COUNTY BUDGET TO BE PRINTED EARLY IN COMING WEEK

Official publication of the Lane county budget as completed by the budget committee will be started in the Register-Guard early next week. The annual taxpayers' meeting will probably be held Nov. 27. With a total of $861,975.14 to be raised by taxes the levy will be approximately 2.1 mills as compared with 2.2 mills for 1937. The amounts to be raised by taxes in the several different funds are given as follows: General fund, $250,681.04; general road fund, $165,000; market road fund, $82,500; county school fund, $172,410; library fund, $1,724.10; bond interest and redemption fund, $106,160; state elementary school fund, $83,500.

The items in the general fund, in alphabetical order are given as follows:

Advertising	$ 2,300.00
Agriculturist	2,000.00
Aid, dependent children	23,545.47
Assessor	13,844.00
Auditing	550.00
Blind assistance	2,305.33
Bounty	1,800.00
Circuit court	12,000.00
Coroner	1,000.00
County clerk	22,725.00
County court	8,000.00
Courthouse	8,930.00
District attorney	3,952.00
District sealer	350.00
Election	14,000.00
Emergency	10,000.00
Fair	5,450.00
Fair board	900.00
Fire patrol	3,000.00
Four-H club	1,977.00
Fruit inspector	2,000.00
Health officer	100.00
Health service	8,180.00
Home demon'tion agent	1,000.00
Indigent soldier	1,500.00
Insane	300.00
Justice court	2,500.00
Juvenile court	1,744.00
Old age assistance	77,522.70
Poor	50,000.00
Predatory animal	850.00
School superintendent	5,212.00
Sheriff	29,704.00
Slaughtered animals	2,000.00
Surveyor	4,550.00
Tax rebate ($500 revolving fund)	No levy
Thistle	2,500.00
Treasurer	4,720.00
U. S. labor	780.00
Unemployment relief	8,000.00
	$341,991.50
Purchase price Eugene P. O. bldg. and site	26,500.00
	$368,491.50

Delp Gets 15 Days For Intoxication

Gene Delp of the Goshen district was sentenced by Justice of the Peace John Bryson Friday to serve 15 days in the county jail on a charge of being intoxicated on a highway. Sheriff Swarts arrested him Friday morning.

FLAPPER FANNY By Sylvia

BY NEA SERVICE, INC. T. M. REG. U. S. PAT. OFF.

"Well, Fanny, why don't you talk to Papa about your allowance?"
"Because there's nothing left to talk about."

TIME PERIOD FOR AMORTIZATION OF LOANS IS EXTENDED

Because of many inquiries from various sources, such as its own field force, building and loan associations, savings banks and insurance companies, as to the effect of legislation which would reduce the interest rate and extend the period of amortization of Home Owners' Loan Corporation loans, the attached statement has been prepared by Charles A. Jones, general manager.

In 1933 Congress assigned to the Home Owners' Loan Corporation the task of saving the homes of American families who were facing foreclosure and eviction. During its three-year lending period, it made this protection possible for 1,021,817 in critical distress by granting to them mortgage loans totaling $3,092,870,784, at the lowest rate of interest and over the longest repayment period ever before granted in the history of the country.

Congress in effect said to the Corporation, "Your job is to see that this protection is available to every deserving American in danger of losing his home. These citizens are not objects of charity—each is to be given the opportunity to engage in a legitimate business deal with definite contractural obligations on both sides. In this way only can the beneficiaries of this Act retain their self-respect."

It was well understood that the Act did not contemplate the wiping out of individual debt or that the Federal Government would assume that debt. Qualifying home owners whose credit was exhausted were to be given an opportunity to save their homes by use of the credit of the Federal Government. No one doubted that most of of these American home owners would ultimately be able to discharge their mortgage obligations and pay their debts in full. However, they badly needed a breathing spell and the positive assurance that the Government would cooperate with them in keeping the roofs over their heads. It was believed that in due time, as recovery began to set in, they would "get back on their feet" and regain their equities and the security of home ownership.

Practically over night, after the signing of the Home Owners' Loan Act in June, 1933, the work was begun on a national scale. From every city, town and hamlet applications for "an HOLC loan" started to pour in. The depression had been on for three years and the home real estate market was at a low ebb. Foreclosures reached an all time peak. Families were being dispossessed far and wide. Home financing institutions were becoming more and more frozen with unpaid loans piling up and real estate accumulating at an alarming rate.

There was a general rush to the offices of the Home Owners' Loan Corporation as fast as they were opened. By the tens of thousands came home owners in all stages of distress to file their applications for assistance. Some had already lost their properties through foreclosure and the titles had passed to other hands. Many were two or three years behind on payments of interest and principal and the majority had not paid their taxes for as long a period. There were others whose property was heavily encumbered by second and third mortgages which carried heavy fines and exorbitant rates of interest.

Among those helped by the Corporation were some who apparently had no intention of meeting their obligations. Others accepted loans hoping and believing the Government would never actually make a real effort to enforce repayment. A few negotiated loans in all good faith who would never be able to meet their obligations, due to no fault of their own.

Out of this cataclysm of worry, hopelessness and suffering, in less than three years, has come order, hope and confidence for home owners. Throughout the United States their shattered morale has been replaced by firm faith. The comparative few who have failed in spite of help to retain their homes only serve to emphasize the great progress made by the majority. This remarkable record is given in detail in the files of the Home Owners' Loan Corporation.

During the last session of Congress several bills were introduced to cut the rate of interest on HOLC loans from the present low rate of 5% to rates ranging as low as 2½% and to extend the amortization period from the present fifteen years to periods ranging up to thirty years. It is significant that the agitation for a revision of the HOLC mortgage terms has not sprung at all from any spontaneous movement of HOLC borrowers. It came from a few small groups of men who thought they saw an opportunity to make money at the expense of borrowers. One group, for instance, advertised for field men, organized a training school for solicitors and sent them to HOLC mortgagors to sell memberships in their movement for $3.00 down and 25 cents a month. This is the group which sponsored one of the bills introduced at the last session of Congress. Nowhere has group membership of HOLC borrowers of any size been built up. Despite numerous and vigorous efforts of promoters to hold public meetings, all have been poorly attended and little evidence of interest has been created anywhere.

Among the persons most concerned, those who enjoy the advantages of an HOLC loan, there is no real demand for a change in terms. Instead there is a general vindication of the judgment of the Congress and the President at the time the Act was approved. The vast majority of HOLC borrowers, in recognition of the fact that they have more favorable mortgages on their homes than their neighbors and in grateful appreciation of the direct help they received in a critical emergency, are leaving no stone unturned to meet their obligations. Most of them are now either current or practically so. Of those behind, the majority are catching up on their delinquencies. For the past year, collections have averaged 97 percent of current monthly accruals, and in some months they have exceeded 100 percent. These borrowers are not asking for favors at the hands of Congress. They are citizens who do not seek special privileges at the expense of their neighbors.

The Board of Directors of the Home Owners' Loan Corporation is unanimous in its conviction that no reduction from the present interest rate is justifiable. Experts of the Board estimate that the refinancing of loans bearing interest at 2½% and running for 20 years would cost more than one billion dollars, which would have to come out of the United States Treasury. In the end the neighbors of HOLC borrowers would have to pay for this loss in taxes.

Foreclosure is a word that universally connotes unhappiness. But there is not a mortgage lending institution in the world that does not have to deal with it in good times as well as bad, whether or no. The experience of foreclosure among HOLC borrowers is mitigated by the policy of the Corporation, which, from the first, has been one of cooperation and forebearance. Before foreclosure proceedings are instituted, every effort is made to assist the borrower to adjust his debt so that he may be able either to hold his property or to dispose of it profitably. The HOLC has been obliged to make a substantial number of foreclosures but the total number in proportion to the total loans is small. Everyone familiar with mortgage finance expected a large volume of foreclosures on HOLC loans but, happily, the number is smaller than was anticipated. Of the properties foreclosed, nearly half resulted from the abandonment of property, wilful default, or the death of the borrower. On the average, foreclosures have represented twenty months of delinquency on interest and principal and a tax delinquency of two or three years.

The principal reason advanced by those who advocate a change in HOLC terms is that since it has been obliged to foreclose in so large a number of cases, interest rates must be cut and amortization lengthened to protect remaining borrowers from foreclosure.

The answer is that a lower interest rate on a longer amortization period would have given little or no benefit to those borrowers already foreclosed. Their arrearages in interest and taxes were far greater than any saving a lower interest and longer amortization would have provided them. From a practical standpoint, it scarcely seems that borrowers who either could not or would not pay anything for nearly two years, in addition to accumulated taxes, could be expected to meet a revised obligation, such as those proposed, which would in any case save them only a few dollars a month. The Act gives the HOLC wide latitude and its policy is such that few if any of those who may face future foreclosure can possibly be saved by the small difference these two proposed factors can make in the size of their obligations. A 3½ percent interest rate would make a difference of but $2.28 per month in the payments due on the average HOLC loan of $3000 at the current 5 percent on a 15 year amortization. A borrower so close to the margin would rarely face foreclosure. If the interest rate were fixed at 3½ percent and the amortization period extended to twenty years, the total financial benefit to the borrower over his present contract would amount to only $95.40. If as proposed in some of the bills, the amortization period at the 3½ percent rate were extended to thirty years, the borrower would be obliged to pay a total of $577.80 more than he would pay under his present contract.

It is a fallacy to assume that the difference between the cost of money to the HOLC and the interest rate to its borrowers is profit which can be applied to a reduction of the interest rate. All mortgage lending institutions must of necessity not only take operating expenses out of interest received, but from their receipts they must set up reserves to meet losses on defaulting mortgages. If the HOLC cannot build up reserves beyond operating expenses to meet its losses, the United States treasury must pay the difference.

If the interest rates on HOLC loans are reduced from 5 percent it is sure to have a direct and immediate effect upon interest rates on other mortgage loans. As is commonly known, many of the large investors in farm mortgages have restricted their investments in this market since the government rate of interest on farm mortgages was reduced to 3½ percent. A similar effect is likely to result from a lowering of the interest rates to HOLC borrowers and thus influence injuriously the home mortgage market when large funds are needed for new housing.

WASHBURNE STORE GROUP HAS PARTY

Thursday evening the 148 employes of the Washburne store remained for dinner in the store lunch room as guests of the management. Following the dinner a short store meeting was held in which plans for Christmas and other events were revealed to them.

The Washburne store is making the most extensive plans for the Christmas season in its history and purchases have been made for more merchandise than has ever before been assembled in one store at one time in Eugene.

Following the store meeting the employes of Washburne's enjoyed a theatre party at a special preview showing of "Roadside" at the University theatre.