrolled.

We have in the past contacted the Bureau of Indian Affairs and recruited at an Indian school in North Carolina.

With respect to minority employment in Central Office, in addition to the five women in GS-12 and above positions, four women (including 1 black) are employed in professional career positions with promotion potential to GS-12. Three of these four women moved into their professional jobs from clerical positions. In addition, within the last year, two women have moved from clerical to technical positions.

Current data on the employment of minority and female professionals in the Loan Guaranty divisions of each of the 49 VA Regional Offices are now available in raw form. They will be provided you as soon as manual reconciliation can be accomplished.

Overall Department figures, as of May 31, 1976, are as follows:

Total GS-5 and above	1,136
Female (estimated) (18 percent)	204
Black (10 percent)	114
Hispanic (8 percent)	87
American Indian (1 percent)	12
Asian American (0.5 percent)	6

The Veterans Administration seeks to provide for the intake and upgrading of women and minorities throughout the agency and to effect changes in its various segments or organizations through a variety of means. They include but are not restricted to: recruitment activities directed to schools and colleges, including those with large concentrations of minorities and women; career days and job fairs to interest and attract veterans, students and the general public; exhibits and dissemination of recruitment literature at national conventions of minority group and women's organizations (i.e., NAACP, IMAGE, American GI Forum, and National Urban League); publication of a pamphlet outlining careers for women; and advertisements in minority group and women's magazines and other media.

In addition to these and other efforts to acquaint minorities and women with career opportunities in the VA, the agency strives to identify employees with potential and, through education and training to facilitate their movement into more challenging and rewarding positions. An example of such a program involving the loan guaranty field is illustrated by an article in the enclosed copy of VAnguard.

Each year since 1975 over two million dollars has been earmarked by Central Office to assist field stations in the implementation of their upward mobility programs. Approximately \$250,000 per year is allocated in the Department of Veterans Benefits for this purpose.

The Loan Guaranty Service has a budget for travel. The equal opportunity staff has not been restrained from necessary travel because of a lack of funds.

MRS. CARR MOVES UP TO REALTY SPECIALIST

Upward mobility introduced Linda Carr to a job she says she never would have considered before she joined the VA at Milwaukee Regional Office.

She is now a Realty Specialist, a position usually occupied by men.

Just 3 years ago she came aboard as Secretary to the region's Loan Guaranty



Officer. She learned that real estate could be "challenging, rewarding, and forever changing," and she was selected as a property management trainee in 1972.

Mrs. Carr reviews and analyzes property inspection reports submitted by management brokers that recommend repair and rehabilitation programs. She also appraises VA properties to establish minimum sales prices.

Furthermore, she is enrolled in courses in real estate and appraisal techniques at Milwaukee Area Technical College to supplement on-the-job training.

Mrs. Carr is active in the Loan Guaranty Minority Homebuyers Counseling Program and is the Federal Women's Employment Coordinator for the Milwaukee Regional Office. She is active in VA public relations—speaking to local groups and broadcasting announcements on television and radio about VA programs.

She is one of 11 clerical employees chosen in the past 2 years through the Milwaukee Upward Mobility Program for training and promotion to journeyman technical positions.

VAnguard

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TRAINING

Regional office training, focusing primarily on sensitivity to minorities and equal opportunity in general, was provided in calendar years 1974 and 1975, which included most regional offices and all of the regional offices with large volume and offices in States with high minority populations. With this first phase of training completed, the equal opportunity staff has focused on implementing the Equal Credit Act and refining and analyzing the minority participation data in calendar year 1976. Calendar year 1977 will take the equal opportunity staff back to regional office training with a focus on equal credit procedures and increasing minority veteran participation rates.

The survey team is comprised of persons who have specialized training in all facets of the program from appraising and loan underwriting to fair housing and environmental standards. No staff person from any of the operating divisions, including equal opportunity, accompany the team; rather they advise the team on what special things to look for at a particular regional office. In addition to special matters, the survey team reviews the station procedures and files to assure that:

An Equal Employment Opportunity Certification, VA Form 26-421, is in each builder's file.

Contractors and subcontractors are furnished Equal Employment Opportunity Posters and that compliance inspectors are instructed to observe whether the required posters are in place.

Current lists of construction projects covered by MCRV's are posted on station bulletin boards and are available to interested groups, i.e., civil rights, consumer, church and other minority organizations advising the public of projects eligible for VA guaranteed loans to qualified veterans.

A control method is in use to assure that no offer for a VA acquired property is processed from a broker who has not submitted a Joint HUD-VA Nondiscrimination Certification, VA Form 26-8138.

VA Sales listings are distributed to all interested sales brokers simultaneously.

Either all or a representative cross-section of the property inventory is regularly advertised through minority media.

Measures are employed to accelerate and expand opportunities for minority businessmen to participate in repair and maintenance work on VA acquired properties.

Supervisory and operating personnel are familiar with requirements for processing discrimination complaints.

Each of the foregoing are matters that are covered in VA directives.

PARTICIPATION DATA

Although denial rates by sex and race have not been available in the past, rejected loan applications are subjected to the quality review procedures both at field station and Central Office levels. In this connection it should also be noted that every loan application which is recommended for rejection by a loan examiner must also be reviewed by a higher level supervisor. The new data on rejected loan applications which we informed the Committee we are now obtaining will be available after the close of the first half of FY 1977 and will be made available to the Committee.

For VA guaranteed loans closed in FY 1976, the distribution of veteran borrowers by age and by race is available. The attached data covers the jurisdiction of each of the 49 VA loan guaranty divisions and is comparable to that already furnished the Committee for the entire U.S. (See p. 118.) This information is available for loans closed but not applications. Data by state is not available.

Similar data on direct loans is not available.

With regard to eligible veteran population by age and race, we are providing the distribution of the veteran population by age for each state, the only data available as to age distribution. Regional office data is not available nor is any breakdown of age by race.

Where Loan Guaranty data indicates that participation rates fall below eligible population several steps are taken. The income levels and homeownership rates for the State are checked with census data. The field station is queried, and ultimately an equal housing staff member may be sent to the regional office to interview loan processing personnel and local civil rights and minority groups. The FY 1976 participation rates are currently being analyzed in an attempt to determine factors contributing to low participation rates by race in certain areas, such as those cited in the Committee questions.

For the purpose of determining the Neighborhood Racial Characteristics to be reported by the appraiser, neighborhood is defined as all houses on the block containing the subject property and the block facing the subject property, or all houses within a cul-de-sac. A "mixed" neighborhood is described as one where houses are occupied by both white families and minority families. By use of this definition neighborhoods represent relatively small geographic areas, thus, the problem posed in question 5 is, in our view, minimized.

MINORITY BROKERS APPRAISERS, INSPECTORS AND LENDERS

Eligibility for placement on a VA regional office fee roster, (appraisers, compliance inspectors, management brokers) requires the submission of an application indicating one's experience and reputation in the particular field to the regional office having jurisdiction over the area in which the applicant wishes to serve. Appointments to fee rosters are made as the workload or inventory requires. The vagaries of the housing market, however, are the ruling factor. When the housing market is active is when VA needs additional fee personnel, but it is just when the market is active that applicants are busy with their own business and do not have time for VA assignments. By contrast when the market is slow, the fee personnel presently on VA rosters are adequate to handle the reduced number of assignments. However, when a need exists minority applicants are given equal consideration.

VA regional offices are on constant notice to recruit minority fee personnel. This subject was a major topic on the agenda of a recent seminar held in Washington for all Loan Guaranty Officers, which, along with other equal opportunity matters, were presented by the equal housing staff specialist.

Monitoring participation of minority appraisers, inspectors and brokers is an important aspect of the equal opportunity data monitoring program. VA does not know nor keep records on gender or race of owners or principals of lending institutions.

Any commercial bank, savings and loan association, insurance company, or other institution that is subject to examination and supervision by an agency of the Federal Government or of any State has the option of originating and closing loans and reporting same to VA for guaranty; in this respect, such lenders are commonly referred to as "supervised lenders" and the loans closed and reported to VA are considered to be "automatic guaranties." In addition, the Administrator may approve non-supervised lenders to process on an automatic basis. All other institutions must submit loans to VA for prior approval. However, all lenders rely upon VA to make the necessary determinations with respect to the eligibility of veterans and the reasonable value of the properties. In the case of lenders proceeding under the option of making loans for "automatic guaranty" the lender has the responsibility for determining the eligibility of the purpose of the loan, the adequacy of the veteran's income, and the acceptability of his credit standing. When loans are submitted to VA for prior approval, all such determinations are made by VA. Most loans processed under the VA program are in the category of prior approvals.

COOPERATION WITH OTHER FEDERAL AGENCIES

VA maintains liaison with other Federal agencies in connection with fair housing, equal credit and other areas concerning housing. We have not found the absence of "formal cooperation agreements" to be a deterrent to cooperation or reciprocity with VA by other Federal agencies.

Although such an occasion has not arisen, VA will refer cases of discrimination that appear to indicate a pattern and practice of discrimination to the Justice Department. For example, with respect to ECOA field stations have been instructed as follows:

"Obligation of Lender.—It is the lender's obligation to assure that it complies with all provisions of the Equal Credit Opportunity Act and Regulation B. Enforcement of the Act and Regulation B is the responsibility of the various Federal agencies listed in Section 202.12 of the regulation, not the VA. VA, however, will administer its program and activities to affirmatively further the purposes of the law. VA will not overlook any violations of the Act or Regulation B, and loan processing personnel will be watchful for discriminatory practices when reviewing loan submissions. Any violations VA finds may be deemed grounds for imposition of sanctions under VA Regulation 4331(A) and 4361(A) and referral to the Department of Justice for possible prosecution."

ESTIMATED NUMBER OF VETERANS IN CIVIL LIFE, BY STATE AND AGE, JUNE 30, 1976

[In thousands]

	Years							
	17 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54
Total.....	61	970	3,193	3,239	2,333	2,901	3,786	4,741
U.S. total.....	60	958	3,156	3,201	2,307	2,874	3,761	4,723
Alabama.....	1	13	45	46	34	45	58	70
Alaska.....	(1)	2	6	7	3	5	4	6
Arizona.....	1	9	34	35	24	28	35	41
Arkansas.....	1	7	27	28	19	25	28	42
California.....	7	109	361	361	258	303	430	481
Colorado.....	1	13	45	44	31	35	46	52
Connecticut.....	1	15	47	47	36	43	66	81
Delaware.....	(1)	3	11	9	6	10	7	13
District of Columbia.....	(1)	3	9	9	6	10	18	16
Florida.....	2	32	116	120	84	100	132	163
Georgia.....	2	21	80	78	53	68	84	95
Hawaii.....	(1)	3	14	15	7	12	12	11
Idaho.....	(1)	3	11	12	8	9	14	15
Illinois.....	3	52	155	157	117	154	221	269
Indiana.....	2	27	83	81	61	74	92	115
Iowa.....	1	13	41	41	31	38	42	58
Kansas.....	1	9	33	35	25	30	33	50
Kentucky.....	1	14	43	46	32	43	50	64
Louisiana.....	1	14	47	48	35	44	66	72
Maine.....	(1)	21	69	71	50	61	85	99
Maryland.....	2	28	91	93	58	83	111	149
Massachusetts.....	2	28	91	93	58	83	111	149
Michigan.....	1	23	133	132	97	125	156	192
Minnesota.....	3	45	68	65	48	57	60	81
Mississippi.....	(1)	6	23	24	18	27	32	41
Missouri.....	2	22	72	74	55	69	88	112
Montana.....	(1)	4	12	12	7	11	11	16
Nebraska.....	(1)	3	22	22	17	22	23	29
Nevada.....	(1)	6	11	11	7	11	8	15
New Hampshire.....	(1)	5	16	15	8	12	15	18
New Jersey.....	2	31	105	106	82	108	154	196
New Mexico.....	(1)	4	15	16	11	15	17	21
New York.....	5	74	222	226	180	238	351	436
North Carolina.....	1	18	71	74	52	66	81	101
North Dakota.....	(1)	2	7	8	5	8	5	10
Ohio.....	3	56	162	161	121	142	191	219
Oklahoma.....	1	13	45	47	31	36	47	60
Oregon.....	1	13	42	42	28	34	39	54
Pennsylvania.....	3	56	173	177	134	162	223	320
Rhode Island.....	(1)	5	16	18	10	13	19	25
South Carolina.....	1	10	40	42	29	32	44	51
South Dakota.....	(1)	2	7	8	5	10	9	12
Tennessee.....	1	18	59	61	43	55	70	86
Texas.....	3	52	181	185	128	160	193	250
Utah.....	(1)	6	19	20	14	15	17	20
Vermont.....	(1)	3	8	8	5	8	5	9
Virginia.....	1	19	76	81	54	63	80	105
Washington.....	2	21	74	72	48	54	68	83
West Virginia.....	(1)	7	23	24	18	21	29	41
Wisconsin.....	1	21	65	65	49	59	70	8
Wyoming.....	(1)	2	5	6	4	5	4	
Outside United States, total.....	1	12	37	38	26	27	25	18
Territories and posses- sions, total.....								
Canal Zone.....								
Puerto Rico and Virgin Islands.....								
Other.....								
Foreign, total.....								
Philippines.....								
Other.....								

ESTIMATED NUMBER OF VETERANS IN CIVIL LIFE, BY STATE AND AGE, JUNE 30, 1976—Continued

[In thousands]

	Years							Total
	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 and over	
Total.....	4,070	2,019	974	330	354	507	129	29,607
U.S. total.....	4,054	2,010	970	329	350	502	127	29,387
Alabama.....	58	25	10	3	4	7	2	421
Alaska.....	5	2	1	(1)	(1)	(1)	(1)	41
Arizona.....	43	25	11	3	4	6	1	300
Arkansas.....	41	19	9	3	4	6	2	261
California.....	429	249	135	45	38	49	12	3,267
Colorado.....	43	22	19	4	4	6	1	357
Connecticut.....	66	28	13	4	5	7	2	461
Delaware.....	10	5	2	2	1	1	(1)	79
District of Columbia.....	16	7	5	2	1	2	(1)	104
Florida.....	183	117	59	19	22	34	9	1,192
Georgia.....	73	33	16	5	5	8	2	623
Hawaii.....	9	5	3	1	1	1	(1)	94
Idaho.....	13	7	4	1	2	1	7	101
Illinois.....	224	93	45	16	18	26	7	1,557
Indiana.....	94	42	21	7	8	12	3	722
Iowa.....	51	24	11	4	6	9	2	372
Kansas.....	45	21	10	3	5	7	2	309
Kentucky.....	59	31	11	4	5	7	2	409
Louisiana.....	60	31	13	4	5	7	2	449
Maine.....	21	11	6	2	2	3	1	147
Maryland.....	81	36	19	6	6	8	2	615
Massachusetts.....	93	70	36	12	12	16	4	868
Michigan.....	153	71	34	11	13	18	5	1,188
Minnesota.....	68	35	16	6	7	11	3	549
Mississippi.....	37	18	7	2	3	5	1	244
Missouri.....	101	46	22	8	9	14	4	698
Montana.....	14	7	3	1	1	2	1	101
Nebraska.....	25	14	7	2	3	4	1	198
Nevada.....	14	6	3	1	1	1	(1)	82
New Hampshire.....	17	9	4	1	2	2	(1)	124
New Jersey.....	160	75	35	12	12	17	4	1,099
New Mexico.....	17	10	5	2	1	2	(1)	136
New York.....	400	180	86	30	30	44	11	2,513
North Carolina.....	82	34	14	5	6	9	2	616
North Dakota.....	9	4	2	1	1	1	(1)	63
Ohio.....	209	89	40	14	16	23	6	1,493
Oklahoma.....	56	28	13	4	5	8	2	397
Oregon.....	50	28	16	5	5	7	2	366
Pennsylvania.....	262	115	52	18	20	29	8	1,752
Rhode Island.....	22	10	6	2	2	2	1	151
South Carolina.....	40	17	8	3	3	4	1	325
South Dakota.....	11	6	3	1	1	2	1	78
Tennessee.....	72	31	14	5	6	9	2	532
Texas.....	222	114	55	19	18	25	6	1,611
Utah.....	16	8	4	1	2	2	1	145
Vermont.....	8	4	2	1	1	1	(1)	63
Virginia.....	85	41	20	7	6	9	2	649
Washington.....	74	45	22	8	7	9	2	589
West Virginia.....	36	17	7	3	3	5	1	235
Wisconsin.....	71	41	19	7	8	12	3	579
Wyoming.....	6	4	1	(1)	1	1	(1)	47
Outside United States, total.....	16	9	4	1	4	5	1	224
Territories and possessions, total.....								
Canal Zone.....								
Puerto Rico and Virgin Islands.....								
Other.....								
Foreign, total.....								
Philippines.....								
Other.....								

1 Less than 0.5,000.

2 includes 1,000 Spanish-American War veterans not distributed geographically.

VA GUARANTEED HOME LOANS BY AGE OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—LOAN GUARANTY DIVISION

	Reporting race or Spanish origin						
	Total	White	Black	Spanish American	American Indian	Oriental	Other
HARTFORD, CONN. (33008—1)							
Home loans (total number).....	1,741	1,539	117	26		4	55
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25 yr.....	3.2	2.9	6.0	7.7			3.6
25 to 29.....	40.7	42.4	26.5	11.5		50.0	36.4
30 to 34.....	28.6	29.0	29.1	26.9		25.0	18.2
35 to 39.....	11.9	11.4	17.9	11.5		25.0	14.5
40 to 44.....	7.2	6.8	6.8	26.9			10.9
45 to 49.....	4.1	3.8	6.0	7.7			7.3
50 to 54.....	2.9	2.5	5.1	3.8			9.1
55 to 59.....	1.0	.9	2.6	3.8			
60 or more.....	.3	.3					
WASHINGTON, D.C. (33072—1)							
Home loans (total number).....	9,863	7,465	2,245	67	7	31	48
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	2.2	2.2	2.2		14.3	3.2	2.1
25 to 29.....	26.9	27.1	26.5	26.9	14.3	12.9	20.8
30 to 34.....	27.3	27.7	25.8	34.3	42.9	35.5	18.8
35 to 39.....	17.9	18.3	16.3	22.4	14.3	22.6	27.1
40 to 44.....	12.5	12.1	13.5	9.0	14.3	19.4	18.8
45 to 49.....	6.7	6.3	8.2	3.0		6.5	6.3
50 to 54.....	4.2	4.2	4.6	3.0			2.1
55 to 59.....	1.7	1.6	2.1	1.5			2.1
60 or more.....	.5	.4	.9				2.1
TOGUS, MAINE (34002—1)							
Home loans (total number).....	2,095	2,077	5	2	1	2	8
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	5.2	5.2	20.0				
25 to 29.....	31.8	32.0					25.0
30 to 34.....	23.5	23.5	40.0	50.0			12.5
35 to 39.....	14.5	14.3			100.0	100.0	50.0
40 to 44.....	11.0	10.9	100.0	50.0			12.5
45 to 49.....	6.1	6.1					
50 to 54.....	4.4	4.4	20.0				
55 to 59.....	2.7	2.7					
60 or more.....	.9	.9					
BALTIMORE, MD. (33013—1)							
Home loans (total number).....	4,288	3,474	770	29	1	9	5
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	3.5	30.8	2.1				
25 to 29.....	36.6	38.7	27.5	41.4		33.3	20.0
30 to 34.....	27.5	27.7	26.5	31.0	100.0	22.2	20.0
35 to 39.....	12.9	12.5	14.3	13.8		22.2	20.0
40 to 44.....	8.5	7.3	14.0	6.9			20.0
45 to 49.....	6.0	5.5	8.3	3.4		11.1	20.0
50 to 54.....	2.9	2.5	4.4	3.4		11.1	
55 to 59.....	1.6	1.5	2.3				
60 or more.....	.5	.5	.5				

VA GUARANTEED HOME LOANS BY AGE OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—LOAN GUARANTY DIVISION—Continued

	Reporting race or Spanish origin						
	Total	White	Black	Spanish American	American Indian	Oriental	Other
Home loans (total number).....	3, 014	2, 857	141	9	3	2	2
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	3.7	3.7	3.5				
25 to 29.....	42.2	43.4	21.3	22.2	33.3		50.0
30 to 34.....	26.6	26.6	27.7	22.2	33.3	50.0	50.0
35 to 39.....	11.1	10.9	12.1	44.4	33.3		
40 to 44.....	7.7	7.3	14.9	11.1		50.0	
45 to 49.....	3.9	3.7	8.5				
50 to 54.....	3.0	2.7	8.5				
55 to 59.....	1.4	1.3	2.8				
60 or more.....	.4	.4	.7				
MANCHESTER, N.H. (33079-1)							
Home loans (total number).....	1, 102	1, 092	7	3			
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	3.4	3.5					
25 to 29.....	40.1	40.5					
30 to 34.....	27.6	27.4	42.9	66.7			
35 to 39.....	11.4	11.2	57.1				
40 to 44.....	8.1	8.2					
45 to 49.....	4.3	4.2		33.3			
50 to 54.....	3.3	3.3					
55 to 59.....	1.4	1.4					
60 or more.....	.5	.5					
NEWARK, N.J. (33009-1)							
Home loans (total number).....	5, 824	4, 768	844	188	2	6	16
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	4.2	4.4	2.7	5.3			6.3
25 to 29.....	37.9	40.8	23.3	34.0		33.3	18.8
30 to 34.....	24.0	24.1	22.7	26.1	50.0	16.7	25.0
35 to 39.....	12.1	11.1	17.1	12.8	50.0	16.7	25.0
40 to 44.....	8.8	7.8	14.9	8.5			12.5
45 to 49.....	5.9	5.3	9.4	6.4		16.7	6.3
50 to 54.....	4.4	4.1	6.5	3.2			
55 to 59.....	1.7	1.6	1.9	2.1			6.3
60 or more.....	1.0	.9	1.4	1.6		16.7	
BUFFALO, N.Y. (33007-1)							
Home loans (total number).....	1, 529	1, 382	117	22	5	2	1
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	4.8	5.1	2.6				
25 to 29.....	46.2	47.5	31.6	50.0	20.0	50.0	
30 to 34.....	25.8	25.8	25.6	22.7	40.0		100.0
35 to 39.....	8.4	8.6	6.8	9.1			
40 to 44.....	6.0	5.5	12.0	4.5	20.0		
45 to 49.....	3.3	3.0	6.8	4.5		50.0	
50 to 54.....	2.9	2.5	7.7	4.5	20.0		
55 to 59.....	1.8	1.6	4.3	4.5			
60 or more.....	.6	.4	2.6				
BOSTON, MASS. (33001-1)							

VA GUARANTEED HOME LOANS BY AGE OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—LOAN GUARANTY
DIVISION—Continued

	Reporting race or Spanish origin						
	Total	White	Black	Spanish American	American Indian	Oriental	Other
NEW YORK, N.Y. (33006-1)							
Home loans (total number).....	5,186	3,724	1,026	396	5	3	32
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	3.4	4.0	1.7	2.8	.....	.....	.....
25 to 29.....	35.4	40.7	19.6	27.0	60.0	33.3	31.3
30 to 34.....	25.3	26.1	22.1	25.8	20.0	.....	31.3
35 to 39.....	12.4	10.4	19.2	13.1	20.0	33.3	15.6
40 to 44.....	9.7	7.7	15.8	13.9	.....	33.3	3.1
45 to 49.....	6.5	5.2	10.8	7.3	.....	.....	3.1
50 to 54.....	4.4	3.6	6.5	5.8	.....	.....	9.4
55 to 59.....	2.2	1.7	3.3	3.8	.....	.....	3.1
60 or more.....	.6	.5	1.0	.5	.....	.....	3.1
PHILADELPHIA, PA. (33210-1)							
Home loans (total number).....	7,418	5,423	1,895	85	1	7	7
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	9.2	7.9	12.3	20.0	.....	.....	14.3
25 to 29.....	40.1	42.9	32.7	31.8	.....	57.1	28.6
30 to 34.....	22.1	24.0	16.9	15.3	100.0	28.6	28.6
35 to 39.....	9.8	9.6	9.9	16.5	.....	.....	.....
40 to 44.....	6.6	5.8	9.0	8.2	.....	14.3	14.3
45 to 49.....	5.3	4.3	8.3	1.2	.....	.....	.....
50 to 54.....	4.2	3.6	6.2	1.2	.....	.....	14.3
55 to 59.....	1.9	1.3	3.4	3.5	.....	.....	.....
60 or more.....	.8	.6	1.2	2.4	.....	.....	.....
WHITE RIVER JUNCTION, VT. (34005-1)							
Home loans (total number).....	132	131	1	.....	.....	.....	.....
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	2.3	2.3	.....	.....	.....	.....	.....
25 to 29.....	37.9	38.2	.....	.....	.....	.....	.....
30 to 34.....	22.0	22.1	.....	.....	.....	.....	.....
35 to 39.....	11.4	11.5	.....	.....	.....	.....	.....
40 to 44.....	10.6	10.7	.....	.....	.....	.....	.....
45 to 49.....	6.8	6.9	.....	.....	.....	.....	.....
50 to 54.....	6.1	6.1	.....	.....	.....	.....	.....
55 to 59.....	2.3	1.5	100.0	.....	.....	.....	.....
60 or more.....	.8	.8	.....	.....	.....	.....	.....
HUNTINGTON, W. VA. (33015-1)							
Home loans (total number).....	1,070	1,030	36	1	.....	1	2
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	110.0
Under 25.....	5.7	5.6	5.6	.....	.....	.....	50.0
25 to 29.....	42.3	42.6	36.1	100.0	.....	.....	.....
30 to 34.....	21.9	21.9	19.4	.....	.....	100.0	.....
35 to 39.....	10.3	10.1	13.9	.....	.....	.....	50.0
40 to 44.....	8.6	8.9	.....	.....	.....	.....	.....
45 to 49.....	4.4	4.3	8.3	.....	.....	.....	.....
50 to 54.....	4.5	4.3	11.1	.....	.....	.....	.....
55 to 59.....	1.5	1.5	2.8	.....	.....	.....	.....
60 or more.....	.8	.8	2.8	.....	.....	.....	.....
MONTGOMERY, ALA. (33022-2)							
Home loans (total number).....	7,020	6,101	895	11	2	6	5
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	5.2	4.6	9.5	9.1	.....	.....	.....
25 to 29.....	91.5	31.1	35.0	27.3	.....	.....	40.0
30 to 34.....	21.7	22.1	18.8	36.4	.....	.....	20.0
35 to 39.....	13.7	14.4	8.6	18.2	100.0	50.0	.....
40 to 44.....	11.4	11.7	9.7	9.1	.....	16.7	40.0
45 to 49.....	7.5	7.8	5.9	.....	.....	16.7	.....
50 to 54.....	5.2	4.8	7.6	.....	.....	.....	.....
55 to 59.....	2.7	2.7	3.2	.....	.....	.....	.....
60 or more.....	1.1	1.0	1.7	.....	.....	16.7	.....

VA GUARANTEED HOME LOANS BY AGE OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—LOAN GUARANTY DIVISION—Continued

	Reporting race or Spanish origin						
	Total	White	Black	Spanish American	American Indian	Oriental	Other
JACKSON, MISS. (34023—2)							
Home loans (total number).....	3,669	3,154	497	8	4	2	4
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	6.7	6.2	10.1	12.5			
25 to 29.....	31.0	30.7	33.2	25.0	25.0	50.0	25.0
30 to 34.....	20.9	21.2	18.3	25.0	50.0		25.0
35 to 39.....	11.3	12.3	5.4				
40 to 44.....	11.5	12.2	6.8	12.5		50.0	
45 to 49.....	8.5	8.2	10.1	12.5			50.0
50 to 54.....	5.5	5.0	8.7	12.5			
55 to 59.....	3.0	2.8	4.2				
60 or more.....	1.5	1.2	3.2		25.0		
WINSTON SALEM, N.C. (33018—2)							
Home loans (total number).....	7,917	6,474	1,345	61	11	9	17
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	9.0	8.8	10.1	11.5	27.3	11.1	5.9
25 to 29.....	36.7	36.9	35.5	39.3	36.4	33.3	47.1
30 to 34.....	23.3	24.1	19.6	18.0	18.2	44.4	23.5
35 to 39.....	11.8	11.8	11.7	18.0			5.9
40 to 44.....	7.9	7.8	8.3	6.6	9.1	11.1	5.9
45 to 49.....	5.1	4.9	6.0	3.3	9.1		11.8
50 to 54.....	3.7	3.4	5.0	1.6			
55 to 59.....	1.9	1.7	3.0	1.6			
60 or more.....	.6	.6	.7				
SAN JUAN, P.R. (34055—2)							
Home loans (total number).....	1,793			1,793			
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	5.9			5.9			
25 to 29.....	27.0			27.0			
30 to 34.....	15.6			15.6			
35 to 39.....	9.2			9.2			
40 to 44.....	15.3			15.3			
45 to 49.....	12.9			12.9			
50 to 54.....	8.6			8.6			
55 to 59.....	4.6			4.6			
60 or more.....	.8			.8			
New end proposed home loans (total number).....							
	914			914			
COLUMBIA, S.C. (33019—2)							
Home loans (total number).....	4,705	3,932	728	24		13	8
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	9.4	9.6	8.5	4.2			
25 to 29.....	36.3	36.0	38.6	20.8		30.8	25.0
30 to 34.....	22.5	22.8	21.4	8.3		7.7	37.5
35 to 39.....	13.7	13.8	11.7	41.7		46.2	12.5
40 to 44.....	9.0	8.9	9.5	16.7		7.7	
45 to 49.....	4.5	4.4	4.9	4.2			12.5
50 to 54.....	2.5	2.5	2.6			7.7	
55 to 59.....	1.4	1.4	1.4	4.2			12.5
60 or more.....	.7	.6	1.4				

VA GUARANTEED HOME LOANS BY AGE OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—LOAN GUARANTY
DIVISION—Continued

	Reporting race or Spanish origin						
	Total	White	Black	Spanish American	American Indian	Oriental	Other
NASHVILLE, TENN. (33020—2)							
Home loans (total number).....	6,396	5,470	898	20	2	6	.....
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	6.3	6.0	7.7	5.0	.....	16.7	.....
25 to 29.....	36.6	37.1	33.5	35.0	50.0	33.3	.....
30 to 34.....	22.8	23.2	20.4	40.0	.....	.....	.....
35 to 39.....	11.7	11.9	10.7	5.0	50.0	16.7	.....
40 to 44.....	8.2	8.2	8.2	5.0	.....	16.7	.....
45 to 49.....	6.3	6.1	7.6	5.0	.....	16.7	.....
50 to 54.....	4.5	4.1	7.1	5.0	.....	.....	.....
55 to 59.....	2.6	2.4	3.5	.....	.....	.....	.....
60 or more.....	1.0	1.0	1.3	.....	.....	.....	.....
WACO, TEX. (33049—2)							
Home loans (total number).....	13,249	11,071	1,216	903	18	13	28
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	6.7	6.5	6.6	10.2	5.6	15.4	3.6
25 to 29.....	32.5	31.9	30.6	42.6	38.9	30.8	14.3
30 to 34.....	23.6	24.1	21.6	21.6	11.1	15.4	17.9
35 to 39.....	13.1	13.1	14.3	11.0	16.7	.....	28.6
40 to 44.....	9.3	9.3	10.7	6.9	22.2	23.1	14.3
45 to 49.....	6.0	6.2	6.9	3.1	.....	7.7	10.7
50 to 54.....	4.7	4.8	4.8	2.8	5.6	7.7	7.1
55 to 59.....	2.9	3.0	2.7	1.3	.....	.....	.....
60 or more.....	1.2	1.2	1.8	.6	.....	.....	3.6
ROANOKE, VA. (33014—2)							
Home loans (total number).....	7,756	6,515	1,006	162	3	34	36
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	6.5	6.7	5.7	4.3	.....	.....	5.6
25 to 29.....	35.5	36.2	33.2	33.3	66.7	14.7	11.1
30 to 34.....	23.8	24.3	20.8	21.6	.....	41.2	13.9
35 to 39.....	15.1	15.0	13.8	23.5	.....	23.5	25.0
40 to 44.....	8.8	8.3	11.3	9.9	33.3	17.6	19.4
45 to 49.....	5.0	4.9	6.3	3.1	.....	2.9	.....
50 to 54.....	3.1	2.8	4.8	1.9	.....	.....	19.4
55 to 59.....	1.5	1.2	3.2	2.5	.....	.....	5.6
60 or more.....	.6	.6	1.0	.....	.....	.....	.....
CHICAGO, ILL. (33028—3)							
Home loans (total number).....	8,779	6,439	2,144	175	2	4	15
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	7.8	8.4	6.2	8.6	.....	.....	.....
25 to 29.....	38.9	43.2	26.4	38.9	50.0	.....	13.3
30 to 34.....	21.9	21.8	22.1	21.7	50.0	50.0	33.3
35 to 39.....	10.3	9.9	11.5	8.6	.....	.....	13.3
40 to 44.....	7.9	6.8	11.0	10.3	.....	25.0	20.0
45 to 49.....	5.6	4.5	9.1	5.7	.....	.....	6.7
50 to 54.....	4.7	3.6	7.9	5.1	.....	25.0	6.7
55 to 59.....	2.1	1.6	3.6	.6	.....	.....	6.7
60 or more.....	.7	.3	2.2	.6	.....	.....	.....

VA GUARANTEED HOME LOANS BY AGE OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—LOAN GUARANTY
 DIVISION—Continued

	Reporting race or Spanish origin						
	Total	White	Black	Spanish American	American Indian	Oriental	Other
INDIANAPOLIS, INO. (33026—3)							
Home loans (total number).....	6,282	5,588	575	105	5	2	7
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	9.5	9.8	6.8	9.5			14.3
25 to 29.....	39.8	41.1	27.3	41.0	20.0	50.0	42.9
30 to 34.....	21.0	20.8	21.7	25.7	20.0		42.9
35 to 39.....	10.2	10.1	11.7	8.6	20.0		
40 to 44.....	6.9	6.5	10.3	3.8	20.0	50.0	
45 to 49.....	5.2	4.8	8.3	4.8			
50 to 54.....	4.5	4.1	8.2	4.8	20.0		
55 to 59.....	2.1	1.9	4.2	1.9			
60 or more.....	.8	.7	1.6				
DES MOINES, IOWA (33033—3)							
Home loans (total number).....	2,784	2,699	38	41	1	2	3
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	11.2	11.1	10.5	17.1			33.3
25 to 29.....	45.3	45.4	39.5	46.3		50.0	66.7
30 to 34.....	20.2	20.4	15.8	12.2			
35 to 39.....	8.9	8.8	15.8	9.8	100.0		
40 to 44.....	6.4	6.3	5.3	9.8		50.0	
45 to 49.....	3.6	3.6	5.3	2.4			
50 to 54.....	2.9	2.9	7.9				
55 to 59.....	1.3	1.3					
60 or more.....	.3	.3		2.4			
WICHITA, KANS. (34052—3)							
Home loans (total number).....	3,594	3,279	233	70	9	1	2
Percent distribution (total, all ages).....	100.8	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	10.0	10.9	11.6	7.1			
25 to 29.....	39.9	40.5	30.0	47.1	11.1		100.0
30 to 34.....	20.8	21.1	19.3	14.3		100.0	
35 to 39.....	10.0	9.9	12.0	10.0	22.2		
40 to 44.....	7.4	7.0	11.6	7.1	33.3		
45 to 49.....	4.7	4.5	5.2	8.6	22.2		
50 to 54.....	3.6	3.4	4.7	5.7	11.1		
55 to 59.....	2.2	2.1	4.7				
60 or more.....	.5	.5	.9				
DETROIT, MICH. (33029—3)							
Home loans (total number).....	4,213	3,371	791	41	3	4	3
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	10.2	11.0	6.6	12.2		25.0	33.3
25 to 29.....	46.7	49.1	36.4	41.5	100.0	75.0	33.3
30 to 34.....	21.3	20.8	23.4	26.8			
35 to 39.....	7.7	7.3	9.9	4.9			
40 to 44.....	5.6	4.9	8.8	2.4			33.3
45 to 49.....	3.5	3.2	5.2				
50 to 54.....	2.8	2.1	5.4	7.3			
55 to 59.....	1.4	1.1	2.9	2.4			
60 or more.....	.7	.5	1.4	2.4			
ST. PAUL, MINN. (33235—3)							
Home loans (total number).....	10,680	10,360	73	227	15	5	6
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	6.9	6.9	1.4	8.4			
25 to 29.....	43.7	43.8	28.8	45.4	26.7	20.0	16.7
30 to 34.....	24.1	24.0	28.8	23.8	26.7	20.0	33.3
35 to 39.....	10.0	10.1	9.6	7.0	13.3	40.0	33.3
40 to 44.....	6.3	6.3	9.6	5.7	13.3		
45 to 49.....	4.0	3.9	5.5	6.6	6.7		16.7
50 to 54.....	3.1	3.1	9.6	1.8	13.3		
55 to 59.....	1.5	1.5	4.1	.9			
60 or more.....	.4	.4	2.7	.4		20.0	
New and proposed home loans.....							

VA GUARANTEED HOME LOANS BY AGE OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—LOAN GUARANTY DIVISION—Continued

	Reporting race or Spanish origin						
	Total	White	Bleck	Spanish American	American Indian	Oriental	Other
ST. LOUIS, MD. (33031—3)							
Home loans (total number).....	4,725	4,159	527	23	4	6	6
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	8.0	8.2	6.5	3.3		16.7	
25 to 29.....	40.5	41.7	30.4	47.8		50.0	66.7
30 to 34.....	23.3	23.1	25.2	30.4	25.0	16.7	
35 to 39.....	9.9	9.4	13.9	8.7		16.7	
40 to 44.....	7.8	7.6	9.3	8.7	25.0		16.7
45 to 49.....	4.5	4.2	7.0		25.0		
50 to 54.....	3.6	3.4	4.7				16.7
55 to 59.....	1.7	1.7	1.7		25.0		
60 or more.....	.7	.6	1.3				
LINCOLN, NEBR. (33034—3)							
Home loans (total number).....	2,436	2,308	96	19	2	7	4
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	8.9	9.1	6.3			28.6	
25 to 29.....	39.8	40.7	22.9	26.3		14.3	50.0
30 to 34.....	22.9	22.8	21.9	42.1		42.9	25.0
35 to 39.....	12.4	12.2	17.7	5.3	50.0		
40 to 44.....	7.6	7.4	9.4	21.1	50.0		
45 to 49.....	4.6	4.4	9.4	5.3			25.0
50 to 54.....	2.3	2.1	6.3				
55 to 59.....	1.1	1.0	5.2				
60 or more.....	.5	.4	1.0			14.3	
CLEVELAND, OHIO (33025—3)							
Home loans (total number).....	17,083	14,630	2,362	74	2	7	8
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	9.0	9.2	7.5	9.5		14.3	
25 to 29.....	39.8	41.8	27.3	43.2	50.0	42.9	37.5
30 to 34.....	20.6	20.8	19.9	21.6			25.0
35 to 39.....	9.6	9.6	10.0	4.1	50.0	28.6	25.0
40 to 44.....	7.4	6.9	10.6	6.8			
45 to 49.....	6.0	5.4	9.6	4.1			
50 to 54.....	4.6	3.9	8.7	6.8		14.3	12.5
55 to 59.....	2.3	1.9	4.6	4.1			
60 or more.....	.7	.6	1.9				
Existing home loans (total number).....	15,902	13,546	2,271	71	2	5	7
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	9.3	9.6	7.7	9.9		20.0	
25 to 29.....	39.7	41.7	27.3	43.7	50.0	40.0	42.9
30 to 34.....	20.1	20.2	19.6	22.5			14.3
35 to 39.....	9.7	9.7	9.9	4.2	50.0	40.0	28.6
40 to 44.....	7.4	6.9	10.5	5.6			
45 to 49.....	6.0	5.4	9.6	2.8			
50 to 54.....	4.7	3.9	8.9	7.0			14.3
55 to 59.....	2.4	2.0	4.7	4.2			
60 or more.....	.8	.6	1.9				
MUSKOGEE, OKLA. (33051—3)							
Home loans (total number).....	4,123	3,778	231	44	52	2	16
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	9.7	9.6	9.5	20.5	7.7		12.5
25 to 29.....	35.1	35.8	26.8	31.8	28.8		25.0
30 to 34.....	23.1	23.1	22.9	20.5	26.9		31.3
35 to 39.....	12.2	11.7	19.0	15.9	11.5	50.0	6.3
40 to 44.....	8.1	7.9	10.0	6.8	15.4		6.3
45 to 49.....	5.1	5.1	5.2	4.5	7.7		6.3
50 to 54.....	3.7	3.9	2.2				6.3
55 to 59.....	2.0	2.0	2.2		1.9		6.3
60 or more.....	.9	.9	2.2			50.0	

VA GUARANTEED HOME LOANS BY AGE OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—LOAN GUARANTY
 DIVISION—Continued

	Reporting race or Spanish origin						
	Total	White	Black	Spanish American	American Indian	Oriental	Other
MILWAUKEE, WIS. (33030—3)							
Home loans (total number).....	1,389	1,135	237	10	2		5
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	6.8	6.5	8.0	20.0			
25 to 29.....	39.4	41.7	28.3	20.0	50.0		80.0
30 to 34.....	24.4	24.9	22.4	20.0	50.0		
35 to 39.....	11.1	11.8	8.4				
40 to 44.....	6.2	6.6	8.4	20.0			
45 to 49.....	5.3	4.4	9.3				20.0
50 to 54.....	4.1	3.1	8.4	20.0			
55 to 59.....	1.9	1.3	5.1				
60 or more.....	.8	.6	1.7				
PHOENIX, ARIZ. (33045—6)							
Home loans (total number).....	9,082	8,027	314	653	40	20	28
Percent distribution (total all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	8.3	8.0	12.1	10.3	5.0	10.0	7.1
25 to 29.....	30.0	29.6	24.2	37.2	40.0	30.0	39.3
30 to 34.....	19.4	19.6	18.8	18.8	22.5		10.7
35 to 39.....	12.2	12.3	11.8	10.1	10.0		14.3
40 to 44.....	10.2	10.3	13.1	7.7	7.5	30.0	7.1
45 to 49.....	7.6	7.5	10.2	6.7	7.5	10.0	10.7
50 to 54.....	6.5	6.7	5.4	5.4	5.0		
55 to 59.....	3.9	4.1	2.6	2.3	2.5	5.0	
60 or more.....	1.9	2.0	1.9	1.5			10.7
LOS ANGELES, CALIF. (33044—4)							
Home loans (total number).....	40,058	32,488	3,737	2,772	39	351	671
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	5.3	5.1	9.2	8.1	5.1	2.8	3.3
25 to 29.....	29.5	29.7	22.9	37.1	46.2	22.5	25.2
30 to 34.....	22.6	22.9	20.2	22.3	23.1	24.5	23.8
35 to 39.....	13.0	12.6	15.8	11.3	7.7	23.1	18.3
40 to 44.....	10.0	9.8	13.8	7.3	7.7	13.1	13.0
45 to 49.....	7.9	7.9	9.3	5.8		7.4	7.9
50 to 54.....	6.8	7.0	7.1	5.1	7.7	4.6	5.7
55 to 59.....	3.7	3.8	4.0	2.2	2.6	1.1	1.5
60 or more.....	1.3	1.3	1.7	.8		.9	1.3
SAN FRANCISCO, CALIF. (33043—4)							
Home loans (total number).....	20,156	16,724	1,512	1,066	48	230	576
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	4.4	4.4	3.1	6.6	2.1	1.7	3.5
25 to 29.....	31.5	32.1	21.2	36.7	25.0	30.4	30.6
30 to 34.....	24.6	24.8	21.5	24.5	33.3	30.0	24.0
35 to 39.....	13.0	12.5	19.6	11.0	10.4	10.9	14.4
40 to 44.....	10.3	9.8	16.2	9.5	16.7	7.4	11.1
45 to 49.....	6.9	6.7	9.0	5.7	8.3	9.8	7.8
50 to 54.....	5.5	5.7	5.3	3.6		7.0	6.1
55 to 59.....	2.8	2.9	3.2	1.7	2.1	.9	1.2
60 or more.....	1.0	1.0	.9	.8	2.1	2.2	1.4
DENVER, COLO. (33039—4)							
Home loans (total number).....	15,615	13,687	700	1,139	19	34	36
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	6.6	6.6	5.0	8.1	10.5	5.9	8.3
25 to 29.....	31.1	31.0	21.4	37.5	26.3	23.5	33.3
30 to 34.....	23.9	24.4	19.9	20.5	10.5	29.4	27.8
35 to 39.....	12.7	12.5	17.3	12.1	26.3	14.7	11.1
40 to 44.....	9.5	9.3	17.7	6.8	10.5		11.1
45 to 49.....	7.3	7.2	9.7	7.1		5.9	5.6
50 to 54.....	5.1	5.2	5.0	4.0	15.8	8.8	2.8
55 to 59.....	3.0	3.0	2.1	2.9		8.8	
60 or more.....	.9	.8	1.9	1.1		2.9	

VA GUARANTEED HOME LOANS BY AGE OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—LOAN GUARANTY DIVISION—Continued

	Reporting race or Spanish origin						
	Total	White	Black	Spanish American	American Indian	Oriental	Other
HONOLULU, HAWAII (33059-4)							
Home loans (total number).....	663	341	8	2		103	209
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	3.5	4.1				1.9	3.3
25 to 29.....	26.7	22.6		50.0		29.1	33.0
30 to 34.....	28.7	29.3	37.5			32.0	25.8
35 to 39.....	16.1	18.8	62.5	50.0		14.6	10.5
40 to 44.....	11.2	10.9				9.7	12.9
45 to 49.....	8.6	8.2				6.8	10.5
50 to 54.....	3.3	3.8				3.9	2.4
55 to 59.....	1.5	2.1				1.9	.5
60 or more.....	.5	.3					1.0
BOISE, IDAHO (33047-4)							
Home loans (total number).....	1,673	1,649	5	13	2	1	3
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	6.0	5.9	20.0	7.7			33.1
25 to 29.....	32.2	32.0		38.5	100.0	100.0	66.7
30 to 34.....	23.0	23.1	20.0	15.4			
35 to 39.....	13.1	13.0	20.0	23.1			
40 to 44.....	11.8	11.8	40.0	7.7			
45 to 49.....	6.1	6.1		7.7			
50 to 54.....	4.7	4.7					
55 to 59.....	2.3	2.3					
60 or more.....	1.0	1.0					
FORT HARRISON, MONT. (34036-4)							
Home loans (total number).....	1,211	1,180	11	4	9	5	2
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	5.8	5.7	18.2	25.0			
25 to 29.....	33.7	34.1	9.1	50.0	22.2	20.0	
30 to 34.....	27.5	27.4	36.4	25.0	22.2	60.0	
35 to 39.....	12.9	12.9	9.1		11.1		100.0
40 to 44.....	9.4	9.2	18.2		22.2	20.0	
45 to 49.....	5.7	5.7	9.1		11.1		
50 to 54.....	2.7	2.7			11.1		
55 to 59.....	1.7	1.8					
60 or more.....	.6	.6					
ALBUQUERQUE, N. MEX. (33040-4)							
Home loans (total number).....	1,654	1,279	38	320	14	2	11
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	5.9	4.8	7.9	10.0	14.3		
25 to 29.....	35.2	34.0	23.7	41.3	35.7	50.0	
30 to 34.....	21.5	22.4	21.1	18.1	14.3		
35 to 39.....	13.5	14.5	15.8	9.1	7.1	50.0	
40 to 44.....	10.3	10.6	15.8	8.4	21.4		
45 to 49.....	5.8	5.9	5.3	5.3			100.0
50 to 54.....	4.7	4.7	2.6	5.0			
55 to 59.....	2.1	1.9	7.9	2.2			
60 or more.....	1.1	1.2		.6	7.1		
PITTSBURGH, PA. (33011-1)							
Home loans (total number).....	2,970	2,883	274	12		1	
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	6.3	6.6	4.0				
25 to 29.....	44.8	47.0	22.6	58.3			
30 to 34.....	23.3	23.2	24.1	16.7		100.0	
35 to 39.....	8.9	8.6	12.0				
40 to 44.....	6.1	5.7	9.9				
45 to 49.....	4.6	3.7	12.8	25.0			
50 to 54.....	3.6	3.2	8.4				
55 to 59.....	1.9	1.6	5.1				
60 or more.....	.5	.5	1.1				

VA GUARANTEES HOME LOANS BY AGE OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—LOAN GUARANTY DIVISION—Continued

	Reporting race or Spanish origin						
	Total	White	Black	Spanish American	American Indian	Oriental	Other
PORTLAND, OREG. (33048—4)							
Home loans (total number).....	2, 175	2, 025	27	109	3	6	5
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	3.7	3.8	3.7	3.7			
25 to 29.....	30.3	30.5	3.7	33.9	33.3	33.3	20.0
30 to 34.....	25.1	25.0	37.0	22.9	33.3	33.3	20.0
35 to 39.....	14.0	13.9	29.6	12.8		16.7	20.0
40 to 44.....	11.0	11.1	11.1	9.2	33.3		20.0
45 to 49.....	6.9	6.9	7.4	5.5		16.7	
50 to 54.....	5.1	4.8	3.7	11.0			20.0
55 to 59.....	2.9	3.0	3.7				
60 or more.....	1.0	1.0		.9			
SALT LAKE CITY, UTAH (33041—4)							
Home loans (total number).....	2, 665	2, 520	33	89	5	8	10
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	6.0	5.9	3.0	6.7	40.0		20.0
25 to 29.....	35.5	35.7	27.3	38.2		25.0	30.0
30 to 34.....	23.2	23.7	12.1	11.2	20.0	37.5	30.0
35 to 39.....	12.9	12.7	18.2	20.2		12.5	10.0
40 to 44.....	9.5	9.4	18.2	10.1	20.0	12.5	
45 to 49.....	5.4	5.3	12.1	6.7	20.0		10.0
50 to 54.....	4.5	4.5	6.1	3.4		12.5	
55 to 59.....	2.2	2.3		2.2			
60 or more.....	.6	.6	3.0	1.1			
SEATTLE, WASH. (33604—4)							
Home loans (total number).....	6, 216	5, 683	287	66	14	30	136
Percent distribution (total, all ages).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25.....	6.0	6.1	3.8	3.0	7.1	3.3	5.9
25 to 29.....	33.8	34.7	15.7	27.3	50.0	40.0	34.6
30 to 34.....	25.1	25.1	25.4	27.3	35.7	13.3	27.2
35 to 39.....	14.4	14.3	21.3	13.6	7.1	10.0	8.1
40 to 44.....	9.8	9.3	15.3	18.2		20.0	13.2
45 to 49.....	5.1	4.8	11.8	4.5		6.7	5.1
50 to 54.....	3.5	3.5	4.9	4.5		3.3	.7
55 to 59.....	1.8	1.8	1.0	1.5		3.3	3.2
60 or more.....	.5	.4	.7				2.9

APPENDIX 5

The following information on the distribution by service era and race of veterans is furnished by the Veterans Administration in response to subcommittee's telephone inquiry of October 29, 1976.*

DISTRIBUTION BY SERVICE ERA AND RACE OF VETERANS

The 1970 census provides the only available data on the distribution of the race of veterans by period of service. Other minority groups, i.e., American Indians and Orientals are not available from the census.

There has been a sizable increase in the proportion of Vietnam Era veterans since 1970. They increased from 20% of the total veterans eligible for VA loans in 1970 to over 29% in June 1976. The race of these discharged servicemen, however, is not available.

The attached table, Veteran Status by Race, shows the 1970 distribution by race for eligible periods of service. Also included is June 1976 data from VA sources which shows the distribution of all eligible veterans by period of service.

VETERAN STATUS BY RACE

Service period	Total, June 1976 ¹		1970 Census of population ²						
			White		Negro		Spanish ³ heritage		
	Number	Per- cent	Total number	Number	Per- cent	Number	Per- cent	Number	Per- cent
Total eligible veterans ⁴	25,654,000	100.0	22,530,862	20,594,992	91.4	1,728,239	7.7	677,184	3.0
Vietnam era.....	7,553,000	29.4	4,503,798	4,110,757	91.2	345,159	7.7	195,745	4.3
Korean conflict.....	4,716,000	18.4	4,702,306	4,223,677	89.8	426,746	9.1	168,502	3.6
Korean conflict and World War II.....	1,238,000	4.8	863,123	817,571	94.7	38,497	4.5	24,137	2.8
World War II.....	12,147,000	47.3	12,461,635	11,442,987	91.8	917,837	7.4	288,800	2.3

¹ Veteran population, June 1976, reports and statistics service, Office of the Controller, VA.

² 1970 Census of population PC(1)-C1, table 87.

³ These veterans are also reported under white or Negro or other, depending on their race.

⁴ Veterans eligible for VA home loans.

The following statistical information was received from the Veterans' Administration.

VA GUARANTEED HOME LOANS BY ENTITLEMENT OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP

Home loans	Loan Guaranty Division; reporting race or Spanish origin						
	Total	White	Bleck	Spanish-American	American Indian	Oriental	Other
WASHINGTON, D.C. (33, 072)							
Total number.....	9,863	7,465	2,263	67	7	31	42
Distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	4.4	3.5	7.4	3.0	.....	.....	2.1
Korean.....	3.6	3.0	5.7	3.0	.....	6.5	2.1
Post-Korean.....	10.8	9.4	15.3	10.4	28.6	9.7	12.5
Post-Korean-Vietnam era.....	74.6	76.4	68.4	79.1	71.4	80.6	79.2
Entitlement previously exc.....	6.4	7.6	2.8	4.5	.....	3.2	4.2
Surviving spouse: Wife of POW/MIA.....	.2	.1	.4	.....	.....	.....	.....

*The subcommittee requested data which would indicate the percentage of loan guarantees made to each racial category within each service era period. VA responded that such data was not available.

VA GUARANTEED HOME LOANS BY ENTITLEMENT OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—
 Continued

Home loans	Loan Guaranty Division; reporting race or Spanish origin						
	Total	White	Black	Spanish-American	American Indian	Oriental	Other
HARTFORD, CONN. (33,008)							
Total number.....	1,741	1,539	117	26		4	55
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	3.3	2.9	8.5	3.8			5.5
Korean.....	3.7	3.3	5.1	15.4			5.5
Post-Korean.....	14.1	13.6	17.1	34.6			10.9
Post-Korean-Vietnam era.....	75.5	76.4	69.2	42.3		100.0	78.2
Entitlement previously exc.....	3.3	3.6		3.8			
Surviving spouse: Wife of POW/MIA.....	.1	.1					
TOGUS, MAINE (34,002)							
Total Number.....	2,095	2,077	5	2	1	2	8
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	5.7	5.7	20.0				
Korean.....	4.1	4.1					
Post-Korean.....	12.6	12.7			100.0		
Post-Korean-Vietnam era.....	67.3	67.2	80.0	100.0		100.0	87.5
Entitlement previously exc.....	10.0	10.0					12.5
Surviving spouse: Wife of POW/MIA.....	.3	.3					
BALTIMORE, MD. (33,013)							
Total Number.....	4,288	3,474	770	29	1	9	5
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	3.8	2.9	7.5	6.9			20.0
Korean.....	3.1	2.7	5.2			11.1	
Post-Korean.....	13.6	12.5	19.1	6.9			20.0
Post-Korean-Vietnam era.....	74.4	76.2	66.2	75.8	100.0	77.8	60.0
Entitlement previously exc.....	4.9	5.6	1.7	6.9			
Surviving spouse: Wife of POW/MIA.....	.1	.1	.3			11.1	
BOSTON, MASS. (33,001)							
Total number.....	3,014	2,857	141	9	3	2	2
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	3.7	3.4	9.2				
Korean.....	2.8	2.6	7.1				
Post-Korean.....	17.5	17.0	24.8	44.4	33.3		50.0
Post-Korean-Vietnam era.....	71.2	72.0	56.7	33.3	66.7	100.0	50.0
Entitlement previously exc.....	4.7	4.9	1.4	22.2			
Surviving spouse: Wife of POW/MIA.....	.1	.1	.7				
MANCHESTER, N.H. (33,073)							
Total number.....	1,102	1,042	7	3			
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	3.3	3.3					
Korean.....	2.2	2.2					
Post-Korean.....	12.6	12.5	28.6				
Post-Korean-Vietnam era.....	73.2	73.4	71.4	33.3			
Entitlement previously exc.....	8.5	8.5		33.3			
Surviving spouse: Wife of POW/MIA.....	.2	.1		33.3			

VA GUARANTEED HOME LOANS BY ENTITLEMENT OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—
Continued

Home loans	Loan Guaranty Division; reporting race or Spanish origin						
	Total	White	Black	Spanish-American	American Indian	Oriental	Other
NEWARK, N.J. (33,009)							
Total number.....	5,824	4,768	844	188	2	0	16
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	5.9	5.3	8.9	5.9		33.3	
Korean.....	4.3	3.8	7.7	3.2			6.38
Post-Korean.....	15.4	14.5	19.0	19.1	50.0	16.7	18.8
Post-Korean-Vietnam era.....	69.8	71.4	61.3	69.1	50.0	50.0	75.0
Entitlement previously exc.....	4.5	4.9	2.7	2.7			
Surviving spouse: Wife of POW/MIA.....	.2	.1	.5				
BUFFALO, N.Y. (33,007)							
Total number.....	1,529	1,382	117	22	5	2	1
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	5.3	4.5	13.7	9.1	20.0		
Korean.....	2.3	2.0	6.0	4.5			
Post-Korean.....	14.0	13.8	16.2	18.2			
Post-Korean-Vietnam era.....	75.3	76.6	61.5	63.6	80.0	100.0	100.0
Entitlement previously exc.....	3.1	3.2	2.6	4.5			
Surviving spouse: Wife of POW/MIA.....							
NEW YORK, N.Y. (33,006)							
Total number.....	5,186	3,724	1,026	396	5	3	32
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	8.9	7.4	13.6	10.0			18.8
Korean.....	7.1	5.5	12.1	9.6		33.3	3.1
Post-Korean.....	17.9	15.1	26.1	23.7	20.0		
Post-Korean-Vietnam era.....	65.8	71.7	48.1	5.33	80.0	66.7	78.1
Entitlement previously exc.....	.3	.3	.1	.8			
Surviving spouse: Wife of POW/MIA.....							
PITTSBURGH, PA. (33,011)							
Total number.....	2,970	2,683	274	12		1	
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	6.1	3.0	16.1	8.3			
Korean.....	2.6	2.0	6.4	8.3			
Post-Korean.....	10.2	9.7	15.0	8.3			
Post-Korean-Vietnam era.....	72.4	74.8	49.3	66.7		100.0	
Entitlement previously exc.....	8.8	8.5	11.3	8.3			
Surviving spouse: Wife of POW/MIA.....							
WHITE RIVER JCT, VT. (34,005)							
Total number.....	132	131	t				
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	6.1	5.3	100.0				
Korean.....	3.8	3.8					
Post-Korean.....	8.3	8.4					
Post-Korean-Vietnam era.....	77.3	77.9					
Entitlement previously exc.....	4.5	4.6					
Surviving spouse: Wife of POW/MIA.....							

VA GUARANTEED HOME LOANS BY ENTITLEMENT OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP--
Continued

Home loans	Loan Guaranty Division; reporting race or Spanish origin						
	Total	White	Black	Spanish- American	American Indian	Ori- ental	Other
HUNTINGTON, W. VA. (33,015)							
Total number.....	1,070	1,030	36	1		1	2
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	6.4	5.9	19.4				
Korean.....	3.5	3.5	2.8				
Post-Korean.....	12.1	11.9	11.1			100.0	50.0
Post-Korean-Vietnam era.....	75.0	75.3	66.7	100.0			50.0
Entitlement previously exc.....	2.8	2.9					
Surviving spouse: Wife of POW/MIA.....	.4	.4					
MONTGOMERY, ALA. (33,022)							
Total Number.....	7,020	6,101	895	11	2	6	5
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	7.4	6.6	12.4			16.7	
Korean.....	4.4	4.4	4.1				
Post-Korean.....	14.4	15.2	9.5		50.0	15.7	
Post-Korean-Vietnam era.....	70.0	69.6	72.6	100.0	50.0	66.7	80.0
Entitlement previously exc.....	3.6	4.0	.9				20.0
Surviving spouse: Wife of POW/MIA.....	.2	.2	.4				
ST. PETERSBURG, FLA. (33,017)							
Total number.....	17,029	14,141	1,409	658	7	30	84
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	7.2	6.8	11.6	7.1		10.0	2.4
Korean.....	3.7	3.7	5.0	3.2		3.3	1.2
Post-Korean.....	12.4	12.5	12.1	13.8	14.3		8.3
Post-Korean-Vietnam era.....	70.9	70.9	69.5	71.9	71.4	83.3	88.1
Entitlement previously exc.....	5.5	6.0	1.3	3.8	14.3	3.3	
Surviving spouse: Wife of POW/MIA.....	.2	.2	.5	.2			
LITTLE ROCK, ARK. (33,050)							
Total number.....	2,235	1,965	262	6	1	1	
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	6.1	5.5	9.9	16.7			
Korean.....	3.5	3.6	3.4				
Post-Korean.....	11.9	12.4	9.2				
Post-Korean-Vietnam era.....	74.7	74.5	76.0	83.3	100.0	100.0	
Entitlement previously exc.....	3.7	4.0	1.5				
Surviving spouse: Wife of POW/MIA.....							
ATLANTA, GA. (33,016)							
Total number.....	9,115	7,679	1,389	37		6	4
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	6.3	5.8	8.6	18.9			
Korean.....	3.0	2.9	3.5				
Post-Korean.....	9.7	9.8	8.8	10.8			25.0
Post-Korean-Vietnam era.....	77.2	77.2	77.4	64.9		100.0	75.0
Entitlement previously exc.....	3.4	3.9	1.1	5.4			
Surviving spouse: Wife of POW/MIA.....	.4	.3	.6				

VA GUARANTEED HOME LOANS BY ENTITLEMENT OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP--
Continued

Home loans	Loan Guaranty Division; reporting race or Spanish origin						
	Total	White	Black	Spanish-American	American Indian	Oriental	Other
LOUISVILLE, KY. (33,027)							
Total number.....	1,797	1,602	177	14		2	2
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	4.6	4.0	10.2				
Korean.....	2.9	2.9	3.4				
Post-Korean.....	10.8	10.5	11.9	35.7			
Post-Korean-Vietnam era.....	78.3	79.2	71.8	57.1		100.0	100.0
Entitlement previously exc.....	3.0	3.2	1.1	7.1			
Surviving spouse: Wife of POW/MIA.....	.4	.2	1.7				
NEW ORLEANS, LA. (33,021)							
Total number.....	6,015	4,992	965	34	5	5	14
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	8.3	7.4	12.7	8.8			14.3
Korean.....	4.8	4.7	5.1	5.9	20.0		
Post-Korean.....	14.3	14.4	14.3	8.8	20.0		21.4
Post-Korean-Vietnam era.....	71.3	72.0	67.3	76.5	80.0	100.0	64.3
Entitlement previously exc.....	1.1	1.3	.1				
Surviving spouse: Wife of POW/MIA.....	.2	.2	.5				
JACKSON, MISS. (34,023)							
Total number.....	3,669	3,154	497	8	4	2	4
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	8.3	7.1	15.9	12.5			
Korean.....	5.6	5.5	6.2		25.0		
Post-Korean.....	16.5	17.0	13.5	25.0		50.0	
Post-Korean-Vietnam era.....	65.4	65.9	62.2	62.5	75.0	50.0	100.0
Entitlement previously exc.....	3.8	4.2	1.4				
Surviving spouse: Wife of POW/MIA.....	.3	.3	.6				
WINSTON SALEM, N.C. (33,018)							
Total number.....	7,917	6,474	1,345	61	11	9	17
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	4.9	4.4	7.6	1.6			
Korean.....	2.7	2.5	3.8				
Post-Korean.....	8.8	8.7	9.6	6.6			5.9
Post-Korean-Vietnam era.....	79.6	79.9	77.3	88.5	100.0	100.0	94.1
Entitlement previously exc.....	3.8	4.4	1.3	3.3			
Serving spouse: Wife of POW/MIA.....	.1	.1	.4				
SAN JUAN, P.R. (34,055)							
Total number.....	1,793			1,193			
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	10.5			10.5			
Korean.....	16.3			16.3			
Post-Korean.....	16.4			16.4			
Post-Korean-Vietnam era.....	56.1			56.1			
Entitlement previously exc.....	.5			.5			
Surviving spouse: Wife of POW/MIA.....	.1			.1			

VA GUARANTEED HOME LOANS BY ENTITLEMENT OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—
Continued

Home loans	Loan Guaranty Division; reporting race or Spanish origin						
	Total	White	Black	Spanish-American	American Indian	Oriental	Other
COLUMBIA, S.C. (33,019)							
Total number.....	4,705	3,932	728	24		13	8
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	3.3	3.0	5.2				
Korean.....	1.8	1.9	1.8				
Post-Korean.....	8.8	8.5	11.0				12.5
Post-Korean-Vietnam era.....	83.0	83.2	81.0	95.8		100.0	75.0
Entitlement previously exc.....	2.8	3.3	.7				
Surviving spouse: Wife of POW/MIA.....	.2	.2	.3	4.2			12.5
NASHVILLE, TENN. (33,020)							
Total number.....	6,396	5,470	898	20	2	0	
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	7.3	6.5	12.5				
Korean.....	4.2	4.1	5.0				
Post-Korean.....	15.1	15.0	16.4	10.0			
Post-Korean-Vietnam era.....	70.4	71.2	64.6	90.0	100.0	100.0	
Entitlement previously excluded.....	2.8	3.1	1.1				
Surviving spouse: Wife of POW/MIA.....	.2	.1	.4				
HOUSTON, TEX. (33,002)							
Total number.....	16,161	12,071	1,665	2,379	5	12	23
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	6.9	6.2	11.3	7.0		6.3	8.7
Korean.....	3.7	3.7	4.6	3.4			
Post-Korean.....	12.8	13.4	12.5	10.1	14.3		13.0
Post-Korean-Vietnam era.....	70.3	69.4	68.1	78.5	85.7	75.0	69.6
Entitlement previously excluded.....	6.0	7.1	2.9	2.6		16.7	8.7
Surviving spouse: Wife of POW/MIA.....	.2	.2	.5	.3			
WACO, TEX. (33,049)							
Total number.....	13,249	11,071	1,216	903	18	13	28
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	6.2	6.1	8.8	4.2	56.6		3.6
Korean.....	3.9	3.9	4.7	2.3		15.4	7.1
Post-Korean.....	11.9	11.9	12.7	11.2	22.2		21.4
Post-Korean-Vietnam era.....	73.2	72.7	72.3	80.8	72.2	69.2	80.7
Entitlement previously exc.....	4.5	5.1	.9	1.2		7.7	7.1
Surviving spouse: Wife of POW/MIA.....	.2	.2	.6	.2		7.7	
ROANOKE, VA. (33,014)							
Total number.....	7,754	6,515	1,006	162	3	34	36
Percent distribution:							
Total number all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	3.7	3.0	8.1	4.3			5.6
Korean.....	2.0	1.8	3.5	1.2			
Post-Korean.....	6.5	6.4	7.9	2.5		2.9	5.6
Post-Korean-Vietnam era.....	82.6	83.2	77.7	84.0	100.0	97.1	88.1
Entitlement previously exc.....	5.1	5.5	2.7	6.8			2.8
Surviving spouse: Wife of POW/MIA.....	.2	.2	.2	1.2			

VA GUARANTEED HOME LOANS BY ENTITLEMENT OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—
Continued

Home loans	Loan Guaranty Division; reporting race or Spanish origin						
	Total	White	Black	Spanish-American	American Indian	Oriental	Other
CHICAGO, ILL. (33,028)							
Total number.....	8,779	6,439	2,144	175	2	4	15
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	7.9	5.3	15.7	5.7			13.3
Korean.....	4.6	3.4	7.8	8.6		25.0	
Post-Korean.....	14.9	13.5	18.8	14.9		25.0	33.3
Post-Korean-Vietnam era.....	69.8	74.1	56.9	70.3	100.0	50.0	46.7
Entitlement previously exc.....	2.8	3.6	.7	.6			
Surviving spouse: Wife of POW/MIA.....	.1	.1	.1				6.7
INDIANAPOLIS, INO. (33,026)							
Total number.....	6,202	5,588	575	105	5	2	7
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	8.3	7.5	16.0	8.8			
Korean.....	4.7	4.4	8.3	2.9			
Post-Korean.....	13.8	13.8	15.1	1.4	20.0		
Post-Korean-Vietnam era.....	72.9	74.1	60.5	77.1	60.0	100.0	100.0
Entitlement previously exc.....	.1	.1			20.0		
Surviving spouse: Wife of POW/MIA.....	.1	1.					
DES MOINES, IOWA (33,033)							
Total number.....	2,784	2,699	38	41	1	2	3
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	3.9	3.9	7.9				
Korean.....	2.7	2.7	2.6	2.4			
Post-Korean.....	10.5	10.4	13.2	12.2	100.0		
Post-Korean-Vietnam era.....	77.2	77.5	71.1	78.0		100.0	100.0
Entitlement previously exc.....	5.7	5.7	5.3	4.9			
Surviving spouse: Wife of POW/MIA.....	.1	0		2.4			
WICHITA, KANS. (34,052)							
Total number.....	3,594	3,279	233	70	9	1	2
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	5.2	4.9	9.4	5.7	11.1		
Korean.....	3.3	3.1	4.1	8.8	11.1		
Post-Korean.....	9.7	9.4	12.4	10.0	33.3		
Post-Korean-Vietnam era.....	77.9	78.4	72.5	75.7	44.4	100.0	50.0
Entitlement previously exc.....	3.8	4.2	.4				
Surviving spouse: Wife of POW/MIA.....	.1	.0	.4				50.0
DETROIT, MICH. (33,029)							
Total number.....	4,213	3,371	791	41	3	4	3
Percent distribution:							
Total under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	4.5	3.3	9.5	9.8			
Korean.....	2.9	2.2	6.2				
Post-Korean.....	10.9	10.3	13.7	7.3			33.3
Post-Korean-Vietnam era.....	79.7	82.0	69.8	82.9	100.0	100.0	66.7
Entitlement previously exc.....	1.8	2.1	.8				
Surviving spouse: Wife of POW/MIA.....	.1	.1	.1				

VA GUARANTEED HOME LOANS BY ENTITLEMENT OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—
Continued

Home loans	Loan Guaranty Division; reporting race or Spanish origin						
	Total	White	Black	Spanish-American	American Indian	Oriental	Other
ST. PAUL, MINN. (33,235)							
Total number.....	10,886	10,360	73	227	15	5	6
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	4.3	4.2	17.8	4.0	13.3	20.0	
Korean.....	3.0	2.9		4.0	13.3		
Post-Korean.....	13.3	13.3	15.1	8.8	20.0	40.0	50.0
Post-Korean-Vietnam era.....	72.0	72.1	56.2	78.4	53.3	40.0	50.0
Entitlement previously exc.....	7.4	7.5	11.0	4.8			
Surviving spouse: Wife of POW/MIA.....	0	0					
ST. LOUIS, MO. (33,031)							
Total number.....	4,725	4,159	527	23	4	6	6
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	5.5	5.2	7.2		25.0		16.7
Korean.....	3.4	3.3	4.2		25.0		
Post-Korean.....	12.4	11.7	17.8	13.0	25.0		
Post-Korean-Vietnam era.....	77.8	78.7	70.0	87.0	25.0	100.0	83.3
Entitlement previously exc.....	.7	.6	.2				
Surviving spouse: Wife of POW/MIA.....	.3	.2	.4				
LINCOLN, NEBR. (33,034)							
Total number.....	2,416	2,308	96	19	2	7	4
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	3.7	3.4	8.3			14.3	25.0
Korean.....	2.0	1.9	5.2	5.3			
Post-Korean.....	9.8	9.6	12.5	15.8	100.0		
Post-Korean-Vietnam era.....	82.1	82.7	70.8	78.9		85.7	75.0
Entitlement previously exc.....	2.1	2.2	1.0				
Surviving spouse: Wife of POW/MIA.....	.2	.2	1.0				
CLEVELAND, OHIO (33,025)							
Total number.....	17,083	14,630	2,362	74	2	7	8
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	8.8	7.4	17.2	6.8		14.3	12.5
Korean.....	5.1	4.7	7.9	5.4			
Post-Korean.....	12.9	12.5	15.7	10.8	50.0		12.5
Post-Korean-Vietnam Era.....	72.9	75.1	58.8	77.0	50.0	85.7	75.0
Entitlement previously exc.....	.4	.2	0				
Surviving spouse: Wife of POW/MIA.....	.1	.1	.4				
MUSKOGEE, OKLA. (33,051)							
Total number.....	4,123	3,778	231	44	52	2	16
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	4.9	5.0	5.2		1.9	50.0	
Korean.....	3.2	3.3	1.3	2.3	3.8		6.3
Post-Korean.....	12.4	12.6	11.7	4.5	13.5		6.3
Post-Korean-Vietnam era.....	78.0	75.7	79.2	93.2	71.2	50.0	81.3
Entitlement previously exc.....	3.2	3.2	2.6		7.7		6.3
Surviving spouse: Wife of POW/MIA.....	.2	.2			1.9		

VA GUARANTEED HOME LOANS BY ENTITLEMENT OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—
Continued

Home loans	Loan Guaranty Division; reporting race or Spanish origin						
	Total	White	Bleek	Spanish-American	American Indian	Ori-ental	Other
MILWAUKEE, WIS. (33,030)							
Total number.....	1,389	1,135	237	10	2		5
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	5.8	4.1	13.1	20.0			
Korean.....	3.0	2.6	5.5				
Post-Korean.....	20.8	20.4	22.8	20.0	50.0		
Post-Korean-Vietnam era.....	68.4	70.7	57.0	60.0	50.0		100.0
Entitlement previously exc.....	1.9	2.0	1.7				
Surviving spouse: Wife of POW/MIA.....	.1	.1					
PHOENIX, ARIZ. (33,045)							
Total number.....	9,082	8,027	314	654	40	20	28
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	9.5	9.5	8.6	9.2	10.0	5.0	10.7
Korean.....	3.6	3.5	6.1	3.7	2.5		3.6
Post-Korean.....	14.5	14.7	9.9	15.2	12.5	10.0	3.6
Post-Korean-Vietnam era.....	64.5	63.8	72.9	68.3	72.5	80.0	78.6
Entitlement previously exc.....	7.7	8.3	2.2	3.7	2.5	5.0	3.6
Surviving spouse: Wife of POW/MIA.....	.2	.2					
PHILADELPHIA, PA. (33,210)							
Total number.....	7,418	5,423	1,895	85	1	7	7
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	7.7	6.2	12.2	5.9			14.3
Korean.....	4.5	3.7	6.7	3.5			
Post-Korean.....	12.4	11.9	14.1	12.9			
Post-Korean-Vietnam era.....	75.2	76.1	68.6	77.6	100.0	100.0	85.7
Entitlement previously exc.....							
Surviving spouse: wife of POW/MIA.....	.2	.1	.4				
LOS ANGELES, CALIF. (33,044)							
Total number.....	40,058	32,488	3,737	2,772	39	351	671
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	8.9	8.7	13.0	8.0	5.1	5.1	5.7
Korean.....	4.7	4.6	6.6	3.8	5.1	3.1	2.2
Post-Korean.....	15.8	15.6	19.7	14.7	10.3	8.6	13.0
Post-Korean-Vietnam era.....	60.7	59.9	56.8	69.3	76.9	78.6	73.6
Entitlement previously exc.....	9.8	11.1	.6	4.1	2.6	4.0	5.2
Surviving spouse: wife of POW/MIA.....	.1	.1	.2	.0		.6	.3
SAN FRANCISCO, CALIF. (33,043)							
Total number.....	20,156	16,124	1,512	1,066	48	230	576
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	5.9	5.7	7.4	4.9	2.1	10.4	6.8
Korean.....	4.0	3.8	5.4	4.0	12.5	5.2	3.3
Post-Korean.....	14.9	14.6	19.2	16.2	18.8	7.0	13.2
Post-Korean-Vietnam era.....	65.7	65.4	63.7	70.1	58.5	73.5	70.1
Entitlement previously exc.....	9.4	10.3	4.2	4.8	8.3	3.0	6.4
Surviving spouse: Wife of POW/MIA.....	.1	.1	.1			.9	.2

VA GUARANTEED HOME LOANS BY ENTITLEMENT OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—
Continued

Home loans	Loan Guaranty Division; reporting race or Spanish origin						
	Total	White	Black	Spanish- American	American Indian	Ori- ental	Othe
DENVER, COLO. (33,039)							
Total number.....	15,615	13,687	700	1,139	19	34	36
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	6.3	6.0	8.6	8.1	10.5	20.6	2.8
Korean.....	3.8	3.7	5.0	3.7	-----	2.9	8.3
Post-Korean.....	16.4	16.3	16.7	17.5	31.6	5.9	11.1
Post-Korean-Vietnam era.....	61.8	61.6	63.3	62.5	52.6	67.6	69.4
Entitlement previously exc.....	11.5	12.1	6.4	8.2	-----	-----	8.3
Surviving spouse: Wife of POW/MIA.....	.2	.2	-----	.1	5.3	2.9	-----
HONOLULU, HAWAII (33,059)							
Total number.....	663	341	8	2	-----	103	209
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	2.7	2.6	-----	-----	-----	5.8	1.4
Korean.....	3.0	3.8	-----	-----	-----	4.9	1.0
Post-Korean.....	13.0	10.6	-----	-----	-----	18.4	14.8
Post-Korean-Vietnam era.....	78.1	78.0	100.0	100.0	100.0	69.9	81.3
Entitlement previously exc.....	3.0	5.0	-----	-----	-----	1.0	1.0
Surviving spouse: Wife of POW/MIA.....	.2	-----	-----	-----	-----	-----	.5
BOISE, IDAHO (33,047)							
Total number.....	1,673	1,049	5	13	2	1	3
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	6.6	6.7	-----	-----	-----	-----	-----
Korean.....	3.2	3.2	-----	7.7	-----	-----	-----
Post-Korean.....	16.9	17.0	-----	15.4	-----	-----	-----
Post-Korean-Vietnam era.....	60.2	65.9	100.0	76.9	100.0	100.0	100.0
Entitlement previously exc.....	6.6	6.7	-----	-----	-----	-----	-----
Surviving spouse: Wife of POW/MIA.....	.5	.5	-----	-----	-----	-----	-----
FORT HARRISON, MONT. (34,036)							
Total number.....	1,211	1,160	11	4	9	5	2
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	6.0	6.1	-----	-----	11.1	-----	-----
Korean.....	4.2	4.2	-----	-----	22.2	-----	-----
Post-Korean.....	15.6	15.7	9.1	-----	11.1	20.0	50.0
Post-Korean-Vietnam era.....	72.3	72.2	90.9	100.0	55.6	80.0	50.0
Entitlement previously exc.....	1.7	1.6	-----	-----	-----	-----	-----
Surviving spouse: wife of POW/MIA.....	.1	.1	-----	-----	-----	-----	-----
ALBUQUERQUE, N. MEX. (33,040)							
Total number.....	1,654	1,279	38	320	14	2	1
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	4.7	4.1	7.9	6.3	7.1	-----	-----
Korean.....	3.1	2.7	2.6	4.4	-----	-----	100.0
Post-Korean.....	11.1	11.3	10.5	9.7	21.4	-----	-----
Post-Korean-Vietnam era.....	74.9	74.4	76.3	76.9	71.4	100.0	-----
Entitlement previously exc.....	6.2	7.3	2.6	2.5	-----	-----	-----
Surviving spouse: wife of POW/MIA.....	.1	-----	-----	.3	-----	-----	-----

VA GUARANTEED HOME LOANS BY ENTITLEMENT OF BORROWER FOR EACH RACE/SPANISH ORIGIN GROUP—
Continued

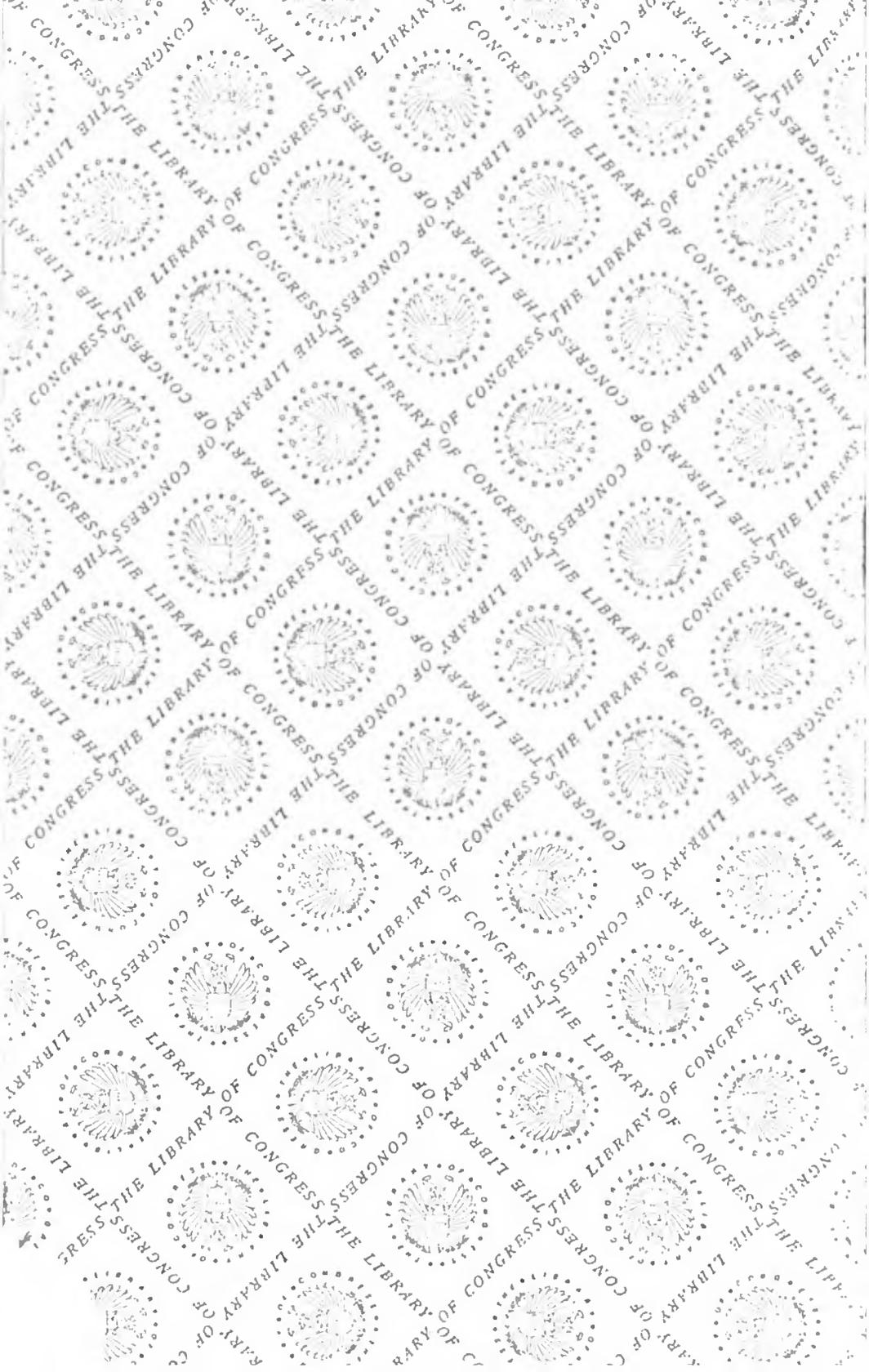
Home loans	Loan Guaranty Division; reporting race or Spanish origin						
	Total	White	Bleek	Spanish- American	American Indian	Ori- ental	Other
PORTLAND, OREG. (33,048)							
Total number.....	2, 175	2, 025	27	109	3	6	5
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	8.6	8.5	7.4	11.0			
Korean.....	5.7	5.6	3.7	6.4		16.7	
Post-Korean.....	19.2	19.2	25.9	18.3	33.3		20.0
Post-Korean-Vietnam era.....	62.1	61.9	63.0	63.3	66.7	83.3	60.0
Entitlement previously exc.....	4.3	4.5		.9			20.0
Surviving spouse: Wife of POW/MIA.....	.2	.2					
SALT LAKE CITY, UTAH (33,041)							
Total number.....	2, 605	2, 520	33	89	5	8	10
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	6.0	6.0	9.1	1.9			
Korean.....	3.8	3.6	6.1	9.0			10.0
Post-Korean.....	14.4	14.4	3.0	19.1		25.0	
Post-Korean-Vietnam era.....	70.4	70.5	78.8	62.9	80.0	75.0	90.0
Entitlement previously exc.....	5.1	5.4	3.0	1.1			
Surviving spouse: Wife of POW/MIA.....	.2	.2			20.0		
SEATTLE, WASH. (33,046)							
Total number.....	6, 216	5, 883	287	66	14	30	136
Percent distribution:							
Total, under all entitlements.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
World War II.....	4.4	4.5	2.8	1.5		3.3	5.9
Korean.....	3.4	3.3	5.2	9.1		10.0	2.2
Post-Korean.....	13.3	13.5	11.8	10.6	21.4	10.0	11.6
Post-Korean-Vietnam era.....	74.5	74.4	76.3	72.7	71.4	76.7	74.3
Entitlement previously exc.....	4.3	4.3	3.8	6.1	7.1		5.9
Surviving spouse: Wife of POW/MIA.....	.1	.1					

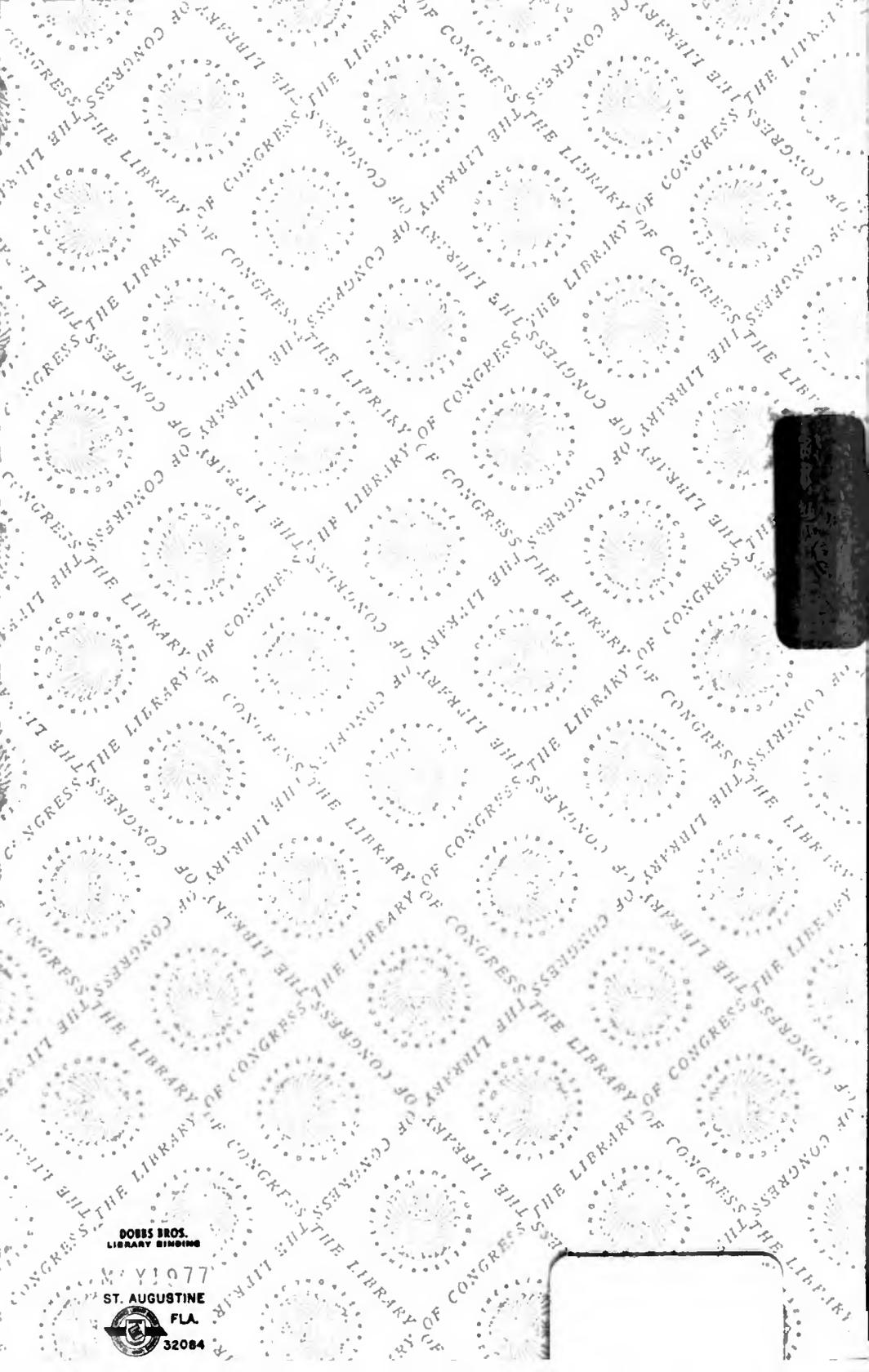
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