The original documents are located in Box 14, folder "Women's Resources" of the Fernando E.C. De Baca Files at the Gerald R. Ford Presidential Library.

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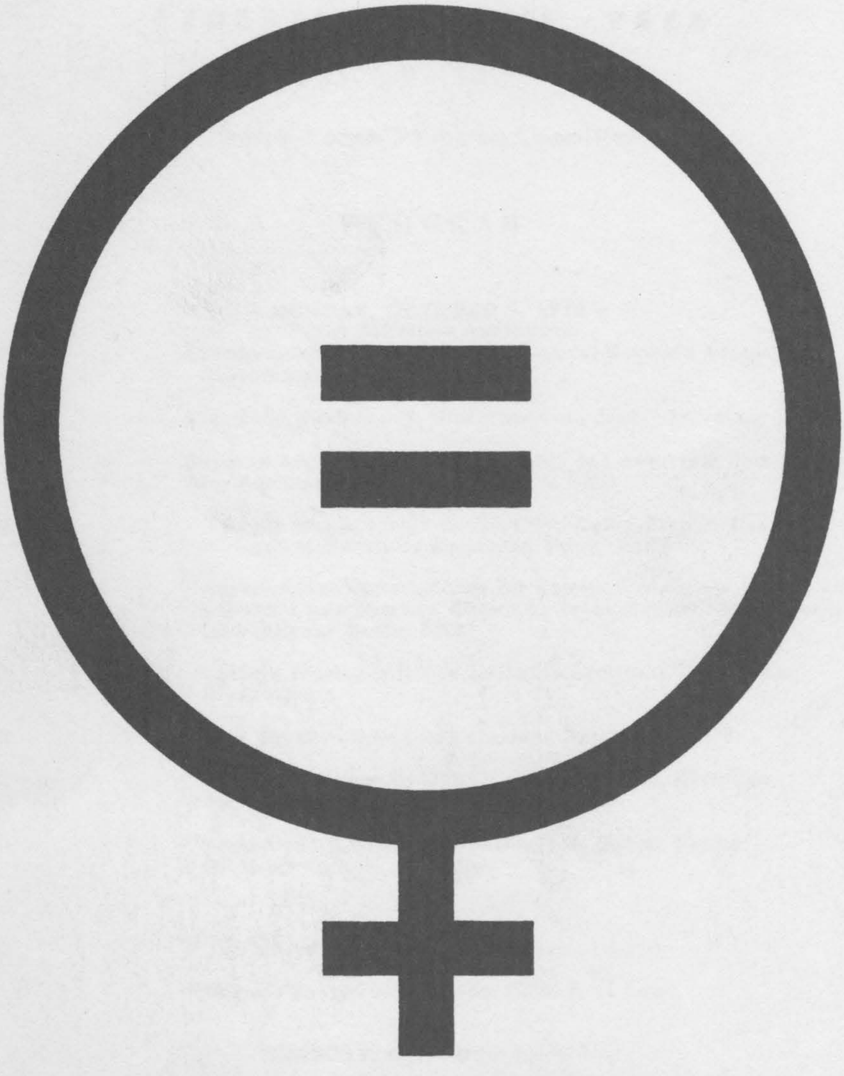
FILE MEMO:
EF/dg
January 11, 1977

EXECUTIVE
FG 6-11-1/DeBaca,
Fernando

Filed: Oversized Attachment # 9794, July 1974 - October 1974

material from Mr. Fernando DeBaca's office.



USDA FEDERAL WOMEN'S WEEK

OCTOBER 7-11, 1974

ALL USDA EMPLOYEES ARE INVITED

UNITED STATES DEPARTMENT OF AGRICULTURE

FEDERAL WOMEN'S WEEK

October 7–11, 1974

Federal Women's Program Committee

PROGRAM

– MONDAY, OCTOBER 7, 1974 –

USDA Jefferson Auditorium

9:30	Introductions--Marjory F. Hart, Federal Women's Program Coordinator
	Welcoming Address--J. Phil Campbell, Under Secretary
	Keynote Address--Joseph R. Wright, Jr., Assistant Secretary for Administration and Director of EEO
10:20	"Stop the World, I Want to Get On"--Daisy Fields, Executive Director of Federally Employed Women (FEW)
11:00	"Advancement Opportunities for Women Economists in Agriculture" --Barbara Ann Sharkey, Director, Trade Negotiations Division, International Trade, FAS
11:30	"College Bred, but Happy to Be My Secretary"--Dramatic Presentation
12:00	Lunch Break -- Sponsored displays listed on page 3
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2:00	"Sexism and Racism"--Rev. David H. Eaton, Pastor, All Souls Church, Unitarian
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3:00	"The Emerging Woman"--Auditorium (1 hour)
	"Where's Prejudice?"--Room 1605–S (1 hour)

– TUESDAY, OCTOBER 8, 1974 –

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Workshops	
12:00 – 1:00	"Working Problems of Single Parents"--Bob Treanor, Mary Ann Schultz, Emily Brown--Room 4710–S
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– WEDNESDAY, OCTOBER 9, 1974 –

11:00 Honorable Martha W. Griffiths, Congresswoman from Michigan

Workshops

12:00 – 1:00 Panel on Black Feminism--Jo Benoit, Francelia Gleaves, Virginia Clark, National Black Feminist Organization (NBFO) --Cafeteria Conference Room, 1st floor, 2nd wing

1:00 – 2:00 "Effective Speaking"--presentation by Toastmaster Clubs, Ed Harris, RDS, Coordinator--Room 4710–S

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– THURSDAY, OCTOBER 10, 1974 –

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Workshops and Exhibits

11:00 – 2:00 Continuing Educational Programs of Area Colleges and Universities--Patio, Administration Building--Listed on page 3

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Spanish Speaking Organization Concerned with Government Employment (IMAGE)

Women's Action Taskforce (WAT)

Business and Professional Women's Organization (BPW)

Women's Equity Action League (WEAL)

National Women's Political Caucus (NWPC)

Federal Women's Program Committee

Agricultural Stabilization and Conservation Service, EEO

– PARTICIPATING COLLEGES AND UNIVERSITIES –

Montgomery Junior College

University of Virginia School of Continuing Education

USDA Graduate School

Antioch College

George Mason University

Federal City College

George Washington University

Northern Virginia Community College

Washington Technical Institute

American University

Washington Saturday College

Howard University

Catholic University

Georgetown University

Southeastern University

University of Maryland

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POTENTIAL
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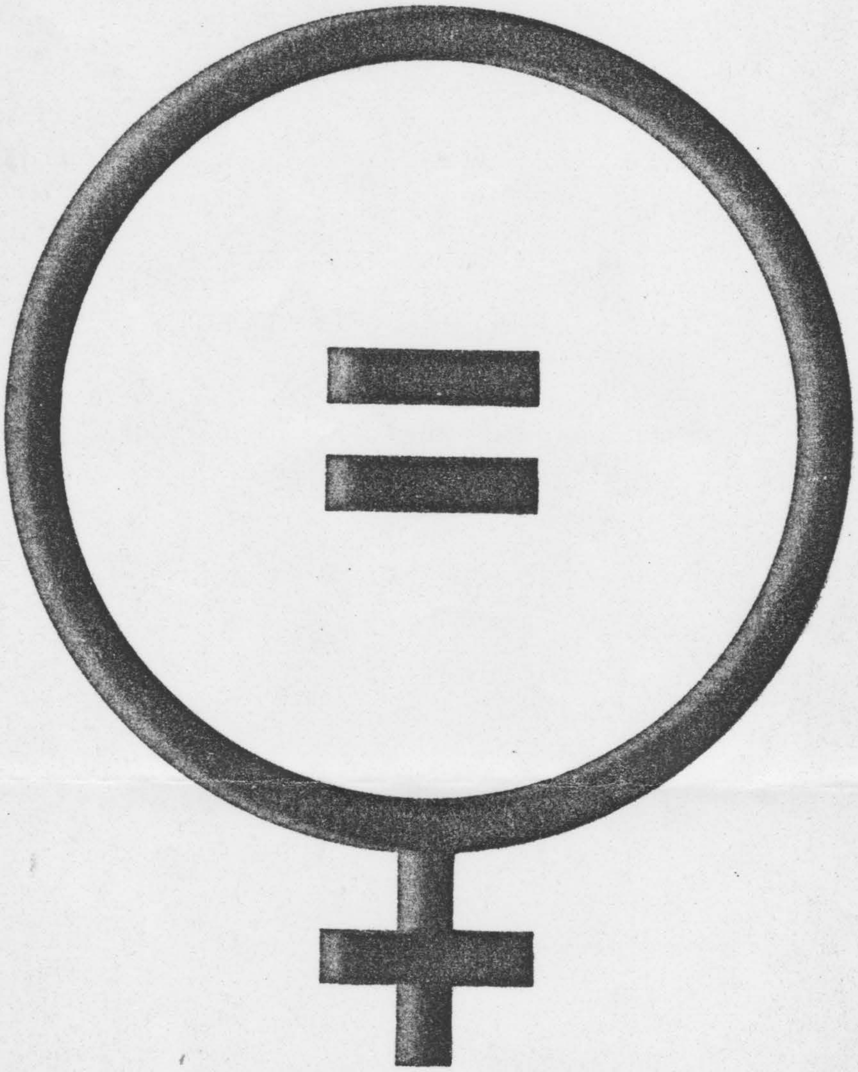

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FEDERAL WOMEN'S
PROGRAM USDA

FEDERAL NATIONAL MORTGAGE ASSOCIATION

FNMA

OAKLEY HUNTER
CHAIRMAN OF THE BOARD AND PRESIDENT

To the Presidents of the

National Women's Organizations:

The Federal National Mortgage Association is happy to be the provider of the brief cases furnished for the Presidents' Conference on September 14 and 15, 1974.

FNMA is the largest single purchaser of residential mortgages in the United States. The company's mission is to assist in financing the nation's housing needs while at the same time fulfilling its responsibility to the owners of its 47 million shares of stock.

The company was formerly a part of the federal government, but under the provisions of the 1968 Housing Act, it became a self supporting, shareholder owned corporation. It does not receive any subsidy from the Government.

Best wishes for a successful conference.

Sincerely,

Oakley Hunter

Oakley Hunter

1133 FIFTEENTH STREET, N.W. • WASHINGTON, D. C. 20005 • (202) 293-6060

Remarks of

Steven M. Rohde

Center for National Policy Review

School of Law, Catholic University

Washington, D.C. 20017 (202-832-8525)

"Ending Sexism in the Mortgage Market"

Presented at National Presidents' Meeting

Sponsored by the National Council of Negro Women

September 14, 1974

I am delighted to have this opportunity to speak before this distinguished gathering. Today's session on housing is most timely in view of the new Federal law prohibiting sex discrimination enacted last month. The passing of this new law should by no means be regarded as a reason for relaxing efforts. To the contrary, it should be regarded as a new opportunity and a call to action.

My remarks today will address the problem of discriminatory treatment of women in the home mortgage market.

Unfortunately, sexism has been pervasive throughout the nation's mortgage finance industry. Women have faced irrational obstacles in obtaining mortgage credit whether they have applied individually for a loan or jointly with their husbands. Considerable progress has been made in the last few years in identifying these barriers and in beginning the process of reform, and the passage of new Federal legislation is another significant step forward. I am optimistic that the tools are now at hand to address the problems of sexist practices in the home mortgage market. But it would be a great mistake to believe that now that a new federal law has been passed, the problems will automatically solve themselves. It is going to take vigorous and coordinated action on a national and local level by both government agencies and private organizations if sexism is to be rooted out of the mortgage market.

The Practice of Discounting All or Part of A Wife's Income

One of the most prevalent discriminatory practices in mortgage lending has been the practice of routinely discounting or totally ignoring the income of working wives in computing family income. Such practices have prevented many families from achieving homeownership or compelled them to accept housing that does not suit their needs and incomes.

The widespread nature of the practice of discounting the income of working wives has been demonstrated not only by a large number of complaints from women, but also by a number of recent studies.

In March, 1972, the Federal Home Loan Bank Board, the Federal agency which regulates the savings and loan industry, released the results of a survey conducted the previous year. With respect to conventional mortgage loans, one of the questions asked savings and loan managers was what credit they would allow for a working wife's income if she were 25 years old, had two school age children, and worked full time as a secretary. Fully 25 percent of the savings and loan managers responded by saying that they would count <u>none</u> of her income, and most reported percentages of 50% or less. Only 22% indicated that they would give full credit to her income. Because the method of sample selection used in this survey appeared to produce a sample of lenders relatively more liberal than the average savings and loan association, it is likely that the survey actually <u>understated</u> the extent of discrimination.

Confirmation of the results of the Bank Board survey came from another survey released in May, 1972, by the United States Savings and Loan League, involving more than 400 large savings and loans. For example, only 28% of these savings and loans indicated that they would give full credit to a working wife's income.

There have also been local studies documenting discrimination in specific local markets. A report last year by the DC Commission on the Status of Women and the Women's Legal Defense Fund documented discrimination by lenders in the Washington, D.C. area. The survey indicated that while women classified as professional workers were victims of discounting practices, such practices were particularly severe against women not so classified. And recently, the United States Commission on Civil Rights released a study on race and sex discrimination by mortgage lenders in Hartford, Connecticut. The Commission found that discounting practices were widespread.

The practice of routinely discounting the income of working wives is based on the assumption that if a woman is married, her participation in the labor force is merely a temporary aberration, and that once a woman becomes pregnant, her employment will end permanently.

Of course this type of assumption is based on sexist myth. It ignores changing social conditions, the increased employment of women and the increased availability of liberal maternity leave policies. Perhaps worst of all, these practices rest on an insulting assumption that people are devoid of common sense and cannot rationally plan their lives - that women will deliberately quit work or refuse to return even if this would mean loss of their house due to foreclosure.

The economic invalidity of traditional discounting practices is further demonstrated by the fact that in underwriting a mortgage loan, it is not necessary to conclude that a working wife will remain in the labor force for the life of the loan. The key question is whether her income is likely to be stable during the early years of the mortgage. This is the critical period, since experience indicates that if foreclosure occurs, it is likely to occur during the first few years. Even if foreclosure should happen after the early years of the mortgage, the risk to the lending institution will be substantially reduced, since the ratio of the remaining balance of the loan to the value of the house will have been reduced.

There is no economic evidence at all to support those who have routinely discounted all or part of a wife's income in underwriting mortgage loans. To fact the major studies on mortgage risk provide strong evidence that, in determining default risk, the key factors are the characteristics of the loan itself, particularly the loan to value ratio, rather than the characteristics of the borrower.

The specific question of mortgage delinquency rates in two-wage earner families as opposed to single wage earner families was examined in a 1964 study by Leon Kendall for the United States Savings and Loan League, entitled Anatomy of the Residential Mortgage. While the results should be interpreted with caution because of failure to control for other variables, the data suggest that, if anything, loans to families where the husband's income accounted for 100% of family income actually had a slightly higher likelihood of being delinquent than loans to families where the husband's income was only a portion of family income.

Discrimination Because of Marital Status

So we can see that women have faced many irrational obstacles when they apply for a loan jointly with their husbands. But women have also faced obstacles when applying individually for a mortgage loan. Frequently, this is because they run into discrimination because of their marital status - as people who are single, divorced, widowed or separated. The survey of the Federal Home Loan Bank Board revealed that 64% of the savings and loans admitted using a person's marital status as a factor in evaluating the loan applications. Eighteen percent actually indicated that a person's marital status, in and of itself, could be grounds for automatic disqualification.

There is no clear evidence whether men who are divorced, widowed or separated encounter the same problems as women in obtaining mortgage loans. But as a practical matter the impact of policies that disadvantage people because of marital status are felt disproportionately by women since a very large percentage of persons in these categories who seek mortgage loans are women. In addition discrimination against women who are single and have no dependents is also a problem. Many single people find the purchase of condominiums or small homes to be an attractive investment, but run into discrimination when they seek mortgage loans.

There is no legitimate rationale for discrimination based on marital status. If a woman is single, widowed, divorced, or separated and has a job, and if she does not change her marital status during the early years of the mortgage, the chance that she would quit work during that time span is remote. If, on the other hand, during the early years of the mortgage she gets married or is reconciled with her husband, the likelihood is that the income of her household would actually increase. In either event possibility of a financial deterioration is quite remote. It is not surprising then that the 1970 study by Herzog and Earley for the National Bureau of Economic Research, entitled Home Mortgage Delinquency and Foreclosure, found no demonstrable relationship between marital status and mortgage loan risk.

Policies of FHA, FNMA, FHLMC and VA

It was against this backdrop of widespread discrimination based on unsound assumptions that the efforts of recent years have taken place. Before these efforts, the one beacon of light was the policy of FHA, which had revised its policies during the 1960's so that under normal circumstances the wife's income would be counted fully. Data on loans made under the FHA 203(b) program indicated that in approximately 90% of the cases where there was a working wife, her income was fully counted. (Unfortunately, data has not been kept for rejected applications.) Although there have undoubtedly been instances of discrimination, at least the broad agency policy was basically nondiscriminatory. But even FHA has traditionally had a policy of discriminating on the basis of marital status. Even today, despite a fairly recent revision to its credit standards opposing discrimination on the basis of marital status, FHA has still failed to delete a provision, paragraph 2-7a of its Mortgage Credit Analysis Handbook which suggests just such a discriminatory standard.

But let's take a look at some of the developments of recent years. The seriousness of the problem was really brought into sharp focus by underwriting guidelines issued by the Federal National Mortgage Association (FNMA, commonly called Fannie Mae). FNMA is a quasi-federal agency which, in 1970, was given authority to establish a secondary market program for conventional mortgages - including a program of purchasing such mortgages from primary lenders in order to facilitate the flow of credit for residential mortgage financing. In anticipation of implementing this purchase program, FNMA undertook to establish credit and property underwriting guidelines for use by mortgage lenders wishing to sell their mortgages to FNMA. This was really the first attempt by a government sponsored agency to write credit and property underwriting criteria for use in the conventional mortgage market.

With respect to the treatment of the income of working wives, FNMA's initial guidelines included a provision that a wife's income should generally only be counted at 50%. Apparently, FNMA believed its guideline was merely reflective of general industry practice, perhaps even more liberal than such practice. Actually, the subsequent surveys provided considerable support for this opinion, although they also indicated that there was wide diversity in practice in the conventional market.

FNMA's guidelines were notable not only for their discrimination against women. They also contained features which would have had a discriminatory affect against racial minorities, blue collar workers and the elderly. Consequently a broad based coalition of public interest groups was organized, and in October, 1971, a public challenge to FNMA was launched. This challenge was successful in getting FNMA to issue a sharply revised set of criteria, including elimination of the 50% rule.

The language substituted in place of the 50% rule was somewhat vague, but fortunately, at a series of 24 meetings monitored by public interest groups, FNMA officials, for the most part, gave positive interpretations to its guidelines, interpretations which generally indicated that a wife's income under normal circumstances should be fully counted.

Although the new guidelines have now been in effect for more than two and a half years, there really is not yet any reliable information concerning the extent to which this stated policy has been implemented in practice as reflected in loans actually made by mortgage lenders. This is primarily because FNMA has been seriously foot dragging in establishing a system of data analysis on loans accepted and rejected for purchase. This highlights the critical need for follow-up. It seems that you never really quite win, but must always take things that extra step to assure that policy changes actually reflect themselves in improvements in people's lives, where it really counts.

During approximately the same time period as the challenge to FNMA's guidelines was being mounted, another Federal agency, the Federal Home Loan Mortgage Corporation (FHLMC, commonly called Freddie Mac) was also developing criteria. FHLMC is a government corporation controlled by the Federal Home Loan Bank Board. FHLMC and FNHMA actually perform parallel functions, the principal difference being that FHLMC does business primarily with savings and loan associations, while FNMA does business primarily with mortgage bankers and commercial banks.

After consultation with public interest groups, FHLMC issued a set of guidelines which are, on the whole, sound and nondiscriminatory. The guideline dealing with the case of two wage earners in a family indicates generally that there should be no discounting of income as long as it is determined that "both will probably work for several years (normally at least 20% of the mortgage term)." It is also made clear that in making this determination, the possibility of temporary leave, such as maternity leave, is not a basis for discounting any portion of the borrower's income.

But here again, we run into the problem that data is not yet available which would shed light on the extent to which this guideline has been reflected in loans made by savings and loan associations. Fortunately FHLMC has committed itself to a meaningful program of data analysis, and such data is expected to soon be available.

It was not until last year that the Veterans Administration removed clearly discriminatory features from its credit standards. One problem that was prevalent in connection with VA loans were cases where, as a condition for counting the wife's income, women were required to submit affidavits or make promises relating to their current and future use of birth control methods. Sometimes medical certificates have been solicited regarding a woman's capacity to bear children. After testimony and publicity about these cases, the VA, in February of last year, issued an information bulletin stating that VA does not require or condone such practices. At the time, however, VA did not revise its basically restrictive policy for dealing with the income of wives, a policy which suggested that the mere possibility of pregnancy was a basis for discounting income.

The Center prepared a detailed memorandum contrasting VA's restrictive policy with the stated policies of FHA, FNMA, and FHLMC, and this memorandum was submitted to VA in April of 1973. In July of that year VA reversed itself, stating that henceforth the income of wives would be considered in full. Again, we don't yet have any reliable information as to how this new policy has been implemented in practice.

I am at least somewhat reassured by the fact that it has been awhile since I have heard of a new complaint regarding the practice of requiring birth control information or promises as a condition for counting a wife's income, so hopefully, this type of unconscionable invasion of privacy is finally being eliminated. But because entrenched practices usually do not die easily, we must be constantly on guard.

To summarize, there has been much progress in getting Federal agencies which run their own mortgage loan programs to adopt stated policies of non-discrimination, but it is still unclear as to the extent to which these policies have reflected themselves in loans actually made. But even if full success should be achieved in this area, the fundamental problem of sexist practices in the mortgage market will remain unless discriminatory practices are eliminated across the full spectrum of loans made by mortgage lenders, regardless of whether the loan is an FHA insured or VA guaranteed loan, or whether it is to be sold to FNMA or FHLMC.

The Federal Financial Regulatory Agencies

In dealing with this broader problem, the critical Federal agencies are the agencies which regulate the banking and savings and loan industries. These agencies are the Federal Home Loan Bank Board, which regulates savings and loan associations; the Comptroller of the Currency, which regulates national banks; the Board of Governors of the Federal Reserve System, which regulates state-chartered banks that are members of the Federal Reserve System; and the Federal Deposit Insurance Corporation (FDIC), which regulates state chartered banks that are not Federal Reserve members.

The banking and savings and loan industries are among the most heavily regulated industries in the country. The regulatory agencies promulgate far reaching rules, require the submission of various reports, and maintain a network of Federal examiners who routinely visit and examine regulated inititations to make sure that they are in compliance with Federal law, regulation and policy, and that their lending practices and other activities are in accordance with sound business practice. In addition, these agencies have potentially effective sanctions at their disposal, such as the ability to issue cease and desist orders.

The application of this regulatory structure to the problem of discriminatory treatment of women by banks and savings and loan associations holds great promise for reform of discriminatory lending practices. It is for this reason that in early 1972, a major effort was begun to persuade these agencies to use their regulatory power to prevent institutions they regulate from discriminating against women in their lending policies. So far, this effort has been only partially successful.

In December, 1973, the Federal Home Loan Bank Board issued "Guidelines Relating to Nondiscrimination in Lending" which, among other things, established Board policy opposing discrimination on the basis of sex or marital status, and specifically dealt with the practice of discounting a wife's income. In addition the guidelines set forth the important principle that a practice need not be intended to be discriminatory in order to be a violation of law and regulation, but would be a violation if it is a needlessly restrictive practice which has a discriminatory effect on a group protected by the law. Since discrimination on the basis of sex or marital status tends to have a discriminatory effect against racial minorities, the guidelines provided an additional basis for attacking such practices.

None of the other agencies has taken any action similar to that taken by the Bank Board. The FDIC held a hearing at which the issues of sex discrimination were aired in detail, and the Comptroller of the Currency was represented at the hearing. But although there seemed to be a recognition of the seriousness of the problem, the agencies have been able to use as an excuse for inaction the fact that there was no Federal law specifically prohibiting sex discrimination. Fortunately that excuse has now vanished with the passage of the new legislation last month.

Following Up on the New Legislation

Section 808 of the Housing and Community Development Act of 1974, signed into law on August 22, contains two basic provisions addressing the problem of discriminatory treatment of women by mortgage lenders. One provision amends the Fair Housing Act to specifically prohibit sex discrimination. The Fair Housing Act instructs all executive departments and agencies to "administer their programs and activities relating to housing and urban development in a manner affirmatively" to further its purposes. Since the regulatory agencies clearly are covered by this provision, and since the Fair Housing Act now encompasses sex discrimination, the net effect of the new amendment to the Fair Housing Act is to provide a mandate to the agencies to take strong action to prevent sex discrimination.

An additional consequence of this amendment is that if the "effects test" is accepted, there will be an additional basis on which to challenge discrimination because of martital status, since such discrimination has a discriminatory effect on women. It should be pointed out, however, that of the four regulatory agencies, only the Bank Board has clearly accepted the principle of the "effects test".

It is also clear to me from the legislative history of the amendment to the Fair Housing Act, which originated in the Senate bill, that its authors intended it to cover the practice of discounting a wife's income. The House bill contained a provision which added a new Section 527 to the National Housing Act which prohibits sex discrimination in connection with "federally related" mortgage loans, and deals explicitly with the discounting problem by stating that persons engaged in making federally related mortgage loans "shall consider without prejudice the combined income of both husband and wife. . . " The definition of a "federally related mortgage loan" is so broad that it encompasses almost all loans in connection with one to four family houses. In order to leave no doubt as to the intent of Congress to deal with the discounting practice, and to avoid controversy in the House - Senate Conference, it was decided to include both the House and Senate provisions in the legislation. Thus, the new section 527 of the National Housing Act provides an additional basis for agency action.

Hopefully, stripped of all possible excuses for inaction, the agencies will take prompt and positive action to use the full force of their regulatory structure to root out sexism in the home finance industry. We have sent letters to the agencies outlining some basic steps that should be taken. But if for some reason the response is not positive, it may become important to organize a broad based coalition of groups to put pressure on the agencies.

Among the basic elements we believe crucial to an effective agency compliance program are the following:

(1) The agencies should set forth, in regulations or supplementary guidelines, basic principles of nondiscriminatory underwriting to make clear that under normal circumstances a wife's income should be fully counted, that the fact that a woman may be of "childbearing age" is not a proper basis upon which to discount income, and that the discounting of a wife's income could only be justified in the unusual case where there is clear evidence that the income is intended or likely to be temporary in nature and cannot reasonably be expected to continue through the early period of mortgage risk.

(2) The agencies should establish a nationwide data collection system with respect to mortgage loan applications. A pilot program is now underway to collect data on mortgage loan applications in 18 SMSA's on race and geographic areas, and in 12 of the SMSA's, data on sex and marital status

This type of data collection should be implemented nationwide and should be expanded to include data on percentage of loans which go to families where the husband and wife both work, and in cases where the wife does work, information on the "% of family income earned by the working wife."

For given institutions, a comparison of aggregate data for accepted and rejected applications for variables such as "% of loans to families where the wife works" and "% of family income earned by a working wife" might show some significant discrepancies suggesting the possibility that loans were being denied because of discounting of a wife's income. Data on such variables can also be compared from institution to institution and with data from Federal mortgage programs. For example close to 45% of loans under the FHA 203(b) program are to families with working wives. In addition, such data can be evaluated against a standard developed by analyzing data on two wage earner families in the general population.

The system of data analysis should also incorporate basic variables such as income, loan to value ratio, and mortgage payment to total income ratio.

(3) The agencies should make civil rights an integral part of the regular examinations of regulated institutions. In fact the data system I have described would greatly facilitate the task of examiners in searching for discriminatory practices. Where discriminatory practices are discovered and persist, the agencies must be prepared to exercise sanctions such as the use of cease and desist orders.

Concluding Remarks

I am confident that such a program as I have outlined here, including use of the "effects test", would result in major breakthroughs. However, in any event, it will be important for private organizations to find ways to feed into whatever process is developed. For example, women who have been the victims of discrimination should be encouraged to complain to the appropriate regulatory agency. To the extent feasible, local surveys of lending inititation practices should be undertaken. (In this regard, I would be happy to offer technical advice and assistance to any group wishing to undertake such a survey.) Also use should be made of state and local laws recently enacted which prohibit discrimination on the basis of sex or marital status. Sexism has been so deeply rooted in the home finance industry that it is only by such an all fronts attack that we can be reasonably assured of eliminating this evil.

Food Stamp Facts..
Eligibility Requirements

The Food Stamp Program enables low-income households to buy more food of greater variety to improve their diets. Participants pay a small sum of money—the amount based on family size and net monthly income—and receive a larger value of food stamps, which can be spent like money in participating food stores.

To qualify for food stamp benefits, households must meet certain nationwide eligibility standards such as income and work registration. Except in special circumstances, food stamp households must be able to prepare meals. The following questions and answers are about eligibility:

1. **WHO IS ELIGIBLE FOR FOOD STAMPS?** Single and family households, to be eligible for food stamps, must:

- Meet national standards for income and resources or have all household members receiving public assistance.
- Be made up of a group of persons, excluding roomers, boarders and live-in attendants, who are living as one economic unit.
- Make certain that able-bodied household members 18 and over register for employment.

2. **WHAT IS INCOME?** Income is any money received by all members of the household, except students under 18 years old, including wages; public assistance, retirement, disability benefits; pensions; veterans', workmen's, or unemployment compensation; old age, survivors', or strike benefits; support payments, alimony, scholarships, educational grants, fellowships and veterans' educational benefits; dividends, interest, and all other payments from any source which may be considered a gain or a benefit.

3. **WHAT ARE THE INCOME STANDARDS FOR A HOUSEHOLD?** Households in which all members are receiving public assistance or certain general assistance payments are eligible for food stamps without regard to income and resource eligibility standards.

The monthly net income all other households can have and take part in the program is based on family size. The maximum allowable income for these households including those in which some members are receiving public assistance or general assistance in any State (except Alaska, Hawaii, Puerto Rico, Virgin Islands and Guam)* or the District of Columbia shall be the higher of:

(1) The maximum allowable income standards for each household size which were in effect in such State or the District of Columbia prior to July 29, 1971, or

(2) The following maximum monthly income standards (shown according to household size):

1	$194	5	$593
2	273	6	680
3	393	7	767
4	500	8	853

For each additional household member over eight add $73.

*These areas have separate standards because of differing food costs.

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4. WHAT HOUSEHOLD EXPENSES CAN BE DEDUCTED? Expenses deducted from income include such mandatory expenses as: local, State and Federal income taxes; Social Security taxes under FICA; retirement, and union dues. Other allowable deductions are: medical costs (but not special diets) when more than $10 a month; child care to accept or continue employment; fire, theft, hurricane or other disaster expenses; educational expenses which are for tuition and mandatory school fees; court-ordered support and alimony; rent, utilities or mortgage payments above 30 percent of income after all other deductions.

5. WHAT ARE RESOURCES? Resources are such liquid assets as cash on hand, in a bank or in other savings institution accounts; U.S. Saving Bonds; stocks and bonds; and such nonliquid assets as buildings (except for the family home), land, and certain real or personal property. Each household is allowed up to $1,500 in resources except for those households of two or more persons with a member or members age 60 or over. Then the resources may not exceed $3,000.

6. WHAT RESOURCES ARE EXCLUDED? The following resources are not considered in determining food stamp eligibility: home; one car and other unlicensed vehicles; life insurance policies; real estate that produces income, consistent with its fair market value; vehicle needed for purposes of employment; tools of a tradesman; farm machinery, etc.

7. WHAT IS THE MONTHLY COUPON ALLOTMENT AND PURCHASE REQUIREMENT? The amount of food stamps you receive and the amount you must pay depends on household size and net monthly income. For example, a four-person household with a net monthly income of $200 would pay $53 and receive food stamps worth $150 (or $97 worth of "bonus" or "free" food stamps). If this same four-person household would make less than $30 a month, there would be no purchase requirement to receive the $150 worth of food stamps. (For further information see Food Stamp Facts . . . Allotments and Purchase Requirements.)

8. DOES EVEYONE HAVE TO REGISTER TO WORK? Yes. With few exceptions, everyone between 18 and 65 years of age who is able-bodied must register to work. If one member refuses to register, the entire household becomes ineligible to receive food stamps. (For further information, see Food Stamp Facts . . . Work Registration.)

9. HOW SHOULD THE HOUSEHOLD APPLY FOR FOOD STAMPS? The head of the family contacts the local office of the welfare department. He completes an application form and is interviewed by a representative of the welfare department. He should have papers to show: where he lives; how many are in the family; how much income they have; how much they are paying for rent, medical bills, child care, education, and other expenses.

10. IF AN ELIGIBLE FAMILY MOVES TO ANOTHER FOOD STAMP AREA DO THEY HAVE TO REAPPLY? No. A family intending to move to another food stamp area should apply at their welfare office for a transfer certification. If the household composition has not changed at the time of the intended move, certification will be continued for 60 days in the new area. The household must then request recertification within the 60 days following the move.

Any food stamp participant may request a fair hearing if he feels a decision regarding his participation has been unfair. Each household should be informed of its right to a fair hearing at the time of application. The standards for participation in the Food Stamp Program are the same for everyone without regard to race, color, religious creed, national origin, sex or political beliefs.

FOR FULL AND COMPLETE INFORMATION CONTACT YOUR LOCAL FOOD STAMP CERTIFICATION OR WELFARE OFFICE

The Food Stamp Facts series include:

- Allotments and Purchase Requirements (FNS-70)
- Work Registration (FNS-71)
- Eligibility Requirements (FNS-72)
- Fair Hearing (FNS-73)
- Household Income Deductions (FNS-74)
- Meals-On-Wheels (FNS-75)
- Recipient Responsibility (FNS-76)
- Disaster Situations (FNS-99)

Food Stamp Facts...

Allotments and Purchase Requirements

The Food Stamp Program enables low-income households to buy more food of greater variety to improve their diets. Participants pay a small sum of money—the amount based on family size and net monthly income—and receive a larger value of food stamps, which can be spent like money in participating food stores.

To qualify for food stamp benefits, households must meet certain nationwide eligibility standards such as income and work registration. Except in special circumstances, food stamp households must be able to prepare meals. When qualified, participants will receive an allotment of coupons related to the number of people in the household, and pay an amount (purchase requirement) for this allotment according to the net total income of the household according to the tables given in this fact sheet. Following are some frequently asked questions and answers about the coupon allotments and the purchase requirements.

1. WHAT IS THE PURCHASE REQUIREMENT? The amount a household pays for its food stamps is called the purchase requirement. The amount increases as the household income increases, but in no case will the purchase requirement be more than 30 percent of the household's net income or take-home pay.

2. HOW IS THE ALLOTMENT DETERMINED? The total amount of coupons an eligible household will receive will depend upon the size of the household.

3. WHAT ARE BONUS FOOD STAMPS? "Bonus" or "free" coupons are the difference between the purchase requirements and the total coupon allotment. For example, if a household paid $10 for $82 worth of coupons, the bonus would be $72 worth of coupons: See table on page 2.

4. DOES A HOUSEHOLD HAVE TO BUY ALL THE STAMPS AT ONE TIME? A household can buy stamps twice a month or, in some States, more often. If a household receives a welfare payment, the cost of the total coupon allotment can be deducted from the check, in most States.

5. CAN A HOUSEHOLD BUY LESS THAN THE TOTAL ALLOTMENT? A household is allowed to purchase three-quarters, one-half, or one-quarter of the total allotment unless the household has chosen to have the purchase requirement deducted from the welfare payment. In that case, the household must buy the total allotment.

6. CAN A HOUSEHOLD GO BACK AND BUY THE REST OF THE ALLOTMENT LATER? Once the household buys less than the total allotment in any one month, it will not be able to pick up the balance at a later date. However, the full allotment may be purchased the following month.

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REVISED JULY 1974 (Destroy previous editions) FNS-70
NOTICE: The tables in this publication are subject to revision semi-annually.

THE FOOD STAMP PROGRAM
MONTHLY COUPON ALLOTMENTS AND PURCHASE REQUIREMENTS
48 STATES AND THE DISTRICT OF COLUMBIA

Number in Household:	1	2	3	4	5	6	7	8
Monthly allotment:	$46	$82	$118	$150	$178	$204	$230	$256
Monthly Net Income			**Monthly Purchase Requirement:**					
$ 0 - $ 19.99	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
20 - 29.99	1	1	0	0	0	0	0	0
30 - 39.99	4	4	4	4	5	5	5	5
40 - 49.99	6	7	7	7	8	8	8	8
50 - 59.99	8	10	10	10	11	11	12	12
60 - 69.99	10	12	13	13	14	14	15	16
70 - 79.99	12	15	16	16	17	17	18	19
80 - 89.99	14	18	19	19	20	21	21	22
90 - 99.99	16	21	21	22	23	24	25	26
100 - 109.99	18	23	24	25	26	27	28	29
110 - 119.99	21	26	27	28	29	31	32	33
120 - 129.99	24	29	30	31	33	34	35	36
130 - 139.99	27	32	33	34	36	37	38	39
140 - 149.99	30	35	36	37	39	40	41	42
150 - 169.99	33	38	40	41	42	43	44	45
170 - 189.99	36	44	46	47	48	49	50	51
190 - 209.99	36	50	52	53	54	55	56	57
210 - 229.99		56	58	59	60	61	62	63
230 - 249.99		62	64	65	66	67	68	69
250 - 269.99		62	70	71	72	73	74	75
270 - 289.99		62	76	77	78	79	80	81
290 - 309.99			82	83	84	85	86	87
310 - 329.99			88	89	90	91	92	93
330 - 359.99			94	95	96	97	98	99
360 - 389.99			100	104	105	106	107	108
390 - 419.99			100	113	114	115	116	117
420 - 449.99				122	123	124	125	126
450 - 479.99				126	132	133	134	135
480 - 509.99				126	141	142	143	144
510 - 539.99					150	151	152	153
540 - 569.99					150	160	161	162
570 - 599.99					150	169	170	171
600 - 629.99						172	179	180
630 - 659.99						172	188	189
660 - 689.99						172	194	198
690 - 719.99							194	207
720 - 749.99							194	216
750 - 779.99								216
780 - 809.99								216
810 - 839.99								216
840 - 869.99								216

For each person in excess of eight, add $22 to the monthly coupon allotment for an eight-person household.

Any food stamp participant may request a fair hearing if he feels a decision regarding his participating has been unfair. Each household should be informed of its right to a fair hearing at the time of application. The standards for participation in the Food Stamp Program are the same for everyone without regard to race, color, sex, religious creed, national origin, or political beliefs.

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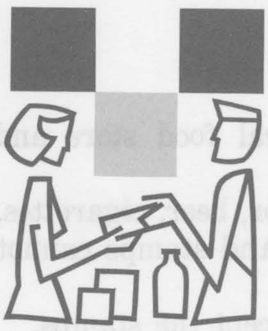
FOOD STAMP PROGRAM



Some people do not have money to buy the food they need for good health. The United States Department of Agriculture's Food Stamp Program is a way to help these people buy more and better food.

WHO CAN GET FOOD STAMPS?

Families or individuals who have low incomes, such as:

- Those with no jobs.
- Those with part-time work.
- Those that do not earn much money.
- Those on public welfare.
- Many people on Social Security or with small pensions.

HOW DOES A FAMILY FIND OUT ABOUT FOOD STAMPS?

The head of the family goes to the welfare office. There, someone will tell him about getting food stamps. He should bring papers to show:

- Where the family lives.
- How many are in the family.
- How much money they have coming in each month.
- How much the family is paying for doctor's bills and rent.

HOW DOES A FAMILY GET FOOD STAMPS?

To take part in this program, a family must have a place to cook meals. The family buys food stamps which will cost about the same as the family pays each month for food, but the family gets more food stamps than it pays for.

The welfare office tells the family how much to pay for stamps, how many stamps the family gets, and if any family members need to register for work. The total worth of stamps depends on how many people are in the family.

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HOW ARE FOOD STAMPS USED?

Anyone in the family can take the food stamp book to a local food store and use the stamps like money to buy food.

Food stamps can buy almost all food. They cannot buy liquor, beer, cigarettes, soap, or other things sold in the food store that are not food. And stamps cannot be sold to the grocer or anyone else.

Most stores in a food stamp county or city will be glad to accept the stamps.

ARE ALL FAMILIES TREATED THE SAME WAY IN THIS PROGRAM?

The rules of the program are the same for all families, all over the United States. The family's need and willingness to obey the few easy rules of the program are the only things that count. No family may be denied food stamps or be dropped from the program just because any member of the family is active in trying to get fuller citizen's benefits.

Also, even if they are not able to get a wage statement from the people they work for, low-income families can still get food stamps. No family may be put in a special place in line or in a separate line or told to come on a different day because of race, color, or national origin.

If anyone believes his or her family is being unfairly denied food stamps, or has been unfairly dropped from the program, he or she has the right to ask for, and get a Fair Hearing—a chance to tell his or her side of the question with the help of friends or a lawyer. The family can get food stamps at least until the date of the Fair Hearing, regardless of whether the case is won or lost.

HOW CAN A COUNTY GET THIS PROGRAM STARTED?

The Food Stamp Program is one of two programs of the Food and Nutrition Service, USDA, for needy families. The other is called the "Food Distribution Program." State and local welfare offices decide if there is to be a Food Stamp Program in the county or city. If families ask about food stamps, the public welfare office will know that food help is wanted.

All programs of the U.S. Department of Agriculture are available to everyone without regard to race, creed, color, sex, national origin, or political belief.

U.S. Department of Agriculture, Food and Nutrition Service, February 1972

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