# BUILDING-LOAN OR A MORTGAGE?

## Question is Thoroughly Discussed — Various Points are Explained.

Why should an individual make a building and loan loan rather than a straight three-year loan in buying a home?

It has been the experience that the building and loan association plan is the most practical and successful way for the individual to attain his objective, namely the owning of the home or farm in fee. In fact, it has been so revealed by many civic and governmental agencies and individual authorities, including Secretary Hoover.

The building and loan plan, as you know, requires the borrower of the loan monthly, whereas the straight loan calls only for payment each six months of the interest thereon. One who serves with the maker of a straight deed would save monthly in some instances towards paying off the loan when it falls due, or renew a loan which he could apply towards reducing loan when it is in the payment of interest. This however is the being done to any extent, some loan, and probably never will.

The great majority of the makers of straight deeds do not pay their debt off, they renew them, and only make provision to pay the semi-annual interest now and very frequently have a hard time doing this, simply because it is not a monthly obligation.

People of all classes with the exceptions of annuitants, have to budget, plan a schedule to live, work and save, or obligation to work and save under. They like this. They do not like to have a mortgage on their month, and it lacks the privilege of paying more than month and receive the same rate of interest thereon, credit as we pay out. The majority of our borrowers in this 20 years have made, remarked, and to get the home clear of debt as soon as possible. Another reason is it all in the place. Thus the home business remunerated.

The maker of a straight deed will eventually be compelled to renew for lack of some monthly day or a long time to pay it off. The then under normal conditions simply has now paying twice the interest charge to see home and receive a second deed for the amount in the first one, or come towards at the straight deed loan from 3 to the direct charge. Often renewing services the most of them have no interest in the individual. The building and loan plan is something more than a loan limited business proposition.

There is another item which is important to those in financing a home with a building and loan association loan. The building and loan associations, made up of neighbors, all people of trust, not such deeds can be renewed; property re-financed upon payment of commission, etc. But consider the situation of a man with a straight deed of trust on his home if his agent advises him, his client (agent) requires the payment of the loan, and the chap who thought all he had to do every three years was to renew, finds money is being called in, not just all. We had this very condition during the "Roosevelt panic" in 1907. Loans were called, homes were foreclosed.

Nothing like this can happen to the maker of a building and loan association loan. There is no renewal every three years. No expense after loan is once made. Loan runs practically indefinitely—21 to 22 years. Payments always same—the cost. And closes all of the month's business. The treasurer with a great load of paper to check up, pay out the month's obligations now, but before noon, you look all day Saturday, and make no payments to most associations. Thus they find a six months' interest now due or have payment with certain month's expense, and all they have to pay out. Judge's Choice is most here. They never get caught up.

The building and loan plan requires by the borrower a borrower is to make more than one, he pays the loan. By borrow thereon. The association, Thrifts are helpful all around. The home life is better. Here will we know that one of the main causes of domestic discord and unhappiness is being lessened on a person, in the loan communities, by owning a thoroughly. Doesn't matter how much they make, they spend it all. Pay, Clothes and money needed during year, and that is the condition. They are not accumulated have no considerable plan.

At Hillsboro at the situation now of a real plan is shown among the employes of the United Railways, where the average monthly pay check now than $150.00 per month. The great majority of the workers are heads of families and they have to their credit in the association more than one and a quarter million dollars.

The building and loan or borrowing a home is the majority of the Lake Shore, in the application a number of a building and loan association. So is part of a home. Bellevue. So is in the hands of people. The Building and Loan associations during the hard times of the workers are handling and they have to their credit in the association more than one and a quarter million dollars