



American Legion
Centennial Post 209
P.O. Box 15461
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Newsletter: SEPTEMBER, 1983

Item 1. My apologies for not getting a newsletter out for August. I knew that would happen once in a while when I undertook this task of writing each month. Just remember that whether or not you receive a newsletter the Post meets the 3rd Tuesday of each month. Mark your calendar and plan to be there. Our agenda is most important to the well being of the Post and the more input we have the better we can plan and progress.

Item 2. Our September meeting will be held at 7:30 PM on Tuesday, September 20, 1983 at Ken Reyhans Realty Offices, 3320 Austin Bluffs Parkway. Refreshments are available at a nominal cost.

Item 3. Re-up now! Send in your dues if you have not already done so. We need your support.

Item 4. Plans are being made to have a formal initiation ceremony before the end of the year. Many in our membership have not had the opportunity to participate in this short, inspirational ceremony. I hope that all of you will participate when the plans are completed and the date announced.

I couldn't get a typist in time to get this newsletter out in time. I hope you can read my handwriting.

See you on Tuesday.

For God and Country

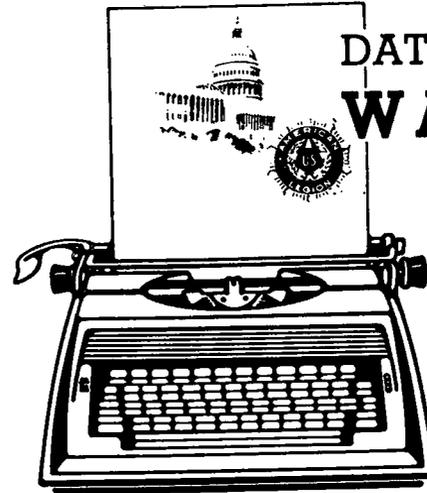
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DATELINE:

WASHINGTON

Proposal threatens VA home loan program

A RECENT amendment to a housing bill could spell trouble for the future of the VA home loan program.

During floor debate of HR-1 in the House of Representatives, an amendment was passed that would allow FHA rates to float with the housing market in general. At the present time, FHA rates are set by HUD Secretary Samuel Pierce. In addition, interest rates for VA loans are tied directly to FHA rates.

The VA Administrator is required by law to consult with the Secretary of HUD

before setting VA interest rates. Should HR-1 become law, home sellers could negotiate rates with prospective buyers up to the going market interest rate rather than a below-market rate. The rationale was to allow more and cheaper homes to become available to future FHA buyers.

Instead, this proposal may cause a seller to overlook the veteran home buyer, who is getting a VA home loan at 12.5 percent, when the seller could negotiate a mortgage under FHA for 14 percent.

A move is under way to have the interest rate link between FHA and VA to be severed. This would free the VA program from being buffeted about by the winds of up-and-down interest rates, while still affording veterans the chance of obtaining a home (which military service may have delayed) at a reasonable price.

There is a similar bill—S-1338—pending in the Senate, containing the same FHA floating rate provision. Without legislation to separate the FHA-VA rate-setting mechanisms, this country's veteran home buyers could be in deep trouble.