1935

Financing urban real estate under the 'new deal'

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Boston University

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College of Business Administration

THESIS

Financing Urban Real Estate Under the 'New Deal'

by

Frederick George Kueffner
(B.B.A. Boston University 1930)

submitted in partial fulfillment of the requirements for the degree of Master of Business Administration

1935
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The writing of this thesis was undertaken for the purpose of finding out what the Federal Government was attempting to do and what it really was doing for urban real estate.

We knew that real estate in general was in a difficult position. As a result of this, mortgage bonds and other real estate securities lost much of their value because the tangible property was not earning sufficient revenue. Home owners began to lose their homes through foreclosure and the mortgage companies, banks, and other financial institutions went into the real estate business. Properties continued to lose money and financial institutions continued to pile up their frozen assets.

Then the Government stepped into the picture and began to give its assistance.

In covering each of the Federal Agencies created, I have attempted to show how they were functioning. To do this I have analyzed in brief their set-up and then covered as thoroughly as possible, from available facts, the actual operations.

To accomplish the purpose for which this work was undertaken, I am highly indebted to the following for the valuable assistance which they rendered me:

George H. Patterson, Mortgage Bankers Association of America.

Pearl Janet Davies, National Association of Real Estate Boards.
The purpose of this section was to provide you with a comprehensive understanding of the topic. It aimed to ensure that you develop a clear and detailed grasp of the concepts discussed. The examples and exercises were designed to reinforce your learning and ensure that you could apply the knowledge in practical situations. It is crucial that you take the time to review the material and practice the exercises to solidify your understanding.

Furthermore, the study guide included various sections that aimed to cater to different learning styles. Whether you are a visual, auditory, or kinesthetic learner, there was something for everyone. The interactive elements, such as quizzes and case studies, were intended to make the learning process engaging and enjoyable. It is important to make use of these resources to enhance your learning experience.

To sum up, this section was crafted to ensure that you leave with a solid foundation of knowledge. I hope you found it informative and helpful. As you continue your studies, I encourage you to stay curious and open-minded. Keep asking questions and seeking clarification when needed. Remember, learning is a journey, and it is important to embrace challenges as opportunities for growth.

I wish you all the best in your continued learning. Keep pushing yourself, and don't hesitate to reach out if you need support or clarification.

Thank you for your dedication to your studies.
Charles A. Peterson, Conveyancers Title Insurance and Mortgage Company.

Sidney S. Dean, Conveyancers Title Insurance and Mortgage Company.

Edward W. Wise, Home Owners' Loan Corporation, Boston.

Ralph Jones, Reconstruction Finance Corporation, Boston.


Paul A. Best, Federal Housing Administration, Washington.

A. R. Clas, Federal Emergency Administration of Public Works.

Dr. Spurgeon Bell, Home Owners' Loan Corporation, Washington.


Professor William G. Sutcliffe, Boston University, College of Business Administration.

Frederick G. Kueffner

Boston, Massachusetts

April 15, 1935
CHAPTER I

CONDITION PRIOR TO 1929

The huge 'Recovery Program' which is now being undertaken by the Federal Government is in part an effort to help the thousands of individual property owners and other institutions which are in distress. The property purchased at high prices during the period of prosperity has, due to the continuance of the depression, lost a considerable amount of its valuation and earning power. Residential three-family houses purchased for $16,000 would bring today no more than $10,000 or perhaps less. In the city of Boston such houses are today assessed for about $7,500. However, notwithstanding this tremendous loss of capital, taxes have continued to go up, interest charges remain fixed, and rents are still at a low level. Is it no wonder that property owners are continually losing their homes? But to have this critical situation in our midst there must be a reason.

In his recent book Henry A. Wallace, Secretary of Agriculture says, "The mistakes we made after the war, the way we handled our foreign trade, our credit system, our farm production would not have let us in for half the misery if these had not been reared upon the mistakes of the colossal speculative boom. Millions of us were swept out of our normal pursuits to follow the exhilarating dance of the stock market or the REAL ESTATE MARKET." Commenting further upon the industrial booms of 1919 - 1923 and the increase in the
wealth of individuals, Mr. Wallace goes on to say, "Under these stimulating circumstances domestic corporations found it easy to sell new securities to the unwary. --- Building activity was lifted to a dizzy level."¹ "By the fall of 1922 the building boom got under full swing, and for an unbroken period of four years a wave of ever-increasing volume and costs swept on, reaching the high crest of production and costs in the fall of 1926, then leveling out for 1927 and part of 1928, and beginning to decline during 1928 as the saturation point of new space became more or less evident throughout the United States."²

**Bank Loans**

This large scale building necessitated loans greater than usual. "The period from the beginning of the war until 1929 was one of notable expansion in the volume of bank credit, interrupted markedly only once - by the depression of 1921. --- Beginning with the recovery of business from 1921 depression, the increase in bank loans and investments continued steadily onward and was not halted, except for brief and slight reversals in trend, until after 1929."³

From 1921 to 1929 Federal Reserve Banks increased their loans on urban real estate from $875,000,000 to $2,760,000,000.⁴

---

¹ "New Frontiers", pp. 130 - 131 - 134
² Louis K. Boysen, "The Future of Real Estate Financing" Investment Banking, Vol. No. 3 (June 1931) p. 7
³ Report of the President's Research Committee on Social Trends, Recent Social Trends in the United States p. 257
⁴ Ibid., p. 254
"The extent of the growth of bank credit on urban real estate is not adequately in the available data. There is reason to believe, indeed, that a considerable and increasing proportion of the commercial loans made by banks in this period were directly or indirectly loans on real estate. The tremendous urban and suburban development, begun and completed in this decade and continued rise in the assessed valuation of real property, coupled with the large real estate holdings of banks disclosed since the beginning of the depression, afford convincing evidence of the magnitude of speculative enterprise in real estate and of the important role which bank credit played in its unfolding."

The time was being rapidly approached when something must be done to relieve the situation. This is reflected in the following excerpt, "During the severe depression in business which began in 1929, the condition of the banking system reflected the result of the sharp decline in the volume of business and the stupendous fall in the prices of commodities, securities, and Real Estate. Because of the character of bank expansion in the years prior to the depression, liquidation pursued a varied course. --- The peculiar character of the real estate market, likewise, renders the liquidation of real estate loans a slow and painful process. Property thrown on the market in large amounts cannot be easily absorbed and causes the demoralization of prices. The real estate loans

5. Report of the President's Research Committee on Social Trends, op. cit. pp. 255-256
The text on the page appears to be a mixture of English and possibly another language with many symbols and characters that do not form coherent sentences. It seems to be a page from a document or book that is not easily readable due to the unusual symbols and characters. It is difficult to extract meaningful text from the image provided.
of banks, therefore showed no decline between 1929 and 1931, but it is probable that they have dropped in the past year (1932) and that much of the real estate previously held as collateral by the banks now rests in their investment portfolios."

Financial Condition of Skyscraper Buildings

What was true of residential real estate was also true of the taller buildings. Here there was in addition a rivalry as to who would have the tallest building. This fact is evident in the following excerpt. "Ready credit and the pursuit of millions led to the crazy competition in taller and taller skyscrapers." In 1929 a census of skyscrapers, by size of cities was taken. The findings are shown in the following table.

<table>
<thead>
<tr>
<th>Size of cities</th>
<th>Number of buildings 10 to 20 stories</th>
<th>Number of buildings 21 stories or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000,000 and over</td>
<td>5</td>
<td>3,009</td>
</tr>
<tr>
<td>500,000 to 1,000,000</td>
<td>8</td>
<td>399</td>
</tr>
<tr>
<td>250,000 to 500,000</td>
<td>24</td>
<td>495</td>
</tr>
<tr>
<td>100,000 to 250,000</td>
<td>25</td>
<td>303</td>
</tr>
<tr>
<td>Under 100,000</td>
<td>12</td>
<td>80</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>4,286</td>
</tr>
</tbody>
</table>

Table I

6. Report of the President's Research Committee on Social Trends, op. cit. p. 257
7. H. A. Wallace, op. cit. p. 131
8. Report of the President's Research Committee on Social Trends, op. cit. 478
What am I sure to understand your state now to the kind

Having received your letter with reference to the above request, I remain your obedient servant,


<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>100</td>
<td>Product A</td>
</tr>
<tr>
<td>2</td>
<td>500</td>
<td>Product B</td>
</tr>
<tr>
<td>3</td>
<td>100</td>
<td>Product C</td>
</tr>
<tr>
<td>4</td>
<td>250</td>
<td>Product D</td>
</tr>
<tr>
<td>5</td>
<td>150</td>
<td>Product E</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The sponsors of these large buildings undoubtedly believed that there was a need for this type of building, especially in the larger cities where the valuation of the land was tremendous. It was felt that this kind of building would justify the outlay for the land on account of the additional revenue to be received. That their plans did not materialize can be seen from the following notation. "Stewart Browne, President of the United Real Estate Owners' Association, is quoted in the New York Times, March 20, 1932, as predicting, "that during the present year (1932) all skyscraper buildings built during the past four years, except those owned by large financial institutions, will be foreclosed unless such buildings are already foreclosed."9

**Mortgage Bonds**

That the real estate market was in a demoralized condition can be ascertained from many different angles. One of the most important ones is the condition of its bonds and other types of securities. The securities might cover individual pieces of property or groups of it. The latter type being classified as a "Parti-Mortgage Receipt" or "Series Certificate".

Mortgage bonds came into default either as a result of general business when its property is operated at a loss for a period of time or when there is an act of willfulness on the part of the issuing house. "What has been said about Real Estate Mortgage Bonds in this publication (The Mortgage Bond Racket) is not intended to include the bonds issued by houses

9. Report of the President's Research Committee on Social Trends, op. cit. p. 478
of upstanding integrity nor those sponsored by a few of the financially powerful and responsible Title and Guarantee companies, particularly their GUARANTEED Real Estate Mortgage Bonds which will continue to be sold and to command confidence and respect.

"The best authorities estimate that the sales of Real Estate Mortgage Bonds within the last decade to have amounted to $10,000,000,000. Billions of dollars have already been lost in foreclosures, defaults, in shrinking values.

"In the early days of the 1919 - 1929 era of colossal real estate undertakings in the United States when financial marauders became cognizant of the ridiculous ease of raising money from the public for financing any kind of "realty project", it was a notorious fact that they referred to their pillagings as "masterpieces of financing". 10

In many instances defaults were concealed by making payments from a common fund. This fund was made up of the earnings from various pieces of property regardless of the fact that the property covered different bond issues.

The following table gives us some idea of the defaults of some companies in the middle of 1926.

<table>
<thead>
<tr>
<th>Company</th>
<th>No. of issues in default</th>
<th>Par. Amt. of issues in default</th>
<th>Amount of Default</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. W. Straus &amp; Co.</td>
<td>40</td>
<td>54,325,000</td>
<td>3,943,700</td>
</tr>
<tr>
<td>American Bond &amp; Mort. Co.</td>
<td>20</td>
<td>15,122,500</td>
<td>1,113,009</td>
</tr>
<tr>
<td>Greenbaum &amp; Sons</td>
<td>33</td>
<td>12,602,500</td>
<td>525,122</td>
</tr>
<tr>
<td>F. H. Smith &amp; Co.</td>
<td>4</td>
<td>2,835,000</td>
<td>636,407</td>
</tr>
<tr>
<td>George H. Forman &amp; Co.</td>
<td>7</td>
<td>11,455,000</td>
<td>66,714</td>
</tr>
<tr>
<td>Adair Realty &amp; Trust Co.</td>
<td>5</td>
<td>4,294,500</td>
<td>87,330</td>
</tr>
<tr>
<td>Fiter - Cleveland &amp; Co.</td>
<td>2</td>
<td>143,000</td>
<td>8,006</td>
</tr>
<tr>
<td>Davenport &amp; Rick</td>
<td>10</td>
<td>565,000</td>
<td>51,381</td>
</tr>
<tr>
<td>Col. B. &amp; M. Co.</td>
<td>3</td>
<td>152,500</td>
<td>4,537</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>120</strong></td>
<td><strong>91,495,300</strong></td>
<td><strong>6,436,856</strong></td>
</tr>
</tbody>
</table>

Table II

The Investment Bankers' Association of America is an institution which is vitally interested in all phases of finance. Therefore, it is a natural tendency to view with deep consideration the happenings in the real estate market.

11. Ernest Allan Barbeau, op. cit. p. 67
"There was little real estate financing by the members of the Investment Banking Association of America prior to 1919. Beginning that year and until the stock market crash, many of our members became active in originating or participating in real estate bond issues. These years represent our real estate boom and it has been estimated that during that period $8,000,000,000 to $10,000,000,000 in real estate bonds were issued. ---- The exact amount outstanding is difficult to ascertain due to the large amount of small issues of which no record has been kept. The Federal Reserve Board at Washington estimates that there may be a present maximum volume outstanding of $6,000,000,000. ---- It is the liquidation of this volume of real estate bonds which presents one of the major problems confronting our real estate.

"Due to the decline in urban real estate values it is estimated that approximately 60 per cent of the outstanding real estate bond issues are more or less in distress. The stability of a real estate bond issue is based upon the ability of the mortgagor to pay which in most cases means the ability of the property to earn. In many cases there has been a decline in the net income of improved real estate. Rents have decreased on an average of about 30 per cent since the high of 1924. Increased taxation in some of our cities has materially added to the fixed charges, further reducing the net income.

"We cite this situation briefly so that we may realize
We take this opportunity to present to you our position.
that the deflation in real estate bonds came about through causes over which none of us had control nor could to any considerable extent foresee. We are confronted with the serious situation that many real estate bond issues, even those conservatively made, have reached a stage where the real estate depression and reduced income brought them in danger. Most of these bond issues were made with a safety cushion of from 40 to 50 per cent in excess of the amount borrowed and were further protected by serial reduction. It is our belief that, in such cases, if the bondholders will have patience to hold their investment through reorganization, and if the investment houses will take over the burden of liquidating these items, no serious loss will occur.

"We hesitate to arrive at any formula or set of rules governing the present situation in defaulted real estate bonds."  

The report then goes on to analyze in detail the situation from five different standpoints, viz; the bondholders, the investment house, the bondholders' committee, the owner, and the real estate itself.

It is of particular interest to note with reference to the bondholder the practice of repurchasing their real estate securities which was followed by many of the investment houses to maintain a liquid market for their securities. "This practice grew out of the high reputation real estate mortgages had

The page contains several paragraphs and sentences, but the text is not legible due to the quality of the image. It appears to be a page from a document discussing various points, possibly related to education or policy, but the content is not discernible.
always carried and the belief of the investment houses and banks that it was a good policy to preserve confidence of investors in the real estate issues offered by their institutions. This became a general habit and the principal cause of failure of many institutions whose assets became more or less frozen with this repurchased, unsaleable securities. Advancements by the house of issue gradually ceased when the continuous decline in real estate value made it evident that even a number of the best mortgage and real estate bond issues were in danger."

The Investment Bankers' Association was well aware of the condition and called it "one of the blackest spots in our present financial outlook." It discloses the fact that in the "City of Chicago $400,000,000 in real estate bonds are in actual foreclosure and similar conditions exist in most of our larger cities."

To show what the final answer might be in respect to the $10,000,000,000 of outstanding real estate bonds the following classifications were established:

Class 1. Loans less than 75 per cent of present revaluation in good standing with good record $2,000,000,000

Class 2. Loans that have had no evidence of trouble but are over 75 per cent of present value of security and appear to be able to work out without foreclosure or loss $2,000,000,000

13. Louis K. Boysen, op. cit. p. 27
15. Louis K. Boysen, loc. cit.
The importance of prompt and accurate reporting of

The Transportation Commission, as of the Commission Board, in turn,

therefore established the Federal Government, to act of 000,000,000.00

may determine any additional conditions for an additional 000,000,000.00

and assume the transportation faculty for an additional 000,000,000.00

and are hereby authorized to do so

or

...
Class 3. Loans generally in excess of 75 per cent of present value of security where foreclosure or small loss is probable $2,500,000,000

Class 4. Items which when originally made were 80 per cent to 100 per cent loans. Such loans are now 125 per cent to 150 per cent items with losses from 25 per cent to 60 per cent when foreclosure and sale are completed $3,000,000,000

Class 5. In this group are the gross errors of judgment. Incompleted, ill conceived, and misplaced buildings, including many leaseholds and second mortgage bond issues. Losses in this class will run from 60 per cent to 100 per cent and items should often be entirely abandoned Total $500,000,000

Taking the above minimum estimate of loss in each classification the total loss would amount to $1,300,000,000.

One would think that with the above probable loss any kind of assistance would be most welcome. Yet, "on January 18, 1932 your committee (Investment Bankers' Association of America) filed with President Roper a report on House Bill No. 5090 known as the Federal Home Loan Discount Bank Bill, in which we expressed the opinion that there was no necessity for the Government to embark on an elaborate home financing program when there is ordinarily plenty of money available for conservative real estate loans on homes or other properties, and that the Government should confine its permanent operations of a banking nature to the operations of the Federal Reserve System. We do not believe that the obligations
of the proposed Home Loan Bank would enjoy a better or more ready market than those of the Federal land banks, nor that the venture of the Government into the urban mortgage field would be any more successful than its venture in the farm loan field.\textsuperscript{16}

Evidently this committee expected that sooner or later the Government would step into the picture of the real estate market if conditions did not improve. "In September 1929 the Chief Executive (President Hoover) of the nation called upon the members of this committee (President's Research Committee on Social Trends) to examine and report upon recent social trends in the United States with a view to providing such a review as might supply a basis for the formulation of large national policies looking to the next phase in the nation's development."\textsuperscript{17}

President's Research Committee's Findings on Housing

The following excerpt is taken from the President's Committee's Findings on Housing and the Household. "Society is trying to strengthen the home and the family by many aids. ---- Although the percentage of home ownership has been increasing slightly in the country as a whole, the mobility of the population encourages renting rather than home owning.---- The problem is how to secure reduction of construction costs, greater use of economic organization, science and invention. To meet the need of better housing at lower costs improved

\textsuperscript{17} Report of the President's Research Committee on Social Trends, "Recent Social Trends in the United States", p.XI
The following article is from the "Government Chronicle" of the United Kingdom, dated [date]. It discusses the significance of the recent economic policies and their impact on the national economy.

In the current economic climate, the government has implemented a series of measures aimed at stabilizing the economy and promoting growth. These policies include increases in government expenditure, cuts in taxes, and measures to enhance competitiveness in key sectors.

While the immediate impact of these measures has been positive, there are concerns about their long-term sustainability and potential for further economic disruption. The government is committed to monitoring the effectiveness of these policies and adapting them as necessary to ensure a stable and prosperous future for the country.

The government's commitment to economic stability and growth is evident in its recent decisions to allocate additional funds to key sectors such as healthcare, education, and infrastructure. These investments are expected to create jobs and stimulate economic activity, contributing to the overall well-being of the nation.

Despite these efforts, challenges remain, including the need for continued investment in research and development to maintain a competitive edge in global markets. The government is working closely with stakeholders to address these challenges and ensure a strong and resilient economy for the future.

In conclusion, while the road ahead may be challenging, the government remains committed to implementing policies that will promote economic stability and growth. By working together, we can navigate these challenges and build a prosperous future for all.
methods of financing by private organizations are being tried for families of the lower income group. —— The question of government aid in one form or another will probably arise in view of the social utility of good homes."18

Since the Report of the President's Committee on Social Trends was first published in January 1933 it seems quite logical to assume that it had a direct bearing on the Government's initial step to help finance agriculture, commerce, and industry through loans to banks and other financial institutions. This then brings us to the main purpose of this thesis which is to make a study of the various Federal measures which were enacted, either in whole or part, to help finance real estate.

18. President's Research Committee on Social Trends, op. cit. XLVL.
CHAPTER II  
FEDERAL MEASURES  

Reconstruction Finance Corporation  

The first Federal measure which gave assistance of any kind to real estate was the Reconstruction Finance Corporation "organized on February 2, 1932 pursuant to the provisions of the Reconstruction Finance Corporation Act which provides that it shall have succession for a period of ten years from January 22, 1932, unless sooner dissolved by an act of Congress."¹ Also "in the event its directors may not have completed its liquidation within ten years, the duty would be transferred to Secretary of the Treasury. The net proceeds of liquidation are to be turned into the Treasury of the United States."²  

Purposes  

The purposes of the Corporation as cited in the original act are as follows: "To aid financing agriculture, commerce and industry, including facilitating the exportation of agriculture and other products, the Corporation is empowered to make loans, when fully and adequately secured, to any banks, savings bank, trust company, building and loan association, insurance company, mortgage loan company, credit union, federal land bank, joint stock land bank ——."³ The full details with reference to loans can be found in Section 5 of the Reconstruction Finance Corporation Act. Since its enactment ———  

2. "Reconstruction Finance Corporation", Finance Department Chamber of Commerce of the United States (January 27, 1932) p. 3  
3. Ibid., p. 3
various sections have been amended. The text of the present Corporation is contained in a pamphlet entitled "Reconstruction Finance Corporation Act, as amended, and other Laws and Documents pertaining to the Reconstruction Finance Corporation", revised and issued July 1934.

On October 24, 1934 Jesse H. Jones, Chairman of the RFC spoke before the American Bankers' Association in Washington, D.C. The following is an excerpt taken from this address.

"The two big problems still confronting the RFC are some necessary assistance to the railroads and the reestablishment of a nation-wide market for sound real estate mortgages.

"Real estate mortgages constitute our really big problem. They make up our biggest source of investment, aggregating in all forms more than $35,000,000,000 for urban loans alone, divided approximately: $7,000,000,000 by Building and Loan Associations, $6,000,000,000 by life insurance companies, $9,000,000,000 by banks, including mutual savings banks, $5,000,000,000 in real estate bonds, and the balance by individuals, trustees, educational and charitable institutions, and fire and casualty companies."  

Method of Application

Financial institutions in applying for loans are required to fill out four sets of application forms. These are

accompanied by a letter giving the following information: 5

1. How soon the money is needed

2. The circumstances which give rise to the necessity for borrowing, as for example, expiration of 90 day notice, giving expiration dates, number of notices and total amount

3. Whether the loan applied for is expected to cover the applicant's full needs in the present emergency

4. Information on any recent reorganization in detail

5. Character of territory served

6. Population of community served

7. The amount of losses in loans and the amount of depreciation in securities not reflected in the statement of condition submitted

Exhibit F (4) in the set of forms is titled "Real Estate Mortgages" and is to contain a list of the mortgages to be given as collateral. In addition two copies of mortgage loan information sheets (Fig.1) together with two certified copies of the latest available appraisal report (Fig.2) must be provided for each mortgage.

"It is recommended that the applicant have its Counsel review the original counterparts of the application after they have been executed to see that all the legal requirements have been complied with, including corporate seals, notarial seals and signatures of proper officials wherever necessary.

"Three sets (the original and two carbon copies) of the application completely signed should be filed with the Boston Loan Agency (when applicant applies through Boston) with the exception of the Original Note, Form E

We have noted the following:

1. The presenting complaint is a limited range of motion at the shoulder joint.
2. The patient has been experiencing pain and discomfort in the shoulder area.
3. The patient reports a history of shoulder injuries.
4. The patient is currently undergoing physical therapy for the shoulder.

We recommend:

1. Continued physical therapy with a focus on strengthening exercises.
2. A referral to a specialist for further evaluation.
3. Implementation of a home exercise program.
4. Use of over-the-counter pain relievers as needed.

Please review the treatment plan and discuss it with the patient.

Thank you for your attention to this matter.
(RFC Form L-6), should be retained by the applicant for presentation to the Federal Reserve Bank of Boston as Custodian, together with the collateral when the advance is approved—."

Of the three sets one is kept by the Boston Loan Agency, one is sent to the Federal Reserve Bank of Boston, and one is sent to Washington. The fourth copy is retained by the applicant as his record.

Accomplishments

That the RFC has accomplished something worthwhile cannot be denied. "The activities of the Reconstruction Finance Corporation have encompassed almost all character of credit.---It was originally thought that only a comparatively modest amount of government assistance would be required, and that largely for banks and railroads. Before the end of 1932, however, it became apparent that its functions would need to be greatly extended as all credit was rapidly drying up.

"It was necessary to increase its lending powers, and, under President Roosevelt, additional billions have been injected into our economic blood stream to keep commerce moving, even at reduced speed, and to save our banks.

"By March 1933 credit had completely vanished but I am happy to say that it is now available in great abundance. True, it is not being extended or used as freely as it should be, that will adjust itself as we progress further toward complete recovery.

"The RFC has actually disbursed more than $5,350,000,000 of which amount $1,390,000,000 constitutes sums that Congress directed the RFC to allocate to other Government agencies, and $725,000,000 disbursed for purchase of preferred stock and capital notes in banks."7

The RFC has also attempted to help industries through mortgage companies but his practice has not been satisfactorily undertaken so that it is now making direct loans to industries.

On February 7, 1935 the Reconstruction Finance Corporation in its bulletin P-1101 made the following announcement about loans to industry: "159 loans aggregating $17,594,675. have been authorized through mortgage loan companies to assist business and industry in cooperation with National Recovery Administration program. $9,569,475. of this amount was withdrawn or cancelled and $2,780,663.45 remains available to the borrowers. $5,244,536.55 was disbursed and $220,768.55 has been repaid.

"Under the provisions of Section 5 (d) which was added to the Reconstruction Finance Corporation Act June 19, 1934, the Corporation has authorized 651 loans to industry aggregating $34,189,024.29. $3,526,900.00 of this amount was withdrawn or cancelled and $22,774,909.87 remains available to the borrowers. In addition the Corporation has authorized, or has agreed to, purchases of Participation aggregating to $5,269,135. of 89 businesses, $247,725 of which was withdrawn or cancelled."8

7. Jones, Jesse H. Washington: The New Financial Center(June 8/34)
At this same meeting Mr. Jones touched upon the subject of funds needed for new construction and for meeting maturing mortgages. "To meet this situation, the RFC is prepared, upon the request of the Secretary of the Treasury and approval of the President, to subscribe for or lend upon preferred stock in the trust companies authorized to issue preferred stock and to buy capital notes or debentures in trust companies not authorized to issue preferred stock, if they are specializing, or will specialize, in mortgage lending.

"In addition to investing in preferred stock or capital of such companies, we will lend to such institutions on properly secured mortgages, as well as to mortgage loan companies.

"Our plan to assist the mortgage situation was announced on September 27th, with the hearty endorsement of President Roosevelt. The news release, which he approved, stated that our nation's greatest asset is real estate, and that because a few big centers were overbuilt, and many of the buildings improvidently financed, was no reason why real estate or real estate securities should be forever condemned.

"The release also stated that the purposes desired are:

"First, to provide mortgage money for new construction with a view of increasing employment and stimulating structural material markets.

"Second, to enable distressed owners of mortgages either whole mortgages, split mortgages, or mortgage certificates to borrow reasonably upon these mortgages at fair interest rate, and not be forced to sell at sacrifice prices."
To cite some examples, a code format approach may use a combination of topic models and machine learning to improve the detection of relevant information. This approach involves training the model on a large dataset of relevant and non-relevant examples, and then using it to identify relevant information in new documents. This method can be particularly effective when dealing with unstructured data, such as emails or social media posts, where the content is not well-organized into predefined categories.

In conclusion, the use of machine learning and topic modeling techniques can provide valuable insights into the content of large datasets. However, it is important to carefully select the appropriate methods and parameters to ensure accurate and reliable results. Further research is needed to improve the performance of these techniques and to explore new applications in various domains.
"Third, to enable borrowers to refinance mortgages where the value, and for income of the mortgaged property, and the ability of the borrower to meet interest and principal payments, will support the mortgage.

"Fourth, to assist in the preservation and reorganization of distressed properties, for the protection of mortgage bonds or certificates, including second mortgages and equities, where the holder has a real chance of saving the property. The primary purpose being to establish by private capital and private initiative, a sound mortgage market throughout the country, with the assistance and cooperation of the RFC."\(^9\)

At a meeting of the Bond Club of New York, Mr. Jones urged the bankers to form a $50,000,000 mortgage company. "There are plenty who owe on real estate who are willing to organize mortgage companies for the purpose of borrowing to protect their investments, but our thought has been to encourage and assist in the organization of mortgage companies to operate for legitimate profit, so that the RFC could deal with mortgage company or trust company and not be drawn to making direct loans to property owners. --- If you will organize such a company and actually invest $25,000,000 in its capital and give it a sound management, the RFC will buy $25,000,000 of capital notes and if necessary go further."\(^10\)

That the Government is solidly behind the National Recovery Administration program can be seen from the huge sums

9. "Lest We Forget", Jesse H. Jones, (October 24,1934)pp.16-18
10. "Urges Bankers to form Mortgage Company", Boston News Bureau, p. 12, December 12, 1934
"THANK TO EVERYONE PARTICIPATING IN THE REDUCTION OF COSTS, I AM THE FIGHTER, AND NO ONE CAN SAY I DID NOT TRY TO MAKE A DIFFERENCE."
it has disbursed to governmental agencies and others. The following are indicative of what has been done in the way of loans up to January 21, 1935:

**Loans under Section 5:**

<table>
<thead>
<tr>
<th>Loans under Section 5:</th>
<th>Disbursements</th>
<th>Repayments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks and Trust Companies</td>
<td>$1,824,709,705.70</td>
<td>$1,228,993,106.64</td>
</tr>
<tr>
<td>Federal Land Banks</td>
<td>387,236,000.00</td>
<td>310,212,539.86</td>
</tr>
<tr>
<td>Mortgage Loan Companies</td>
<td>290,545,157.01</td>
<td>154,252,672.69</td>
</tr>
<tr>
<td>Building and Loan Assoc.</td>
<td>115,070,726.54</td>
<td>99,431,100.68</td>
</tr>
<tr>
<td>Insurance Companies</td>
<td>89,517,868.64</td>
<td>65,494,961.90</td>
</tr>
<tr>
<td>Joint Stock Land Banks</td>
<td>15,659,372.29</td>
<td>10,129,021.56</td>
</tr>
<tr>
<td>Credit Unions</td>
<td>580,854.21</td>
<td>213,870.81</td>
</tr>
</tbody>
</table>

The total disbursements and repayments to January 31, 1935 under Section 5 are $3,382,555,389.05 and $2,126,655,348.00 respectively. In addition to these loans the RFC made allocations to various governmental agencies. The ones which have a direct bearing on real estate are as follows:

**Secretary of the Treasury to purchase:**
- Capital Stock of Home Owners’ Loan Corporation: $200,000,000
- Capital Stock of Federal Loan Banks: 81,645,700

**Federal Farm Mortgage Corporation for:**
- Loans to Farmers: 55,000,000

**Federal Housing Administration:**
- To create Mutual Mortgage Insurance Fund: 10,000,000
- For other purposes: 15,000,000

The RFC has up to January 31, 1935 disbursed $4,925,050,526.33 not including the allocations to Governmental Agencies and of this amount $2,559,966,708.87 has already been repaid.

A more recent RFC loan is the one made to aid seven Dayton Building and Loan Groups. "Loans of $20,574,832.32 have been authorized by the RFC to seven building and loan associations in Dayton Ohio, to pay existing loans to the corporation of $6,324,000 and provide $14,250,832.31 in new money.

---

with which to pay depositors of the association.

"Jesse H. Jones, Chairman of the RFC said the program had been worked out with the Home Owners' Loan Corporation and citizens of Dayton relieve the building and loan situation there and make possible the organization of a Federal savings and loan association."12
CHAPTER III

FEDERAL HOME LOAN BANK ACT

The Federal Home Loan Bank Act (Public - No. 304 - 72nd Congress, H. R. 12280) is an act to create Federal Home Loan Banks to provide for the supervision thereof and for other purposes. It was approved on July 22, 1932.13

The creation of subsequent Federal agencies in the field of home finance has been misleading to many. Therefore, on October 15, 1933, William F. Stevenson, Chairman of the Federal Home Loan Bank Board, issued a statement from which the following is taken: "In the past few months much has been done to remove public misunderstanding of the entirely distinct activities of the two different Federal agencies operating in the field of home loan finance. But such misunderstanding is still so widespread that the fact should be made clear that one of these agencies, the Home Loan Bank System, was created by Congress in July, 1932, as a permanent mortgage credit reserve system, dealing only with home mortgage lending institutions and not with individual borrowers or lenders. It

functions through 12 regional banks, each serving a District comprising from two to nine States. It is designed to stabilize credit in the home mortgage field in the periods of prosperity as well as in times of depression and credit stringency. It aims to perform much the same function in the home mortgage finance that the Federal Reserve System has rendered in the national commercial banking structure during the past 19 years."

Definitions of Terms

Now so as to avoid misinterpretation of terms the legislative definitions are given in Section 2 of the Act as follows:

"1. The term 'board' means the Federal Home Loan Bank Board.

2. The term 'Federal Home Loan Bank' means a bank established by the board under authority of this Act.

3. The term 'State' includes the District of Columbia, Puerto Rico, the Virgin Islands of the United States, and the Territories of Alaska and Hawaii.

4. The term 'member' (except when used in reference to a member of the board) means any institution which has subscribed for stock of a Federal Home Loan Bank.

5. The term 'home mortgage loan' means a loan made by a member or a non-member borrower upon the security of a home mortgage.

6. The term 'home mortgage' means a mortgage upon real estate, in fee simple, or a leasehold (l) under a lease

for not less than ninety-nine years which is renewable or (2) under a lease having a period of not less than fifty years to run from the date the mortgage was executed, upon which there is located a dwelling for not more than three families, and shall include, in addition the first to first mortgages such classes of first liens as are commonly given to secure advances in real estate by institutions authorized under this Act to become members, under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

7. The term 'unpaid principal', when used in respect of a loan secured by a home mortgage means the principal thereof less the sum of (1) payments made on such principal, and (2) in cases where shares or stock are pledged as security for the loan, the payments made on such shares or stock plus earnings or dividends apportioned or credited thereon.

8. An 'amortized' or 'installment' home mortgage loan shall, for the purpose of this Act, be a home mortgage loan to be repaid or liquidated in not less than eight years, by means of a regular weekly monthly or quarterly payment made directly in reduction of the debt upon the stock or shares pledged as collateral for the repayment of such loan.

9. The term 'non-member borrower' includes an institution authorized to secure advances from a Federal Home Loan Bank under provision of section 6 (e).15

Members and Non-member Borrowers

The qualifications for eligibility are outlined in Section 4 (a) of the Act as follows: "Any building and loan association, savings and loan association, cooperative bank, homestead association, insurance company, or savings bank, shall be eligible to become a member of, or a non-member borrower of, a Federal Home Loan Bank if such institution (1) is duly organized under the laws of any State or of the United States; (2) is subject to inspection and regulation under the banking laws, or under similar laws, of the State or of the United States; and (3) makes such home mortgage loans as, in the judgment of the board, are long-term loans (and in the case of a savings bank, if, in the judgment of the board, its time deposits, as defined in section 19 of the Federal Reserve Act (Par. 4204), warrant its making such loans.)"16 The other subsections of this particular section specify from which bank advances may be secured and under what circumstance a bank or association would lose its membership or privilege to borrow.

Advances to Members

Advances to members are naturally to be secured by home mortgages but under specific rules and regulations which are outlined in Section 10 of the Act. The following excerpt is from this section. "Sec. 10 (a) Federal Home Loan Banks may make loans secured by home mortgages; rules and regulations; limitations of amounts which may be loaned. - Each Federal Home Loan Bank is authorized to make advances to its members, upon the security of home mortgages, subject to such

16. Prentice-Hall, Inc., op. cit., p.6005, par. 6005
regulations, restrictions, and limitations as the board may pre-
scribe. Any such advance shall be subject to the following li-
mitations as to amount:

(1) If secured by a mortgage insured under the provisions
of title II of the National Housing Act (Par. 6207 et seq.),
the advance may be for an amount not in excess of 90 per cent-
um of the unpaid principal of the mortgage loan.

(2) If secured by a home mortgage given in respect of an
amortized home mortgage loan which was for an original term of
eight years or more, or in cases where shares of stock, which
are pledged as security for such loan, mature in a period eight
years or more, the advance may be for an amount not in excess
of 65 per centum of the unpaid principal of the home mortgage
loan; but in no case shall the amount of the advance exceed
60 per centum of the value of the real estate securing the
home mortgage loan.

(3) If secured by a home mortgage given in respect of any
other home mortgage loan, the advance shall not be for an a-
mount in excess of 50 per centum of the unpaid principal of
the home mortgage loan; but in no case shall the amount of such
advance exceed 40 per centum of the value of the real estate
securing the home mortgage loan. (As amended by Act of June 27,
1934, Title V, sec. 501, (Public - No. 479 - 73rd Congress)).

The section then goes on to specify the conditions under which
a home mortgage would not be accepted as collateral security.
An amendment by Act of June 27, 1934, Sec. 10a gave Federal
Home Loan Banks a further privilege of making loans to finance

17. Prentice-Hall Inc., (July 5, 1934) op. cit., p. 6011, par.
6011
Home repairs, improvements and alterations. This privilege to expire on July 1, 1936.

**General Powers and Duties of Banks**

The powers and duties of the banks are given in Section 11 of the Act and relate to the following:

(a) Power of Federal Home Loans Banks to borrow, issue debentures and the like.

(b) Issuance of consolidated Federal Home Loan Bank debentures by board.

(c) Issuance of Federal Home Loan Bank bonds by board.

(d) Additional and substituted collateral may be required.

(e) Acceptance of deposits by Federal Home Loan Banks.

(f) Rediscount of notes of members held by other Federal Home Loan Banks; loans or deposits with other such banks; purchase of notes or debentures issued under this section.

(g) Investments required of Federal Home Loan Banks.

(h) Investments permitted by Federal Home Loan Banks.

That this particular relief measure is being used can be seen in the following excerpt: "A substantial increase in home building is likely to appear by Spring of 1935, is the opinion of officials of the United States Building and Loan League, and it is felt that this improved condition will continue throughout the year.

"Fully a half a billion dollars are now ready for home loaning purposes by the various building associations of the country. The machinery is in force through the Federal Home Loan Bank System to see that this available money flows from areas which are still overbuilt to places where it is

18. Prentice-Hall Inc., (July 5, 1934) op.cit., p.6013, par.6012
needed.

"While building and loan associations are not anxious to plunge into the financing of such large enterprises as are usually represented by the wholesale building of houses, their loanable resources and their credit at the Federal Home Loan Banks are at the disposal of the family buying one of their newly built houses". 19

Home Owners' Loan Act of 1933

"On June 13, 1933, two wholly new agencies of the Federal Government were created to serve the needs of home owners. One was designed to provide relief for distressed home owners; the other was designed to encourage thrift and to provide funds for home construction.

"The law authorizing these two agencies is known as the Home Owners' Loan Act of 1933. It provides for the creation of the Home Owners' Loan Corporation as the relief agency and Federal Savings and Loan Associations as the thrift agencies through which 'local mutual thrift and financing institutions in the United States' were to be established. For administrative purposes both of these agencies were placed under the control and supervision of the Federal Home Loan Bank Board, the directors of which are also directors of the newly created agencies.

"No service of the Government more directly affects the lives and interests of home-owners throughout the United States." 20

20. Prentice-Hall, Inc, op. cit., (July 5, 1934)
Definitions of Terms

The particular terms identified with this Act are defined in Section 2 and they are as follows:

"(a) The term 'Board' means the Federal Home Loan Bank Board created under the Federal Home Loan Bank Act.

(b) The term 'Corporation' means the Home Owners' Loan Corporation created under section 4 of this Act.

(c) The term 'home mortgage' means a first mortgage on real estate in fee simple or on a leasehold (1) under a lease for not less than ninety-nine years which is renewable, or (2) under a lease having a period of not less than fifty years to run from the date the mortgage was executed, upon which there is located a dwelling for not more than four families, used by the owner as a home or held by him as his homestead, having a value not exceeding $20,000; and the term 'first mortgage' includes such classes of first liens as are commonly given to secure advances on real estate under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

(d) The term 'association' means a Federal Savings and Loan Association chartered by the Board as provided in section 5 of this Act."21

Repeal of Direct Loans

By the act of June 13, 1933 direct loans to home owners which were permissable under subsection d of Section 4 of the Federal Home Loan Bank Act was repealed. The reason for this action is explained in the following excerpt: "This act

The examination, which is to be held at

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(26) When in the house, keep the house, name the house owner.

(27) When in the house, keep the house, name the house owner.

(28) When in the house, keep the house, name the house owner.

(29) When in the house, keep the house, name the house owner.

(30) When in the house, keep the house, name the house owner.
(Home Owners' Loan Act) repeals section 4 (d), the provision for direct loans to home-owners by the Federal home-loan banks of the Federal Home Loan Bank Act for the reason that the same has proved to be utterly unworkable. The reason the same has proved to be unworkable is that the Federal home loan bank act was very carefully framed and enacted as a conservative reserve system for home financing institutions and for the purpose of conservative and sound expansion of their resources for home financing, and the direct loan provision was inserted at the last moment without adequate provision for its administration, and it has proved to be and is impracticable of administration in the act.

"Furthermore, it is economically and financially unsound for a reserve bank system, based upon privately subscribed capital and private assets of home-financing institutions to lend money direct all over the Nation to home owners. (Hearings before subcommittee of Senate Banking and Currency Committee, April 20 and 22, 1933, pp. 5-6)"22

The report of the Senate Committee on Banking and Currency No. 91, May 15, 1933 made this comment with reference to the above change: "The bill --- leaves the Federal home loan bank system to continue as a reserve system for home financing institutions and for the expansion of their resources for making of additional loans by them to home owners."23

22. Prentice-Hall, Inc., op. cit., (July 5, 1934) p. 6114, par 6125
23. Prentice-Hall, Inc., op. cit., (July 5, 1934) p. 6115, par. 6126
Federal Savings and Loan Associations

This type of association is similar to other building and loan associations except that it receives its charter from the Federal Government. "These are local, privately managed thrift and home-financing institutions operating under federal charter provided for in the Home Owners' Loan Act of 1933. They are mutual and cooperative, and are permitted to lend up to 75 per cent of the appraisal value of a home and up to 50 per cent of the value of any other kind of improved real estate. Loans are paid off by monthly installments. The government is authorized to purchase preferred shares in such associations ($100,000,000 has been authorized and $50,000,000 appropriated for this purpose) although no other preferred shares may be issued."

These associations can only be formed when they will not injure any existing organization.

Although this type of association was created by the Home Owners' Loan Act of June 13, 1933 it is governed by the Rules and Regulations of the Federal Home Loan Bank Board. The lending activities of the associations are limited as follows:

1. May lend only on security of their own shares or first mortgages on homes, or combinations of homes and business property, within 50 miles of their home office.

2. No mortgage loan to exceed $20,000.

3. May lend not over 15 per cent of its assets on

24. Howard S. Piquet, Outline of the New Deal Legislation of 1933 - 1934, pp. 144-145
25. Ibid., p. 113
The text on the page is not legible due to the quality of the image. It appears to be a document with text, but the content cannot be accurately transcribed.
other improved real estate secured by first lien without regard to the $20,000 and the 50-mile limitations.

The business of these Federal-chartered associations has been growing rapidly. Incidentally many of these associations have recently changed over from the State-chartered type. Perhaps this is due to the belief that individuals will have a greater amount of confidence in an institution over which the Federal Government has some control.

"In a report received here (New York City) yesterday (November 24, 1934) John H. Fahey, chairman of the Federal Home Loan Bank Board, announced that 589 calls for such investments (long-term mortgages) have been made to the board, amounting to $11,985,000, and new calls are being received at the rate of $1,000,000 a week, as contrasted with $100,000 weekly only six months ago. Thus far $7,555,800 has been advanced."26

Home Owners' Loan Corporation

The Home Owners' Loan Corporation was created by the Home Owners' Loan Act of 1933 and is under the direction of the Federal Home Loan Bank Board. Section 4 (a) of the Act is as follows: "The Board is hereby authorized and directed to create a corporation to be known as the Home Owners' Loan Corporation, which shall be an instrumentality of the United States, ---- and which shall be under the direction of the Board and operated by it under such by-laws, rules, and reg-

ulations, as it may prescribe for the accomplishment of the purposes and intent of this section."\(^27\)

President Roosevelt in his message to Congress on April 13, 1933, recommending this legislation said, in part:

"As a further and urgently necessary step in the program to promote economic recovery. I ask the Congress for legislation to protect small home owners from foreclosure, and to relieve them of a portion of the burden of excessive interest and principal payment incurred during the period of higher values and higher earning powers ---- and that to protect home owners from inequitable enforced liquidation, in a time of general distress, is a proper concern of the Government."\(^28\)

The operations of the Corporation are outlined in the following section.

**Home Owners Loan Act in Operation**

Under the provisions of the Act, home owners having mortgages on their homes, which mortgages are in foreclosure or in default as provided in the Act, can make application to the Corporation for a loan to refinance such foreclosed or delinquent loans. The provisions as set forth in the Act are as follows:\(^29\)

"D. Corporation may, for 3 years (to June 13, 1936) exchange its bonds for home mortgages and other obligations and liens secured by real estate.

---\(^27\) Prentice-Hall, Inc., op. cit. (July 5, 1934) p. 6115, par. 6128
\(^29\) Howard S. Piquet, op. cit. p. 112
1. May advance, in connection with such exchange, cash sufficient to pay taxes and assessments on real estate and to make necessary repairs.

2. Total advance - bonds plus the cash - not to exceed $14,000, or 80 per cent of the value of the real estate as determined by the corporation's own appraised, whichever is the smaller.

3. Each home mortgage (or other lien) so acquired is to be amortized by monthly, quarterly, semi-annual, or annual payments sufficient to retire the interest and principal within 15 years. Interest on the mortgage not to exceed 5 per cent per annum. Corporation has power to grant extensions on such payments.

"E. Corporation may, for 3 years (to June 13, 1936), grant cash loans to home owners to cover taxes, assessments, and repairs in cases where property is not otherwise encumbered — such loans not to exceed 50 per cent of the value of the property, to be secured by home mortgages and amortized (as in D (3) above.)

"F. Corporation may, for 3 years, (to June 13, 1936), grant cash loans for the purposes outlined in D (1) above, not to exceed 40 per cent of the value of the property, in cases where the holder of the mortgage does not accept the bonds of the corporation in exchange for the mortgage and in which the home owner is unable to obtain a loan from ordinary lending agencies. Interest on such loans is not to exceed 6 per cent and the loan is to amortized in 15 years.

"G. Corporation may, for 3 years (to June 13, 1936), (Three
year limitation removed by the Home Owners' Loan Act of 1934, Section 4), exchange its bonds or advance cash, subject to limitations outlined in D(1,2,3), above, to redeem or recover homes lost by the owners by foreclosure within 2 years prior to such exchange or advance.

"J. No home mortgage shall be acquired by the corporation under subsection (d), see repeal of direct loans), and no cash advance shall be made under subsection (f), unless the applicant was in involuntary default on June 13, 1933, with respect to the indebtedness on his real estate and is unable to refund his present indebtedness, unless it is shown that default after that date was to due unemployment or economic conditions beyond the control of the applicant." Therefore any borrower who has deliberately defaulted to secure a loan from the H. O. L. C. is not to be entitled to any consideration.

Capitalization

The capital stock of the Corporation is not to exceed in the aggregate $200,000,000. This is to be subscribed for by the Secretary of the Treasury in behalf of the United States. However, in order to enable the Secretary of the Treasury to make this payment, the Reconstruction Finance Corporation was authorized to allocate and make available the sum of $200,000,000.

Bond Issues

The corporation is authorized to issue bonds in an aggregate amount not to exceed $3,000,000,000 to obtain funds to carry out the purposes for which it was created. At the
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present time the following bonds are listed on the New York
Stock Exchange:

a. 4% Bonds, Due July 1, 1951
b. 3% Bonds, Series A, Due May 1952
c. 2 1/2% Bonds Due 1949

The 4% bonds were admitted to the Exchange as a result
of the following: "The Federal Reserve Bank of New York by
letter dated April 28, 1934, requested the listing of Home Own-
ers' Loan Corporation 18 year 4% Bonds dated July 1, 1933 due
July 1, 1951. It was stated that this request was made in ac-
cordance with instructions received from the United States
Treasury Department. The bonds were admitted to the list on
May 1, 1934". The interest on these bonds is guaranteed to
maturity fully and unconditionally by the Government of the
United States.

On May 23, 1934 the 3% bonds were admitted to the New York
Stock upon request of the Treasury Department. These new bonds
were however, guaranteed both as to interest and principal by
the Government. Holders of the H. O. L. C. bonds, series of
1933-1951 were given the privilege of exchanging them on an
equal face amount of this series A3% bonds at any time up to
October 27, 1934. These bonds are redeemable at the option
of the Corporation on any interest payment date on and after
May 1, 1944, at par and accrued interest.

The following excerpt has reference to the above issue.
"A new type of investment offering unique to the American se-
curity market in recent years will be made early next week
when a nation-wide group of private investment bankers ----
will place on the market a substantial block of Home Owners'

10197.
Loan Corporation 3 per cent bonds, which are guaranteed both as to principal and interest.

"This offering constitutes new financing to provide cash for the Corporation in making payments on property repairs, past due taxes, appraisal fees and similar items involved in the refinancing of home mortgage loans----. The total volume of loans so far made by the Corporation exceeds $1,700,000,000 in bonds.---loans to home owners are being made at the rate of more than $40,000,000 each week.

"The offering represents an outstanding instance of cooperation between the Federal Government and investment bankers of a Government obligation."31

Then "on August 1, 1934, the H. O. L. C. commenced issuing authorizations for a new series of bonds bearing 2 3/4% interest, maturing August 1, 1949, and redeemable on and after August 1, 1939 at par and accrued interest on any interest payment day or days upon two months' notice. 3% bonds will be issued only in cases where the Corporation is committed to do so as of the close of business July 26, 1934.

"This new series of H. O. L. C. 2 3/4% bonds in no way affected the privilege of holders of the 4% bonds to convert into fully guaranteed Series A3% bonds."32

Purchasers

The majority of H. O. L. C. bonds have been purchased by such institutions as banks and insurance companies. That they

32. Statistical Digest, Mortgage Bankers Association of America, No. 17 (August 10, 1934) p. 3.
were purchased in large quantities can be gathered from the
the fact that in October 1934 an issue of the Series A3% bonds,
$50,000,000 was taken up in a very short time and oversubscribed
by $3,000,000.

The following excerpt has reference to this particular is-
view. "Mr. Roosevelt may visit with the bankers to his heart's
content, but that doesn't mean that his Secretary of the Treas-
ury, Henry Morgenthau Jr., will do business with them. In fact,
Mr. Morgenthau announced bluntly that the next time the Treas-
sury wants to sell Home Owners' Loan Corporation bonds it will
probably sell them direct and not through the agency of banks
or bond brokers.

"In fairness to the bankers, ---- he had only one com-
plaint against the way private houses handled the $50,000,000
H. O. L. C. bond issue just completed. The average units sub-
scribed were about $20,000 whereas he thought they should be
about $5,000. The size of the units proved, in his opinion,
that the issue had not penetrated down into the holdings of
private individuals as much as he would have liked."33

These bond holdings are appearing on the financial state-
ments of co-operative banks and mortgage companies and no doubt
also on the statements of many other banking institutions. On
November 14, 1934 it was stated that the co-operative banks in
Massachusetts were holding about $20,000,000 in H. O. L. C.
bonds.

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33. "Bonds and Bankers", Christian Science Monitor, p. 4,
November 2, 1934.
The following evidence was presented to the Committee:

The record of the company's financial transactions and the evidence of its financial stability and solvency is hereby submitted. The company has a history of consistent profit and a strong cash flow, which demonstrates its ability to meet its financial obligations.

It is hereby recommended that the company be granted the requested exemption and be allowed to proceed with its operations as planned.

Attached are copies of the company's financial statements and other relevant documents for your review.
"In the make-up of investments of the state's (Massachusetts) savings banks the biggest change came in holdings of United States Government securities and fully guaranteed obligations. The totaled $292,349,000 on October 31, (1934), as against $252,664,000 on June 30 (1934) and $198,003,000 on October 31, 1933. Holdings of Home Owners' Loan Corporation bonds mounted rapidly from $18,700 a year ago to $11,857,000 on June 30, but this declined to $2,674,000 in October 31, last." Incidentally "loans on real estate declined during the year ended October 31 from $1,193,422,000 to $1,132,252,000 while real estate held by foreclosure increased to $109,843,000 from $80,930,000." 33(a)

Action in the Market

The first issues of H. O. L. C. bonds were immediately quoted for less than par on the market. They were discounted for as much as 20%. This undoubtedly was due to the fact that they were only guaranteed as to interest. As a result of this they were not freely accepted by mortgagees.

Today, however, it is entirely different the bonds are selling slightly above par with exception of the 2 3/4% issue. This better showing is no doubt due to the fact that the bonds are now all guaranteed as to interest and principal by the Government which is helping to create a greater demand for them.

Also in addition there is the general tendency of reducing

interest rates in banks so that these bonds especially the 4's and 3's have an additional incentive. This alone will help to intensify the demand for the bonds. And then another point not to be overlooked is the fact that they are exempt as to both principal and interest from all Federal, State, and local taxation (except surtaxes, estate, inheritance, and gift taxes).

Mortgagee's Sales of Bonds

On the first issues of H. O. L. C. bonds mortgage companies realized as low as $85. per bond. This was due to the fact that they were only guaranteed as to interest. The mortgagee, therefore, immediately sustained a further loss in the exchange since in many instances he would not receive an amount in bonds equal to his mortgage plus other liens. This can be explained as follows:

H. O. L. C. appraisal of property $10,000, 80%

Maximum Loan $8,000
Company mortgage 7,500
Taxes, overdue etc. 475
Attorney's fee 50
Interest overdue 325
Total $8,350
Excess over H. O. L. C. maximum $350

The Corporation then eliminates overdue interest of $325 leaving a new balance of $8025 which is still too large and then the Corporation arbitrarily offers bonds to the extent of $7475 to cover a mortgage of $7000 and overdue taxes of $475.

Now if the mortgage were only for $5500 the company's total valuation would be $6350 for which the Corporation would give the full amount in bonds. The bonds are exchanged at par value
and the market value is not considered in any way.

**Progressive Handling of an Application**

A home owner desiring to have his mortgage taken over by the Home Owners' Loan Corporation first makes this intention known to the company holding the original mortgage. If it is thought advisable the mortgagor is sent to the H. O. L. C. where an application form is filled out.

**Application**

"The application (Fig. 4) for loan, on form as approved by the Board shall be filed by applicant for loan with the information called for on the application furnished and signed by the applicant or applicants or their representative. In the event the form of application furnished by the Corporation is not appropriate in the territory of any region, the state manager shall submit a recommended form of application for the approval of the Board, which may be used after approval."  

In addition to the regular application blank the applicant is also required to fill out "Form No. 71" (Fig. 5) declaring that he comes within the Act. This form, however, is not required where the mortgage is held by an institution in liquidation. Under such conditions "Form No. 72" (Fig. 6) is used.

After a thorough analysis of the application it is either accepted or rejected. It is rejected on the basis that it is ineligible under the Act or that it is not in distress. "A statement was issued by the Chairman of the Home Owners' Loan Corporation of Florida in which he said no applications would

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34. See Figure 3 in index.
be received if it were proven to the Board of the local agency that a borrower could pay" — "The burden of proof is evidently on the mortgagee as to whether a borrower has the ability to pay, and that is difficult thing to prove. — It is very apparent that some borrowers, without feeling the slightest distress, are transferring their loans to the H. O. L. C. for the sole purpose of obtaining a long time loan, at reduced interest, and with the expectation of ultimately retiring the same at a substantial discount."36

Another reason for rejecting an applicant is explained as follows: "On December 20, the Federal Home Loan Bank Board advised the State Managers of the Home Owners' Loan Corporation that a resolution had been adopted by the Board whereby no loans will be approved by the Corporation to persons who have stopped payments on their mortgages when they could have gone on paying.

"The State Managers were instructed to make clear that persons who are able to make their payments on their present mortgages held by banks, insurance companies, building and loan associations, and other private holders and who default on such mortgages for the purpose of securing loans from the Home Owners' Loan Corporation will not be considered eligible for such loans. Chairman Fahey said, —— "we are obliged to do everything we can to stop the filing of applications by people who are abundantly able to meet their present obligations to those who now hold their mortgages. —— They have greatly increased the Corporation's costs of operations and slowed up our work."37

36. Management Ideas, Mortgage Bankers Association of America, Bulletin No. 28 (February 23, 1934) pp. 7-8
37. Letter to Members, Mortgage Bankers Association of America, Bulletin No. 59 (December 29, 1933) p. 4
The text on the page is not clearly visible due to the quality of the image. It appears to be a page from a document, but the content is not legible.
in Boston at a local mortgage company home owners at various times have let their payments lapse while their applications were being considered. But they resumed payments when they were informed that it would cause their applications to be rejected. At this same company it has often taken from six months to a year to have an application put through. It is no wonder that ways and means must be devised to expedite matters.

**Preliminary Appraisal**

The next step in handling the application is the preliminary investigation. "The State manager or his assistant or his regularly appraiser shall make such investigation of the applicant and of the property as may appear to be proper by telephone or correspondence, and if it still appears that a loan can be consummated, shall actually view the property offered as security and make and file a full written report of his investigation, and if approved for a loan, an appraisal shall be procured by independent, paid appraiser, acquainted with the values in the community in which the property is located, who shall file a written report of his appraisal —. Here again the application may be rejected on the grounds of insufficient security or because of a property valuation of more than $20,000."

**Mortgagee's Consent**

However, if there is still no objection forthcoming the next step is to obtain the mortgagee's consent to accept bonds.

A written consent is signed by claimants against the property to accept a stated amount of bonds. (Figs. 7-8).

"In such cases where the lender is unwilling or unable to accept bonds for the mortgage, managers are directed to make every effort to induce the mortgagees or lender to carry the home owner on some reasonable basis, and if this cannot be done, to assist the home owner in procuring funds elsewhere, if possible, in ordinary channels. If this is impossible, and the home is about to be lost, the manager is directed to proceed with the application for a cash loan ----."39 Such loans cannot be closed unless approved by the Board at Washington, D.C. Then it must not exceed 40 per cent of the value of the property and bears interest at the rate of 6 per cent.

**Detailed Fee Appraisal**

With the approval of the application up to this point the property is next examined by a paid appraiser. "The object of appraisals for the Home Owners' Loan Corporation is to arrive at the fair worth of the property appraised to the home-owner applicant or a home owner to whom the property might be suited as a home. This fair worth is not necessarily the technical market value. Appraisers are instructed to give equal weight to (1) the market value at the time of appraisal; (2) the cost of a similar lot at the time of the appraisal, plus the reproduction cost of the building, less depreciation; and (3) the value of the premises as arrived at by capitalizing the monthly

reasonable rental value of the premises over a period of the past 10 years."\(^{40}\) The fee for this appraisal is paid for by the applicant and for all of the Corporation's own services there is no charge even though the applicant is given no loan.

**Character Report**

An incidental report required by the Corporation is one covering the applicant's character as a home owner. This does not involve his present credit rating. The question is whether or not he can be classed as a good home owner. This report can all be the cause for refusing a loan.

**Title Search**

The title examination is the final step insofar as the applicant is concerned. This examination is done by an outside attorney or title company. The title must be clear so that the Corporation's loan if made becomes the first lien.

Now that the Corporation is satisfied in every way there is nothing left to do but exchange the mortgage for bonds or cash. "The State manager shall disburse the proceeds of the loan by delivery to the original mortgages and other claimants against the property of bonds in the amount of their claims, except, in order to adjust the exact amounts, sums less than $50 may be advanced to them in cash, and taxes and assessments shall be paid in cash, and any advancements on account of any necessary maintenance or repairs may be made in cash, but the State manager shall see to it that any advances for maintenance or repairs are necessary for these purposes and that the work is properly done and that the funds are applied

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40. Prentice-Hall, Inc., op. cit., (July 5, 1934) p. 6108. par. 6109.16
The proposal presented to the Committee on the floor of both houses in the regular session of the Legislature of the State of Alabama, in 1874, for the construction of a canal, was turned down by a vote of the Legislature. The reason given was that the expenditures involved could not be justified on economic grounds. The canal was intended to connect two bodies of water, providing a route for trade and transportation. However, the proposed project was deemed too costly and impractical, as it was estimated that the construction would exceed the available funds. The decision was made to focus on other less ambitious projects instead.
to the purpose. The total amount advanced in bonds and cash by the Corporation, not exceeding 80 per cent of the appraised value of the property shall be incorporated in the mortgage debt.

Closing Settlement

"On closing, a carefully prepared statement shall be made of the indebtedness of the home owner taken up by the Corporation, indicating which portion is taken up in bonds and which portion is taken up in cash, and the home owner shall sign on said statement a receipt for the bonds and cash delivered and the original of said statement and receipt shall be forwarded with the original papers and a copy of the same retained in the regional office."41 All of the original papers pertaining to the loan are sent to the Corporation in Washington. "This file should contain the primary obligation of the borrower, the instrument securing the same and any other papers necessary in connection therewith, the original application, the character report, all appraisals, a photograph of the property, all abstracts, title certificates or title policies or other evidence of title, and any other information obtained by the agents of the Corporation. It should contain also policy of fire insurance — with proper clause in favor of the Corporation, also windstorm insurance if required in the particular state."42 New England is not located so as to require windstorm insurance yet at one time regional officers in Boston were informed by

41. Prentice-Hall, Inc., op. cit. (July 5, 1934) p. 6106 par. 6109.6
42. Ibid, p. 6112-L, par. 6116-Q.
Washington that this type of insurance was compulsory. Although this the officials knew to be ridiculous, they went ahead and notified borrowers of the ruling. Several days elapsed before Washington discovered its error and rescinded the order.43

In ascertaining the amount of bonds to be given in exchange, "the bonds are valued at their face value plus accrued interest from date or the last coupon date, and the Corporation will not permit them to be treated on any other basis in exchange for mortgages, other obligations or liens against homes. --- It is not any more a question of the cash market value of the bonds then it is a question of the cash market value of the mortgage. Both have an intrinsic fair worth equivalent to the amount refunded and must be dealt with accordingly."44

Loans for Repairs

An act of Congress approved April 27, 1934 authorized the Home Owners' Loan Corporation to make loans for repair, remodeling, and modernizing.

The following groups of home owners were eligible for such loans:

"1. Those who had already secured loans from the Corporation.

2. Those who are eligible to have their mortgages taken over by the Corporation.

3. Those who own their homes clear of mortgages and cannot get reconditioning loans from any private lending agency."45

44. Prentice-Hall, Inc. op. cit. (July 5, 1934) p.6113, par. 6116-U
On loans for the purpose of reconditioning the applicant fills out "Form No. R-1" (Fig.9). This form is also used where the Corporation requires that some repairs be done by the loan can be consummated for the mortgage.

"In order to aid owners in getting a proper return on their investments for repairs and to guard against questionable materials and workmanship, the H.O.L.C. has issued a thirty-two page booklet of master specifications for such work. Minimum standards are outlined for all types of repairs ---. The recommendations are based on reports of the Bureau of Standards, the American Society for Testing Materials, and the H.O.L.C.'s own field force.

"About $45,000,000 has been or is being expended on repairs to 250,000 dwellings in all parts of the country through reconditioning loans made by the H.O.L.C.----."45(a)

**Regional Offices**

Regional offices of the Home Owners' Loan Corporation are established in every State of the Union including the District of Columbia and Hawaii. Including branches there are 257 offices in all. "Each is manned by the executives, appraisers, and attorneys, who receive and answer the questions of applicants for loans and who subsequently examine the mortgaged property, investigate the eligibility of applicants, and com---

plete the required transactions."

Massachusetts

Massachusetts regional office was opened on August 17, 1933 at 82 Devonshire St., Boston, and later moved to 150 Causeway St., which is its present location. This Boston office serves Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. Connecticut is served by the regional office in New York City. The district offices for Massachusetts are located in Worcester, Springfield, Fall River and Lawrence.

The first loan in Massachusetts was closed on October 10, 1933. Since this does not mean necessarily that it was the first application to be filed it is apparent that the work was efficiently undertaken. However, when the applications began to pile up and each one had to be examined which resulted in some rejections those remaining ones were all eligible for the "Preliminary Appraisal." At this point, no doubt, the slowing up process commenced so that in the long run it took up to one year to bring an application to the closing point of exchanging the mortgage for bonds or cash or both as the case may be.

The following statistics obtained at an interview with Mr. E. A. Wise, Regional Personnel and Publicity Director, show what was accomplished in Massachusetts while the Corporation was in the operation of accepting applications. At the close of business on November 9, 1934 the Corporation's report showed:

46. Prentice-Hall, Inc., op. cit. (July 5, 1934) p. 6000-I par. 5982-B.
1. Applications taken - 46,767  
   - $213,622,152
2. Preliminary Appraisal Completed - 44,589
3. Mortgagee's Consent to the Bonds - 37,172
4. Fee Appraisals Completed - 34,659
5. To Legal Department for Closing - 20,776

On November 13, 1934 which was the day on which the Corporation ceased to accept applications the Corporation had:

1. Loans Closed - 16,670
2. Volume - $74,485,271.86
3. Bonds Authorized - $67,745,150.00
4. Taxes Paid - $ 4,327,072.69
5. Average Loan - $ 4,468.00

In comparing the number of applications accepted with the number closed up to November 13, 1934 does not mean the difference had been refused a loan.

The difference between the number of applications accepted and the number of "Preliminary Appraisals Completed" probably to a great extent might show the number of applications rejected at this point. One might come to this conclusion because there is no great amount of work or delay involved in the examination.

In accepting the mortgages in exchange for bonds or cash the Corporation immediately become liable for all back taxes and other liens. Of the total volume of $74,485,271.86 paid out in loans approximately $4,000,000.00 (cash) went for back taxes. This no doubt was a welcome revenue to the many cities and towns in the State. It immediately gave them funds for relief work, salaries of regular employees, and for other purposes.

The banks and other institutions receiving bonds and not desiring to hold could at once, get cash by disposing of them in the "Market".
Other Regions

It has been rather difficult to obtain figures of other States for comparative purposes. A questionnaire (Fig. 10) sent to a number of State Managers with one exception brought replies that they had referred the matter to Washington. One questionnaire sent to Washington by a State Manager was returned filled in but a further request for reports of other States remains unanswered.

The following figures are for the State of Illinois as of the close of business on November 9, 1933:

1. Date Office Opened - August 1, 1933
2. Applications Received - 106,688
   - $419,405,586.00
3. Preliminary Appraisals Completed - 92,979
4. Mortgagee’s Consent to Take Bonds - 89,130
5. Fee Appraisals Completed - 85,829
6. Applications Delivered to Legal Department - 54,769
7. Loans Closed - 26,317
8. Volume - $99,721,951.00
9. Taxes Paid - ----- 
10. Average Loan - $3789.00

This report shows that the Illinois office received better than two applications for each one received at the Massachusetts office. Taking the 1930 census figure as a base and dividing it by the number of applications the results shows that in Massachusetts one out of every 91 persons filed an application while in Illinois one out of every 71 filed an application. This would indicate that the condition is more serious in Illinois.

The report for Nebraska covering the period from August 7, 1933 to the close of business on November 16, 1934 is as follows:
A few days later, Alice arrived at the park. She was happy to be back after so long. In her hand, she held a small gift - a bouquet of flowers. Alice approached her friend, Bob, who was sitting on a bench, reading a book.

"Hello, Bob! How are you?" Alice said, smiling.

"Hello, Alice! I'm doing well, thanks for asking. How about you?" Bob replied, closing his book and looking at Alice.

Alice sat down on the bench next to Bob and showed him the flowers. "I bought these for you. Enjoy!" she said, handing him the bouquet.

"Thank you, Alice! They're beautiful. You know, I've always loved flowers."

"I know, Bob. And they say they bring good luck!"

"That's true. Speaking of good luck, have you heard about the new park that's opening next month?"

"Yes, I've heard about it. It sounds like it will be a great addition to the city."

"Exactly! And the best part is that it's right across from our house. We'll be able to visit it whenever we want."

"I can't wait to see it."

"Me too. It's going to be a great place for us to spend time together."

"Definitely."

"Well, I should get going. I have some errands to run before the end of the day."

"Take care, Alice. See you later!"

"See you later, Bob! Be back soon."
1. Date Office Opened - August 7, 1933
2. Date first loan closed - October 17, 1933
3. Applications taken - 18,973
   - $41,776,348.13
4. Preliminary Appraisals Completed - 16,045
5. Mortgagee's Consent to take Bonds - 17,716
6. Fee appraisals completed - 17,223
7. To Legal Department for closing - 12,108
8. Loans closed - 9,991
9. Volume - $20,467,665.36
10. Bonds authorized - $19,266,675.00
11. Taxes paid - $1,588,569.00
12. Average loan - $2,045.00

Nebraska on the basis of its 1930 census received an application for one out of every 72 persons. This shows that conditions in Nebraska are about even with those in Illinois.

Another question asked was, "Defaults since closing - number of properties". This, however, remained unanswered.

It is hard to believe that with all of these loans closed that not a single default has occurred which necessitated the foreclosure of the property. This, perhaps, is due to the fact that the Corporation has no desire to own property which I believe it will eventually do for there is no doubt in my mind that a certain percentage will be unable to continue payments. It might be, however, that up to the present time the Corporation is granting extensions in these cases when payment has been deferred.

"Vincent Dailey, New York State manager, is proud of the H.O.L.C. showing for his district. He expressed the belief that by February 1, 1935, there will have been 80,000 homes refinanced in the State. Already the New York closings total 52,125, for a total of $274,467,894 as of November 9 (four days before official closing)."
"The average loan in this State is more than $5,000 which is considerably above the average for the country as a whole.---
--- Payments of tax arrears by the Corporation in this city (New York) alone have exceeded $13,000,000 this year (1934).".46(a)

Table 3 gives a summary of the number of H.O.L.C. loans closed as of January 31, 1935.

...
<table>
<thead>
<tr>
<th>UNITED STATES</th>
<th>Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>12,752</td>
<td>28,779,332</td>
</tr>
<tr>
<td>Arizona</td>
<td>5,670</td>
<td>13,893,275</td>
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<tr>
<td>Arkansas</td>
<td>9,111</td>
<td>16,438,663</td>
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<tr>
<td>California</td>
<td>38,667</td>
<td>104,647,215</td>
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<tr>
<td>Colorado</td>
<td>10,234</td>
<td>20,098,811</td>
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<tr>
<td>Connecticut</td>
<td>9,881</td>
<td>43,146,556</td>
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<tr>
<td>Delaware</td>
<td>1,391</td>
<td>4,318,184</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>1,810</td>
<td>10,588,202</td>
</tr>
<tr>
<td>Florida</td>
<td>12,352</td>
<td>28,196,055</td>
</tr>
<tr>
<td>Georgia</td>
<td>13,042</td>
<td>29,547,255</td>
</tr>
<tr>
<td>Idaho</td>
<td>2,939</td>
<td>5,276,646</td>
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<tr>
<td>Illinois</td>
<td>44,091</td>
<td>171,272,168</td>
</tr>
<tr>
<td>Indiana</td>
<td>36,893</td>
<td>83,622,879</td>
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<tr>
<td>Iowa</td>
<td>15,085</td>
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<td>Kansas</td>
<td>15,489</td>
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<td>Kentucky</td>
<td>7,822</td>
<td>21,392,656</td>
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<tr>
<td>Louisiana</td>
<td>11,457</td>
<td>32,932,691</td>
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<tr>
<td>Maine</td>
<td>2,675</td>
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<td>Maryland</td>
<td>12,735</td>
<td>37,019,816</td>
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<td>Massachusetts</td>
<td>19,371</td>
<td>86,488,393</td>
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<tr>
<td>Michigan</td>
<td>59,329</td>
<td>150,851,020</td>
</tr>
<tr>
<td>Minnesota</td>
<td>17,847</td>
<td>41,215,915</td>
</tr>
<tr>
<td>Mississippi</td>
<td>7,530</td>
<td>13,911,727</td>
</tr>
<tr>
<td>Missouri</td>
<td>21,691</td>
<td>67,018,875</td>
</tr>
<tr>
<td>Montana</td>
<td>2,939</td>
<td>5,823,693</td>
</tr>
<tr>
<td>Nebraska</td>
<td>11,119</td>
<td>22,929,576</td>
</tr>
<tr>
<td>Nevada</td>
<td>1,131</td>
<td>3,088,901</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>1,755</td>
<td>4,217,365</td>
</tr>
<tr>
<td>New Jersey</td>
<td>31,445</td>
<td>153,446,671</td>
</tr>
<tr>
<td>New Mexico</td>
<td>2,010</td>
<td>4,420,217</td>
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<tr>
<td>New York</td>
<td>62,125</td>
<td>322,749,139</td>
</tr>
<tr>
<td>North Carolina</td>
<td>10,224</td>
<td>26,255,632</td>
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<tr>
<td>North Dakota</td>
<td>3,785</td>
<td>7,912,367</td>
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<tr>
<td>Ohio</td>
<td>66,485</td>
<td>204,645,699</td>
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<tr>
<td>Oklahoma</td>
<td>22,127</td>
<td>50,657,674</td>
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<tr>
<td>Oregon</td>
<td>7,700</td>
<td>14,997,636</td>
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<tr>
<td>Pennsylvania</td>
<td>36,669</td>
<td>106,524,103</td>
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<tr>
<td>Rhode Island</td>
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<td>22,818,386</td>
</tr>
<tr>
<td>South Carolina</td>
<td>4,764</td>
<td>11,244,379</td>
</tr>
<tr>
<td>South Dakota</td>
<td>5,233</td>
<td>9,388,637</td>
</tr>
<tr>
<td>Tennessee</td>
<td>11,855</td>
<td>26,642,700</td>
</tr>
<tr>
<td>Texas</td>
<td>36,810</td>
<td>86,329,121</td>
</tr>
<tr>
<td>Utah</td>
<td>8,571</td>
<td>20,453,677</td>
</tr>
<tr>
<td>Vermont</td>
<td>1,400</td>
<td>3,674,084</td>
</tr>
<tr>
<td>Virginia</td>
<td>9,798</td>
<td>31,428,804</td>
</tr>
<tr>
<td>Washington</td>
<td>18,023</td>
<td>32,756,427</td>
</tr>
<tr>
<td>West Virginia</td>
<td>7,054</td>
<td>18,024,157</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>26,076</td>
<td>91,983,641</td>
</tr>
<tr>
<td>Wyoming</td>
<td>2,183</td>
<td>4,906,218</td>
</tr>
<tr>
<td>Alaska</td>
<td>376</td>
<td>1,033,674</td>
</tr>
<tr>
<td>Hawaii</td>
<td>376</td>
<td>1,033,674</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>376</td>
<td>1,033,674</td>
</tr>
</tbody>
</table>

Table 111
Mortgage Bankers Problems and Experience with the H.O.L.C.

In order to obtain information as to the experiences being encountered by mortgage bankers in different sections of the country in connection with the operations of the H.O.L.C., the Mortgage Bankers Association of America, asked several of its members to submit reports. Excerpts from these reports are as follows:

"New Haven, Conn., April 10, 1934

"The Home Owners' Loan Corporation office in Connecticut, has shown consideration for mortgage companies and we have no difficulty with the Home Loan office. Some mistakes were naturally made which have caused trouble, but these were when the Corporation first started their operations.

"The Connecticut office, we believe, has had trouble in getting competent appraisers. Appraisals are not as large as they formerly were (this same comment was made in a Boston mortgage company resulting in loans which never should have been made) and although this is giving us more deficiencies, we believe it shows a better tendency and more respect for the Home Loan mortgages.

"The Connecticut office has over 14,000 cases.

"Regarding the property owner, we find from our own cases that about one-half of the owners are in distress as to their first mortgage or taxes while the balance are in distress as a second mortgage or are trying to better their terms or avoid a renewal commission of the first mortgage."

47. Statistical Digest, No. 15, Mortgage Bankers Association of America, (April 20, 1934) p. 5.
Other comments made relative to Connecticut were that home owners had stopped or delayed foreclosure proceedings with the plea that an application had been made for a H.O.L.C. loan. Investors who stated that their mortgages were not worth more than 10% on the dollar asked why they should accept bonds at par when they were quoted for less on the Stock Exchange.

"The same question that has arisen in many parts of the country as to the acceptance of bonds by a Trustee has been answered in Connecticut by the Attorney-General who gives his opinion that the justification of a Trustee in accepting bonds is to prevent a loss.

"Waterloo, Iowa, April 9, 1934

"Home Owners' Loans are now being closed in large numbers in our state and with the government guaranteeing the principal, it is likely the hesitancy of investors to take H.O.L.C. bonds will disappear.

"We do feel however that the mortgage companies should make it clear that the H.O.L.C. should be limited to its purpose as defined in the bill creating it with definite withdrawal in three years, nor attempt to loan on new properties nor anything except distress.----.

"Kansas City, Mo., April 6, 1934

"The average time required to get final appraisal seems to be between four and five months. It requires an average of one month after this is obtained to close the loan."
Other comments may be added to this paragraph with the permission of the reader.


detail. If you have any questions on this matter, please feel free to ask.

With best regards,

[Signature]
"We are informed that they are becoming more conservative in their appraisals and are placing more restrictions on the acceptance of second mortgages by owner of a former loan, so loans in the future will probably be more conservative.

"All details of handling applications and closing loans have been very inefficiently taken care of, but no doubt this could hardly be avoided because of the great burden placed upon the new organization ---.

"Beverly Hills, Calif., April 11, 1934

"Our own company has had very little experience with the Corporation, and the only loan we have succeeded in closing for one of our clients, took over seven months to close from the time of application until the time of authorization for the bonds, which then had to be sent on to Washington to obtain the bonds.

"Ninety per cent of the borrowers who have come in to talk to us about getting a home loan have been people who frankly admitted they were able to pay, but who thought the home loan would be advantageous to them. They wanted to go delinquent deliberately in order to obtain a loan. --- The local building and loan associations, etc. are making a drive to get people to apply for loans and thus liquidate their assets and we are informed that a very large part of the applications are initiated thus, rather than any desire of the borrower to refinance". This policy might be due to the fact that they would rather liquidate their assets rather than to borrow from the R.F.C. or perhaps they cannot meet the requirements to be eligible as members of the Feder-
al Home Land Bank. Therefore their only outlet is the H.O.L.C.

"Most of our clients would like to get the bonds these days for their heavier loans, but on account of the long delays involved in putting through the loans, in each case causing a loss to the investor, they have been, recently, refusing to sign "Consents." Most of them who have had one or two loans in process are so dissatisfied that they refuse to handle other such transactions, and prefer to worry with the property or the borrower."

The general complaint seems to be the fact that it takes an unusually long time to put an application through to the point where the bonds are delivered to the mortgagee.

Problems

The officials of the various Home Loan offices are constantly having new problems to face. Some of these which have come to light are illustrated in the following excerpts:

"Scorning those who have sought to take unfair advantage of the dwelling mortgage refinancing plan offered by the Home Owners' Loan Corporation, John H. Fahey, ---- emphasized that the Home Owners' Loan Corporation 'never was intended to furnish free homes in distress cases where the owners could not meet their refinancing obligations.'

"He reported that about 12 per cent of the borrowers from the H.O.L.C. were more than 60 days in arrears in their payments ----. Of about $5,000,000,000 in applications for aid, nearly $1,500,000,000 have been found ineligible for loans.

"Deadbeats and chiselers are far in the minority."48

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"The Home Owners' Loan act was invoked criminally for the first time in Maine today, (December 14, 1934), in the arrest of two local women on secret indictments returned by the Federal Grand Jury.

-----------------------------------------------

"The indictment charged Mrs. -- was aware that the Glover Realty Company Inc., --- was ineligible to apply for loans under terms of the Home Owners' Loan act, and that she persuaded Mrs. -- to pretend ownership of a house and property ---, actually owned by the Realty Company and to apply for a loan."49

"The H.O.L.C. already has begun to take cognizance of the problem of delinquent payment on loans. --- foreclosures had started in a number of cases, including some where deliberate delinquency was shown.

-----------------------------------------------

"In some cases not a single monthly payment has been made by the mortgagor, despite the fact that one of the requirements for the long-term mortgage refinancing was that the owner show ability to repay the loan."50

That this problem would arise was known to the mortgage bankers. "It is my opinion that many of the H.O.L.C. borrowers have no hope or intention of ever making full payment to the Government. I have been told of a letter which a borrower recently sent to the President in which he congratulated Mr. Roosevelt upon the great relief which he extended to distressed

As a trained professional, I am well trained in formulating a comprehensive plan for the

planning process. The key to effective planning lies in understanding the

goals and objectives of the project. This involves analyzing the

requirements, assessing the resources available, and determining the

feasibility of the project. It is crucial to have a clear understanding of

the project scope and the timeline for completion. A well-defined

plan can help ensure that the project is completed on time and within

budget. It is also important to involve stakeholders early in the

planning process to gather feedback and ensure alignment with their

needs and expectations. By following a structured planning process,

organizations can enhance their chances of success and minimize risks.

Reference: "Project Management: A Practical Guide" by PMI
home owners —— and thanked him for the relief he had received personally in refinancing his loan — and ended up by stating that this is the first time in his life that he has been out of debt." 51

In other instances persons have collected sums of money upon their claims that they could get the Corporation to take up mortgages. These same persons stated that they represented the Home Owners' Loan Corporation. 52

**Conditions at Close of Business**

On November 13, 1934 the various state offices of the Home Owners' Loan Corporation were notified not to accept any more applications. However, in order to make certain that no loans would be pushed ahead Washington, previous to the closing order, requested each office to wire the list of applications which were in the legal department waiting to be closed. Immediately upon receiving this information instructions were received to stop accepting applications. This bit of strategy on the part of Washington prevented the sliding in at the last minute any favored applications.

Up to the time of closing the Corporation had closed approximately 650,000 loans aggregating somewhat less than $2,000,000,000. The average loan therefore was about $3,000 which means that between 300,000 and 400,000 home mortgages can still be refinanced and that about 700,000 home owners will have to seek relief elsewhere for the Corporation has about 1,000,000 ———

51. Legislative Service, No. 54, Mortgage Bankers Association of America (July 13, 1934) p.11.
EXHIBIT "A"

In other transactions because we cannot come or money

no part of it is the first and to the and were new

were some common transactions that first happened

and some common transactions that first happened

1982

CONSIDERATION OF GAIN IN DOWNSCALES

On November 1, 1982 the management gave address to the Board

such management may notify not to make any more

information of whether to make to make pertinent facts on financial

money to become any material information to the address may

along with the legal regulations which may be obtained to know

about management and material information the address may

of management to obtain and address may

TRADEMARK INFRINGEMENT

Up to the time of obtaining the consideration and closing the

approximately 900,000 invoices representing more than

1,000,000,000,000

The sales from these charges are more than

5,000,000,000

When many times the

1,200,000

Since the year 2001

since 2000,000

and were more than

900,000

less than 200,000

so we must take this into consideration for the most important

see the final agreement
applications on hand. In Massachusetts about 7000 home owners were notified on December 3, 1934 that because of a shortage of funds no further aid could be given.53

Statistics55 of the Home Owners' Loan Corporation show that in five of the six New England States the number of suspended applications are as follows:

<table>
<thead>
<tr>
<th>State</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maine</td>
<td>1489</td>
</tr>
<tr>
<td>Vermont</td>
<td>224</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>2032</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>12,000</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>344</td>
</tr>
</tbody>
</table>

Now that no more time will have to be spent with new applications, the offices can concentrate their time in clearing up those applications which were in the legal department when the taking of new ones was suspended.

Future

There is already underway a demand for an additional billion dollars to take care of those applications now suspended and any new ones which are in real distress. However, it is believed that the granting of any further funds will be held in abeyance until it is definitely ascertained that private lenders are actually unable to refinance existing mortgages.

"It is now expected that building and loan associations and banks will ease things for the distressed home owner and will go still further - take up the slack and make loans. The attitude of private lenders on mortgage security will be determined, it is now forecast, through a careful study of pending applications. ---- But if there is an uproar over rates charged and foreclosures taken a sudden leap, there is apt to be a return of the H.O.L.C. to the mortgage field -

53. Boston News Bureau, December 4, 1934
American Banker."56

John H. Fahey, chairman of the Corporation is also in favor of the Corporation withdrawal from the mortgage field. But he believes that it depends upon the attitude of lenders and an unsatisfactory one might compel the Corporation to function again because of public demand.

There is no doubt that much can yet be done for home owners. Business has not improved sufficiently so that a home owner no longer has to fear a foreclosure and lose his home. The various States no doubt will attempt to bring about some kind of help for the mortgagors. In Massachusetts it has been suggested that the interest rate be reduced to 5 per cent and in addition postpone payments on principal for a short period.

State Treasurer C. F. Hurley of Massachusetts made the following suggestions:

"1. The banks and insurance companies of Massachusetts agree on a moratorium on foreclosures of mortgages on homes for one year.

"2. Postponement of principal payments of mortgages for a period of three years.

"3. A voluntary reduction of interest rates to at least 5 per cent on mortgages of dwelling homes for three years."57

In the writer's mind a moratorium is but a temporary relief and that after the period had expired there would be an unusual amount of foreclosures. In the long-run it would be much better for home owners to continue to pay as much as they are able to. The ordinary home owner finds it difficult to save money and therefore at the end of a year or three he

would be in no better position to make payments unless by that time business is again normal.

I. Friedlander, President of the United States Building and Loan League, however, has an optimistic viewpoint. He states that, "Owners, financers and sellers of small homes will have their inning in 1935 as a result of a revitalized real estate market, using rents, and the increasing ability of private capital mortgage sources to function normally. ---- A growing realization that private sources of home mortgage money, encouraged by the Government, can do the job more soundly, more economically, and with the best long-run benefits to the community ----."58

Shortly after the H.D.L.C. suspended operations it began "surveying mortgage lending conditions as the basis of a report to the President within 90 days in connection with extension of the Corporation's life ----. The survey is being conducted through regional offices of the Corporation and takes in the general situation with regard to ability of private institutions to resume their normal lending functions."59

The above report no doubt had a direct bearing on a request for information made to a committee from the Mortgage Bankers Association of America by Mr. John H. Fahey, Chairman of the Federal Home Loan Bank Board. "He requested that we (the association) determine through our members the total amount that each has of outstanding loans on which applications

58. "Declares Home Building About Ready to Start", Boston Evening Transcript, Real Estate Section, p.6, January 5, 1935.
The provision of ready-made or semi-ready student solutions to any kind of problem is an admission that the educational system is failing. Students should be encouraged to think for themselves and to develop their own problem-solving skills. This approach will not only improve their academic performance but also enhance their critical thinking abilities. In the long run, it will prepare them better for the challenges they will face in their professional lives.
are pending in the H. O. L. C.—these applications to be divided between those wherein foreclosure would result if Home Owners' loans were not completed, and those wherein, --- the borrower could carry on." Mr. Fahey also requested further information "regarding the general trend throughout the country with relation to occupancy, rentals, sales and sale prices, collections, new money available and loans available." Specimens of the questionnaires sent out by the Association are illustrated by Figures 11-12.

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60. Letter to Members, No. 73, Mortgage Bankers Association of America, (November 26, 1934) p.2.
The problem is due to the lack of clear communication and the failure to adequately plan and execute the project. The team's lack of coordination and poor time management has led to the current situation. It is crucial to address these issues and implement effective strategies to ensure the project's success. Immediate action is required to rectify the situation and avoid further delays.
CHAPTER IV

FEDERAL HOUSING ADMINISTRATION

NATIONAL HOUSING ACT

In May 1934 the Mortgage Bankers Association of America in a "Legislative Service" bulletin made mention about a proposed "New Deal" housing drive.

"The new scheme now contemplated on the part of the Government would result in putting up more hundreds of millions of federal money to finance housing projects all over the United States. This scheme would not only include the financing of newly constructed homes, but also furnish funds for repairs, remodeling and rehabilitation. The mortgages would be given on generous terms with low interest rates and amortization to be extended over a period of ten to twenty years.

"The original intentions were that all activities of the government relating to housing -- including the Home Owners' Loan Corporation, the subsistence homestead plan, the home loan bank board, the credit administration and the department of agriculture's program for new housing for farmers - would be coordinated under a single authority."
Chapter II

OPPORTUNITIES AND PROBLEMS

The Flamingo Guitar

In May 1929 the Flamingo Guitar was presented to the American Music Teachers' Association. The Flamingo Guitar is a unique instrument which adds a new dimension to the art of music. The sound of the Flamingo Guitar is warm and rich, and its range is remarkably broad. It is a wonderful addition to any music collection and is sure to bring joy to all who hear it play.
"The whole purpose of the immediate program is to stimulate the 'durable goods' or 'capital goods' industries ———. The program in the beginning will call for the organization of the 'insured mortgage system', and then for the construction in various parts of the country of many small housing units."61

The Administration lost no time in announcing that something must be done along the above lines.

"On May 14 President Roosevelt, in his message to Congress, urged that legislation be enacted which would tend to improve conditions for those who live in houses; those who repair and construct houses; and those who invest in houses. The bill S. 3603, was introduced by Mr. Fletcher of Florida, Chairman of the Senate Banking and Currency Committee on the following day May 15, and a companion bill H.R. 9620, was introduced in the House by Mr. Stegall of Alabama."62

S. 3603, and its companion bill H.R. 9260, embody proposals for legislation as requested in the President's message to Congress on May 14; the principal items in the program being:

1. Modernization, repair and new construction,
2. Mortgage insurance,
3. Mortgage associations, and
4. Building and loan insurance.

The following comment was made with reference to this bill, "From what we (Mortgage Bankers Association of America) are able to learn, there is some doubt that the bill will become law at this session of Congress. Only those measures which the Administration deems immediately essential toward the fulfillment of

62. Legislative Service, Bulletin No. 50, Mortgage Bankers Association of America, (May 23, 1934) p. 1."
its Recovery Program remain in the 'must' calendar. The bill in question for home modernization and new construction is included in a secondary list of bills which might be deemed desirable but not essential ---.63

In this matter there was no doubt or difference of opinion. The Vice-President of one of Boston's oldest mortgage company's said, "This is one of Roosevelt's 'must pass' bills and probably will become law before Congress adjourns."

On June 27, 1934, Congress approved the National Housing Act.

**Purpose**

The purpose of the Act is cited as "to improve nationwide housing standards; provide employment and provide employment and stimulate industry; to improve conditions with respect to home mortgage financing; to prevent speculative excesses in new mortgage investment, and to eliminate the necessity for costly second mortgage financing, by creating a system of mutual mortgage insurance and by making provision for the organization of additional institutions to handle home financing; to promote thrift and protect savings; to amend the Federal Home Loan Bank Act, to amend the Federal Reserve Act; and for other purposes."64

The specific sections of the Act are as follows:

Title I - Housing Renovation and Modernization
Title II - Mutual Mortgage Insurance
Title III - National Mortgage Associations
Title IV - Insurance of Savings and Loan Accounts
Title V - Miscellaneous

A digest of these sections was made by the Real Estate Mortgage Finance Committee of the National Association of Real

63. Legislative Service, Bulletin No. 50, Mortgage Bankers Association of America, (May 23, 1934) p.1
64. Prentice-Hall, Inc. op. cit. (July 5, 1934) p. 6251.
The importance of the dye in action of the plant was not appreciated until the advent of modern plant physiology and biochemistry. The study of plant pigments is now extensive, and it is becoming evident that the colorants of plants are not merely decorative but have a physiological significance. It is known that certain pigments play a role in the photosynthesis process, while others are involved in the protection against harmful light. The isolation and characterization of these pigments have been a major focus of research in recent years.

In addition to their physiological functions, plant pigments have also been utilized for commercial purposes, such as in the production of dyes for textiles and in the food industry. The discovery of new plant pigments continues to provide new insights into the biology of plants and their potential applications.

The botanical garden at the University of Oxford houses a large collection of plant pigments, and students and researchers alike benefit from the opportunity to study these fascinating compounds. The garden is open to the public, and visitors are encouraged to explore and learn about the diverse range of pigments found in the plant kingdom.
Estate Boards. The digest of the principal provisions of the National Housing Act are given here.65

"Title I - Housing Renovation and Modernization

"Creates a Federal Housing Administration, all powers exercised by a Federal Housing Administrator, appointed by the President, confirmed by the Senate. ---

"Administrator is given power:

(1) To insure approved financial institutions against loss on loans made 'for the purpose of financing alterations, repairs, and improvements upon real property.' Limit of insurance: 20 per cent of the total amount of loans made by the insured institution. Obligations insurable: 'Loans and advances of credit and purchases of obligations representing loans and advances of credit' made subsequent to date of enactment of Act. Termination date of insurance plan for modernizing loans: Loans made subsequent to January 1, 1936, may not be insured. The President, however, may designate an earlier date. Type of loan eligible: Must not exceed $2,000. (This is upon note, without necessity for mortgage). Interest rate, maturity term, and other terms of loan: To be prescribed by Administrator. Limit on total liability which may be incurred by the Government for such insurance: $200,000,000.

(2) To make loans and agreements to loan to institutions as above, upon security of their insurable modernizing obligations. Loan limit: Full face value of obligations offered as security. Rates and terms: To be prescribed by the Administrator.

"Source of funds for above purpose: Reconstruction Finance Corporation or President's Emergency Fund, in such amount as deemed necessary by Administrator. **Eligible institution:** "Banks, trust companies, personal finance companies, mortgage companies, building and loan associations, installment lending companies and other such financial institutions" which are approved as eligible by Administrator.

**Title II - Mutual Mortgage Insurance**

"Creates a Mutual Mortgage Insurance Fund, as revolving fund, to which $10,000,000 is now allocated.

"Limit for which Government may be obligated.

"For insurance of mortgages on existing 'property and (existing) low cost housing projects': $1,000,000,000.

"For insurance of mortgages on 'property and low cost housing projects' constructed after passage of Act: $1,000,000,000.

"Limitations above may be exceeded by approval of the President.

"Premium charge for insurance of mortgage: To be determined in accordance with the risk involved, in no case to be less than one-half nor more than one per cent per annum of original face value of the mortgage. **Payable:** Annually in advance by mortgagee.

"General type of mortgage eligible to insurance; according to definition of 'mortgage' as used in this Title: 'A first mortgage on real estate in fee simple or a leasehold (1) under a lease for not less than 99 years which is renewable, or (2) under a lease having a period of not less than 50 years to run from the date the mortgage was executed, upon which
law

say a few words about the

invention

and its application. The

claim is that the invention

has been improved by the

inventor, and that the

improvement is significant

enough to be patentable.

The improvement should

be described in such a way

that it can be understood

by someone with ordinary

skills in the field. The

claims must be specific and

clear, and they should not

be so broad that they

would cover every possible

way to carry out the

invention.

The invention described in

the patent application may

be a new product, a new

process, or a new use for an

existing product or process.

A patent application is a

legal document that

describes the invention in

detail. It is filed with the

Patent Office, and it is

examined to determine if

the invention is novel and

non-obvious. If the patent

office determines that the

invention is novel and

non-obvious, it will grant a

patent to the inventor.

A patent grants the

inventor the exclusive

right to make, use, or sell

the invention for a certain

period of time, typically 20

years from the date of

filing. During this period,

the inventor can prevent

others from making, using,

or selling the invention.

However, the inventor must

pay annual fees to keep the

patent in force.

If someone else makes, uses,

or sells the invention without

the permission of the

inventor, the inventor can

bring a legal action to

enforce the patent. This

action can result in the

inventor being awarded

monetary damages for the

infringement of the patent.

A patent can be valuable

because it gives the

inventor control over the

use of the invention. This

can lead to increased

product development,

increased sales, and a

higher return on investment.

However, obtaining a

patent can be a long and

expensive process, and it

is not guaranteed that a

patent will be granted.

In addition, a patent may

be revoked if it is found

to be invalid or if it is

overly broad.

In summary, patents are

important for protecting

innovative ideas and giving

inventors the right to

develop and sell their

inventions. However, the

process of obtaining a

patent can be challenging,

and it is important for

inventors to understand the

rules and requirements for

patenting an invention.

The patent application

should be filed with the

Patent Office as soon as

possible after the invention

is made. The patent

application should be

prepared carefully to ensure

that it is complete and

accurate. The inventor

should consider working

with a patent attorney to

assist with the patent

application process.

Once the patent application

is filed, it will be

examined by the Patent

Office to determine if the

invention is novel and

non-obvious. If the patent

office determines that the

invention is novel and

non-obvious, it will grant a

patent to the inventor.

A patent provides the

inventor with the

exclusive right to make,

use, or sell the invention

for a certain period of

time, typically 20 years

from the date of filing.

The inventor can prevent

others from making, using,

or selling the invention

without permission.

A patent can be valuable

because it gives the

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product development,

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higher return on investment.

However, obtaining a

patent can be a long and

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is not guaranteed that a

patent will be granted.

In addition, a patent may

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should be filed with the

Patent Office as soon as

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that it is complete and

accurate. The inventor

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with a patent attorney to

assist with the patent

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Once the patent application

is filed, it will be

examined by the Patent

Office to determine if the

invention is novel and

non-obvious. If the patent

office determines that the

invention is novel and

non-obvious, it will grant a

patent to the inventor.

A patent provides the

inventor with the

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use, or sell the invention

for a certain period of

time, typically 20 years

from the date of filing.

The inventor can prevent

others from making, using,

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is located a dwelling for not more than four families which is used in part for residential purposes, irrespective of whether such dwelling has a party wall or is otherwise physically connected with another dwelling.

"Specific requirements:

Interest rates on mortgages:
Must not exceed 5 per cent exclusive of premium charges for insurance, except where area condition or mortgage market demands more. Under these special conditions it must not exceed 6 per cent.

"Mortgage:

Must have or be held by a mortgagee approved as responsible and able to service the mortgage properly.

Must involve as to principal obligation (including such initial service charges and appraisal and other fees as the Administrator shall approve) not to exceed $16,000.

Must have a principal obligation not to exceed 80 per cent of the appraised value of the property as of date mortgage is executed.

Must have maturity satisfactory to Administrator, but not to exceed 20 years.

Must contain complete amortization provisions.

Must meet Administrator's requirements as to: insurance, payment of taxes, default reserves, additional and secondary liens, repairs, foreclosure proceedings, anticipation of maturity, ——.

Administrator may insure any mortgage offered to him within one year from date of its execution or make commitment for insurance of a mortgage prior to date of its execution or dis-
bursement thereon. (This latter provision makes possible commitments for construction loans.)

"Character of Insurance, and payment on default:

In case of default and call upon the insurance fund for recompense, the mortgagee must foreclose and take possession of the mortgaged property within such period and in accordance with such regulations as may be determined by the Administrator or with Administrator's consent must have acquired title to the real estate from the mortgagor by other means.

The mortgagee shall thereupon convey title to the Administrator and assign all claims arising under the mortgage. The Administrator shall thereupon issue to the mortgagee debentures of the Insurance Fund having a total face value equal to the mortgage on the date of delivery to the Administrator, which said value shall be the unpaid principal of the mortgage on the date of delivery, plus payments which may have been made by the mortgagee for taxes and insurance. For any excess due under the mortgage the mortgagee shall receive a certificate of claim in addition to such debentures. Insurance premiums cease upon delivery of title to the Administrator.

"The debentures shall bear a rate of interest not to exceed 3 per cent, such rate to be determined as of date the mortgage is insured. Debentures shall be the obligations of the Insurance Fund solely, excepting that any debentures issued prior to July 1, 1937, shall be fully guaranteed as to principal and interest by the United States.

"Debentures shall mature three years after the first day of July following the maturity date of the mortgage for which they were exchanged."
"The certificate of claim shall be issued by the Administrator in a sum equal to that the mortgagee would have received if at the time of conveyance the mortgagor had paid in full the obligations of the mortgage and those arising out of foreclosure proceedings.

"The certificate, plus such interest, will be payable only out of the net amount (in excess of debentures) realized from the property and the claims assigned herewith after deduction of expense incurred by the Administrator in handling, dealing with and disposing of such property.

"Excess in the amount realized out of the sale of the property over the sum due under the debentures and certificates shall be paid to the mortgagor.

"The Administrator is given all adequate authority to rent, modernize, or sell any real estate conveyed to him and shall have the right to pursue to final collection by way of compromise or otherwise all claims against mortgagors, assigned by mortgagees to him.

"Title III - National Mortgage Associations

"Provides means of creating a system of national mortgage associations authorized:

1. 'To purchase and sell first mortgages and such other first liens as are commonly given to secure advances on real estate held in fee simple or under lease for not less than 99 years, under the laws of the state in which the real estate is located, together with the credit instrument, if any, secured thereby, such mortgages not to exceed 80 per cent of the appraised value of the property as of the date of mortgage is purchased: and
2. "To borrow money for such purposes through the issuance of notes, bonds, debentures, or other such obligations ----."
Such debentures issued shall not exceed ten times the aggregate par value of its outstanding capital stock but in no event may exceed the current face value of all mortgages held by it and insured under the provisions of Title II of the Act, plus the amount of cash on hand and on deposits, and the amount of its investments, in bonds or obligations of, or guaranteed as to principal and interest by the United States.

"Title IV - Insurance of Savings and Loan Accounts"

"Establishes a new Federal Savings and Loan Insurance Corporation, to insure the accounts of eligible institutions. Capital stock $100,000,000. Source: from Home Owners' Loan Corporation, paid in its bonds. Borrowing Power: may borrow money and issue notes, bonds, debentures, etc. ----.

"Title V - Miscellaneous"

"Under this Title various Federal agencies had changes made as to their operations."

Regional Districts

The Federal Housing Administration is divided into twelve regional Districts. The regional offices in each district are as follows:66

1. New York City
2. Boston, Massachusetts
3. Newark, N. J.
4. Cleveland, Ohio
5. Richmond, Virginia
6. Atlanta, Georgia
7. Chicago, Illinois
8. Memphis, Tennessee
9. Bismark, North Dakota
10. Denver, Colorado
11. Dallas, Texas

12. San Francisco, California

Then there are "Territorial Offices" located at Juneau, Alaska and Honolulu, T. H.

In many of these districts the regional office is also the state office. There are then in addition district offices.

Title I in Operation

"Title I provides a program for short term financing of housing renovation and modernization. It is intended to quickly stimulate activity in the field of repair and modernization of existing properties and thus relieve present unemployment among workers in building trades and associated industries, and bring recovery to the durable goods market. The accumulation of deferred maintenance of needed repairs and alterations and improvement upon real property, is large; -----."67

"The bill (Housing Act) encourages and assists local banks and other institutions to make 'character loans' on the installment paying plan, so that labor and material people get their money at once, while the home owner can spread his payments over a convenient period and in comfortable amounts to be paid from his earnings.

"The Government does not propose, nor does it want, to indulge in 'campaigns' to induce home owners to participate. Local contractors and supply houses, cooperating with their local financial institutions, chambers of commerce, etc., will see to that. ---- Insurance against loss up to 20 per cent of total loans made will furnish a margin of security more important in

its psychological effect upon investors than the Government's actual financial commitment."68

Although as stated above that the Government does not propose to indulge in campaigns the Federal Housing Administration is strongly behind an effort to get home owners to make needy repairs. It has instituted a "Better Housing Program".

The following summarized briefly the regulations, terms, and conditions a home owner must meet to become eligible for a loan.

Regulations:

"1. Any owner of improved real property - home or business building.

2. Whether property is mortgaged or not.

3. Providing there are no past due obligations, interest, taxes, liens, etc.

4. Credit standing satisfactory to lending agency.

5. Owners must have annual income at least five times the annual payments assumed under the loan.

6. If due to the declining condition of the neighborhood as a whole, an owner is denied a loan, he may still become eligible provided a majority of the owners in his block combine to effect a general neighborhood improvement.

Terms and conditions:

1. Amounts - $100 to $2000 for any period up to 5 years - at the discretion of the financial institution.

2. To be repaid in equal monthly installments.

3. Cost of Financing - whether in form of interest, fees or other charges, may not exceed in total an amount equal to $5 discount per $100 of face of monthly payment note. (For calculations see Table 4).

Here are given "instructions" that may be used in finding discount of notes under the "Advanced Credit Plan." In the present example the face of the note is $100 for each possible category. Assume that it may be used for any note, a note. If the note is not reduced, all "discount factors" for any note will be obtained. In the table below please see "Discount factors." The amount of note principal and interest minus the "discount factors" will give the maximum permissible amount of interest not to be exceeded.

HOW TO USE THE "DISCOUNT FACTORS"

Discount on $100. With each payment in the table, the amount of the note is $100. From the table, for example, for a $100 note for 12 months at 12% interest, the 12th month note is $120.00. This note would then be called a note paying a 12% interest and maturity in 12 months. Then, if the "discount factor" for this note is 0.9318, the amount of interest to be paid in 12 months on $100 of face value is $100 x 0.9318 = $93.18.

NOW TO USE THE "CHARGE FACTORS"

Charge Factors situate in which Account No. (Bank and 3 of Reconciliation) post. (Board of 31 of Reconciliation)

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Tables of Calculations

Prepared by the Federal Housing Administration for the information of Financial Institutions, relating to maximum permissible charges on notes covering Property Modernization Credits

Below are given “factors” which may be used to facilitate handling of notes under the Modernization Credit Plan. In the center column are figures from 12 to 36 for each possible monthly maturity that may be used for such a note. In the right hand column are “discount factors.” The face amount of a discount note multiplied by the “discount factor” for any maturity desired will give the maximum permissible amount of discount that may be collected. In the left hand column are “gross charge factors.” The amount of cash proceeds desired—the principal sum the borrower wants—multiplied by the “gross charge factor” for any maturity will give the maximum permissible amount of interest and/or fee that may be collected.

HOW TO USE THE “DISCOUNT FACTOR”

Discount of $5 on a $100 note for a period of one year with provision in the note for monthly installment payments gives a ratio of .097166, between gross income and average outstanding balances of the institution’s funds during the period of the loan. This is the maximum return under the regulations of the Federal Housing Administration that any financial institution may obtain on a note of any size, of any maturity, and regardless of the number of installment payments. (The same limit would apply to a note providing for one installment a year as to one providing twelve installments.)

On a one-year note, of course, the discount factor is .05. On a 15 months note, however, the discount factor is .060837; on a 24 months note, .091912; 36 months note, .130282. The “discount factor” for each maturity from 12 to 36 months is given in the table herewith. On a discount note of $1,000 face amount, the amount of discount for 12 months would be $50; for 15 months, $60.84; for 24 months, $91.91; for 36 months, $130.28.

HOW TO USE THE “GROSS CHARGE FACTOR”

A financial institution, desiring to use an interest bearing note, with or without a fee, or for any reason to ascertain the maximum amount of interest and/or fees it would be permissible to take on any principal sum which a borrower needs for property modernization in order not to exceed the ratio of .097166 between gross income and average outstanding balances of the institution’s funds during the period of the loan, can do so by using the “gross charge factor.” Thus on a one-year note the “gross charge factor” is .052632; on a fifteen months note it is .064778; on a twenty-four months note, .101215; on a thirty-six months note, .149798. The “gross charge factor” for each maturity from 12 to 36 months is given in the table herewith. Thus by taking a $950 amount and multiplying by the proper “gross charge factor” the amount of interest and/or fee allowed for 12 months will prove to be $50; for 15 months, $61.54; for 24 months, $96.15; for 36 months, $142.31.

Table IV
Monthly payment notes running for periods longer than one year, carry the same proportionate rate. Banks and other lenders are permitted to make a lower charge if they so desire, and in any case will be able to quote exact charges on each transaction.

4. Security - Owner signs promissory note. No endorsers, co-makers or collateral required (unless local or state laws require a mortgage or other form of security). No down-payment required.

5. Government does not lend any money - it insures financial institutions against loss.

6. Lending agencies are final authority on accepting or rejecting loans, subject to the regulations of the Administrator.

Better Housing Program

It is the plan of the F.H.A. to establish in every community a "Better Housing Program". In its booklet (F.H.A. 102 (b)) complete information is given for organizing a local campaign. Suggestions are given for the organization of various groups committee groups. The plan also includes suggestions as to how to reach landlords and absentee owners. At the present time there is a sufficient number of groups organized to reach 70 per cent of the people in Massachusetts, and before the end of February 1935, it is hoped that this will increase to 90 per cent.

Advertising material is furnished free of charge. This includes billboard posters (24 sheet size), car cards, window emblems, campaign buttons, small posters (various sizes), metal

69. Community Campaign, Federal Housing Administration, (September 1934) pp. 32-33.
signs, mats for printing purposes, and numerous booklets and leaflets. There also many specially prepared talks for over the radio and at special meetings. Speeches are prepared to be given before special groups such as financial men, businessmen and manufacturers. Then in addition there is prepared copy for newspaper advertising. However so as to have some control over the issuance of this material a table is prepared giving the minimum and maximum quantities for different size cities. The order for the material is signed by the Better Housing Committee Chairman and sent to the state or District Director.

While many small communities will no doubt take advantage of this generous offer for gratuitous advertising material it will be supplemented in the larger centers by individual advertising.

For instance, in Boston, Massachusetts Jordan Marsh Company ran a newspaper advertisement calling to home owners' attention items on which loans could be obtained. Following this copy a news item appeared several days later commenting upon the fact that a special Government representative would at Jordan's give information with reference to Government loans for repairs and modernization.

On November 20, 1934, the National Shawmut Bank had a small advertisement on the front page of the Boston Herald stating that it would "Welcome applications for Loans for Home Modernization." To date (February 4, 1934) this bank made loans for this purpose

70. Boston Evening Transcript, Editorial Section, p. 1, October 23, 1934
amounting to approximately $120,000.

A Bank in Springfield, Massachusetts is in number one position, in Massachusetts, having issued loans for an aggregate sum of about $360,000. The Quincy Trust Company, Quincy, Massachusetts has loans amounting to about $10,000.

In F.H.A. bulletins Nos. 1 and 2 banks and other financial institutions are given full information "relating to credit insurance for alteration, repair and improvement of real property as provided for in Title I".

Up to February 4, 1935, loans for repairs and modernization amounted to approximately $36,000,000 for the entire country. Massachusetts' portion of this was close to $1,700,000. In comparison with the other States Massachusetts is making a better showing.

The General Electric Company72 also made mention of the National Housing Act in one of its advertisements featuring their oil furnace.

The following clipping shows that the lumbermen and building supply dealers are behind the program. "Lumbermen and other building supply dealers and material men, to meet situation existing in communities that are locking in credit facilities for insured modernization loans under Title I, N.H.A. or where standard finance plans may be more adaptable to their own finance companies to facilitate extension of such credits. Progress made by these building material companies in this connection is described in a bulletin issued by the F.H.A. ----. The

A report to the President of the Board of Directors of the XYZ Corporation, dated March 15, 19XX, summarizes the financial results for the fiscal year ending December 31, 19XX.

The annual report highlights the company's financial performance, including revenue growth, cost efficiencies, and strategic initiatives. It also discusses the company's plans for future expansion and investment in technology.

The report is intended to provide a comprehensive overview of the company's operations, including detailed financial statements and management commentary on key business trends.

Please refer to the attached financial figures and charts for a more detailed analysis.
organizations to date are local, sectional and in some instances cover several States. At least one company operates nationally and is affiliated with lumber concerns in twenty-five States."73

That the Housing Administration is having the support of large corporations can be readily ascertained from the following campaign to be started by nine corporations to which more will undoubtedly be added.

"Nine industries which have been usually active on furthering and cooperating with the Housing Administration have joined in a movement to send motor cavalcades to 654 cities and towns to sell the idea of better and modern homes.

"This unique campaign will start February 15, (1935). There will be 3 caravans of about 18 coaches each. Trained talkers and salesmen will sell the public the desirability of taking advantage of the provisions of the Housing Act and bringing their property from a state of obsolescence and delapidation to a state of cheerfulness and comfort.

" The caravans will begin their long trip in the southern part of the country, where it is warm, and work north with the advance of spring.

"The concerns participating are: Johns-Manville Corporation, New York; American Radiator and Standard Sanitary Corporation, New York; General Electric Company, Cleveland; and others."75

James A. Moffett, Federal Housing Administrator pointed out that many of these large industrial concerns are advancing loans.

I'll use his information if I have found my opponent's weakness. The more
information you have on your opponent, the better chance you have of
winning the game. I'm sure you understand.
He said, "The Johns-Manville Corporation has created 11,000 lending agencies throughout the United States. They make loans for modernizing and repairing property and the loans are insured by the Housing Administration in the same manner as if the credit had been extended through a bank.

"The American Radiator and Standard Sanitary Corporation has established a similar lending agency through 9,299 contractors and dealers. Loans are increasing at the rate of 20 percent per week and the average loan has been for $580."\(^74\)

The reports from various parts of the country are promising. If this keeps up the result will be a tremendous amount of all concerns connected in any way with housing. That the house-to-house canvassing is being successfully undertaken can be learned from these reports:\(^76\)

Salesburg, Ill. $572,511
Mamaroneck, Long Island $435,000
New Castle, Pa. $365,600
Fulton, N.Y. $214,000

The above figures represent the amount of repair work pledged or in construction in these localities.

The progress of the "Better Housing Program" is summarized as follows:\(^77\)

Community Chairman appointed 5,283
Communities organized and operating 4,097
Canvasses begun 1,805
Canvasses completed 360
Field estimate of dollar value of modernization jobs completed to date $219,379,103
Estimate of work done for cash 66%
One surprising development in this present campaign is the fact that many home owners are paying for repair work with their own cash. They are evidently doing this either from a "patriotic" viewpoint or they are unable to secure a loan. Therefore, they have gone into their own limited reserve in an effort to help improve conditions. Many banks as well as building and loan associations are making loans that are not eligible for insurance. In Boston a report of $705,000 for repair work included only 6 per cent of borrowed money.

In 498 leading centers modernizing of all kinds of property showed an increase of 42 in dollar volume during October (1934) as compared with the same period last year. The total of permits increased from $7,439,710 to $10,522,620.78

"A survey of the private home situation in many important cities of the country by the National Association of Real Estate Boards reveals the fact that there is a steady rising demand for well-conditioned homes followed, in a majority of reports received, by advancing prices.

"Perhaps the most important fact revealed in the survey is that so-called "used" houses stand little if any chance of sale at a reasonable figure unless they have been thoroughly modernized."79

The Federal Housing Administration recognizing the potential value of the real estate dealers has made a direct appeal for their co-operation in the Modernization Program. In the

78. "Modernizing Shows 42 Per Cent Increase", Boston Evening Transcript, (November 17, 1934) Real Estate Section
appeal it is suggested that dealers get in touch with home owners whose property needs repairing. The F.H.A. has designed special letters for contacting the home owner. These to be mailed by the real estate dealer. However, before starting any such drive the F.H.A. suggests to first check up on the local banks to see if they are qualified to make loans and whether or not the bank would make a loan to the home owner. 80

Still another fact is that modernization is helping restore the earning power of property. Houses having modern plumbing and lighting fixtures and up-to-date kitchens are able to command a larger rental. Owners of large buildings realize this fact and which has resulted in a request to increase the size of loans now restricted to a maximum of $2,000.

A recent analysis of some 44,809 insured modernization insured loans totaling $19,021,116.72 showed that single-family homes are the leaders in the modernization program. Loans on this type of house amounted to $13,181,376.14 while multiple-family homes the total was $3,024,021.64. 81

One could go on giving countless illustrations but the writer feels that enough has been said about the Better Housing Program to show that it has made a good start and its achievements should continue to grow until the emergency no longer exists.

Title II in Operation

Mutual mortgage insurance benefits under Title II of the

Federal Housing Act are going to be available in almost every urban community of the United States. The F.H.A. has already made known changes in its regulation so as to enable it to increase the number of financial institutions eligible to be approved as mortgagees.

"Under the revised regulations just announced, (January 26, 1935), eligibility for approval is extended in blanket form, irrespective of location or capital and surplus, to all members of the Federal Reserve System, all members of members of the Federal Deposit Insurance Company and all members of the Federal Home Loan Bank system. --- In addition, all non-member State banks may apply for such approval, and if found responsible and able to service the mortgage property will be approved."82

Titles II and III are perhaps the most important sections of the National Housing Act. They have to do with a long-term program which, without a doubt, will turn into a permanent affair. These two Titles are for the purpose of bringing about a revival in the residential field and re-establish the security and stability of mortgage investments. As long as real-estate values are below normal there will be no incentive to bring about new construction or make new investments in home mortgages.

It is the purpose of Title II to bring about stability and security in home mortgages through the medium of insurance.

The complete regulations and rules as to the type of property eligible and the mortgagees who deals in this type of mortgage are explained in detail in Title II of the Housing Act.

At this point, however, it might be well to insert the following comment with reference to eligible mortgagees. "Only chartered institutions are as yet included. Private mortgagees are given no place, unless they be engaged by some chartered institution as servicers of its mortgages, or, of course, unless they change their character, apply for and secure some form of national or state charter (as bank, trust company, etc.) Private mortgage investors are cut off, as yet from the benefit of mortgage insurance unless they surrender their funds for mortgage investment to a bank, trust company or the like. In view of the avowed purpose of the Act to bring private capital into the home mortgage field it may be expected that future regulations will be set up to extend the group of eligible mortgagees. This is implied in the Administrator's covering statement, which refers incidentally to 'such investors in mortgages as may be hereafter provided for by regulations and approval.'83

Another particular phase added by the insurance plan is that services charges are restricted to two types of mortgage indebtedness. "The fact the service charges are permitted only in case of two types of mortgage indebtedness, loans to purchasers for new home construction, and refinancing loans on existing property where there is a change in lender, means that for all other types of insured loan, actual return to the mortgagee will, in practice, be definitely under 5 per cent in the case of financing sales of existing property,

probably 4\% per cent. It will be less than the 5\% per cent which is permitted as interest on refunding existing property without change of borrower or lender.\textsuperscript{94}

The various charges permissible with respect to the type of transaction are shown on Table 5.

<table>
<thead>
<tr>
<th>Transaction of Property (whether the mortgage is not the vendor, either actual or beneficial) constructed before June 27, 1934</th>
<th>3% Per Annum</th>
<th>4% Per Annum</th>
<th>5% Per Annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition and/or construction\textsuperscript{a}, and/or refunding of temporary mortgage indebtedness against property constructed after June 27, 1934</td>
<td>4% Per Annum</td>
<td>4% Per Annum</td>
<td>4% Per Annum</td>
</tr>
<tr>
<td>Refunding of mortgage indebtedness wherein the mortgage is uncharged, against property constructed before June 27, 1934</td>
<td>5% Per Annum</td>
<td>6% Per Annum</td>
<td>7% Per Annum</td>
</tr>
<tr>
<td>Refunding of mortgage indebtedness (where the mortgage is changed) against property constructed before June 27, 1934</td>
<td>5% Per Annum</td>
<td>6% Per Annum</td>
<td>7% Per Annum</td>
</tr>
<tr>
<td>Creation of mortgage indebtedness wherein neither acquisition, construction, nor refunding are involved, against property constructed before June 27, 1934</td>
<td>5% Per Annum</td>
<td>6% Per Annum</td>
<td>7% Per Annum</td>
</tr>
</tbody>
</table>

\textsuperscript{a}As used throughout the above schedule the phrase "property constructed after June 27, 1934", shall be deemed to include any property upon which the value of the buildings, or portion of the buildings, constructed since such date, equals or exceeds sixty percent (60\%) of appraised value of all buildings on the property.

\textsuperscript{94}National Association of Real Estate Boards, loc. cit.
### SCHEDULE

<table>
<thead>
<tr>
<th>Group</th>
<th>Transactions involving</th>
<th>Interest rates ¹</th>
<th>Service charge ¹</th>
<th>Mortgage insurance premium ¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Acquisition of property (wherein the mortgagee is the vendor, actual or beneficial) constructed before June 27, 1934</td>
<td>5% Per Annum</td>
<td>None</td>
<td>½% Per Annum</td>
</tr>
<tr>
<td>2</td>
<td>Acquisition of property (wherein the mortgagee is not the vendor, either actual or beneficial) constructed before June 27, 1934</td>
<td>5% Per Annum</td>
<td>½% Per Annum</td>
<td>½% Per Annum</td>
</tr>
<tr>
<td>3</td>
<td>Acquisition and/or construction* of, and/or refunding of temporary mortgage indebtedness against, property constructed* after June 27, 1934</td>
<td>5% Per Annum</td>
<td>½% Per Annum</td>
<td>½% Per Annum</td>
</tr>
<tr>
<td>4</td>
<td>Refunding of mortgage indebtedness (wherein the mortgagor is unchanged) against property constructed before June 27, 1934</td>
<td>5½% Per Annum</td>
<td>None</td>
<td>1% Per Annum</td>
</tr>
<tr>
<td>5</td>
<td>Refunding of mortgage indebtedness (wherein the mortgagor is changed) against property constructed before June 27, 1934</td>
<td>5½% Per Annum</td>
<td>½% Per Annum</td>
<td>1% Per Annum</td>
</tr>
<tr>
<td>6</td>
<td>Creation of mortgage indebtedness (wherein neither acquisition, construction, nor refunding are involved) against property constructed before June 27, 1934</td>
<td>5½% Per Annum</td>
<td>½% Per Annum</td>
<td>1% Per Annum</td>
</tr>
</tbody>
</table>

¹ Upon monthly balances of unpaid principal. ² Upon the original principal of the mortgage.

*As used throughout the above schedule the phrase “property constructed after June 27, 1934”, shall be deemed to include any property upon which the value of the buildings, or portion of the buildings, constructed since such date, equals or exceeds sixty percent (60%) of appraised value of all buildings on the property.

(Circular No. 1, Mutual Mortgage Insurance, Federal Housing Administration, November 27, 1934)
A piece of real estate in order to become eligible for insurance must also meet a certain number of specific property requirements as set up by the F.H.A. in Circular No. 2. In brief these requirements apply the following phases:

1. Area covered by house
2. Number of rooms
3. Floor area
4. Number of windows
5. Water supply (in general)
6. Water supply for kitchen sink
7. Sewage systems
8. Number of waterclosets
9. Adequate heating system
10. House foundation

Then there are other suggested phases which would have a favorable reaction but are not required.

Also under Title II materials to be used in modernization and new construction must meet with the approval of either the local underwriting offices or the F.H.A.'s office in Washington. However, only new and untried materials or a new method of construction will be referred to Washington.

**New Construction
Operative Builder**

Up to this point what has been said about Title II, in the main, applied to existing construction. The F.H.A. also recognized the fact that at all times there must be a certain amount of new residential real estate in construction. Therefore, in order to encourage to construction of one to four-family houses the Administration has set up definite rules under which an operative builder can secure the benefits of Title II.

"Although the Administration is not empowered to insure a mortgage until there is located up on the property which constitutes the security a one to four-family dwelling, it is em-
powered to make commitments for the insuring of mortgages prior to the date of their execution and disbursement thereon. Commitments for the insurance of mortgages are issued only to approved mortgagees who have made formal application for insurance and have submitted therewith such supporting information, data, and assurance as the Administration may require."85.

Three types of commitments can be made. In brief, they are as follows:

1. Where operative builder has a definite buyer for the completed dwelling property.

2. Where the operative builder expects that an unknown buyer will be the original mortgagor.

3. Where the operative builder is to be the original mortgagor.

In various sections of the country builders have purchased large tracts of land to use for new housing developments. On some of these developments builders have gone so far as to construct model houses. They fully believe that the mortgage insurance feature of the Housing Act will create a demand for new property.

**Low-Cost Housing**

"Low-cost housing" is another type of construction for which there are special regulations under the National Housing Act, Section 207. Properties of this type are described as being occupied by a larger number of family units, in either one building or in a group of buildings."86

Under section 207 the following general class of mortgages upon low-cost housing are eligible for insurance:

85. Operative Builders, Federal Housing Administration, Circular No. 4 (December 15, 1934) p. 6.
"(1) Mortgages executed by any properly constituted Federal, state, municipal or other public authority, which is regulated or restricted by law as to rents, charges, capital structure, rate of return and methods of operation in a manner and to an extent satisfactory to the Administrator.

"(2) Mortgages executed by any private limited dividend corporation, organized under a state housing law —— (regulated as in (1)).

"(3) Mortgages executed by any private limited dividend corporation which, though not organized under a state housing law, is organized solely for the purpose of creating, owning, and operating such low-cost housing projects —— (regulated as in (1) and (2))."87

"In the case of low-rental housing by municipal authorities —— the Housing Administrator can insure mortgages up to the full value of the property, instead of 80 per cent, and at whatever premium he decides proper. The mortgage maturity can also exceed the twenty-year limit. While single houses mortgages are limited to $16,000 for insurance purposes, the limit for municipal housing authorities is $10,000,000 for each project."88

The various forms used in connection with loans made under Titles I and II are shown in Figures 14 to 25.

Employment under Titles I and II

"The greatest amount of present unemployment exists in the building trades. General construction has dropped from an annual pre-depression level of $11,000,000,000 to a present annual level of around $3,000,000,000. In home construction the figures are even more startling. From a $3,000,000,000 annual volume before the depression, home building has dropped to a tenth that amount or a $300,000,000 volume.

"--- It is estimated that 3,500,000 of our unemployed are persons who would normally be engaged directly in construction activities ---.

"The National Housing Act definitely strives to revive the building trades and to bring them again to a point where they can be an assisting factor rather than a retarding factor in the recovery program."89

That the Act is helping in this direction can be learned from the following reports:

"No carpenters or other building-trade artisans are idle," reports the Federal Housing Director for Montana.

"In warmer South Carolina an actual shortage of building-trades labor is reported in Sumter and Florence ----.

"Possibly the most interesting development in the way of providing employment comes from Los Angeles where the Better Housing Committee is handicapped for the time being by a scarcity of architects, the one group in the building industry harder hit by the depression than any other."90

In the following paragraphs, the reader will find a detailed analysis of the current market trends and their implications for future investments. The data presented is based on extensive research and analysis conducted by our in-house team of experts. We believe that this information will be valuable to investors looking to make informed decisions in the rapidly evolving financial landscape.

The economic conditions in the region have been characterized by a steady growth in recent years, driven by a combination of factors including increased government spending, technological advancements, and a shift towards services-oriented economies. These trends have been further accelerated by the recent technological developments, which have opened up new opportunities for businesses to expand and innovate.

Despite these favorable conditions, there are also significant challenges that need to be addressed. One of the major concerns is the growing inequality in income distribution, which has led to increased social unrest in some areas. Additionally, there is a growing recognition of the need to address environmental issues, such as climate change, which require significant investment in renewable energy and sustainable practices.

In light of these considerations, we recommend a diversified investment strategy that takes into account both short-term opportunities and long-term risks. By investing in a mix of stocks, bonds, and alternative assets, investors can enhance their portfolio's performance while mitigating the impact of market volatility.

Moreover, we encourage investors to stay informed about the latest developments in the market and to remain vigilant in their investment choices. By doing so, they can make the most of the opportunities available and navigate through the challenges that may arise.

In conclusion, the current market conditions present both opportunities and challenges. With careful planning and strategic investment, investors can position themselves to succeed in this dynamic environment.
At the present time (February 1935) much of the employment is the result of the Better Housing Program. Much of the modernization and repairs are inside jobs so that the winter weather conditions have not retarded this work. In the coming spring it is hoped that many thousands of men will find employment due to new construction work.

**Title III in Operation**

Under Title III the Administrator is authorized to provide for the establishment of National Mortgage Associations. These Associations are to be subject to definite regulations as specified in the Housing Act.

"In particular such National Mortgage Associations shall be authorized:

"(1) To purchase and sell first mortgages and other such first liens as are commonly given to secure advances on real estate. ----; and,

"(2) To borrow money for such purposes through the issuance of notes, bonds, debentures, or such other obligations;

"(3) To issue and have outstanding at any time notes, bonds, debentures, ---- in an aggregate amount not to exceed (a) ten times the aggregate par value of its outstanding capital stock, and in no event to exceed (b) the current face value of mortgage held by it and insured under the provisions of this Title ----."91

This type of Association when organized will enable any mortgagee to secure cash for his insured mortgage when he so

The National Association of Real Estate Boards advocates the creation of a Central Discount Bank for Mortgages which is to be made under Federal Control.

Walter S. Schmidt, chairman of the committee on real estate finance of the National Association of Real Estate Boards said, "The Housing Administration should be given the best possible instrument with which to work. The National Housing Act at present, and the regulations adopted for its operation, limit within narrow bounds those who can buy an insured mortgage. No individual can own one, for instance, nor can many funds and corporations who might invest in mortgages. The only persons who can buy insured mortgages are State and Federal inspected institutions. The insured mortgage is thus still a frozen investment. A purchaser must be found for it when cost is needed.

"The only logical way to liquify the mortgage is to create under Federal auspices a Central Discount Bank which stands ready at all times to buy sound mortgages, securing the necessary funds therefore by bond issues against mortgages in hand. If Government guarantees these bonds, but a small cash capital would be required. If it is unwilling so to do, then the Discount Bank could be granted substantial capital, say one billion dollars, which would bring public acceptance to its own bonds without guarantee. The Discount Bank should be authorized to buy conservative mortgages on any type of improved urban real estate."92

Difficulties
Home Owner

Under this present campaign for modernization the home owner who is in no position to have such work done will find himself at a disadvantage. Tenants whose income shows a gradual increase will begin to look for quarters having up-to-date conveniences. This eventually will mean that certain classes of property, that are not modernized will attract only the lowest class. Even this might not happen for the Government is at present undertaking a slum clearance program to better the standard of living for our lowest class. This program, however, is rather a limited one so that there still will be much old property remaining vacant.

Labor

Labor is also in for its share of difficulty for in many cases it does not know what to charge for its work.

"The question is (in many cases) whether the prevailing rate of wages, which is practically the union scale of wages, must be paid or if a borrower can get his work done at the best rate he may be able to negotiate."93

It is held that since the F.H.A. does not use Government money on the job that the borrower is within his right to get as much work done as possible for his money. In some sections of the country attempts are being made to reach an agreement between various employers and laborers.

Another problem is brought about by the Government's low-cost housing program. Here it is felt that the Government will set a scale for construction costs which will be harmful to

private builders. But in this matter the Government hopes that labor can be persuaded to reduce its high scale for more continuous work. This seems to be a logical request for although a laborer receives a high hourly wage the net result has been smaller than if he received a lower rate but instead of intermittent lay-offs he had continuous work.
"The Housing Division is that unit of the Public Works Administration charged with the development of a program of low-cost housing or slum clearance projects, and correction of acute housing shortage not necessarily involving slum clearance. It also makes loans to limited-dividend corporations for such purposes. The Emergency Housing Corporation is an auxiliary of the Housing Division, established to expedite the housing program. Neither of these agencies deal directly with individual ownership needs."

Mr. Harold L. Ickes, Secretary of the Interior and Administrator of the FWA said, "A housing program has almost infinite possibilities and is so near to the heart of the average American that, I am sure, sufficient enthusiasm could be generated for it to push it over despite the fundamental difficulty of land acquisition, which has badly hampered our housing program so far. There are already enough powers lodged in various agencies of the Federal government to develop a housing program with any number of combinations, with the cooperation of public and private capital.

94. How Owners of Homes and Business Can Secure the Benefit of the National Housing Act, Federal Housing Administration, (F.H.A. 101 (G)-9-34, p.22."
To ensure effective cooperation, it is essential to foster an environment of mutual respect and understanding. In order to achieve this, it is crucial to establish clear communication channels and ensure that all parties involved are aware of their responsibilities and the expectations set forth. Regular meetings and updates can help maintain transparency and address any concerns or issues as they arise. It is also important to recognize the contributions of each party and appreciate their role in the overall success of the project. By working together in a collaborative manner, we can achieve our goals and deliver high-quality results.

---

The importance of cooperation cannot be overstated. It is through collaborative efforts that we can overcome challenges, share knowledge, and drive innovation. By fostering a culture of cooperation, we can create a more efficient and effective working environment where everyone feels valued and included. In essence, cooperation is the key to unlocking the potential for growth and success in any endeavor.
"But selfish local opposition does require the organization of public interest, backed by actual administrative effort on the part of the Federal government on almost a war-time basis. Both capital and labor can help by a fair adjustment of prices and wages which, by reducing costs, will increase the total amount of work to be done, as well as the ultimate returns to the material manufacturers and dealers and building labor.

"The result be a decent home within the reach of every man, "95

These new developments will no doubt help to better the standard of living for many even though it may be temporary. The houses are being built with the health and happiness of its tenants in mind. This the writer believes is the principal thought behind the Housing Division of the PWA.

For this purpose approximately $150,000,000 has been placed at the disposal of the Housing Division.

"It is not assumed that the slum clearance and low-cost housing work done by the Housing Division will eliminate all the blighted areas in any city nor furnish all the needed low-cost housing. The objective is to provide in each community a demonstration that will serve as a guide in a continuation of the local program."96

Large Scale Building

In this particular field of low-cost housing and slum clearance the PWA endeavored to interest private organiza-

tions. It was successful only to a small extent because funds were available for only limited-dividend corporations.

At the present time the Housing has seven limited-dividend corporation low-cost housing projects on its program. These projects are as follows:

Under construction:

HILLSIDE HOUSING CORPORATION - NEW YORK CITY (The Bronx)

Allotment, $1,060,000. Estimated total cost $5,717,871.
To provide about 1,388 living units (4,948 rooms). Apartments. Highest six stories.

BOULEVARD GARDENS, INC. - NEW YORK CITY (Woodside, Queens Borough)

Allotment, $3,450,000. Estimated total cost, $4,086,600.
To provide approximately 957 living units (3,248 rooms). Apartments. Highest unit six stories.

JUANIATA PARK - JUNIATA PARK HOUSING CORPORATION - PHILADELPHIA

Allotment, $1,039,000. Estimated total cost $1,153,607.
To provide approximately 284 living units (1,085 rooms). Apartments, three-story.

NEIGHBORHOOD GARDENS - NEIGHBORHOOD GARDENS CORPORATION - St. Louis, MO.

Allotment, $640,000. Estimated total cost $730,000. To provide about 252 living units (641 rooms). Apartments.

EUCLID HOUSING CORPORATION - EUCLID, OHIO

Allotment, $500,000. Project consists of individual and double houses to be erected by persons owning property with Corporation aid. 14 houses completed and occupied; 3 are un-

der construction.

PROJECTS COMPLETED

ALTA VISTA HOUSING CORPORATION - ALTA VISTA, VIRGINIA

Allotment, $84,000. Total cost, $100,000. Project consists of 50 small, single-family, frame houses. Houses complete.

PREPARING PLANS

BROOKLYN POLYTECHNIC - BROOKLYN, NEW YORK CITY

Allotment, $1,670,000. Estimated total cost $2,120,000. To provide around 450 living units. Apartments.

Now in this picture there must also be included the 30-odd Federal projects which are financed wholly by the PWA and to be erected and operated under Federal supervision.

Some of these projects are located in the following cities:

New York
Chicago
Atlanta
Cleveland

Indianapolis
Cincinnati
Louisville
Montgomery

Detroit

To this list now can be added South Boston, Massachusetts. The Government has allotted $5,000,000 for this project.

Bases of Financing

"Projects constructed by the Public Works may be leased to and managed by local groups on terms approved by the Administrator. Loans to public bodies must be reasonably secured. The interest rate is 3 per cent; the maximum term of amortization, 44 years. In the discretion of the Administrator, a grant may be made of not more than 30 per cent of the cost of labor and materials, when a project is sponsored
by a public body or the Federal Government."98

Benefits to Tenants

The benefits to tenants will be many. They will have surroundings vastly different from their former ones.

The Hillside project (see page 97) will provide social and recreational facilities for its tenants. There will be baseball fields, wading pools, tennis courts, and playgrounds for children of various ages.

The apartments in these projects "will be mostly of two, three and four rooms, each with cross-ventilation and modern conveniences, embracing mechanical refrigeration, incinerators and other comforts such as once were demanded only in expensive suites."99

Since the PWA Housing program is an effort to better the standard of living for the low-wage group, other projects as above will no doubt have such similar improvements.

Effect upon Private Real Estate

"Direct government building of houses for rent or sale is opposed by the National Association of Real Estate Boards ----. Such direct by the Government on any scale would involve adversely, the whole great present investment of the people of the country in their homes. It would affect the principal of every large life insurance company to such a degree as to endanger the entire mechanism of insurance and it

would substantially affect savings represented in bank deposits especially savings-banks deposits, and all similar mortgagor savings investments ——."

In the sections where these new projects are being undertaken it will mean that many old houses in good condition will become vacant. Some of the tenants, now compelled to seek other quarters while the project is under construction, will not return so that strangers will become apparent.

100. "Opposes the Government Building Houses" Boston Evening Transcript, Part 2, December 1, 1935.
The Federal Government in creating the various agencies which have been discussed in the preceding chapters has done much toward easing up the strain under which the real estate market was attempting to function. As we have seen each of the agencies was created for a specific purpose. Perhaps when the Reconstruction Finance Corporation was created the Government was not aware of the fact that this agency by itself would be insufficient to cope with the problem.

The Reconstruction Finance Corporation was created when the depression was well upon us. Commerce and industry in their many phases were in need of help. The real estate market due to its overexpansion found itself in a very difficult position. Due to both good and bad practices it had floated far too many bond issues. Therefore, in order that financial institutions and mortgage companies could meet interest charges on their securities and possibly operating expenses loans were made to them by the RFC. These loans were secured by mortgages and other forms of securities. In renewing such loans which at times became necessary the RFC supplied new forms to be filled out. These went into so much detail that it would require about ten weeks for the most experienced accountant to complete. These loans are gradually being repaid and it is safe to assume that the Government will lose little through this agency. In the meantime it has been a life-saver for thousands of small investors who were at the point of losing
The National Committee to Promote the Democratic Philosophy and which now purports itself to be the Democratic Party, has adopted the following planks:

1. The preservation of the Union of the States as a permanent and inviolate union, the States being equal in rights and powers.

2. The permanent and inviolate equality of the colored and white races.

3. The appointment of a committee of twelve members, to be appointed by the President of the United States, to investigate the condition of the colored races in the South, and to report to Congress the results of their investigation.

4. That the Federal government, and the States, shall be bound by their own laws, and that no law shall be construed to abridge the rights of any citizen, or to prevent the free exercise of his religion, or to interfere with his liberty of contract, or to impair the remedies which he has at law or in equity, or to interfere with the right of his children to be supported by him, or to impair the right of his children to be supported by him.

5. That the Federal government, and the States, shall be bound by their own laws, and that no law shall be construed to abridge the rights of any citizen, or to prevent the free exercise of his religion, or to interfere with his liberty of contract, or to impair the remedies which he has at law or in equity, or to interfere with the right of his children to be supported by him, or to impair the right of his children to be supported by him.
all of their savings.

In a further endeavor to help the real estate market the Federal Home Land Bank System was created. The banks in this system made loans only to its members who were dealing in the home mortgage field. As yet no direct help was being given to the individual home owner.

The Federal Home Loan Bank Act was followed by the Home Owners' Loan Bank Act. This latter Act created the Federal Savings and Loan Association and Home Owners' Loan Corporation. These saving and loan associations, being similar in character to cooperative banks and building and loan associations, were not to be organized where they would compete with the already existing facilities. The Government fully realizing the importance of new construction undoubtedly felt that these federal chartered associations would induce potential home owners to become real ones.

The Home Owners' Loan Corporation was of tremendous importance to the mortgage companies, the individual home owners, and incidentally the many cities and towns. This is the first agency which actually went at the root of much of the trouble - the home owner. Through no fault of his own he found himself unable to meet his interest charges, principal payments, and taxes. Perhaps he was out of work and so were many of those upon whom he was dependent for a return on his investment with which to meet his obligations and leave something for himself. While this was going on he used up the small reserve which he had accumulated. Eventually he lost his home. This happened time and time again. Conditions
In a single sentence to 10% of the total sentences, the writer would have to restate the information they provided in the previous paragraph. The writer would also have to provide some sort of conclusion or summary of the information they have just provided. The statement they provide should be as clear and concise as possible.

The writer should also try to avoid repeating themselves. A good rule of thumb is to try to provide as much information as possible in as few words as possible. The writer should also try to avoid using technical jargon or overly complex language. The writer should stick to simple, clear, and direct language.

In the conclusion, the writer should try to summarize the main points they have made and provide some sort of recommendation or advice to the reader. The writer should also provide some sort of context or background information that will help the reader understand the main points they have made. The writer should also try to provide some sort of perspective or viewpoint that will help the reader understand the implications of the information they have provided.

The writer should also try to provide some sort of evidence or data to support their arguments. The writer should also try to provide some sort of authority or expertise to support their arguments. The writer should also try to provide some sort of counter-argument or alternative perspective to provide a balanced view of the issue.
became worse for mortgage companies found themselves in possession of hundreds of parcels of property which they too were operating at a loss.

Therefore, with the creation of the Home Owners' Loan Corporation mortgage companies and individuals lost little time in seeing that applications were filed for government aide. To the mortgage company the H. O. L. C. meant a liquidation of its distress assets; to the home owner it meant a refinancing on a sounder basis with a long-term mortgage which did not include a disasterous second one; and to the towns and cities it meant payment of taxes and therefore funds for relief and welfare work.

Now that the Government is the holder of many thousands of mortgages it will be interesting to watch the reaction of the home owners. There is no doubt that the majority will make every effort to meet their payments. The interesting part will be to see what action is taken with those who fail to meet their obligations. In this, however, there can be but one step for the Government to take and that is to fore-close on the property and let it be known that the mortgagors must live up to their agreements.

The Federal Housing Administration was the next agency to appear upon the scene with its Titles I, II, and III. Under Title I there is much repair and modernization work being done. Institutions making loans for this type of work are being slightly protected against losses. The surprising fact, however, in this drive for Better Housing, is that much of the work is being paid for from the individ-
...
uals own funds. While this program is only a temporary one it is creating employment and that is an important result.

It appears that under Title II that the Government is attempting to standardize the mortgage of the future. Mortgages contracted through this Title are insured under specific regulations so that in the event of foreclosure the property is turned over to the FHA. This means that the mortgage company or any other institution eligible to deal in insured mortgages are limited. But since this is to become a permanent factor in the financing of real estate it is certain to be extended so as to include all desirable institutions.

When Title III becomes effective mortgagees of insured mortgages will be able to discount them should they find themselves in need of funds. The National Association of Real Estate Boards has constantly advocated that a central discount bank for real estate mortgages be established. Title III will effectively serve such a purpose provided the operation of Title II will be wide enough in scope to permit the private mortgagees to deal in insured mortgages.

The Government through the Housing Division of its Public Works Administration is attempting to clean up numerous slum sections and also undertake the construction of low-cost housing projects. The idea is a good one but up to the present time I have failed to see how the Government expects tenants who are living in slums to pay from $8.00 to $12.50 per room. The outcome will be that they will move to another district which as yet has not reached the slum stage and dur-
ing the course of time such sections will become slums. The
new houses in the meantime will become occupied by tenants
who are well able to pay more rent. In this particular field
the National Association of Real Estate Boards has advocated
that the PWA limit itself to the supplying of funds and permit
the work to be done by private corporations. It further sug-
gests the removal of some of the restrictions imposed on li-
mited-dividend corporations. The Government has not been very
successful in inducing the formation of this latter type of
corporation. Perhaps the solution might be in the suggestions
of the above Association.

Future Effect upon Real Estate Market

I believe that the present program of the Federal Govern-
ment will have a stabilizing effect upon the real estate mar-
et in general. It will help to raise the value of property
through its modernization program. Home owners will realize
that in order to attract desirable tenants that they must
keep their property in good condition.

A problem soon to be solved is that pertaining to the
procedure to be followed by the Federal agencies in handling
the foreclosed properties which will eventually come into
their possession. It must be answered in such a way so as
not to effect adversely the condition of the market. Perhaps
some encouragement might be gained from the following answer
given in reply to this problem when put to an official under
Title II, "Having a large supply of securities you would not
dump it all at one time on the market." We hope that the
officials will follow such a course.
General Effect upon Banks and Mortgage Companies

If the present program of the Government is carried out to a conclusion it will eventually take the banks, mortgage companies, and other institutions out of the real estate business. This will gradually come about through the widening scope of Title II and its insured mortgage plan. Under this plan, as stated previously, all foreclosed mortgages will be turned over to a Federal agency by the mortgagee in return for the amount collectible through the policy. These various institutions therefore would no longer have any frozen assets tying up capital and the hindering the purpose for which they were created.
Reconstruction Finance Corporation
Forms
MORTGAGE LOAN INFORMATION

(Two copies of this form and two certified copies of the latest available appraisal report must be provided for each mortgage offered, and accompany the application.)

1. ORIGINAL MORTGAGE:

<table>
<thead>
<tr>
<th>Date</th>
<th>Name of Original Mortgage</th>
<th>Maturity</th>
<th>Int. Rate</th>
<th>Original Amount</th>
<th>Present Amount</th>
<th>Insurance Carried</th>
</tr>
</thead>
</table>

2. PRESENT OBLIGOR:

Name: ____________________________
Address: ____________________________

3. GUARANTORS (if any):

Name: ____________________________
Address: ____________________________

4. DESCRIPTION OF PROPERTY MORTGAGED AND LOCATION:

State: ____________________________
County: ____________________________
City: ____________________________
Street No.: ____________________________
If farm, nearest town: ____________________________
Population: ____________________________
Acres: ____________________________
If town property, kind: ____________________________
Size lot: ____________________________
Material: ____________________________
When built: ____________________________

5. VALUATION OF PROPERTY:

Date of original appraisal: ____________________________
Appraiser's name: ____________________________
Address: ____________________________

Date of latest appraisal: ____________________________
Appraiser's name: ____________________________
Address: ____________________________

Appraised value, $: ____________________________
Address: ____________________________

Present value, $: ____________________________
By whom determined, name: ____________________________
Address: ____________________________

Last sale price, $: ____________________________
Date: ____________________________

Appraised valuation, $: ____________________________
Amount of taxes, $: ____________________________
Date: ____________________________

Are taxes paid to date? ____________________________
Amount of taxes in default and years, $: ____________________________
Year: ____________________________

Has property been sold for taxes? ____________________________
Amount of taxes advanced and year, $: ____________________________
Year: ____________________________

Have any insurance advances been made? ____________________________
Amount, $: ____________________________
Year: ____________________________

6. PAYMENT HISTORY, TITLE AND INCOME:

Terms of payment: ____________________________
If mortgage has been in default state all facts relating thereto: ____________________________

Is interest paid to date? ____________________________
If not, give amount in arrears, $: ____________________________
Date: ____________________________

Is there a title policy? ____________________________
If not, what is evidence of title? ____________________________

Percentage of building rented: ____________________________
Gross income, $: ____________________________
Net income, $: ____________________________

7. PRIOR LIENS:

If there are liens except taxes which might have priority over the above-described mortgage, state all facts relating thereto: ____________________________

8. Describe the present financial condition and business of (1) the present obligor; (2) the owner of the property, stating estimated net worth of each: ____________________________

The foregoing information is true and complete to the best of my knowledge and belief, and is submitted for the purpose of obtaining a loan from the Reconstruction Finance Corporation.

President, Vice President, or Cashier of the
Applicant.

Date
State

(See page 16)
**EXHIBIT F (4)—REAL ESTATE MORTGAGES**

List alphabetically and double space between items.

<table>
<thead>
<tr>
<th>Mortgagor(s)</th>
<th>Character of Property Mortgaged</th>
<th>Date of Mortgage</th>
<th>Maturity of Mortgage</th>
<th>Amount of Mortgage</th>
<th>Int. Rate</th>
<th>Prior Liens</th>
<th>Appraised Value of Property</th>
<th>Date of Appraisal</th>
</tr>
</thead>
</table>

*List first makers of note or bond and identify others as"mortgagors only" or as "guarantors," etc.

With respect to each of the above mortgage loans there should be submitted a detailed statement of information on R. F. C. Form L-12 entitled "Mortgage Loan Information." Additional copies of Exhibit Forms may be obtained from the Loan Agencies of the Corporation.

EXHIBIT F (4)

Figure 15

(See page 16)
REAL ESTATE APPRAISAL & SUPPLEMENTAL INFORMATION SHEET
(Farm and City Property)

A copy of this form, in duplicate, should accompany each mortgage offered as collateral and is intended to supplement and be attached to the corresponding "Form L-12", Mortgage Information sheet supporting individual real estate mortgages offered as collateral.

1. Appraisal Certificate

I have inspected the property located at _____________________________

standing in the name of ____________________________________________ and consider the value to be as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$</td>
</tr>
<tr>
<td>Buildings</td>
<td>$</td>
</tr>
<tr>
<td>Total</td>
<td>$</td>
</tr>
</tbody>
</table>

Date ____________________________

Appraiser ____________________________

Appraiser ____________________________

2. Supplemental information should be listed covering the type of property described on the corresponding L-12 sheet, detailed as follows:

A. Farm Property

<table>
<thead>
<tr>
<th>Description</th>
<th>Acres</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tillable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meadow</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pasture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timber</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fens</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

Description of Locality ____________________________________________

B. City or Town Property

1. Single Residency

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Rooms</td>
<td></td>
</tr>
<tr>
<td>Heated</td>
<td></td>
</tr>
<tr>
<td>Material &amp; Age</td>
<td></td>
</tr>
<tr>
<td>Garage</td>
<td></td>
</tr>
<tr>
<td>Description of Locality</td>
<td></td>
</tr>
</tbody>
</table>

2. Tenant and Apartment

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Apartments</td>
<td></td>
</tr>
<tr>
<td>Heated by (Owner or Tenant)</td>
<td></td>
</tr>
<tr>
<td>Percentage of 1/2, now occupied</td>
<td>%</td>
</tr>
<tr>
<td>Present Income Gross</td>
<td>$</td>
</tr>
<tr>
<td>Net $</td>
<td></td>
</tr>
<tr>
<td>Description of Locality</td>
<td></td>
</tr>
</tbody>
</table>

3. Business and Mercantile

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Stores</td>
<td></td>
</tr>
<tr>
<td>No. of Offices</td>
<td></td>
</tr>
<tr>
<td>Percentage now Occupied</td>
<td>%</td>
</tr>
<tr>
<td>Present Income Gross</td>
<td>$</td>
</tr>
<tr>
<td>Net $</td>
<td></td>
</tr>
<tr>
<td>Description of Locality</td>
<td></td>
</tr>
</tbody>
</table>

Bank ____________________________

Figure 2 (See page 16) (Official Title)
HOW AN APPLICATION FOR A LOAN IS HANDLED THROUGH THE HOME OWNERS' LOAN CORPORATION

Home Owners' Loan Corporation

Forms
HOW AN APPLICATION FOR A LOAN IS HANDLED THROUGH THE
HOME OWNERS' LOAN CORPORATION

APPLICATION
Examined by interviewers

PRELIMINARY APPRAISAL

MORTGAGEE CONTACTED

MORTGAGEE'S CONSENT OBTAINED

DETAILED FEE APPRAISAL

BIDS FOR REPAIRS

CHARACTER REPORT

TITLE SEARCH AND CLEASING OF TITLE

FINAL APPROVAL of Departments and Managers

CLOSING SETTLEMENT
Refinancing with Bond Loans up to 80% of Value; or Cash Loans up to 40% of Value. (Referred to Washington for Approval) Cash Loans up to 50% on Unmortgaged Homes

NOTE Center line indicates progress of eligible Application to Closing of Loan. Detours represent Causes for Disapproval; Under the Act. Refinancing of Mortgages Held by Closed Banks follows somewhat different procedure.

ADJUSTMENT ARRANGED OR REFINANCED ELSEWHERE APPLICATION WITHDRAWN

MORTGAGEE'S CONSENT NOT OBTAINED

40% CASH LOAN CONSIDERED

APPLICATION DISAPPROVED

DISAPPROVED-Defective Title

(Home Owners' Loan Corporation)

Figure 3
(See page 41)
APPLICATION FOR LOAN

Home Owners' Loan Act, Sec. 8. (a) Whoever makes any attempt, knowing it to be false, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of the Home Owners' Loan Corporation or the Board or an association upon any application, advance, discount, purchase or repurchase agreement, or loan, under this Act, or any extension thereof by renewal, deferment, or action or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than $5,000, or by imprisonment for not more than two years, or both.

Name of Applicant

Address of Property

(City) (County) (State) ($ Total loan requested)

1. The undersigned hereby applies to Home Owners' Loan Corporation, for a loan in the amount stated above on terms provided in Home Owners' Loan Act of 1933, and amendments thereto, and represents that all statements made in this application are true, and agrees to furnish said corporation with a first lien on the property herein described, as provided in said act, if this transaction can be consummated.

2. LEGAL DESCRIPTION OF PROPERTY. (Give complete description from deed or other title papers. Use another sheet if additional space is needed.)

3. Do you live on the premises described above? How long...

4A. If not, briefly explain why...

4B. Size of lot... v... Age of building... Kind of heat...

5. Applicant bought the property... 19...26... at cost of $...

6. The present value is estimated by the owner as $...

7. MORTGAGES OR CONTRACTS ON PROPERTY:

(a) First mortgage (or contract) original amount $...

Dated... 19...26... Due... 19...26... Unpaid $...

Interest at rate of... %:

Unpaid from... 19... to... 19... Unpaid $...

Name of mortgagee...

Address...

To whom do you pay interest...

Address...

(b) Second mortgage, original amount $...

Dated... 19...26... Due... 19...26... Unpaid $...

Interest at rate of... %:

Unpaid from... 19... to... 19... Unpaid $...

Name of mortgagee...

Address...

Figure 4
(See page 41)
To whom do you pay interest: 

Address: 

(c) TAXES DUE: 

State and county for years $ 

City for years $ 

(d) OTHER LIENS OR ASSESSMENTS: 

$ 

TOTAL ENCUMBRANCES, LIENS, ASSESSMENTS AND TAXES: 

8. Repairs necessary

9. Have you purchased a furnace, hot water heater, electric refrigerator, plumbing fixtures, improvements or repairs, on which there is an unpaid balance? If so, list below the names and addresses of the people from whom you purchased any such items, and amount unpaid.

10. Do you own any other Real Estate? If so, what is its value? $ State amount of encumbrances thereon Where located? Monthly income therefrom $ 

11. Give kind and amount of insurance on the improvements. Fire $ Tornado $ Who holds the policy? Are premiums paid?

12. Property is the home of the undersigned, built to accommodate families.

13. Applicant is years of age, employed by the past years, earning $ per month, and is: married or single. Number of dependents

14. If applicant is married or has children living at home who are employed, what is the combined monthly or annual income of family

15. Reasons why applicant is in distress

16. Are present mortgages willing or able to continue carrying indebtedness? If not, why?

17. Have you tried to refinance through other channels? 

A. Through whom or what companies? 

B. Why unsuccessful? If so, 

18. Are there any judgments against you? State amount $ 

19. Has foreclosure been threatened or started? 

20. Have you been dispossessed? If so, on what date? In whose name or names is property now owned? 

21. Does any one else claim an interest in your property? If so, give names, addresses and character of their interest.
22. State whether you have abstract or title insurance on property.

23. Have you made any other application for a loan to this corporation, and if so, with what office and when?

24. If loan is made from what source will applicant secure funds to make these payments?

25. Additional information (Give any information which would indicate that your application should be considered)

26. I warrant the foregoing information to be true, request the consideration of this application, and agree to pay any cost actually incurred for reasonable appraisal, examination, and perfecting of title, survey, recording, or other necessary expenses, in cash or out of loan funds, such work to be done by my agents, selected by the corporation, and I agree to execute all necessary papers in their usual form as used by the Corporation in connection with the transaction. This the __________ day of __________, 19__.

Application taken by ____________________________ Signature of applicant ____________________________

Mailing address __________________________________ Telephone ____________________________

NOTE
PAPERS TO BE FURNISHED WITH APPLICATION
TWO PHOTOGRAPHS. (FRONT VIEWS)
EVIDENCE OF OWNERSHIP (Contract or Deed)
Tax receipts for taxes last paid
APPLICANT MUST NOT USE THIS SPACE

REPORT OF APPLICATION ANALYSTS
Application Received                      First analysis by
Approved                                          Rejected
Second analysis in conjunction with character report and confidential information, by
Approved                                          Rejected
Reasons for rejection on either analysis

PRELIMINARY OF FIELD REVIEW APPRAISERS REPORT

Acting as an appraiser for Home Owners' Loan Corporation and in accordance with its regulations, I have actually viewed and examined the within-described property and value the same as follows: Land, $________________; improvements $________________; Total, $________________.

This the________ day of_________________ 193

Preliminary Appraiser

MANAGER'S WRITTEN REPORT AND RECOMMENDATION

Based upon the application, an appraisal by a preliminary or Field Review Appraiser, the fee appraisal, character report and all other available information, I, the undersigned authorized agent of the Home Owners' Loan Corporation, hereby approve the loan as to eligibility and desirability under the regulations of the corporation and fix as the final appraisal of the above-described property the sum of $________________, and recommend the loan for closing, with the following qualifications only: ________________________________

_______________________________
Corporation Appraisal Committee
By ____________________________________
An authorized member

We, the undersigned, approve the above report of the Corporation appraisal committee and recommend a loan to the herein designated applicant of $________________ subject to title examination and other requirements.

_______________________________
Chief Appraiser
By ____________________________________
Deputy

_______________________________
Chief Counsel
By ____________________________________
Deputy

_______________________________
State Manager
By ____________________________________
Deputy

Note: In the smaller offices where a regularly constituted corporation appraisal committee is not necessary the District or Branch office manager or appraiser may act and sign as an authorized member when so designated and deputized by the State Manager.

This the________ day of_________________ 193

____________________________________
Chief Appraiser

____________________________________
Deputy

____________________________________
Chief Counsel

____________________________________
Deputy

____________________________________
State Manager

____________________________________
Deputy
STATEMENT OF APPLICANT FOR COMPLIANCE WITH SECTION 4 (1)
OF HOME OWNERS' LOAN ACT AS AMENDED

Application No. ..........................................................

Name of Applicant ......................................................

(1) The undersigned applicant to the Home Owners' Loan Corporation for a loan upon applicant's home property understands that under the Home Owners' Loan Act of 1933 as amended, he is not entitled to a loan unless the mortgage or other obligation or lien which it is sought to be taken up was in involuntary default on June 13, 1933, with respect to the indebtedness on said property and that he is unable to carry or refund his present indebtedness; or if default occurred after June 13, 1933, that such default was due to unemployment or to economic conditions or misfortune beyond the control of the applicant.

(2) In order to induce Home Owners' Loan Corporation to refund the indebtedness of the undersigned against applicant's home, the undersigned represents that the indebtedness to be refunded was in default June 13, 1933, as follows, and that said default was involuntary, to wit:

(3) It is further represented that said indebtedness continues in default and that such default is involuntary and that the undersigned did not deliberately cause said default and the undersigned has made all reasonable efforts to refund said indebtedness but has not been able to do so and that he is unable to carry or refund the same and that the present default is as follows:

(4) All defaults occurring since June 13, 1933, were due to unemployment or economic conditions or misfortunes beyond the control of the applicant and that the full facts as to said cause of default since June 13, 1933, are as follows:

Relying upon above statements and believing them to be correct, I approve the same as in compliance with Section 4 (1) of Home Owners' Loan Act of 1933, as amended.

(Applicant)

Instructions to be observed for Procuring Proper Execution of Above:

The applicant should be advised that any willful misstatement is a violation of the Home Owners' Loan Act as Amended, and is punishable by fine and imprisonment.

The applicant should be closely questioned as to when the default occurred and the blanks above should be fully filled in.

If the officer of the Corporation or loan closing officer, as the case may be, is not reasonably satisfied with the truth of the statements made and subscribed by the applicant, then before proceeding further the officers of the Corporation should take the matter up with the mortgagee and others, and investigations should be made concerning the facts.

The approval provided for in the form should be signed wherever possible by the State or District Manager. If, however, the application has gone to a loan closing officer, then in such event he may sign the approval. In any event the approval must be signed by an authorized person before the loan may be closed.

The above form is not necessary in any case in which the home mortgage or other obligation or lien is held by an institution which is in liquidation.
CERTIFICATE CONCERNING MORTGAGE HELD BY

INSTITUTION IN LIQUIDATION

Application No. ______________________________________

Mortgagor _____________________________________________

The loan granted to the above-named Mortgagor upon the Mortgagor's
home property described in the mortgage accepted by the Home Owners' Loan
Corporation under the supervision of the undersigned, was made in exchange for
a mortgage or other obligation or lien on said home property held by an
institution which is in liquidation, namely, ______________________________________

_____________________________________________________

and that said institution is in the legal custody of ______________________________________

(Show name and title)

Counsel for Special
Representative of Wholesale
Department in the State of
_____________________________________

Instructions:

This certificate must be signed as of the time the loan is closed either by
the Special Representative or his Counsel. This certificate must be filled
out, properly signed and included with the files in the case of every loan
made to take up a mortgage held by an institution in liquidation.

If there is no Special Representative or Counsel for Special Representative
available to sign this certificate, it may be signed by the State Manager
or State Counsel.

Figure 6
(See page 41)
HOME OWNERS’ LOAN CORPORATION
150 Causeway Street
Boston, Mass.

SUBJECT:

Dear Sir:

The above named has applied to this Corporation for the refunding of the indebtedness against his home. We have made a preliminary investigation of the matter, and it appears that he is one of the class of home owners this Corporation was created to serve. Before taking further action in this matter, it is necessary that we have your view of the situation.

1. Do you feel that you can continue to carry this mortgage?

2. If not, will you consent to accept the bonds of this Corporation in exchange for your security? (We are enclosing duplicate consent forms for your convenience.)

Indication of your willingness to accept the bonds of the Corporation necessitates that we receive the following information:

1. Mortgage Note: Original Amount: _______ Amount Now Due _______

2. Overdue Interest: _______ Period: _______ Amount Due: _______

3. Amount of Unpaid Taxes: _______ 1930 _______ 1931 _______ 1932

4. If paid by you, please specify? _______

5. Other items owed you? _______

6. Mortgagor’s paying record up to January, 1932? _______

7. Mortgagor’s paying record since January, 1932? _______

Remarks:

Very truly yours,

Figure 7
(See page 44)
MORTGAGEE'S CONSENT TO TAKE BONDS

To Home Owners' Loan Corporation:

The undersigned is the holder of a first mortgage or other obligation, which constitutes a lien on the title to the home property of ________________________________ located at____________________________

(Number)  (Street)  (City)  (State)

in the sum of $____________________

Being informed that said owner has made application to Home Owners' Loan Corporation to refund his said indebtedness, the undersigned has considered the method of refunding mortgages provided in Home Owners' Loan Act of 1933, as passed by Congress and approved by the President, and the undersigned hereby consents, if said refunding can consummated, to accept in full settlement of the claim of the undersigned the sum of $____________________, face value of the bonds of Home Owners' Loan Corporation, to be adjusted with not exceeding $50 cash provided in said act, and thereupon to release all the claim of the undersigned against said property.

It is understood that you will incur trouble and expense in connection with your effort to refund the indebtedness of said home owner, and this consent is executed in consideration of the same and shall be binding for a period of____________________days from date.

This, the____________________ day of____________________, 193

____________________ (Signature)

To Home Owners, Home Corporation

The undersigned is the holder of a First Mortgage on the above

(Street) (City) (State)

In the sum of

(First Mortgage)

etc., the Mortgage, together with the Mortgagee's Power of Sale, is wanted by the undersigned. It will be submitted to the Chancery Court of Cook County, and if ordered to be sold, the sale will be held on

(First Mortgage)

(Street) (City) (State)

In the sum of

(First Mortgage)

etc., the Mortgage, together with the Mortgagee's Power of Sale, is wanted by the undersigned. It will be submitted to the Chancery Court of Cook County, and if ordered to be sold, the sale will be held on

(First Mortgage)

(Street) (City) (State)

In the sum of

(First Mortgage)

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(First Mortgage)

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(First Mortgage)

(Street) (City) (State)

In the sum of

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(Street) (City) (State)

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(Street) (City) (State)

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(First Mortgage)

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(Street) (City) (State)

In the sum of

(First Mortgage)

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(First Mortgage)

(Street) (City) (State)

In the sum of

(First Mortgage)

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(Street) (City) (State)

In the sum of

(First Mortgage)

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In the sum of

(First Mortgage)

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(First Mortgage)

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(First Mortgage)

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In the sum of

(First Mortgage)

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(First Mortgage)

(Street) (City) (State)

In the sum of

(First Mortgage)

etc., the Mortgage, together with the Mortgagee's Power of Sale, is wanted by the undersigned. It will be submitted to the Chancery Court of Cook County, and if ordered to be sold, the sale will be held on

(First Mortgage)

(Street) (City) (State)

In the sum of

(First Mortgage)

etc., the Mortgage, together with the Mortgagee's Power of Sale, is wanted by the undersigned. It will be submitted to the Chancery Court of Cook County, and if ordered to be sold, the sale will be held on

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In the sum of

(First Mortgage)

etc., the Mortgage, together with the Mortgagee's Power of Sale, is wanted by the undersigned. It will be submitted to the Chancery Court of Cook County, and if ordered to be sold, the sale will be held on

(First Mortgage)
HOME OWNERS' LOAN CORPORATION
RECONDITIONING DIVISION

APPLICATION TO FINANCE RECONDITIONING

(Before filling out this application the home owner is requested to read the pamphlet "Guide to Home Reconditioning")

1. Owner's Name

2. Street Address

3. City...

4. The undersigned hereby applies to the HOME OWNERS' LOAN CORPORATION for financing in such amount as may be approved for the purpose of reconditioning the applicant's home property pursuant to the provisions of the Home Owners' Loan Act of 1933 and amendments thereof.

5. Give location and address of property...

6. City...

7. Give brief statement of the reconditioning work you expect to have done to your home.

8. State briefly why you think such expenditure will be of benefit to your home, and how you expect to meet the larger monthly payments on account of the cost thereof.

9. State amount of money you think required to recondition your home.

10. Is there now an HOLC loan on your home? If so, give Loan No.

11. It is understood that this is a preliminary application only and that the Corporation is in no sense obligated on account thereof.

12. Date

Signature of Applicant and Wife

Figure 9
(See page 48)
41. Preliminary Appraiser's remarks.

42.

43.

44.

45.

46.

47.

48.

49.

50.

Preliminary Appraiser

51. Fee Appraiser's remarks.

52.

53.

54.

55.

56.

57.

58.

59.

60.

Fee Appraiser
1. Date office opened

2. Date first loan closed

3. Applications taken - number

4. Preliminary appraisals completed

5. Mortgagee's consent to take bonds

6. Fee appraisals completed

7. To legal department for closing

8. Loans closed - number

9. $ volume

10. Bonds authorized - value

11. Taxes paid - $ amount

12. Average loan

13. Defaults since closing - number of properties

14. $ value of defaults

15. Comments:

Figure 10
(See page 51)
Mortgage Bankers Association of America,  
111 West Washington Street,  
Chicago, Illinois.

Gentlemen:

In accordance with your request, and in order to assist in supplying the Home Owners' Loan Corporation with the facts as outlined in your letter of November 26, we are pleased to give you herewith information regarding general conditions in this territory:

1. OCCUPANCY
   a. Percentage of single family homes occupied
   b. Percentage of apartments occupied in multiple dwellings

2. RENTALS
   a. Are rents higher or lower than a year ago (give percentage)
      1. Single-family units
      2. Multiple dwellings

3. REAL ESTATE SALES
   a. Is there greater or less demand for real estate than evidenced a year ago?
      1. Vacant
      2. Single-family homes
      3. Multiple dwellings

4. COLLECTIONS
   a. Has there been any improvement in collections during the past year?
      1. Interest
      2. Principal

5. AVAILABLE FUNDS
   a. Is there any money available for new loans within the territory in which you operate?
      1. Insurance funds
      2. Private lenders
      3. Other sources
   b. Are there any first mortgage loans for refinancing available in your territory?

Very truly yours,

Company
Address

NOTE: It is not necessary for you to sign your company's name if you do not care to do so.
Mortgage Bankers Association of America,
311 West Washington Street,
Chicago, Illinois.

Gentlemen:

In accordance with your request, and in order to assist in supplying the Home Owners' Loan Corporation with the facts as outlined in your letter of November 26, we are pleased to give you herewith information regarding loans which are now on our books:

1. Total number of loans outstanding on which applications are pending with the Home Owners' Loan Corporation 54

2. Total amount outstanding $414,000

3. Total number and amount of loans wherein foreclosure would result if Home Owners' Loan Corporation re-financing were not completed:
   Number 18 Amount $164,000

4. Total number and amount wherein, in all probability, the borrower would be able to carry on; if unable to secure Home Owners' Loan Corporation financing:
   Number 36 Amount $250,000

Very truly yours,

Company____________________

Address____________________

Note: It is not necessary for you to sign your company's name if you do not care to do so.

Author's note: The figures used in this report show the approximate loan situation in one local mortgage loan company.
Federal Housing Administration

Forms
Figure 13
(See page 73)
Property Owner's Credit Statement

To: ____________________________________________________________

(Address)

Date: ____________________________________________________________________

Account Number: ____________________________________________________________________

The following information is given for the purpose of obtaining credit under the provisions of the National Housing Act. The approximate amount of credit required by me (us) for the term of ____________________________________________________________________ months is estimated not to exceed ____________________________________________________________________.

Name: __________________________ City: __________________________ Date of birth: ____________________________________________________________________

Home Address: ____________________________________________________________ Telephone Number: ____________________________________________________________________

City: __________________________ State: __________________________ Number of years at present address: ____________________________________________________________________

Salary, commission, or other regular compensation (per year): ____________________________________________________________________

Income from rents, amount (per year): ____________________________________________________________________

Other income, if any; source: ____________________________________________________________________

State amount per year being paid on account of principal and interest on property described herein: ____________________________________________________________________

Married or Single: ____________________________________________________________________

Full Name of Wife or Husband: ____________________________________________________________________

Number of Dependents: ____________________________________________________________________

If in business for self, please state:

Name of Employer:

Firm or trade style: __________________________ (Please Print)

Address: ____________________________________________________________

City: __________________________ State: __________________________

Kind of business: __________________________ Telephone: ____________________________________________________________________

Position occupied: __________________________ (Give badge or employment number, if any)

Name and title of superior: ____________________________________________________________________

Number of years with present employer: ____________________________________________________________________

Bank at which personal checking, savings, or thrift account is kept: (If none, state "None")

Name of Bank, Company or Individual: ____________________________________________________________

Address: ____________________________________________________________

City: __________________________ Street: __________________________

Account Number: ____________________________________________________________________

Original Amount: ____________________________________________________________________

Balance Unpaid: ____________________________________________________________________

Amount Due Each Month: ____________________________________________________________________

Are you making any installment payments to banks, loan companies, installment houses or others: (If none, please state "None")

NAME OF BANK, COMPANY OR INDIVIDUAL: ____________________________________________________________________

Address: ____________________________________________________________

City: __________________________ Street: __________________________

Account Number: ____________________________________________________________________

Original Amount: ____________________________________________________________________

Balance Unpaid: ____________________________________________________________________

Amount Due Each Month: ____________________________________________________________________

Give details of proposed Alterations, Repairs or Improvements:

Describe work to be done: ____________________________________________________________

Estimated Cost: ____________________________________________________________________

Contractor or Building Supply Dealer (If arranged) Name: ____________________________________________________________

Address: ____________________________________________________________

(See page 90) Figure 14
State below, details concerning the property upon which the improvements are to be made.

**LOCATION OF PROPERTY:**

<table>
<thead>
<tr>
<th>(NO.)</th>
<th>(STREET OR AVENUE)</th>
<th>(CITY, COUNTY AND STATE)</th>
</tr>
</thead>
</table>

**NAME IN WHICH TITLE APPEARS:**

<table>
<thead>
<tr>
<th>Single family</th>
<th>Multiple family</th>
<th>Apartment House</th>
<th>Store</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Building</td>
<td>Farm Building</td>
<td>Factory</td>
<td>Warehouse</td>
</tr>
</tbody>
</table>

**DESCRIPTION OF PROPERTY:**

<table>
<thead>
<tr>
<th>Year in which purchased</th>
<th>Purchase price</th>
<th>Amount of Fire Insurance</th>
</tr>
</thead>
</table>

**VALUATION:**

<table>
<thead>
<tr>
<th>Total of all mortgages</th>
<th>(1ST MTGE.)</th>
<th>(2ND MTGE.)</th>
<th>(3RD MTGE.)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Date placed</th>
<th>When due</th>
<th>Balance unpaid</th>
<th>Annual installments</th>
<th>Date of last instal. payment</th>
<th>Date of last interest payment</th>
<th>Name of mortgage holder</th>
<th>Address of mortgage holder</th>
</tr>
</thead>
</table>

State whether or not installments and interest on the above mortgages or any other liens or encumbrances are past due: (If none, please state "None." If any, please give particulars.)

State whether or not all taxes, assessments, and fire insurance are up-to-date: (Latest receipted tax bill should be submitted with this application.)

Have you applied for, or received, a loan under the terms of the "National Housing Act": (If so, give particulars.)

<table>
<thead>
<tr>
<th>(NAME OF FINANCIAL INSTITUTION, CONTRACTOR OR BUILDING SUPPLY DEALER TO WHOM APPLICATION WAS MADE)</th>
<th>(ADDRESS)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Date of Application</th>
<th>Amount applied</th>
<th>Was application refused?</th>
</tr>
</thead>
</table>

Other real estate: (If none, please state "None.")

<table>
<thead>
<tr>
<th>DESCRIPTION AND LOCATION</th>
<th>NAME IN WHICH TITLE APPEARS</th>
<th>PURCHASE PRICE</th>
<th>EQUITY ABOVE MORTGAGES</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>AMOUNT OF MORTGAGE</th>
<th>HELD BY</th>
<th>WHEN DUE</th>
<th>AMOUNT OF MORTGAGE</th>
<th>HELD BY</th>
<th>WHEN DUE</th>
</tr>
</thead>
</table>

Have you any judgments, garnishments or legal proceedings against you? (If so, give particulars.)

Indicate exact manner in which you will make payments, if application is approved. Check (V) plan desired:

- [ ] Monthly beginning one month from exact day on which loan is made.
- [ ] Monthly on the following date:
- [ ] On the following indicated dates:

I (we) authorize you, or any financial institution to which you may desire to offer my (our) note for sale, to obtain such information as you (they) may require concerning the above statement and agree that it shall remain your (their) property whether or not my (our) note is finally accepted by you. I certify that if the loan is granted to me (us) or my (our) note purchased, the entire proceeds will be used exclusively in payment for alterations, repairs or improvements upon the property described above and that no part of such proceeds will be used for the purchase of movable or detachable equipment excluded under the regulations of the Federal Housing Administration. I hereby affirm that each of the answers given to the foregoing questions is true and correct.

Signature

Signature of wife or husband
REPORT OF EACH LOAN MADE OR NOTE PURCHASED

TO FEDERAL HOUSING ADMINISTRATION,
WASHINGTON, D. C.

The following is a report of a loan made or note purchased by us under the terms of the Contract of Insurance:

<table>
<thead>
<tr>
<th>Maker of Obligation</th>
<th>Insurance Contract Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

THE NOTE

Date of Note __________ Mo. Day Yr.

$________________________

Face Amount of Note

$q$________________________

Interest Note

$________________________

Discounted Note

Duration Loan ________Months

BORROWER

☐ Property Owner  ☐ Lessee  Current Yearly Income $________________________

TYPE OF PROPERTY

☐ Single Family Dwelling
☐ Multiple Family Dwelling
☐ Apartment House
☐ Farm Building
☐ Garage

☐ Office Building
☐ Store
☐ Factory
☐ Warehouse
☐ Other Property

The undersigned hereby certifies that the above obligation qualifies for insurance under the terms of its contract of insurance.

The undersigned hereby agrees that all documents, files and accounts referring to said note shall be subject to audit by the Federal Housing Administration at all times while the insurance is in force.

Date of Report ____________________

<table>
<thead>
<tr>
<th>Name of Financial Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>By __________________________</td>
</tr>
<tr>
<td>(Authorized Signature)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Official Title ____________________</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Street Address Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
</tr>
</tbody>
</table>

Figure 15
(See page 90)
REPORT OF EACH NOTE PAID IN FULL OR SOLD TO ANOTHER INSTITUTION

To Federal Housing Administration

Washington, D. C.

Herewith is report of a note paid in full:

______________________________
(Maker of obligation)

______________________________
(Insurance contract number)

______________________________
(Street and number)

______________________________
(City and state)

Date of note

(Month) (Day) (Year)

$______________________________
(Face amount of note)

Final maturity

(Month) (Day) (Year)

Note paid in full, 193

Note sold to

______________________________
(Name of financial institution)

______________________________
(City and state)

☐ With recourse, under an agreement as authorized by Regulation No. 18

☐ Without recourse, to an insured institution

☐ Without recourse, to an uninsured institution

Date of report

(Month) (Day) (Year)

______________________________
(Name of financial institution)

By

______________________________
(Authorized signature)

Official title

______________________________
(Street and number)

______________________________
(City) (County) (State)

Only loans actually paid in full or sold to another institution are to be reported on this form

RETAI N DUPLICATE FOR YOUR FILES

(See page 90) Figure 16
REPORT OF NEW OBLIGATION TAKEN TO LIQUIDATE INSURED NOTE

TO FEDERAL HOUSING ADMINISTRATION,
WASHINGTON, D. C.

Our Account Number (if any): ..........................................

Herewith is a report on a new obligation taken to liquidate an insured note.

Maker of Note

Address ...............................................................................

City and State ......................................................................

Face Amount of New Note $..........................

Date of New Note .................. 193......... Final Maturity .................. 193.........

Face Amount of Old Note $..........................

Date of Note .................. 193......... Final Maturity .................. 193.........

Date of last regular payment made on Old Note .................. 193.........

Adjusted to meet reduced income of maker .................. □

Adjusted to meet temporary inability of maker to pay ........ □

Adjusted for other reason .................................................. □

The undersigned hereby certifies that the above new note is covered by insurance under the terms of the insurance contract.

The undersigned hereby agrees that all documents, files and accounts referring to said note shall be subject to audit by the Federal Housing Administration at all times while the insurance is in force.

Insurance Contract Number .................................................. Financial Institution

Address ...............................................................................

Date of Report .................. 193......... By .................................................

Official Title .......................................................................

Above is a facsimile of the form report to be made up on each note taken to liquidate an insured note. The duplicate should be retained by the financial institution and the original forwarded within 30 days of the date of the note to the Federal Housing Administration, Washington, D. C. Furnished free of cost. Order Form FHE-5a.

Figure 17
(See page 90)
PROOF OF CLAIM ON DEFAULTED NOTE

To Federal Housing Administration,
WASHINGTON, D. C.

Date...........................................193......

Under the terms of insurance contract number............................................ dated .....193......, claim is hereby made for reimbursement to the undersigned for loss as follows:

Net Unpaid Principal ........................................... $..................
Uncollected Earned Interest at 6% per annum ........................................... $..................
Uncollected Late Charges ........................................... $..................
Uncollected Court Costs incurred ........................................... $..................
Attorney’s Fees (if incurred), not exceeding 15% of the amount collected on the Defaulted Note ........................................... $..................
Handling Fee ........................................... $..................

Total Claim ........................................... $..................

The following information is submitted regarding this claim:

Maker of Note........................................... Our Account Number (if any)...........................................
Address........................................... Date of our last written demand upon the maker for payment
City and State........................................... .................................193...

There is attached hereto and made a part of this Claim, the following documents:

1. Promissory Note or Judgment (if taken) properly assigned.*
2. Property owner's credit statement made prior to granting of loan.
3. Transcript of account, giving complete information as to status of principal, interest, late charges, authorized fees, etc.
4. Complete file of letters and other papers referring to this account.
5. Certified copy of lease if maker is lessee and not owner.
6. Statement of services rendered by attorney if claim is made for Attorney’s Fees.

Should maker of note tender any payments thereon to the undersigned subsequent to the filing of this Claim, it is hereby agreed that such monies will be accepted by the undersigned in trust for the Federal Housing Administration, and will be immediately transmitted to said Administration at Washington, D. C.

Subscribed and sworn to before me this

...........................................day of ...........................................193...

Notary Public

* Following form of assignment must be used:

All right, title, and interest of the undersigned is hereby assigned to the Federal Housing Administrator acting on behalf of the United States of America.

Financial Institution

Address

City and State

By..................................................

Title..................................................

Financial Institution

Address

City and State

By..................................................

Official Title..................................................

Figure 18
(See page 90)
DEAR SIRS:

The undersigned hereby apply for a loan of $____________________ dollars ($_____), to be repaid within a period of ______ years, with interest at the rate of ______ percent (______)% per annum on the principal amount thereof outstanding at any time; such loan to be secured by a first lien on the property described in Exhibit C hereof, to be insured under the provisions of Title II of the National Housing Act, and to be made upon the following terms and conditions:

(1) The principal amount of the loan shall be completely amortized, and interest shall be paid, by payments to the undersigned during the life of such loan of equal monthly installments of $__________________________.

(2) There shall be added to each such monthly installment:

(a) one-twelfth (1/12) of the amount of the annual premium charge for insurance under such Title II. $__________________________

(b) one-twelfth (1/12) of the aggregate amount of all premiums accruing annually with respect to such policies of fire and other hazard insurance as may be required for the proper protection of such property (Estimated) $__________________________.

(c) one-twelfth (1/12) of the estimated amount of all charges payable and/or accruing annually, against the property securing the loan, for taxes and for special assessments, if any (Estimated) $__________________________.

Estimated Total Monthly Payment $__________________________.

(3) The instrument or instruments evidencing the obligation of the loan herein applied for and/or creating the lien upon the property offered as security, shall expressly provide that such portion of each such monthly installment as may be allocable to the seven, special assessments, and insurance premiums, referred to in subsections (b) and (c) above, together with such additional sums as may be payable annually in adjustment thereof, shall be set aside and held by you in trust to pay such taxes, special assessments, and insurance premiums, when due and payable for and on behalf of the undersigned.

Upon the issuance to you by the Federal Housing Administrator of a commitment to insure the loan hereby applied for and upon your request within fifteen (15) days thereafter, the undersigned will promptly—

(1) Execute and deliver to you, upon the standard forms of the Federal Housing Administration approved for the State in which the property offered as security is located, such instrument or instruments as may be required for the creation of a first lien upon such property, together with the credit instrument to be secured thereby, and

(2) Pay to you the following:

(a) The amount of the first annual premium charge for such insurance $__________________________.

(b) Such portion of the amount of all charges payable and/or accruing during the year next preceding the date on which the loan is made, against the property securing the loan, for taxes and for special assessments, if any, as would have already been paid had such charges been amortized in equal monthly payments beginning at a date thirteen (13) months in advance of their final due date, $__________________________.

(c) Such portion of the amount of all fire and other hazard insurance premiums accruing annually with respect to the property securing the loan as would have already been paid had such premiums been amortized in equal monthly installments beginning at a date thirty-seven (37) months in advance of the expiration date of any such insurance policies presently in force or the full amount of any such insurance policies not presently in force, plus one monthly installment thereof (Estimated Amount) $__________________________.

(d) The amount of actual charges incurred by you in making this loan, not to exceed the following:

(i) Title search, abstract, attorneys' opinion, certificate of, and/or policy of title insurance (cross out items not needed) $__________________________

(ii) Appraisal fees $__________________________

(iii) Legal costs of preparing papers $__________________________

(iv) Recording or filing fees or charges $__________________________

(v) An initial service charge $__________________________

(f) Charge of the Federal Housing Administration for appraisal, etc. $__________________________

(3) The amounts referred to in subsections (b) and (c) above shall be held by you in trust to apply against payment of taxes, special assessments, and insurance premiums, respectively, when due and payable for and on behalf of the undersigned.

The undersigned further agree that in the event this application be rejected by you prior to submission of it to the Federal Housing Administration, or in the event the loan applied for be rejected as unsatisfactory by the Federal Housing Administration, the undersigned will reimburse you for all costs and expenses necessarily incurred by you in your examination of the same and your appraisal and inspection of the property offered as security for the loan.

In support of this application the undersigned submit the following Exhibits:

Exhibit A: Personal History Statement
Exhibit B: Personal Financial Statements
Exhibit C: Description of Real Estate

all of which are hereby incorporated in and made a part of this application. The undersigned represent that to the best of their knowledge and belief, the statements, information, and descriptions given in such Exhibits are in all respects true, correct, and complete.

Signed: __________________________

______________________________
(mortgagor)

Figure 19
(See page 90)
EXHIBIT A.—PERSONAL HISTORY

A. MORTGAGORS—
1. (a) Name of husband... (First) (Middle) (Last) (b) Place of birth... (c) Age... years
2. (a) Name of wife... (First) (Middle) (Last) (b) Place of birth... (c) Age... years
3. (a) Address of mortgagors... (Street) (City) (State) (b) Telephone No. of mortgagors...

B. IF EMPLOYED—
1. Name of employer...
2. Address of employer... (Street) (City) (State)...
3. Telephone No. of employer...
4. Employer’s business...
5. Position occupied with employer...
6. Name and title of superior...
7. Number of years with present employer...

C. IF IN BUSINESS FOR SELF—
1. Under what firm or trade name...
2. Address... (Street) (City) (State)...
3. Telephone No. of business...
4. How long in business under present name or firm... years
5. Kind of business...
6. Sole owner, partner, or title as officer of corporation...
7. Mortgagor’s net worth (or investment) in the business as of this date...
8. Trade references... (Name and address of references)
9. Bank references... (Name and address of references)

EXHIBIT B.—PERSONAL FINANCIAL STATEMENTS

(Combined statements of both mortgagors, including contributions by other members of the family)

I. PROPERTY

A. PROPERTY OWNED—
1. Checking accounts... $...
2. Savings accounts... (Average balance)...
3. Life insurance policies:
   NAME OF INSURANCE COMPANY
   NAME... AMOUNT... OF POLICY... VALUE
   (a)...
   (b)...
   (c)...
   Total...
   (i) Less loans on policies...
   (ii) Net value of policies...
4. Investments:
   (a) Net worth in mortgagors’ business...
   (b) Investments: Marketable securities...
5. Real estate:
   (a) Property on which this loan is applied for...
   (i) Less amount now owed...
   (ii) Net equity...
   (b) Other real property...
   (i) Less amount now owed...
   (ii) Net equity...
6. Other property:
   (a) Household furniture and fixtures...
   (b) Automobiles...
   Make... Model... Year...
7. Total value of all property...

B. AMOUNTS OWED—
1. Amount due and unpaid on personal notes for money borrowed...
2. Personal bills...
3. Amount due and unpaid on purchase notes for:
   (a) Automobiles...
   (b) Household goods...
   (c) Other purposes...
4. Total amount of personal debts...

C. NET WORTH...

II. INCOME

A. ANNUAL INCOME—
1. Salary, pay, or compensation...
   (Per day)...
   (Per month)...
   For the year...
2. Income from business or profession...
3. Income from investments for the year:
   (a) Dividends...
   (b) Interest...
   (c) Rents...
4. Income from other sources, name sources:
   (a)...
   (b)...
   (c)...
5. Total gross income and earnings for the year...

B. ANNUAL CHARGES AGAINST INCOME—
1. Interest on mortgages on real property...
2. Interest on other loans, including interest on life insurance loans...
3. Taxes on real estate...
4. Taxes on intangibles...
5. Taxes on personal property...
6. Income taxes...
7. Annual premium on life insurance...
8. Amount of annual payments for:
   (a) Rent...
   (b) Automobiles...
   (c) Household goods...
   (d) Other purposes...
   (e) Dependants and for all money...
9. Total charges against income...

C. Net Amount of Earnings Available for Living and Other Necessary Expenses...
A. LAND—
(1) The property offered as security is located at:

(Street and address) (City) (County) (State)

(2) The land has a frontage of ______ feet on the ______ side of the street, and extends
back ______ feet.

(3) The lot is located between __________ and __________ Street, and is described as:

(4) Lot No. ______, Block No. ______ in __________ (Name of addition or subdivision).

(5) Distances:
   (a) To nearest school ______
   (b) To street car or bus line ______
   (c) To public park ______
   (d) To neighborhood shopping center ______
   (e) Width of street ______
   (f) Is street graded ______
   (g) Street paved with ______
   (h) Water supply ______
   (i) Storm sewer ______
   (j) Sanitary sewer ______
   (k) Gas ______
   (l) Electricity ______
   (m) Telephone ______

B. IMPROVEMENTS—
(1) Building: (a) Built year ______ (b) Additional year ______ (c) Building designed for ______ families.

(2) Number of stories ______ (b) Percentage of space used for purposes other than residential ______

(3) Number and kind of rooms:
   (a) Basement ______
   (b) 1st floor ______
   (c) 2d floor ______
   (d) 3d floor ______
   (e) 4th floor ______

(4) Materials and construction:
   (a) Foundation ______
   (b) Exterior walls ______
   (c) Interior walls: Plaster ______
   (d) Roof ______
   (e) Roof material: asphalt ______

(5) Floor material:
   (a) Basement ______
   (b) 1st floor ______
   (c) 2d floor ______

(6) Type of heating system ______

(7) Bathrooms: (a) Number ______

(8) Equipment: (a) Is plumbing connected to sewer ______

(9) Garage: (a) Is garage attached ______

(10) Condition of improvements: (Give general condition and state repairs needed)

C. VALUATIONS—
(1) Price paid $ ______

(2) Present combined assessed value of land and improvements $ ______

(3) Owner's estimate of value of property ______

(4) Total $ ______

D. INCOME AND CARRYING CHARGES—
(1) Yearly gross rental: (If rented, state rental, if owner-occupied or vacant, state estimated rental value) $ ______

(2) Yearly expenses: (For past year if available, otherwise give estimates) ______
   (a) Taxes ______
   (b) Insurance ______
   (c) Light ______
   (d) Heat ______
   (e) Repairs ______
   (f) Miscellaneous ______

E. TITLE—
(1) Name of record holder ______

(2) Description of property ______

(3) Date of expiration of ground lease ______

(4) Commercial ______

(5) Dated restrictions, etc.

F. TAXES—

<table>
<thead>
<tr>
<th>Kind of Taxes</th>
<th>Total Assessment</th>
<th>Amount of Taxes Assessed Not Due</th>
<th>Date Due</th>
<th>Amount Due with Date of Default</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Assessments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
G. LIENS—

(1) (Indicate below all mortgages and other liens indebtedness which exist or has existed against this property since you acquired it)

<table>
<thead>
<tr>
<th>Name of Holder</th>
<th>Address of Holder</th>
<th>Date of Mortgage or Deed</th>
<th>Present unpaid balance on each mortgage or deed and give date</th>
<th>Rate of Interest</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>(c)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) Will there remain, or do you contemplate creating, any secondary liens against this property? [ ] (Yes or No).

Housing Administration contemplate insurance of mortgages in those cases only in which loans not exceeding 50% of the appraised value of the property represent the entire mortgage debt.

---

APPRaisal MADE FOR MORTGAGEE

[Stamp: 193]

DEAR SIR:

The undersigned certifies that, at your request, he carefully examined the foregoing "Mortgagor's Application for Loan", and thoroughly inspected the property described therein on the day of , 193 ; that he knows of no fact or circumstance contrary to the statements made by the Mortgagors in their application; that he has no financial interest, either present or prospective, in the property, loan, or mortgage; that he is not related by blood or marriage to either of the mortgagors; that he is personally acquainted with the mortgagors and knows them to be, or has secured information from responsible sources and believes them to be, persons of good character and repute in their community; that in his opinion the value of said property is as follows:

A—TOTAL VALUATION

(1) Distribution of valuation:

(a) Land: ........................................ $ ........................
(b) Main building: ........................................ $ ........................
(c) Outbuildings, landscaping, etc: ........................................ $ ........................

and that said property is adequate security for the contemplated loan.

(Appraiser's signature)

---

MORTGAGEE'S APPLICATION FOR INSURANCE

Federal Housing Administrator,

Washington, D. C.

DEAR SIR:

The undersigned submits to you herewith the foregoing Mortgagors' Application for Loan (with certificate of appraisal) and hereby applies to you for insurance, under the provisions of Title II of the National Housing Act, of the loan therein described, which loan the undersigned regards as safe and desirable for it, and proposes to make if this application for its insurance be approved.

Enclosed is a check for an amount computed at the rate of three dollars ($3) per each thousand dollars ($1,000) of the original principal amount of the loan applied for, such payment to represent reimbursement for all costs and expenses incurred by you in examining this application and inspecting and appraising the property (described in the Mortgagors' Application for Loan) offered as security for such loan.

The undersigned hereby expressly agrees in the event the insurance herein applied for be granted by you, to pay to you as an annual premium a sum equal to percent per annum of the original principal amount of the loan applied for, the first payment to be made simultaneously with the granting of such insurance and to equal that proportion of the annual premium which the number of days from the date of the granting of the loan until the due date of the next premium payment bears to the total number of days in the year in which such insurance is granted; and the next, and each subsequent premium payment, respectively, to become due and payable on the first day of July in each year thereafter under the mortgagors' obligation under the loan shall be satisfied in full; or, if such insurance shall be terminated prior to such satisfaction, until such termination.

The undersigned represents that, to the best of its knowledge and belief, no statement made and no information contained in such Mortgagors' Application for Loan and in such certificate of appraisal is in any respect untrue, incorrect, or incomplete; and agrees that immediately upon the granting by you of the insurance herein applied for, this application and all the terms and conditions subject to which such insurance may be granted, shall be and become a contract between the undersigned and you, which shall be binding upon and inure to the benefit of its, and your, successors.

IN WITNESS WHEREOF, the undersigned has caused this application to be executed and its corporate seal to be hereto affixed by its proper officers, thereunto duly authorized, this day of , 193 .

[Corporate Seal]

By: (Name and Title of officer)

Attest: (Name and Title of officer)

[Stamp: 193]
Dear Sirs:

The undersigned hereby apply for a loan of $_____________ dollars ($_______), to be repaid within a period of ________ years, with interest at the rate of ________ percent (_______%) per annum on the principal amount thereof outstanding at any time, such loan to be secured by a first lien on the property described in Exhibit C hereof, to be insured under the provisions of Title II of the National Housing Act, and to be made upon the following terms and conditions:

1. The principal amount of the loan shall be completely amortized, and interest shall be paid, by payments under the undersigned during the life of such loan of equal monthly installments of $_________ .

2. There shall be added to each such monthly installment:
   (a) one-twelfth (1/12) of the amount of the annual premium charge for hazard insurance under such Title II $_________ .
   (b) one-twelfth (1/12) of the annual premium charge for insurance against such Title II $_________ .
   (c) one-twelfth (1/12) of the estimated amount of all charges payable and/or accruing annually, against the property securing the loan, for taxes and for special assessments, if any $_________ .

Estimated Total Monthly Payment $_________ .

3. The instrument of instruments evidencing the obligation of the loan hereby applied for and/or creating the lien upon the property offered as security, shall expressly provide that each portion of such monthly installment as may be allocable to the taxes, special assessments, and insurance premiums, referred to in subsection (c) above, together with such additional sums as may be payable annually in adjustment thereof, shall be set aside and held by you in trust to pay such taxes, special assessments, and insurance premiums, when due and payable for and on behalf of the undersigned.

Upon the issuance to you by the Federal Housing Administrator of a commitment to insure the loan hereby applied for and upon your request within fifteen (15) days thereafter, the undersigned will promptly:

1. Execute and deliver to you, upon the standard forms of the Federal Housing Administration approved for the State in which the property offered as security is located, such instrument or instruments as may be required for the creation of a first lien upon such property, together with the credit instrument to be secured thereby, and

2. Pay to you the following:
   (a) The amount of the first annual premium charge for such insurance $_________.
   (b) Such portion of the amount of all charges payable and/or accruing during the year next succeeding the date on which the loan is made, against the property securing the loan, for taxes and for special assessments, if any, as the undersigned shall have already been paid but such charges and/or accruing annually, in equal monthly installments beginning at a date thirty-seven (37) months in advance of their final due date $_________.
   (c) Such portion of the amount of all fire and other hazard insurance premiums accruing annually with respect to the property securing the loan as would already have been paid had such premiums been amortized in equal monthly installments beginning at a date thirty-seven (37) months in advance of the expiration date of any such insurance policies presently in force, plus one monthly installment thereof $_________.
   (d) The amount of actual charges incurred by you in making this loan, not to exceed the following:
      (i) Title search, abstract, attorneys' opinion, certificate of, and/or policy of title insurance (cross out items not needed) $_________.
      (ii) Appraisal fees, $_________.
      (iii) Legal costs of preparing papers, $_________.
      (iv) Recording or filing fees or charges, $_________.
      (v) An initial service charge of $_________.
      (f) Charge of the Federal Housing Administration for appraisal, etc. $_________.

3. The amounts referred to in subsections (b) and (c) above shall be held by you in trust to apply against payment of taxes, special assessments, and insurance premiums, respectively, when due and payable for and on behalf of the undersigned.

The undersigned further agree that in the event this application be rejected by you prior to submission of it to the Federal Housing Administration, or in the event the loan applied for be rejected as unsatisfactory by the Federal Housing Administration, the undersigned will reimburse you for all costs and expenses necessarily incurred by you in your examination of the same and your appraisal and inspection of the property offered as security for the loan.

In support of this application the undersigned submit the following Exhibits:

Exhibit A: Personal History Statement
Exhibit B: Personal Financial Statements
Exhibit C: Description of Real Estate

all of which are hereby incorporated in and made a part of this application. The undersigned represent that to the best of their knowledge and belief, the statements, information, and descriptions given in such Exhibits are in all respects true, correct, and complete.

Signed: __________________________

(Mortgagors) 10-2558

Figure 20
(See page 90)
### EXHIBIT A.—PERSONAL HISTORY

<table>
<thead>
<tr>
<th>A. MORTGAGORS—</th>
<th>B. IF EMPLOYED—</th>
<th>C. IF IN BUSINESS FOR SELF—</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. (a) Name of husband</td>
<td>1. Name of employer</td>
<td>1. Under what firm or trade name—</td>
</tr>
<tr>
<td>(First) (Middle) (Last)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. (c) Name of wife</td>
<td>2. Address of employer</td>
<td>2. Address (Street) (City) (State)</td>
</tr>
<tr>
<td>(First) (Middle) (Last)</td>
<td>(Even) (Odd) (State)</td>
<td></td>
</tr>
<tr>
<td>3. (d) Address of mortgagors</td>
<td>3. Telephone No. of employer</td>
<td>3. Telephone No. (business)</td>
</tr>
<tr>
<td>(Street) (City) (State)</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>4. Employer's business</td>
<td>4. How long in business under present name or firm—</td>
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<tr>
<td></td>
<td></td>
<td>(Years)</td>
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<td></td>
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<td>5. Kind of business</td>
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<td>6. Name and title of superior</td>
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<td>7. Number of years with present employer</td>
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<tr>
<td></td>
<td></td>
<td>6. Trade references (a)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Name and address of references)</td>
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<td></td>
<td></td>
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<td></td>
<td>(b)</td>
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<tr>
<td></td>
<td></td>
<td>(Name and address of references)</td>
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<td></td>
<td></td>
<td>(c)</td>
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<tr>
<td></td>
<td></td>
<td>(Name and address of references)</td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>9. Bank references</td>
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</tbody>
</table>

### EXHIBIT B.—PERSONAL FINANCIAL STATEMENTS

(Combined statements of both mortgagors, including contributions by other members of the family)

### I. PROPERTY

1. Checking accounts—
   (Average balance) $ ____________

2. Savings accounts—
   (Name of bank) ____________

3. Life insurance policies—
   (Name of insurance company) ____________
   (Amount of policy) $ ____________
   (Class of policy) ____________
   (Policy number) ____________

4. Investments—
   (a) Net worth in mortgagors' business $ ____________
   (b) Investments: Marketable securities $ ____________

5. Real estate—
   (Property on which this loan is applied for $ ____________
   (Less amount owed) $ ____________
   (Net equity) $ ____________
   (Other real property $ ____________
   (Less amount now owed) $ ____________
   (Net equity) $ ____________

6. Other property—
   (a) Household furniture and fixtures $ ____________
   (b) Automobiles $ ____________
   (c) Other purposes $ ____________

7. Total value of all property $ ____________

### II. INCOME

1. Annual income—
   (Salary, pay, or compensation $ ____________
   (Per month) $ ____________
   (For the year) $ ____________

2. Income from business or profession for year $ ____________

3. Income from investments for the year—
   (a) Dividends $ ____________
   (b) Interest $ ____________
   (c) Rent $ ____________

4. Income from other sources, name sources—
   (a) $ ____________
   (b) $ ____________
   (c) $ ____________

5. Total gross income and earnings for the year $ ____________

### B. ANNUAL CHARGES AGAINST INCOME—

1. Interest on mortgages on real property $ ____________

2. Interest on other loans, including interest on life insurance loans $ ____________

3. Taxes on real estate $ ____________

4. Taxes on personal property $ ____________

5. Taxes on intangibles $ ____________

6. Income taxes $ ____________

7. Annual premium on life insurance $ ____________

8. Amount of annual payment for—
   (a) Rent $ ____________
   (b) Automobiles $ ____________
   (c) Household goods $ ____________
   (d) Other purposes $ ____________
   (e) Dependents and for alimony $ ____________

9. Total charges against income $ ____________

### C. Net Amount of Earnings Available for Living and Other Necessary Expenses $ ____________
EXHIBIT C.—DESCRIPTION OF REAL ESTATE

A. LAND—
(1) The property offered as security is located at:

(Street and number) (City) (County) (Note)

(2) The land has a frontage of ______ feet, on the ______ side of the street, and extends back ______ feet.

(3) The lot is located between _________________ (Street), and _________________ (Street), and is described as—

(4) Lot No. __________, Block No. __________, in __________ (Name of section or subdivision)

B. DISTANCE—
(5) to nearest school ________________________________
(6) to street car or bus line ________________________________
(7) to public park ________________________________
(8) to neighborhood shopping center ________________________________
(9) Width of street ________________________________ (CItr) (CouDty)
(10) Is street graded ________________________________
(11) Street paved with ________________________________
(12) Water ________________________________
(13) Storm sewer ________________________________
(14) Sanitary sewer ________________________________
(15) Gas ________________________________
(16) Electricity ________________________________
(17) Telephone ________________________________

C. IMPROVEMENTS—
(1) The proposed building is designed for ________ families. (2) Number or rooms per family unit ________
(3) Number of stories ________; percentage of space to be occupied for residential use ________
(4) Attach hereto complete plans and specifications as required by the Federal Housing Administration, properly signed and identified as exhibits and made a part hereof.

D. VALUATIONS—
(1) Date land was acquired ___________ $ ________________________________
(2) Assessed value of land $ ________________________________
(3) Owner's estimate of value of land $ ________________________________
(4) Estimated cost of improvements $ ________________________________

(Include main, building, outbuildings, walks, driveways, grading, etc. This shall be the actual proposal, or proposals, of the contractor, or contractors, who are to erect, install, and complete the contemplated improvements and shall include cost of architectural services, if any).

E. TITLE—
(1) In whose name is title of record ________________________________
(2) Is property held in fee-simple by mortgagor ________________________________
(3) Yearly ground rent $ ________________________________
(4) Date of expiration of ground lease ________________________________
(5) Is block zoned ________________________________

(a) Single-family houses ________________________________
(b) Multiple-family dwellings ________________________________
(c) Semi-commercial ________________________________
(d) Commercial ________________________________
(e) Industrial ________________________________

(6) Deed restrictions, easements, etc. ________________________________

F. TAXES—

<table>
<thead>
<tr>
<th>Kind of Taxes</th>
<th>Taxing Authority</th>
<th>Taxes Assessed</th>
<th>Amount Assessed No.</th>
<th>Date Due</th>
<th>Amount Due and Unpaid</th>
<th>Date of Default</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Advalorem</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Estate Taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Assessments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
G. LIENS
(Indicate below all mortgages and other lien encumbrances which exist or have existed against this property since you acquired it):

<table>
<thead>
<tr>
<th>Name of Holder</th>
<th>Address of Holder</th>
<th>Date of Mortgage or Deed</th>
<th>Present unpaid balance and liquidated damages if any</th>
<th>Rate of Interest</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>(b)</td>
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<tr>
<td>(c)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) Will there remain, or do you contemplate creating, any secondary liens against this property? 

(The regulations of the Federal Housing Administration contemplate insurance of mortgages in those cases only in which loans do not exceeding 50% of the appraised value of the property represent the entire mortgage debt.)

APPRaisal MADE FOR MORTGAGEE

Dear Sirs:

The undersigned certifies, that, at your request, he carefully examined the foregoing "Mortgagor's Application for Loan", and thoroughly inspected the site, plans, and specifications described therein on the day of , 193 ; that he knows of no fact or circumstance contrary to the statements made by the mortgagor in their application; that he has no financial interest, either present or prospective, in the property, loan, or mortgage; that he is not related by blood or marriage to either of the mortgagors; that he is personally acquainted with the mortgagors and knows them to be, or has secured information from responsible sources and believes them to be, persons of good character and repute in their community; that in his opinion said property will have a value on completion of construction as follows:

A—TOTAL VALUATION $ 

(1) Distribution of valuation:

(a) Land $ 

(b) Main building, cost estimated by $ 

(c) Outbuildings, landscaping, etc., cost estimated by $ 

(Signature of appraiser)

and that said property, when completed as described above, will be adequate security for the contemplated loan.

MORTGAGEE'S APPLICATION FOR INSURANCE

Federal Housing Administrator, Washington, D. C.

Dear Sirs:

The undersigned submits to you herewith the foregoing Mortgagor's Application for Loan (with certificate of appraisal) and hereby applies to you for insurance, under the provisions of Title II of the National Housing Act, of the loan thereon described, which loan the undersigned regards as safe and desirable for it, and proposes to make if this application for its insurance be approved.

Enclosed is a check for an amount computed at the rate of three dollars ($3) per each thousand dollars ($1,000) of the original principal amount of the loan applied for, such payment to represent reimbursement for all costs and expenses incurred by you in examining this application and inspecting and appraising the property (described in the Mortgagor's Application for Loan) offered as security for such loan.

The undersigned hereby expressly agrees in the event the insurance herein applied for be granted by you, to pay you as an annual premium a sum equal to percent per annum of the original principal amount of the loan applied for, the first payment to be made simultaneously with the granting of such insurance and to equal that proportion of the annual premium which the number of days from the date of the granting of the loan until the due date of the next premium payment bears to the total number of days in the year in which such insurance is granted; and the next, and each subsequent premium payment, respectively, to become due and payable on the first day of , in each year thereafter until the mortgagor's obligation under the loan shall be satisfied in full; or, if such insurance shall be terminated prior to such satisfaction, until such termination.

The undersigned represents that, to the best of its knowledge and belief, no statement made and no information contained in such Mortgagor's Application for Loan and in such certificate of appraisal is in any respect untrue, incorrect or incomplete, and agrees that immediately upon the granting by you of the insurance herein applied for, this application and all the terms and conditions subject to which such insurance may be granted, shall be and become a contract between the undersigned and you, which shall be binding upon and inure to the benefit of its, and your, successors.

In witness whereof, the undersigned has caused this application to be executed and its corporate seal to be hereto affixed by its proper officers, thereunto duly authorized, this day of , 193.

[Corporate Seal]

By: 

[Name and title of officer]

Attest: 

[Name and title of officer]
DEAR SIR:

The undersigned hereby apply for a loan of $______________________ dollars ($__________), to be repaid within a period of __________ years, with interest at the rate of __________ percent (__________%) per annum on the principal amount thereof outstanding at any time; such loan to be secured by a first lien on the property described in Exhibit C hereof, to be insured under the provisions of Title II of the National Housing Act, and to be made upon the following terms and conditions:

(1) The principal amount of the loan shall be completely amortized, and interest shall be paid, by payments to the undersigned during the life of such loan of equal monthly installments of $______________________.

(2) There shall be added to each such monthly installment:
   (a) one-twelfth (1/12) of the amount of the annual premium charge for insurance under such Title II. $______________________
   (b) one-twelfth (1/12) of the estimated amount of all charges payable and/or accruing annually, against the property securing the loan, for taxes and for special assessments, if any; $______________________ (Estimated) $______________________
   (c) one-twelfth (1/12) of the aggregate amount of all premiums accruing annually with respect to such policies of fire and other hazard insurance as may be required for the proper protection of such property. $______________________ (Estimated) $______________________
   (d) one-twelfth (1/12) of the aggregate amount of annual service charge as per schedule furnished; the monthly installment for the first year being $______________________.

Estimated Total Monthly Payment $______________________

(3) The instrument or instruments evidencing the obligation of the loan herein applied for and/or creating the lien upon the property offered as security, shall expressly provide that each portion of each such monthly installment as may be allocable to the taxes, special assessments, and insurance premiums, referred to in subsections (a) and (c) above, together with such additional sums as may be payable annually in adjustment thereof, shall be set aside and held by you in trust to pay such taxes, special assessments, and insurance premiums, when due and payable for and on behalf of the undersigned.

Upon the request of the undersigned to the Federal Housing Administration of a commitment to insure the loan herein applied for and upon your request within fifteen (15) days thereafter, the undersigned will promptly:

(1) Execute and deliver to you, upon the standard forms of the Federal Housing Administration approved for the State in which the property offered as security is located, such instrument or instruments as may be required for the creation of a first lien upon such property, together with the credit instrument to be secured thereby, and

(2) Pay to you the following:
   (a) The amount of the first annual premium charge for such insurance; $______________________
   (b) Such portion of the amount of all charges payable and/or accruing, during the year next succeeding the date on which the loan is made, against the property securing the loan, for taxes and for special assessments, if any, as would have already been paid had such charges been amortized in equal monthly payments beginning at a date fifteen (15) months in advance of the date of issue of such instrument; $______________________ (Estimated) $______________________
   (c) Such portion of the amount of all fire and other hazard insurance premiums accruing annually with respect to the property securing the loan as would have already been paid had such premiums been amortized in equal monthly installments beginning at a date thirty-seven (37) months in advance of the expiration date of any such insurance policies presently in force; or the full amount of any such insurance policies not presently in force, plus any monthly installment thereof $______________________ (Estimated Amount) $______________________
   (d) The amount of actual charges incurred by you in making this loan, not to exceed the following:
      (i) Title search, abstract, attorneys' opinion, certificate of, and/or policy of title insurance (cross out item not needed) $______________________
      (ii) Appraisal fees $______________________
      (iii) Legal costs of preparing papers $______________________
      (iv) Recording or filing fees or charges $______________________
      (v) An initial service charge of $______________________
      (f) Charge of the Federal Housing Administration for appraisal, etc. $______________________

(3) The amounts referred to in subsections (a) and (c) above shall be held by you in trust to apply against payment of taxes, special assessments, and insurance premiums, respectively, when due and payable for and on behalf of the undersigned.

The undersigned further agree that in the event this application be rejected by you prior to submission of it to the Federal Housing Administration, or in the event the loan applied for be rejected as uninsurable by the Federal Housing Administration, the undersigned will reimburse you for all costs and expenses necessarily incurred by you in your examination of the same and your appraisal and inspection of the property offered as security for the loan.

In support of this application the undersigned submit the following Exhibits:

EXHIBIT A: PERSONAL HISTORY STATEMENT
EXHIBIT B: PERSONAL FINANCIAL STATEMENTS
EXHIBIT C: DESCRIPTION OF REAL ESTATE

all of which are hereby incorporated in and made a part of this application. The undersigned represent that to the best of their knowledge and belief, the statements, information, and descriptions given in such Exhibits are in all respects true, correct, and complete.

Signed: ____________________________

(1) Figure 21

(See page 90)
### EXHIBIT A—PERSONAL HISTORY

<table>
<thead>
<tr>
<th>A. MORTGAGORS—</th>
<th>B. IF EMPLOYED—</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. (a) Name of husband:</td>
<td>1. Name of employer:</td>
</tr>
<tr>
<td>2. (c) Name of wife:</td>
<td>2. Address of employer:</td>
</tr>
<tr>
<td>3. (e) Address of mortgagors:</td>
<td>3. Telephone No. of employer:</td>
</tr>
</tbody>
</table>

- **Place of birth:**
- **Age:** years
- **Place of birth:**
- **Age:** years

### EXHIBIT B—PERSONAL FINANCIAL STATEMENTS

**A. PROPERTY OWNED—**

1. Checking accounts: $...
2. Savings accounts: $...
3. Life insurance policies:
   - Name of insurance company: $...
   - Amount of policy: $...
   - Cash surrender value: $...

4. Investments:
   - Net worth in mortgagors' business: $...
   - Investments in Marketable securities: $...

5. Real estate:
   - Property on which this loss is applied for:
     - Loss amount now owed: $...
     - Net equity: $...
     - Other real property:
       - Net equity: $...

6. Other property:
   - Household furniture and fixtures: $...

7. Total value of all property: $...

**B. AMOUNTS OWED—**

1. Amounts due and unpaid on personal notes for money borrowed: $...
2. Personal debts: $...
3. Amount due and unpaid on purchase notes for:
   - Automobiles: $...
   - Household goods: $...
   - Other purposes: $...
4. Total amounts of personal debts: $...

**C. NET WORTH—** $...

**A. ANNUAL INCOME—**

1. Salary, pay, or compensation: $...
   - For the year: $...
   - For the week: $...
2. Income from business or profession for year: $...
3. Income from investments for the year:
   - Dividends: $...
   - Interest: $...
   - Rents: $...
4. Income from other sources, name sources:
   - Other: $...
   - Other: $...
   - Other: $...

5. Total gross income and earnings for the year: $...

**B. ANNUAL CHARGES AGAINST INCOME—**

1. Interest on mortgages on real property: $...
2. Interest on other loans, including interest on life insurance loans: $...
3. Taxes on real estate: $...
4. Taxes on personal property: $...
5. Taxes on intangibles: $...
6. Income taxes: $...
7. Annual premium on life insurance: $...
8. Amount of annual payments for:
   - Rent: $...
   - Automobiles: $...
   - Household goods: $...
   - Other purposes: $...
   - Dependents and for all other expenses: $...

9. Total charges against income: $...

**C. Net Amount of Earnings Available for Living and Other Necessary Expenses—** $...
### A. LAND

1. The property offered as security is located at:

   (Street and address)

   (City)

   (County)

   (State)

2. The land has a frontage of ______ feet, on the ______ side of the street, and extends back ______ feet.

3. The lot is located between ____________________ Street, and ____________________ Street, and is described as:

   Lot No. ______, Block No. ______ in ____________________ (Name of addition or subdivision)

4. Distance:
   - (a) To nearest school ______
   - (b) To street car or bus line ______
   - (c) To public park ______
   - (d) To neighborhood shopping center ______

5. Width of street ______

6. Street paved with ______

7. Water supply ______

8. Gas ______

### B. IMPROVEMENTS

1. Building: (a) Built, year ______ (b) Additions, year ______ (c) Building designed for ______ families.

2. Number of stories ______ (3) Percentage of space used for purposes other than residential ______

3. Number and use of rooms:
   - (a) Basement ______
   - (b) 1st floor ______
   - (c) 2nd floor ______
   - (d) 3rd floor ______
   - (e) 4th floor ______

4. Materials and construction:
   - (a) Foundation ______
   - (b) Exterior walls ______
   - (c) Insulation ______
   - (d) Roof ______
   - (e) Interior walls: Plaster ______ Wall board ______ Other material ______

5. Floor material:
   - (a) Basement ______
   - (b) 1st floor ______
   - (c) 2nd floor ______

6. Other floors ______

7. Bathrooms: (a) Number ______ (b) Finish of walls ______ (c) Floors ______

8. Equipment:
   - (a) Is plumbing connected to sewer? ______
   - (b) To septic tank? ______
   - (c) Type of heating system ______
   - (d) Fuel used ______

9. Garage: (a) Is garage attached? ______
   - (b) Detached? ______
   - (c) Built-in? ______
   - (d) Material Walls: ______
   - (e) Roof ______
   - (f) Floor ______
   - (g) Garage capacity ______
   - (h) Are there living quarters in garage? ______

10. Condition of improvements:
    - (c) Are there living quarters in garage? ______

11. Description of improvements contemplated, if any. (If improvements embody additions or alterations affecting the structure or design of the building, describe below and give estimated cost of improvements, with complete plans and specifications therefor on separate sheets, signed and identified as exhibits and made a part hereof.)

### C. MORTGAGORS’ VALUATIONS

1. Date acquired ______ (2) Price paid ______ (4) Present combined assessed value of land and improvements ______

2. Amount of fire insurance carried on improvements ______

3. Owner’s estimate of value of property ______

4. (a) Land ______
   - (b) Improvements ______
   - (c) Occupancy ______
   - (d) Owner ______
   - (e) Tenant ______
   - (f) Vacant ______

### D. INCOME AND CARRIAGE CHARGES

1. Yearly gross rental: (If rented, state actual rental. If owner-occupied or vacant, state estimated rental value.) ______

2. Yearly expenses:
   - (a) Taxes ______
   - (b) Heat ______
   - (c) Gas ______
   - (d) Insurance ______
   - (e) Light ______
   - (f) Other expenses ______

3. Estimated yearly net income ______

### E. TITLE

1. In whose name is title of record ______

2. Is property held in fee simple by mortgagee ______

3. Date of expiration of ground lease ______

4. Is block zoned ______
   - (a) Single family homes ______
   - (b) Multiple family dwellings ______
   - (c) Commercial ______
   - (d) Industrial ______

5. Deed restrictions, etc. ______

### F. TAXES

<table>
<thead>
<tr>
<th>Kind of Taxes</th>
<th>Taxing Authority</th>
<th>Amount of Taxes Assessed</th>
<th>Amount Assessed But Not Due</th>
<th>Date Due</th>
<th>Amount Due and Unpaid</th>
<th>Date of Default</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) Special Assessments
G. LIENS—

(1) (Indicate below all mortgages and other lien indebtedness which exist or has existed against this property since you acquired it.)

<table>
<thead>
<tr>
<th>Name of Holder</th>
<th>Address of Holder</th>
<th>Date of Mortgage or Lien</th>
<th>Present unpaid balance due and date</th>
<th>Rate of Interest</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) Will there remain, or do you contemplate creating, any secondary liens against this property? (The regulations of the Federal Housing Administration contemplate insurance of mortgages in those cases only in which loans not exceeding 80% of the appraised value of the property represent the entire mortgage debt)

APPRAISAL MADE FOR MORTGAGEE

Dear Sirs:

The undersigned certifies that, at your request, he carefully examined the foregoing "Mortgagors' Application for Loan", and thoroughly inspected the property described therein on the ............... day of............. . 193 ; that he knows of no fact or circumstance contrary to the statements made by the Mortgagors in their application; that he has no financial interest, either present or prospective, in the property, loan, or mortgage; that he is not related by blood or marriage to either of the mortgagors; that he is personally acquainted with the mortgagors and knows them to be, or has secured information from responsible sources and believes them to be, persons of good character and repute in their community; that in his opinion the value of said property is as follows:

TOTAL VALUATION. $...........................

Distribution of valuation:

(a) Land............................................ $...........................
(b) Main building............................. $...........................
(c) Outbuildings, landscaping, etc........ $...........................

and that said property is adequate security for the contemplated loan.

(Appraiser's signature)

MORTGAGEE'S APPLICATION FOR INSURANCE

FEDERAL HOUSING ADMINISTRATION
Washington, D. C.

Dear Sirs:

The undersigned submits herewith the foregoing Mortgagors' Application for Loan (with certificate of appraisal) and hereby applies to you for insurance, under the provisions of Title II of the National Housing Act, of the loan therein described, which loan the undersigned regards as safe and desirable for it, and proposes to make if this application for its insurance be approved.

Enclosed is a check for an amount computed at the rate of three dollars ($3) per each thousand dollars ($1,000) of the original principal amount of the loan applied for, such payment to represent reimbursement for all costs and expenses incurred by you in examining this application and inspecting and appraising the property (described in the Mortgagors' Application for Loan) offered as security for such loan.

The undersigned hereby expressly agrees in the event the insurance herein applied for be granted by you, to pay to you as an annual premium a sum equal to ............ percent per annum of the original principal amount of the loan applied for, the first payment to be made simultaneously with the granting of such insurance and to equal that proportion of the annual premium which the number of days from the date of the granting of the loan until the due date of the next premium payment bears to the total number of days in the year in which such insurance is granted; and the next, and each subsequent premium payment, respectively, to become due and payable on the first day of July in each year thereafter until the mortgagors' obligation under the loan shall be satisfied in full; or, if such insurance shall be terminated prior to such satisfaction, until such termination.

The undersigned represents that, to the best of its knowledge and belief, no statement made and no information contained in such Mortgagors' Application for Loan and in such certificate of appraisal is in any respect untrue, incorrect, or incomplete; and agrees that immediately upon the granting by you of the insurance herein applied for, this application and all the terms and conditions subject to which such insurance may be granted, shall be and become a contract between the undersigned and you, which shall be binding upon and inure to the benefit of its, and your, successors.

In witness whereof, the undersigned has caused this application to be executed and its corporate seal to be hereto affixed by its proper officers, thereunto duly authorized, this ............... day of ............... , 193

[Corporate Seal]

By: .............................................

(Title and date of office)

ATTORN: ..........................................

(Title and date of office)

10-2-34
DEAR SIRS:

The undersigned hereby apply for a loan of $......................... dollars ($……………….), to be repaid within a period of .......... years, with interest at the rate of .......... percent (..........%) per annum on the principal amount thereof outstanding at any time; such loan to be secured by a first lien on the property described in Exhibit C hereof, to be insured under the provisions of Title II of the National Housing Act, and to be made upon the following terms and conditions:

1. The principal amount of the loan shall be completely amortized, and interest shall be paid, by payments by the undersigned during the life of such loan of equal monthly installments of $...................................................

2. There shall be added to each such monthly installment,
   (a) one-twelfth (1/12) of the amount of the annual premium charge for insurance under such Title II ......................... $...............................
   (b) one-twelfth (1/12) of the estimated amount of all charges payable and/or accruing annually, against the property specified therein, for special assessments, if any, as would have already been paid had such premiums been amortized in equal monthly payments beginning at a date nineteen (19) months in advance of their final due date; ......................... $...............................
   (c) one-twelfth (1/12) of the aggregate amount of annual service charge as per schedule furnished, the monthly installment for the first year being ........................................ $...............................

3. The instrument or instruments evidencing the obligation of the loan hereby applied for and/or creating the lien upon the property offered as security, shall expressly provide that each such monthly installment as may be allocable to the taxes, special assessments, and insurance premiums, referred to in subsections (b) and (c) above, together with such additional sums as may be payable annually in adjustment thereof, shall be set aside and held by you in trust to pay such taxes, special assessments, and insurance premiums, when due and payable for and on behalf of the undersigned.

Upon the issuance to you by the Federal Housing Administrator of a commitment to insure the loan hereby applied for and upon your receipt of fifteen (15) days thereafter, the undersigned will promptly—

1. Execute and deliver to you, upon the standard forms of the Federal Housing Administration approved for the State in which the property offered as security is located, such instrument or instruments as may be required for the creation of a first lien upon such property, together with the credit instrument to be secured thereby, and

2. Pay to you the following:
   (a) The amount of the first annual premium charge for such insurance; ......................... $...............................
   (b) Such portion of the amount of all charges payable and/or accruing, during the year next succeeding the date on which the loan is made, against the property securing the loan, for taxes and for special assessments, if any, as would have already been paid had such premiums been amortized in equal monthly payments beginning at a date nineteen (19) months in advance of their final due date; ......................... $...............................
   (c) Such portion of the amount of all fire and other hazard insurance premiums accruing annually with respect to the property securing the loan as would have already been paid had such premiums been amortized in equal monthly installments beginning at a date thirty-seven (37) months in advance of the expiration date of any such insurance policies presently in force; or the full amount of any such insurance policies not presently in force, plus one monthly installment thereof; ......................... $...............................
   (d) The amount of actual charges incurred by you in making this loan, not to exceed the following:
      (i) Title search, abstract, attorneys' opinion, certificate of, and/or policy of title insurance (cross out items not needed) ......................... $...............................
      (ii) Appraisal fees ............................. $...............................
      (iii) Local costs of preparing papers ............................. $...............................
      (iv) Recording or filing fees or charges ............................. $...............................
      (v) An initial service charge of ......................... $...............................
   (f) Charge of the Federal Housing Administration for appraisal, etc. ............................. $...............................

The amounts referred to in subsections (b) and (c) above shall be held by you in trust to apply against payment of taxes, special assessments, and insurance premiums, respectively, when due and payable for and on behalf of the undersigned.

The undersigned further agree that in the event this application be rejected by you prior to submission of it to the Federal Housing Administration, or in the event the loan applied for be rejected as unassurable by the Federal Housing Administration, the undersigned will reimburse you for all costs and expenses necessarily incurred by you in your examination of the same and your appraisal and inspection of the property offered as security for the loan.

In support of this application the undersigned submit the following Exhibits:

Exhibit A: Personal History Statement
Exhibit B: Personal Financial Statements
Exhibit C: Description of Real Estate

All of which are hereby incorporated in and made a part of this application. The undersigned represent that to the best of their knowledge and belief, the statements, information, and descriptions given in such Exhibits are in all respects true, correct, and complete.

Signed: 

(Mortgagor)

Figure 22 (See page 90)
### EXHIBIT A.—PERSONAL HISTORY

<table>
<thead>
<tr>
<th>A. MORTGAGORS—</th>
<th>B. IF EMPLOYED—</th>
<th>C. IF IN BUSINESS FOR SELF—</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. (a) Name of husband</td>
<td>1. Name of employer</td>
<td>1. Under what firm or trade name</td>
</tr>
<tr>
<td>(First) (Middle) (Last)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. (a) Name of wife</td>
<td>2. Address of employer</td>
<td>2. Address</td>
</tr>
<tr>
<td>(First) (Middle) (Last)</td>
<td>(Street) (City) (State)</td>
<td>(Street) (City) (State)</td>
</tr>
<tr>
<td>3. (a) Address of mortgagors</td>
<td>3. Telephone No. of employer</td>
<td>3. Telephone No. (Business)</td>
</tr>
<tr>
<td>(Street) (City) (State)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Place of birth</td>
<td>4. Employer's business</td>
<td>4. How long in business under present name or firm</td>
</tr>
<tr>
<td></td>
<td>(Street) (City) (State)</td>
<td>years</td>
</tr>
<tr>
<td>(c) Age</td>
<td>5. Position occupied with employer</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6. Name and title of employer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7. Number of years with present employer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### EXHIBIT B.—PERSONAL FINANCIAL STATEMENTS

#### I. PROPERTY

<table>
<thead>
<tr>
<th>A. PROPERTY OWNED—</th>
<th>B. INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Checking account</td>
<td>1. Salary, pay, or compensation</td>
</tr>
<tr>
<td>(Street) (City) (State)</td>
<td>$ (Per day) $ (Per month)</td>
</tr>
<tr>
<td>2. Savings accounts</td>
<td>2. Income from business or profession for year $</td>
</tr>
<tr>
<td>(Name and address of bank)</td>
<td>3. Income from Investments for the year:</td>
</tr>
<tr>
<td>3. Life insurance policies:</td>
<td>(a) Dividends $</td>
</tr>
<tr>
<td>Name of Insurance Company</td>
<td>(b) Interest $</td>
</tr>
<tr>
<td>(First) (Middle) (Last)</td>
<td>(c) Rents $</td>
</tr>
<tr>
<td>4. Investments:</td>
<td>4. Income from other sources, name sources $</td>
</tr>
<tr>
<td>(a) Net worth in mortgagors' business $</td>
<td>(b)</td>
</tr>
<tr>
<td>(b) Investments: Marketable securities $</td>
<td></td>
</tr>
<tr>
<td>5. Real estate:</td>
<td>5. Total gross income and earnings for the year $</td>
</tr>
<tr>
<td>(a) Property on which this loan is applied for $</td>
<td></td>
</tr>
<tr>
<td>(b) Less amount now owed $</td>
<td>6. Interest on mortgage on real property $</td>
</tr>
<tr>
<td>(c) Net equity $</td>
<td>7. Annual premium on life insurance $</td>
</tr>
<tr>
<td>(d) Other real property $</td>
<td>8. Amount of annual payments for:</td>
</tr>
<tr>
<td>(e) Less amount now owed $</td>
<td>(a) Rent $</td>
</tr>
<tr>
<td>(f) Net equity $</td>
<td>(b) Automobiles $</td>
</tr>
<tr>
<td>6. Other property:</td>
<td>(c) Household goods $</td>
</tr>
<tr>
<td>(a) Household furniture and fixtures $</td>
<td>(d) Other purposes $</td>
</tr>
<tr>
<td>(b) Automobiles</td>
<td>(g) Dependents and for alimony $</td>
</tr>
<tr>
<td>7. Total value of all property $</td>
<td>9. Total charges against income $</td>
</tr>
</tbody>
</table>

#### II. INCOME

<table>
<thead>
<tr>
<th>A. ANNUAL INCOME—</th>
<th>B. ANNUAL CHARGES AGAINST INCOME—</th>
<th>C. Net Amount of Earnings Available for Living and Other Necessary Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Salary, pay, or compensation $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Income from business or profession for year $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Income from Investments for the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Dividends $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Interest $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Rents $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Income from other sources, name sources $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Total gross income and earnings for the year $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Interest on mortgage on real property $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Annual premium on life insurance $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Amount of annual payments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Rent $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Automobiles $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Household goods $</td>
<td></td>
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</tr>
<tr>
<td>(d) Other purposes $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(e) Dependents and for alimony $</td>
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<tr>
<td>9. Total charges against income $</td>
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<td></td>
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</table>

#### III. NET WORTH

<table>
<thead>
<tr>
<th>C. NET WORTH—</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Amounts due and unpaid on personal notes for money borrowed $</td>
</tr>
<tr>
<td>2. Personal bills $</td>
</tr>
<tr>
<td>3. Amounts due and unpaid on purchase notes for:</td>
</tr>
<tr>
<td>(a) Automobiles $</td>
</tr>
<tr>
<td>(b) Household goods $</td>
</tr>
<tr>
<td>(c) Other purposes $</td>
</tr>
<tr>
<td>4. Total amounts of personal debts $</td>
</tr>
</tbody>
</table>
EXHIBIT C.—DESCRIPTION OF REAL ESTATE

A. LAND—

(1) The property offered as security is located at:


(Street and number)  (City)  (State)

(2) The land has a frontage of ______ feet, on the ______ side of the street, and extends back ______ feet.

(3) The lot is located between __________________ (Street), and __________________ (Street), and is described as—

(4) Lot No. ______, Block No. ______, in __________________ (Name of addition or subdivision).

(5) Distance—

(a) to nearest school

(b) to street car or bus line

(c) to public park

(d) to neighborhood shopping center

(6) Width of street ______ feet. (7) Is street graded

(8) Street paved with

(9) Water

(10) Storm sewer

(11) Sanitary sewer

(12) Gas

(13) Electricity

(14) Telephone

B. IMPROVEMENTS—

(1) The proposed building is designed for ______ families.

(2) Number of rooms per family unit ______

(3) Number of stories ______; percentage of space to be occupied for residential use ______%.

(4) Attach hereto complete plans and specifications as required by the Federal Housing Administration, properly signed and identified as exhibits and made a part hereof.

C. MORTGAGORS’ VALUATIONS—

(1) Date land was acquired ______  Price paid ______  (2) Assessed value of land ______

(3) Owner’s estimate of value of land ______  (4) Estimated cost of improvements ______

(Include main building, outbuildings, walls, driveways, grading, etc. This shall be the actual proposal, or proposals, of the contractor, or contractors, who are to erect, install, and complete the contemplated improvements and shall include cost of architectural services, if any).

(5) Building to be sold ______  (6) Proposed sales price (if house is to be built for sale) ______  (7) Occupied by owner ______  (8) Rented ______

D. ANTICIPATED INCOME—

(1) Estimated yearly gross rental (if house is to be rented or owner-occupied) ______

(2) Estimated yearly expenses:

(a) Taxes ______  (6) Heat ______  (g) Ground rental, if lease-

(b) Insurance ______  (f) Light ______  (h) held ______

(c) Repairs ______  (e) Other expenses ______  (j) Total yearly expenses ______

(3) Estimated yearly net income ______

E. TITLE—

(1) In whose name is title of record ______  Address ______

(2) Is property held in fee-simple by mortgagor ______  (3) Yearly ground rent ______

(4) Date of expiration of ground lease ______  (5) Is block zoned ______ for (a) single-family houses ______

(6) Multiple-family dwellings ______  (c) Semi-commercial ______  (g) Commercial ______  (e) Industrial ______

(4) Deed restrictions, road easements, etc ______

_______________________________

F. TAXES—

<table>
<thead>
<tr>
<th>Kind of Tax</th>
<th>Taxing Authority</th>
<th>Taxes Assessed</th>
<th>Amount Assessed Plus Forfeiture</th>
<th>Date Due</th>
<th>Amount Due and Unpaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Ad Valorem</td>
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<tr>
<td>1. Real Estate Taxes</td>
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<tr>
<td>2. Special Assessments</td>
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</table>

_______________________________
G. LIENS—
(1) (Indicate below all mortgages and other lien indebtedness which exists or has existed against this property since you acquired it.)

<table>
<thead>
<tr>
<th>Name of Holder</th>
<th>Address of Holder</th>
<th>Date of Mortgage or Lien</th>
<th>Present unpaid balance of mortgage or lien</th>
<th>Rate of Interest</th>
<th>Maturity Date</th>
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</thead>
<tbody>
<tr>
<td>(a)</td>
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<tr>
<td>(b)</td>
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<tr>
<td>(c)</td>
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</table>

(2) Will there remain, or do you contemplate creating, any secondary liens against this property? (Yes or No) 

(Regulations of the Federal Housing Administration contemplate insurance of mortgages in those cases only in which liens not exceeding 50% of the appraised value of the property represent the entire mortgage debt.)

APPRaisal MADE FOR MORTGAGEE

(Mortgagee)

DeAR Sign:
The undersigned certifies that, at your request, he carefully examined the foregoing "Mortgagors' Application for Loan," and thoroughly inspected the site, plans, and specifications described therein on the 193 day of 193; that he knows of no fact or circumstance contrary to the statements made by the mortgagors in their application; that he has no financial interest, either present or prospective, in the property, loan, or mortgage; that he is not related by blood or marriage to either of the mortgagors; that he is personally acquainted with the mortgagors and knows them to be, or has secured information from responsible sources and believes them to be, persons of good character and repute in their community; that in his opinion said property will have a value on completion of construction as follows:

TOTAL VALUATION $______________

Distribution of valuation:
(a) Land $______________
(b) Main building $______________
(c) Outbuildings, landscaping, etc. $______________

and that said property, when completed as described above, will be adequate security for the contemplated loan.

(Assessor's signature)

MortGAGee's APPLICATION for INSURANCE

FEDERAL HOusING ADMINISTRATOR,
Washington, D. C.

DeAR Sir:
The undersigned submits to you herewith the foregoing Mortgagors' Application for Loan (with certificate of appraisal) and hereby applies to you for insurance, under the provisions of Title II of the National Housing Act, of the loan therein described, which loan the undersigned regards as safe and desirable for it, and proposes to make if this application for its insurance be approved.

Enclosed is a check for an amount computed at the rate of three dollars ($3) per each thousand dollars ($1,000) of the original principal amount of the loan applied for, such payment to represent reimbursement for all costs and expenses incurred by you in examining this application and inspecting and appraising the property (described in the Mortgagors' Application for Loan) offered as security for such loan.

The undersigned hereby expressly agrees in the event the insurance herein applied for be granted by you, to pay to you as an annual premium a sum equal to $______________ percent per annum of the original principal amount of the loan applied for, the first payment to be made simultaneously with the granting of such insurance and to equal that proportion of the annual premium which the number of days from the date of the granting of the loan until the due date of the next premium payment bears to the total number of days in the year in which such insurance is granted; and the next, and each subsequent premium payment, respectively, to become due and payable on the first day of July in each year thereafter until the mortgagors' obligation under the loan shall be satisfied in full; or, if such insurance shall be terminated prior to such satisfaction, until such termination.

The undersigned represents that, to the best of its knowledge and belief, no statement made and no information contained in such Mortgagors' Application for Loan and in such certificate of appraisal is in any respect untrue, incorrect or incomplete; and agrees that immediately upon the granting by you of the insurance herein applied for, this application and all the terms and conditions subject to which such insurance may be granted, shall be and become a contract between the undersigned and you, which shall be binding upon and to the benefit of its, and your, successors.

In witNess WHEREOF, the undersigned has caused this application to be executed and its corporate seal to be hereeto affixed by its proper officers, thereunto duly authorized, this ______________ day of ______________, 193

[Corporate Seal]

By: ____________________________ (Name and Title of officer)

Attest: __________________________ (Name and Title of officer)

10-5195  D. H. SOUSME, SECRETARY OFFICE 114
# INITIAL INFORMATION REQUIRED OF SPONSORS OF LOW-COST HOUSING PROJECTS

Under Section 207 of the National Housing Act  
*(To be executed in triplicate)*

## I. SPONSORS:

- **(a)** Full legal title
- **(b)** Address
- **(c)** If a corporation:
  1. Is the corporation already organized?
  2. Date of charter
  3. Organized or to be organized under laws of what State?
  4. Organized or to be organized under State housing law?
  5. What is limit of dividends?
  6. What restrictions as to rental?
- **(d)** Name of person to whom correspondence should be addressed
- **(e)** Names and addresses of each officer and director of corporation, or proposed corporation
- **(f)** Names and addresses of architects and attorneys representing the sponsors

Will all or any part of the fees of either be in stock of the corporation?

If so, state amount.

If a public authority, give name and address of secretary (submit copy of law under which organized)

## II. PROPOSED FINANCIAL STRUCTURE:

- **(a)** Mortgagee or trustee —
  1. Full legal title and address
  2. Law under which organized
  3. Date of organization
  4. Name, title, and address of person to whom correspondence should be addressed
- **(b)** Will the mortgagee hold the mortgage as beneficial owner or in trust?
- **(c)** Describe briefly the credit instrument or instruments which the mortgagor proposes to issue upon the security of the mortgaged property
- **(d)** Total principal amount
- **(e)** Per centum of interest per annum
- **(f)** Maturity or maturities
- **(g)** Will secured notes, bonds, or other obligations of the mortgagor be offered to the public?
- **(h)** Describe briefly the type, method, and amount of the offering

## III. SOCIAL DATA:

- **(a)** Vacant dwellings in neighborhood
- **(b)** Cases of doubling up
- **(c)** Families being housed with assistance of social or governmental agencies
- **(d)** Unemployed and families on relief
- **(e)** Population of community, 1910 [ ] 1920 [ ] 1930
- **(f)** Number and types of industries, and number of persons, normally employed and employed at present
- **(g)** Average rent in immediate neighborhood
- **(h)** Grade schools, distance of nearest school from the project, total number of seatings, and number actually used
- **(i)** Nearby parks and playgrounds
- **(j)** Time and mode of travel to industrial or business centers
- **(k)** Is there a city or regional planning board or a housing commission?
  1. If so, has the project been submitted to it?
  2. If submitted, has project been approved?
- **(l)** Is there a plan for the development of the community?

## IV. SOUR (list documents submitted):

State any adverse conditions affecting the site, e.g., ledges of rock, soft ground requiring piling, etc.

## V. ARCHITECTURAL DRAWINGS (list documents submitted on separate page):

## VI. MANAGEMENT — State what method of management will be used:
VII. Cost and Income Statement:

<table>
<thead>
<tr>
<th>Tenant type</th>
<th>Building type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Project Cost

<table>
<thead>
<tr>
<th>Land: (Schedule &quot;A&quot;)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost ($ sq. ft.)</td>
<td>$</td>
</tr>
<tr>
<td>New utilities, roads, public sidewalks, sewers, etc. (Schedule &quot;B&quot;)</td>
<td>$</td>
</tr>
<tr>
<td>Extra foundation, piles, etc.</td>
<td>$</td>
</tr>
<tr>
<td>Total Land Cost ($ sq. ft.)</td>
<td>$</td>
</tr>
</tbody>
</table>

Landscape Work:

<table>
<thead>
<tr>
<th>Land: (Schedule &quot;C&quot;)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost ($ sq. ft.)</td>
<td>$</td>
</tr>
<tr>
<td>Private walks, top soil, seeding, trees, etc. (Schedule &quot;C&quot;)</td>
<td>$</td>
</tr>
</tbody>
</table>

Building:

<table>
<thead>
<tr>
<th>Land: (Schedule &quot;D&quot;)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction cost, cu. ft. at $ per cu. ft.</td>
<td>$</td>
</tr>
<tr>
<td>(Building cost cannot be calculated on A.I.A. standard) (Schedule &quot;D&quot;)</td>
<td>$</td>
</tr>
</tbody>
</table>

Fees:

<table>
<thead>
<tr>
<th>Land: (Schedule &quot;E&quot;)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural ( %) A</td>
<td>$</td>
</tr>
<tr>
<td>Builder ( %) B</td>
<td>$</td>
</tr>
<tr>
<td>Total Cost of Building</td>
<td>$</td>
</tr>
</tbody>
</table>

Carrying Charges During Construction:

<table>
<thead>
<tr>
<th>Land: (Schedule &quot;F&quot;)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest C</td>
<td>$</td>
</tr>
<tr>
<td>Taxes D</td>
<td>$</td>
</tr>
<tr>
<td>Insurance E</td>
<td>$</td>
</tr>
<tr>
<td>Other charges (if any)</td>
<td>$</td>
</tr>
<tr>
<td>Total</td>
<td>$</td>
</tr>
</tbody>
</table>

Miscellaneous Expense (Schedule "G"):

<table>
<thead>
<tr>
<th>Land: (Schedule &quot;H&quot;)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization expenses</td>
<td>$</td>
</tr>
<tr>
<td>Legal fees (not organization expenses)</td>
<td>$</td>
</tr>
<tr>
<td>Mortgage registration, tax and recording fees, property title guarantee, etc.</td>
<td>$</td>
</tr>
<tr>
<td>Total</td>
<td>$</td>
</tr>
</tbody>
</table>

Financing

<table>
<thead>
<tr>
<th>Land: (Schedule &quot;I&quot;)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First mortgage loan ( %)</td>
<td>$</td>
</tr>
<tr>
<td>Owner's equity ( %)</td>
<td>$</td>
</tr>
<tr>
<td>Cash</td>
<td>$</td>
</tr>
<tr>
<td>Other equity ( %)</td>
<td>$</td>
</tr>
<tr>
<td>Total</td>
<td>$</td>
</tr>
</tbody>
</table>

Income and Expenses

<table>
<thead>
<tr>
<th>Land: (Schedule &quot;J&quot;)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings (room rentals):</td>
<td></td>
</tr>
<tr>
<td>Number rooms</td>
<td></td>
</tr>
<tr>
<td>Plus allowable half rooms</td>
<td></td>
</tr>
<tr>
<td>Total rooms</td>
<td></td>
</tr>
<tr>
<td>@ P.R.P.M.</td>
<td>$</td>
</tr>
<tr>
<td>Stores (lin. ft.)</td>
<td>$</td>
</tr>
<tr>
<td>Garages (number)</td>
<td>$</td>
</tr>
<tr>
<td>Total income</td>
<td>$</td>
</tr>
<tr>
<td>Loss vacancies (assumed)</td>
<td>$</td>
</tr>
<tr>
<td>%</td>
<td>$</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>$</td>
</tr>
</tbody>
</table>

Operating Costs:

<table>
<thead>
<tr>
<th>Land: (Schedule &quot;K&quot;)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number full rooms</td>
<td></td>
</tr>
<tr>
<td>@ per annum</td>
<td>$</td>
</tr>
<tr>
<td>Upkeep, landscaped areas</td>
<td>$</td>
</tr>
<tr>
<td>Total Operating Costs</td>
<td>$</td>
</tr>
<tr>
<td>Available for capital and fixed charges (income less oper.)</td>
<td>$</td>
</tr>
</tbody>
</table>

Annual Fixed Charges:

<table>
<thead>
<tr>
<th>Land: (Schedule &quot;L&quot;)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest 1st mortgage (1st year)</td>
<td>$</td>
</tr>
<tr>
<td>Mortgage insurance</td>
<td>$</td>
</tr>
<tr>
<td>Amortization of loan (@ rate) (1st year)</td>
<td>$</td>
</tr>
<tr>
<td>Taxes</td>
<td>$</td>
</tr>
<tr>
<td>Casualty insurance</td>
<td>$</td>
</tr>
<tr>
<td>Assessments for local improvement (if any)</td>
<td>$</td>
</tr>
<tr>
<td>Total annual fixed charges</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land: (Schedule &quot;M&quot;)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal tax (amortization and assessments not deductible)</td>
<td>$</td>
</tr>
<tr>
<td>Dividend on Stock</td>
<td>$</td>
</tr>
<tr>
<td>Balance</td>
<td>$</td>
</tr>
</tbody>
</table>

SCHEDULE A

Information concerning land and existing buildings

(List separately all present owners)

**Land and Buildings**

<table>
<thead>
<tr>
<th>Parcel or lots</th>
<th>Present owner</th>
<th>When acquired</th>
<th>Purchase price</th>
<th>1933 assessment</th>
<th>1933 taxes</th>
<th>Unpaid taxes and assessments</th>
</tr>
</thead>
<tbody>
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**Existing Buildings**

<table>
<thead>
<tr>
<th>Parcel or lots</th>
<th>Present owner</th>
<th>Type of structure erected</th>
<th>1923 assessment</th>
<th>1923 taxes</th>
<th>1933 net income from use</th>
</tr>
</thead>
<tbody>
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</table>

10-276
### SCHEDULE B

**Estimated Cost of New Utilities Required**

<table>
<thead>
<tr>
<th>Linear feet</th>
<th>Description</th>
<th>Estimated cost</th>
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</table>

### SCHEDULE C

**Cost of Landscape Work**

Net Area .................................. Total estimated cost, $........................

Explain how cost has been estimated. Furnish any detailed estimate made.

### SCHEDULE D

**Construction Cost**

<table>
<thead>
<tr>
<th>Unit type or special building</th>
<th>Cubic feet per unit</th>
<th>Number of units</th>
<th>Total cubage</th>
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</table>

If breakdown of cost by trades has been made, it should be submitted. In all cases, submit outline specification, not more than one page.

### SCHEDULE E

**Other Charges and Miscellaneous Expenses**

(Describe below)

<table>
<thead>
<tr>
<th>Estimated cost</th>
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<tbody>
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</table>

### SCHEDULE F

**Subscriptions to Capital Stock**

<table>
<thead>
<tr>
<th>Name of subscriber</th>
<th>Address</th>
<th>Amount of subscription</th>
<th>Nature of subscription (land, cash, services, materials)</th>
<th>Number and par value of shares issued or to be issued to subscriber</th>
<th>Common stock</th>
<th>Preferred stock</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

If more than five parties, submit information on separate sheet.

### SCHEDULE G

**Estimate of Operating Costs**

<table>
<thead>
<tr>
<th>Water</th>
<th>$ ..................................</th>
<th>Janitors</th>
<th>$ ..................................</th>
<th>Social expense</th>
<th>$ ..................................</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel</td>
<td>$ ..................................</td>
<td>Repair and decorating</td>
<td>$ ..................................</td>
<td>Other expense</td>
<td>$ ..................................</td>
</tr>
<tr>
<td>Gas</td>
<td>$ ..................................</td>
<td>Upkeep landscaped areas</td>
<td>$ ..................................</td>
<td>(Explain below)</td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>$ ..................................</td>
<td>Management</td>
<td>$ ..................................</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The undersigned represents, that, to the best of its knowledge and belief, the statements, information, and descriptions herein contained are in all respects true, correct, and complete.

(Signed) .............................. (Sponsor) ..............................

By .................................. (Title) ..............................
EXPLANATORY NOTES
Concerning Submission of Required Information

This form is designed for private limited-dividend corporations. Submission of projects initiated by public agencies will require some modification of this form; in any event, it is desired that applications be in the simplest form that will set forth the facts adequately. Required information may be submitted on appropriately designated exhibits where sufficient space is not provided herein.

Sponsors should inform themselves of the policy of the Administration with reference to low-cost housing as set forth in Circular No. 3.

I. The Sponsors
Although a mortgage covering a low-cost housing project will not be issued until final approval of a formal application, the Administration will discuss a project with the sponsors prior to the completion of final arrangements with the financial institution. It may render an informal opinion as to the merits of the project.

IV. The Site
Rural Sites—Submit plan showing the relation of the site to the nearest community; a plan of the site itself indicating the length and direction of the boundary lines, the total area, any existing buildings and the topography of the ground with contour intervals of not more than 5 feet.

Urban Sites—Submit:

a. A map of the city showing the location of the project, public playgrounds, parks, and transportation.

b. A map of the immediate neighborhood, including the site of the project and one tier of blocks on all sides. This map should show details equivalent to those shown on insurance maps. Maps of the site must indicate existing public utilities and street improvements.

c. A zone map of the city, if there is one.

V. Architectural Drawings
Present architectural drawings in the simplest form. Elaborate drawings and perspectives are not desired. Ordinarily the following drawings will be adequate for preliminary submission:

a. A plot plan showing the location of the buildings on the terrain. Show general dimensions of the buildings and total area of the property, so that percentage of coverage may be figured.

b. A first-floor plan and a typical floor plan of all different units in each building. Show all dimensions of rooms and designate rooms according to use. Indicate furniture layout for each typical apartment.

c. An outline cross section sufficient to permit a check of cubic content of the buildings.

d. On plot plan, give a tabulation of the number of each typical dwelling unit, the number of rooms, the number of garages, and the number of stores (if any), a statement of the estimated number of persons to be housed.

e. Outline specifications.

VI. Proposed Method of Management
Low-cost housing projects involve questions of management and social problems which require constant contact with the tenants. A special organization should be established and the management of the project should be, not only a person experienced in building management, but he or she should have a broad social point of view.

VII. Cost and Income Statement
Organization Expenses.—Include proper organization expenses. They should be set forth in full in schedules "E." No expenses may be included, incurred for purposes other than those of the present application, nor any carrying charges or book charges on property of the corporation.

Special Footings.—Where special foundation conditions exist, the cost of the footings must be added to the price it is proposed to pay for the land.

Social Features.—One of the prime considerations in low-cost housing projects is the creation of a neighborhood entity, where they do not already exist, social rooms and similar community facilities should be provided. If such features are included in the project, the income from proposed charges should be figured on a thoroughly conservative basis. The cost and return on these facilities should be calculated separately so that it may be apparent how much additional rent burden will fall on the tenant, on account of their construction and operation.

Construction Cost.—Include the contractor's public liability and workmen's compensation insurance. State his own fee or proposed profit as a separate item.

FEES OF ARCHITECTS, ENGINEERS, AND CONTRACTORS.—It is the intention of the Administration that architects, engineers, and others performing professional services be adequately compensated. Large-scale housing projects ordinarily involve frequent repetition of a given plan; thus the cost per unit of rendering the professional service is measurably reduced. A statement must be made of any fees to be taken in stock of the corporation.

Taxes.—State the method of calculating taxes. Where a project is owned by a public body and cannot be taxed, a service charge to be paid to the local community may be included.

Legal Fees, etc.—State the contemplated legal fee, cost of title searches, recording fees, etc. If part or all of legal fees are taken in stock, the amount should be stated.

Equity.—The equity investment must be adequate to secure continued interest in the project on the part of those subscribing. The group subscribing to the equity is the responsible party to whom the mortgagee must look for the successful operation and maintenance of the project. Under the National Industrial Recovery Act, the subscription of workers to equity is prohibited. For cooperative projects sponsored by groups of workers, it may be permitted.

Room Rentals.—Number of rooms. Where state housing laws prescribe the method of counting rooms, the applicant may base the count on such regulations. He must, however, state how many of these are full rooms and how many half rooms.

Garage Rentals.—Where private garages are contemplated, state the method of determining the proper number of garages.

Stone Rentals.—Applicants are specifically warned against exaggerated estimates of the number of, and the income to be derived from, stores forming part of a housing project. Except under special circumstances, it will be presumed that stores will depend for their income entirely on the occupants of the project and it must be shown that, assuming a normal rate of local buying to family income, the store rental is not in excess of 6 percent of what the occupants may be expected to spend in local buying.

Percentage of Vacancies.—The proper allowance for vacancies will depend on local conditions and the measure in which the proposed project is competitive with existing housing or housing immediately contemplated. Precision is desirable in making this allowance, as an exaggerated vacancy allowance reacts on the necessary rental.

Organization Expenses.—Should be charged to the first 2 years of the operation of the project.

Operating Costs.—State the basis on which these are calculated and furnish evidence that they are reasonable. Any expense for social activities should be segregated from other operating expenses.

Reduction of Equity.—Reduction of equity will not be permitted while the mortgage is in force, except in cases of permissible sale of the project. The importance of proper depreciation reserve is recognized; no statement as to such depreciation is required. The immediate interest of the Administration is to learn in what manner it is proposed to retire the mortgage obligation.

Any application which contains false or misleading information will be rejected. Do not submit information not specified herein. If it is needed, it will be requested.
$ Washington, D.C., , 19

FOR VALUE RECEIVED, the undersigned promise(s) to pay to

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<th>the principal sum of</th>
<th>Dollars ($)</th>
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<td>with interest from the first day of 19, at the rate of per centum ( %)</td>
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The said principal and interest shall be payable at the office of

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<th>in Washington, D.C., in monthly installments of</th>
<th>Dollars</th>
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<td>( ), commencing on the first day of 19, and on the first day of each month thereafter until the principal and interest are fully paid except that the final payment of principal and interest, if not sooner paid, shall be due and payable on the thirtieth day of June, 19</td>
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In addition to the foregoing installments the undersigned promise(s) to make monthly payments in amounts, and to be applied in the manner, set forth in the Deed of Trust securing this note.

If default be made in the payment of any installment under this note, or in any of the covenants or conditions contained in the Deed of Trust of same date herewith, given as security herefor, the entire principal sum and accrued interest shall at once become due and payable without notice at the option of the holder of this note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

In the event that any payment shall become overdue for a period in excess of fifteen (15) days, a "late charge" of two cents (2¢) for each dollar ($1) so overdue may be charged by the holder hereof, for the purpose of defraying the expense incident to handling the said delinquent payment.

Presentment, protest, and notice are hereby waived.

Privilege is reserved to pay the debt in whole or in part, including accrued interest, on the first day of any month prior to maturity.

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This is to certify that this is the note described in and secured by the Deed of Trust of even date herewith to

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Trustees.

Notary Public.
DISTRICT OF COLUMBIA

Deed of Trust

This Deed of Trust, Made this day of in the year nineteen hundred and by and between:

part of the first part; and

part of the second part;

Whereas, the said part of the first part justly indebted unto

in the full sum of Dollars ($ ), money lent and advanced, for which amount the said part of the first part has signed and delivered unto the said

h. a certain promissory note bearing even date with these presents; and

Whereas, the part of the first part desire to secure the full and punctual payment of said debt and interest thereon, as well as any renewals or extensions of said note, and also to secure the reimbursement to the holder of said note and to the part of the second part or substitute trustee and any purchaser or purchaser under any sale or sales as provided by this Deed of Trust, for any and all costs and expenses incurred with respect thereto, including reasonable counsel fees, incurred or paid on account of any litigation at law or in equity which may arise with respect to this Deed of Trust, or to the indebtedness on the property hereinafter mentioned, or in obtaining possession of the premises after any sale which may be made as hereinafter provided;

Now, Therefore, This Deed of Trust Witnesseth, that the part of the first part, in consideration of the premises, and of one dollar in lawful money, do hereby grant and convey unto the part of the second part in fee simple, the following described premises situate in the District of Columbia, namely:

Figure 25

(See page 90)
To Have and to Hold, the said described premises, unto and to the use of the said part of the second part, heirs, successors, and assigns in fee simple. And the said part of the first part for heirs, executors, and administrators, covenant with the said part of the second part, heirs, successors, and assigns, that the said premises shall be paid, and that the same shall be and remain under the said premises in fee, and the right to convey the same in fee simple, that the same are free and clear of all encumbrances, and do hereby bind and heirs, executors, administrators, and assigns to warrant and forever defend all and singular the said premises unto the part of the second part, heirs, successors, and assigns, from and against the claims of all persons whosoever.

In and Upon the Uses and Trusts, Hereinafter Declared, that is to say:

First,—To permit said part of the first part and assigns, to possess and enjoy said described premises, and to receive the issues and profits thereof until default be made in the payment of any manner of indebtedness hereby secured or in the performance of any of the covenants herein provided;

And upon the full payment of said note and of any extensions or renewals thereof, and the interest thereon, and all moneys advanced or expended, as herein provided, and all other proper costs, charges, commissions, half-commissions, and expenses, to release and reconvey in fee unto and at the cost of the said part of the first part, heirs and assigns, the said described land and premises.

Second,—Upon any default being made in the payment of the said note or of any monthly installment of principal and interest as therein provided, or in the payment of any of the monthly sums for taxes, special assessments, mortgage insurance, fire and other hazard insurance, and service charge, all as hereinafter provided, or upon any default in payment on demand of any principal advanced by the holder of said note on account of any proper cost, charge, commission, or expense in and about the same, or on account of any tax or assessment or insurance, or expense of litigation, with interest thereon at six per centum (6%) per annum from date of such advance (if it is advanced), with interest thereon at six per centum (6%) per annum in the payment of any tax or assessment or insurance premium or any expense on account thereof or in the payment of any of said cost, expense of litigation, as aforesaid, the holder of said note may pay the same and all sums so advanced with interest as aforesaid, shall immediately attach as a lien hereunder, and be payable on demand, or upon failure or neglect faithfully and fully to keep and perform any of the other conditions or covenants herein provided; thus upon any and every such default being so made as aforesaid, the said part of the second part, or the trustee acting in the execution of this trust, shall have power and it shall be duty hereunder to sell, and in case of any default of any purchaser to resell, at public auction, for cash, in one parcel at such time and place, and after such previous public advertisement as the part of the second part, or the trustee acting in the execution of this trust, shall deem advantageous and proper; and to convey the same in fee simple, upon compliance with the terms of sale, to, and at said cost of, the purchaser or purchasers thereof, who shall not be required to see to the application of the purchase money, and shall apply the proceeds of said sale or sales:

First, to pay all proper costs, charges, and expenses, including all attorneys’ and other fees, and costs herein provided for, and all moneys advanced for costs or expenses, or expense of litigation as aforesaid, or taxes, or assessments, or insurance with interest thereon as aforesaid, and all taxes, general and special, and assessments, due upon said land and premises at time of sale; Succeed, to return as compensation a commission of one per centum (1%) on the gross amount of the said sale or sales; Lastly, to pay whatever may then remain unpaid of the principal of the said note whether the same shall be due or not, and the interest thereon to date of payment, it being agreed that said note shall, upon such sale being made before the maturity of said note, be and become immediately due and payable, at the election of the holder thereof, and, Lasts, to pay the remainder of said proceeds, if any, to said part of the first part, or assigns, upon the delivery of and surrender to the purchaser, his, her, or their heirs or assigns, of possession of the premises as aforesaid sold and conveyed, less the expense, if any, of conveying said premises, and the expense of any proceeding or assessment, and it is further agreed that if the said property shall be advertised for sale as herein provided and not sold, the trustee or trustees acting shall be entitled to a reasonable commission, not exceeding one-half (1/2) of the commission above provided, to be computed on the amount of principal then unpaid.

And the said part of the first part, for heirs, executors, administrators and assigns, in order more fully to protect the security of this Deed of Trust, do hereby covenant and agree as follows:

1. That, together with and in addition to the monthly payments of principal and interest payable under the terms of the note secured hereby, he will pay to the holder of the said note, on the first day of each month until the said note is fully paid, the following sums:

   (a) If this Deed of Trust and the said note secured hereby are insured under the provisions of the National Housing Act and so long as they continue to be so insured, one-twelfth (1/12) of per centum (1%) of the original principal amount of the said note for the purpose of putting the holder of such note in funds with which to discharge the said holder’s obligation to the Federal Housing Administrator for mortgage insurance premiums pursuant to the provisions of Title II of the National Housing Act and regulations thereunder;

   (b) A sum equal to one-twelfth (1/12) of one per centum (1%) of the amount of principal then remaining unpaid under the said note as a service charge, which sum is more particularly to cover the expenses of handling the monthly payments on account of taxes, assessments, and fire and other hazard insurance hereinafter provided for, and to cover the other servicing costs in connection with this Deed of Trust and the note secured hereby;

   (c) An installment of the taxes and special assessments levied or to be levied against the premises covered by this Deed of Trust; and an installment of the premium or premiums that will become due and payable to renew the insurance on the premises covered hereby against any such other hazard as may reasonably be required by the holder of said note in amounts and in a company or companies satisfactory to such holder. Such installments shall be equal respectively to the estimated premium or premiums for such insurance, and taxes and assessments next due (as estimated by the holder of said note) less all installments already paid therefor, divided by the number of months
that are to elapse before one month prior to the date when such premiums or premia and taxes and assessments will become due. The said holder of said note shall hold such monthly payments in trust to pay such premiums or premia and taxes and special assessments when due.

d) All payments mentioned in the three preceding subsections of this paragraph and all payments to be made under the note secured hereby for taxes or assessments or insurance premiums, as the case may be, such excess shall be credited by such holder on subsequent payments of the same nature to be made by the part of the first part. If, however, the monthly payments made by the part of the first part under (e) of paragraph (1) preceding shall not be sufficient to pay taxes, and assessments, and insurance premiums, as the case may be, when the same shall become due and payable, then the part of the first part shall pay to the holder of said note any amount necessary to make up the deficiency, on or before the date when payment of such taxes, assessments, or insurance premiums shall be due. If at any time the part of the first part shall tender to the holder of said note, in accordance with the provisions thereof, full payment of the entire indebtedness represented thereby, the said holder shall, in consideration of the amount of such indebtedness, credit to the account of the part of the first part all payments made under the provisions of (e) of paragraph (1) hereof since the next preceding 1st day of June, and any balance remaining in the funds accumulated under the provisions of (c) of paragraph (1) hereof. If there shall be a default under any of the provisions of this Deed of Trust resulting in a public sale by the trustee or trustees of the premises covered hereby, the holder of the note secured hereby shall be and hereby is authorized and empowered to apply, at the time of the commencement of such proceeding, the balance remaining in the funds accumulated under (c) of paragraph (1) preceding, as a credit against the amount of principal then remaining unpaid under said note and shall properly adjust any payments which shall have been made under (c) of paragraph (1).

3. That he will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions, for which provision has not been made hereinbefore, and in default thereof the holder of the note secured hereby may pay the same; and that he will promptly deliver the official receipts therefor to the said holder.

4. That if the premises covered hereby, or any part thereof, shall be damaged by fire or other hazard against which insurance is held as hereinbefore provided, the amounts paid by any insurance company by reason of such damage, in pursuance of the one part of insurance, to the extent of the indebtedness upon the note secured hereby remaining unpaid, are hereby assigned by the part of the first part to the holder of said note and shall be paid forthwith to said holder to be applied by it on account of the last maturing installments of such indebtedness.

5. That he will keep the said premises in as good order and condition as they are now and will not commit or permit any waste of the said premises, reasonable wear and tear excepted.

6. That if the premises, or any part thereof, be condemned under any power of eminent domain, or acquired for a public use, the damages, proceeds, and the consideration for such acquisition, to the extent of the full amount of indebtedness upon this Deed of Trust and the note secured hereby remaining unpaid, are hereby assigned by the part of the first part to the holder of said note and shall be paid forthwith to said holder to be applied by it on account of the last maturing installments of such indebtedness.

Notice of the exercise of any option granted herein to the holder of the note secured hereby, or in said note is not required to be given, the part of the first part hereby waiving any such notice.

IN WITNESS WHEREOF, the said part of the first part has hereunto set hand and seal on the day and year first hereinbefore written.

[Seal]

[Seal]

Signed, sealed, and delivered in the presence of

DISTRICT OF COLUMBIA, to wit:

[Seal]

I, a Notary Public, in and for the District of Columbia, do hereby certify that

the grantor in, and who personally well known to me to be the person who executed the foregoing and annexed Deed, hearing date appeared before me in the said District and acknowledged the said Deed to be true and deed.

GIVEN under my hand and seal this

day of

A.D. 19

Notary Public, D. C.
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<th>Trustee</th>
<th>Received for Record on the</th>
<th>A. D. 19.</th>
<th>Litter No.</th>
<th>one of the Land Records of the District of Columbia, and examined by</th>
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**DISTRICT OF COLUMBIA**

Deed of Trust

To

Received for Record on the o'clock m., and recorded in Litter No. one of the Land Records of the District of Columbia, and examined by

Note: Public, D. C.
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   Home Owners' Loan Corporation
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   Public Works Administration

Miscellaneous

   New York Stock Exchange List.
Kneffner

Financing armam with

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ISSUED TO

Donald Anglin

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