



HUD NEWS

U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
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Phone (202) 755-5277
(Vinciguerra)

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Secretary of Housing and Urban Development, James T. Lynn, announced today that he has directed the New Communities Administration to devote all resources toward assisting the existing 14 new community projects. Accordingly, the New Communities Administration will not accept any additional applications for guaranty assistance to new projects and will suspend further processing of applications on hand. No full applications for new community developments have been received during the last year.

Many of the existing new community projects are experiencing severe financial difficulties and are substantially behind schedule. These existing projects constitute an aggregate financial commitment by the Federal Government of \$336.5 million. In addition, significant questions have been raised by HUD and the Comptroller General concerning the HUD procedures and standards applicable to New Communities.

Secretary Lynn also directed completion in February of a 10-month HUD evaluation of the New Communities Program.

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