

# It's NOW THE TIME to Beautify YOUR HOME

## Mr., Mrs. Harry Pinneo Pose for Special Photos

The illustrated "shopping tour" which features the special Better Housing section of today's Mail-Tribune, was made possible by the cooperation of Mr. and Mrs. Harry A. Pinneo, firm believers in and enthusiastic boosters of the Better Housing program.

Their journeyings with the cameraman took them into many interesting Medford shops and display rooms, where they found both interest and pleasure viewing and hearing about the great variety of things that are indispensable to the home of today, and which are easily obtained through the convenient Modernization Credit Plan of FHA.

## LOANS AVAILABLE IN MODERNIZATION ON LARGE SCALE

Progressive business men who recognize opportunity when it knocks at their doors, are taking advantage of the new amendment to the National Housing act, according to Jamieson Parker, director of the Oregon district of the Federal Housing Administration. In an interview he said:

"This amendment, which makes it possible for them to borrow up to \$50,000 to modernize their business property, has opened the way for business men using this credit plan to regenerate their stores, remodel factories, install new equipment and bring their properties up to date in many ways."

"It is an opportunity because these loans, when made by approved lending agencies, are insured by the Federal Housing Administration, and are repayable in reasonable, equal monthly installments, and can run for as long as five years."

## Make Money by Spending

"Business men all over the country are making money by spending it. They are increasing their profits by modernizing their property, and in many cases they are using the FHA credit plan to help finance these improvements."

"Through a better housing program for Medford administered by local business leaders with full cooperation of the Federal Housing Administration, many thousands of dollars in new business for the building and allied trades can be generated this season. The underlying purpose of an adequate program for the Medford area would be initiating needed building activity by developing a strong desire for better housing conditions, and pointing out simple methods for accomplishing this, thereby creating new customers for the business men of Medford, and increasing their net profits, as well as improving the local employment situation, reviving trade and bringing increased confidence, happiness and prosperity to the entire county."

## TWO-DAY SESSION IS SCHEDULED FOR JANUARY 23-24

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Banwell, secretary of the Jackson County Chamber of Commerce.

All phases of the housing program will be explained and freely discussed. Those interested in repairing or modernizing their homes or business property will be informed how to proceed to obtain an FHA insured loan under the Modernization Credit plan.

There will be a detailed explanation of the operation of the complete home financing plan, under the provisions of which any responsible citizen may obtain funds with which to build or buy a home or refinance a mortgage on existing property.

Builders and building material and equipment dealers will be shown how they may cooperate advantageously in the building of homes under the FHA plan and equipping them with modern appliances.

The conference will be open to everyone in the community and in addition to supplying information to those interested in the program, members of the visiting delegation will assist with the preparation of applications for mortgage insurance, thus providing a practical demonstration of the operation of the plan which will be helpful to lenders as well as borrowers.

"The Better Housing program already has restored to circulation in Jackson county a large amount of money for which there appeared to be no safe outlet prior to the passage of the National Housing act," it was explained in a statement issued by Jamieson Parker, state FHA director. "But the possibilities for additional activity under the convenient arrangement, provided by FHA are almost without limit. We want everyone to know about the program so that those who need the assistance made available by its friendly terms, may take full advantage of the opportunity to obtain it."

"A conservative estimate places the volume of modernization loans issued in the Medford district at more than \$100,000. The money has been spent in Medford to improve homes and stores and purchase modern home appliances and equipment.

# LUMBER



## for a NEW HOME

### Economical, Safe, Convenient

As little as \$500.00 down and \$16.23 per month which includes principal, interest, taxes and insurance, pays for a \$2500 new home under the Federal Housing Administration plan.

Build with lumber and build Oregon. The mighty forests of Oregon are the natural heritage of the Northwest Empire. For ages lumber has been man's own material with which to provide shelter. It has beauty, strength and durability. From it can be created handsome and lasting homes of almost every lovely design. And above all, lumber is economical from every standpoint. Take advantage of the low prices available—build now and build of lumber!

## MEDFORD'S FHA PROGRAM GIVEN FINANCIAL HELP

(Continued from Page Seven)

Recent months have brought large additions to the volume of private capital seeking investment in insured home mortgages in Oregon and there has been big increases also in the number of cooperating institutions in other sections of the country. There are at present more than 4,000 banks and other lending institutions participating in the complete home financing program of FHA.

This is a marked change since the insured mortgage system of the Federal Housing Administration went into operation early last year. At that time financial institutions in certain sections looked restlessly on this type of investment, due, primarily, to the possibility of their tying up large sums for long periods, without the facilities for speedy marketing if occasion should arise.

The first of the mortgages were negotiated one at a time and the approved mortgages watched their course through the insuring office with interest. One was out of the way before another application was filed. Presently the institutions, having been impressed with the care with which the applications were handled by the Federal Housing Administration, made definite allotments of funds for such investment and loans were made with greater speed and assurance.

The condition continued until the institutions began to realize that there was a ready sale for insured mortgages. Several life insurance companies announced their intention of buying them. One purchased a block of \$100,000. At least one brokerage concern ran advertisements in the newspapers offering to buy insured mortgages at a slight discount and offering to sell them at a substantial premium. A deal was carried through in New York involving the sale of \$125,000 worth on this basis.

The obvious demand for insured mortgages made the financial institutions realize more than ever their value as an investment which could be sold in short order if the raising of funds became necessary. In consequence, particularly in the New York and New Jersey areas, they have informed Federal Housing officials that they are ready to negotiate such mortgages in volume. They have announced they have additional funds, chiefly in amounts of \$100,000 to \$200,000 for this type of investment.

Mortgages Have Liquidity

There are now five ways an approved financial institution desiring to invest in insured mortgages may raise cash on them if it becomes necessary:

1. They may sell the mortgages to other lending institutions, such as banks, trust companies, and building and loan associations, that have been approved as mortgagees.
2. They may sell them to trust funds held or administered by an approved banking institution acting in a fiduciary capacity.
3. They may sell them to approved life, fire, marine and casualty insurance companies, which have facilities for servicing.
4. They may sell them without recourse to the Reconstruction Finance Corporation mortgage company.
5. They may use them as collateral for loans from Federal Home Loan banks, the borrowing to be limited to 90 per cent of the face value.

The disposition on the part of most banks is, however, to hold in their own portfolios the insured mortgages they have made. This is due to the fact that the yield is better and the investment sounder than that of many other first-class securities. While the Federal Housing Administration does not attempt to fix a minimum interest rate on insured mortgages, it has established a maximum of 5 per cent. In sections of the country where the rate ordinarily has been more than that, the 5 per cent now is customary. In addition to the interest, the lending institution may collect a maximum service charge of half of 1 per cent, on decreasing balances.

The Federal Housing Administration officials have been gratified particularly at the attitude of financial institutions toward the FHA program. They are almost without limit. We want everyone to know about the program so that those who need the assistance made available by its friendly terms, may take full advantage of the opportunity to obtain it.

"A conservative estimate places the volume of modernization loans issued in the Medford district at more than \$100,000. The money has been spent in Medford to improve homes and stores and purchase modern home appliances and equipment.

## ARCHITECTS ARE AID TO PROGRAM OFFICIALS AVER

Consult your architect if you want to avoid mistakes in planning the modernization of your home. Federal Housing Administration officials advise.

They emphasize that the most effective and successful modernization projects are the result of careful planning and attention to detail.

They point out that a modernization job, whether it be the transformation of a single room or an entire house requires much thought and a knowledge of building problems. The wise modernizer, housing officials say, consults an architect in such cases, on problems of adequate lighting, placement of windows and electrical outlets, proper means of ventilation, heating and plumbing and other highly specialized departments of the business of building or modernizing with the greatest efficiency.

In their study of the problem, members of the housing organization have consulted with leading architects in many sections of the country and obtained a great variety of helpful hints from them. Some of these suggestions are passed on to Oregon home owners and prospective home owners in the following statement:

The possibilities for modernization are evident in every city, town or village. In almost any community there are many large old homes containing a great variety of conveniences, but too big and lacking in conveniences to be rented easily. Even when rented, they frequently bring little more return than an amount sufficient to pay taxes and upkeep. Often such structures lend themselves admirably to conversion into apartments. Many average two-story houses with 8 or 10 rooms can be readily transformed into several small apartments, two or more located in the basement, on the first and second floors and in the attic.

The second story of a medium-sized house can be made into an attractive apartment with little more alteration besides a kitchen with proper fixtures and flooring. Except for possible stairway additions, the full arrangement will require little change. With equal ease the first floor also can be made into an apartment.

Unfinished attics, valuable space that is wasted in hundreds of houses, require more attention. With insulation, plumbing, wiring, kitchen and bathroom fixtures, partitions and interior finish that portion of the house can also be made livable and also a source of revenue.

The borrower to pay the debt, is sufficient.

A further consideration that has made the insured mortgage attractive to financial institutions is the fact that the controller of the currency and the state banking authorities of 32 states have passed out the word that the insured mortgages are to be classed by bank examiners as prime assets.

## Housing Program Brings Oregon Farmers Benefit

Oregon farmers, like those of other districts throughout the country, are finding the Modernization Credit Plan of the Federal Housing Administration very helpful to them in making needed farm improvements. Loans are obtainable in amounts up to \$2,000 and are repayable on seasonal installments over a term of years, not exceeding five years.

The months of September and October set a record for farmer participation in the program, according to figures revealed by the FHA headquarters office in Washington, D. C. And as the year closed, it was estimated that the farmers throughout the nation were borrowing upward of \$1,000,000 monthly.

California farmers are leading the states in the number and volume of credit transactions. New York is second on the list and Oregon is a very active participant.

A department of agriculture survey revealed that out of every 100 farm houses, probably 50 are under the desired standard of livability; that 15 need new foundations; 13 to 20, new roofs; 10 to 15, new floors; 10, new walls; and a large number lack running water and bath facilities.

Under this plan, the money for such improvements is available through local financial institutions as a character loan, payable by farming-income seasons over a period of 3, and in certain cases, 5 years.

"Total monthly payments, \$33.78. You can see that the FHA plan is complete in every respect, because each monthly payment includes all fixed charges against the property. The small periodic payment for taxes and those other things, are held by the bank and when they become due, there is the money already available. And you will notice that the total is only \$33.78 a month. Just think of it, here we are paying \$40 a month in rent, when for a smaller amount we can be buying a home."

Praise for FHA

"I guess you understand that, when the loan is made, an amount equivalent to the accrued taxes and hazard insurance is left with the lending agency, so that, with the monthly payments for these things, there will be a sufficient amount available when they first become due."

"I have nothing but praise, for this federal housing administration program, and I have found many of my friends very much interested. They probably will decide to build a house real soon. You, I almost forget to mention that the FHA really is an insurance company, and I understand that there is a good possibility that I will get back most of the money I pay in for mortgage insurance premiums. They tell me that, even with a reasonable amount of losses, the insurance fund that is built up will be large enough to pay off the balance due on my loan at the end of 17 years. What other plan even offers such a possibility?"

"I don't find a single thing about this program that isn't to my advantage. You certainly can count on me to praise the entire work of the federal housing administration."

## OBTAINING FHA LOAN EXPLAINED

(Continued from Page Seven)

ing or filling fees would be about \$30. Then their initial charge for handling the loan is variable, but cannot exceed 2 1/2 per cent of the amount of the loan in the case of new construction. In refinancing a loan this charge cannot exceed 1 per cent.

Cost \$33.78 Per Month

"We figured that our house would cost about \$4,000. And we expected to pay \$500 for the lot. The bank told us that they could loan up to 90 per cent of the appraised value of the house and lot, which would be \$3,600 in our case. We put some of our savings into the deal, and applied for a loan of \$3,000 to run for 20 years. So the bank went to work then to figure just how much we would have to pay each month. We estimated our taxes at \$120 a year and hazard insurance at \$18 a year, and here are the figures:

1. Interest and principal reduction, \$19.80.
2. Taxes (1-12 of annual total), \$10.
3. Hazard insurance (1-12 of annual total), \$1.50.
4. Service charge (1/2 of 1 per cent on monthly balance), \$1.23.
5. Mortgage insurance (1/2 of 1 per cent of loan), \$1.25.

## IMPROVEMENT SEEN IN BUILDING TYPE

PORTLAND—The anticipated building surge of 1936 and those that follow in the years ahead, will be marked by style improvements, greater convenience and efficiency in the home, more durable construction and stricter adherence to neighborhood ideals.

2. The loan cannot be for less than \$50 or for more than \$2,000. In addition, the borrower must have a regular source of income which will permit him to make the payments without difficulty.

3. The loans can be made for a term up to 3 years (5 years in special cases), but may be paid in full earlier than the maturity date if the borrower desires.

4. Maximum charges, including interest and all fees, cannot exceed an amount equivalent to 4 1/2 per cent per year for \$100 original face amount of the note.

Prospective purchaser files an application showing his financial conditions, sources and amount of income and other information necessary to determine his ability to repay the loan.

If the improvements are considered advisable, the lending institution can advance the money on the personal note of the applicant. No endorsers or consigners are required, and no mortgage or collateral security is necessary unless state laws or bank officials demand it.

## HOUSING AND AUTOS TO HEAD 1936 RISE

PORTLAND—Reports received from various sections of the country indicate quite general agreement among industrial leaders and economists that housing and the auto industry will lead the 1936 revival. Estimates of home building gains this year range from 80 per cent upward.

## USE ALL SPACE IS FHA SLOGAN; ENRICHES HOME

Housing Officials Urge Families to Make Most of Opportunities of Home Life — Ways Are Suggested

"Make the whole house look livable," is a modernization slogan being brought to the attention of home owners. Analysis of a typical home by the Federal Housing Administration reveals a surprising amount of unused space for which the owner paid good money in the original investment and upon which he is still expending money in form of taxes, insurance, upkeep and similar items.

With expenditure of a comparatively small additional sum, the analysis shows, the home owner can utilize these waste spaces and justify the original investment as well as the cost of modernization. Where the owner has no ready cash available for such work, he can apply to a bank or other lending institution for a modernization loan insured by the Federal Housing Administration, and pay it back in monthly installments.

Lighting, Heat Needed

Basements, often dark and damp and partially used, can usually be modernized into livable, useful quarters. Heating and other service units can be relocated and the maximum amount of space, floors and walls can be repaired, ceilings installed, and the walls made damp-proof. Adequate light, heat and ventilation can be provided. Then a few partitions and a little paint will make possible a serviceable fruit and vegetable storage room, a modern home workshop, an efficient laundry and drying room, a basement toilet, a den, library, recreation or children's playroom.

Living quarters of many homes are often antiquated in design and arrangements of space, especially when viewed in the light of modern plumbing, lighting, heating and built-in equipment.

Partitions Can Go

The old-fashioned parlor, used only for company and funerals, no longer is considered either necessary or desirable. Likewise, halls, pantries, kitchens, dining and other rooms are often of inefficient size and shape. Changing of partitions often results in saving in work, making it possible to obtain better light and ventilation, and provides space needed for a larger room, or an additional bedroom, closet, toilet, bathroom or built-in equipment.

The attic is another portion of the home which, at little expense, can be made into two or more livable rooms, with a bathroom, by finishing the floor, installing a few partitions and covering the underside of the rafters with insulating board, plywood or plaster.

## APPLIANCE SALES SHOW BIG VOLUME UNDER FHA PLAN

Study of Modernization Loans Made in Oregon Reveals Wide Variety of Uses for Insured Credit

Aggressive selling of modern home appliances under the Modernization Credit plan of the Federal Housing Administration has supplied much of the activity which has marked the progress of that phase of the better housing program in recent weeks, according to Jamieson Parker, state FHA director.

Oregon business concerns, in steadily increasing numbers, he stated, are finding the Modernization Credit plan a safe and convenient medium for the expansion of sales of eligible home equipment. Gain in volume of such sales has almost offset the seasonal decrease in home repairs and modernization and it was stated that a large part of the heavy holiday trade throughout the state was financed with credit insured by FHA.

A report of Oregon operations, covering all transactions under the Modernization Credit plan up to January 11, revealed that 11,807 loans had been issued in amounts under \$2,000 for property improvements and for the purchase of modern household appliances and equipment. The loans totaled \$23,318,806.

An additional \$100,000 had been loaned up to that time in amounts over \$2,000, for the improvement of income properties and for the purchase of eligible machinery and equipment.

It is estimated that more than \$100,000 of modernization credit was distributed in the Medford area. At least five times that amount was spent in cash for repairs and improvements as a direct result of the better housing program. It is believed by FHA officials.

Effectiveness of selling methods employed by equipment dealers cooperating with the Federal Housing Administration was reflected in a survey of Oregon loans, Parker stated. Loans for the purchase of gas appliances accounted for a large volume of reported transactions. The list included a wide range of gas stoves, refrigerators, hot water heaters and furnaces.

Building repair jobs represented 17.4 per cent of the total in number and 33.8 in volume, the jobs averaging approximately \$445. Roofing jobs averaged \$164 and accounted for 11.9 per cent of the jobs. Loans for the purchase of washers and irons ranked in fourth place, with a 9.4 rating.

Painting jobs figured prominently in last year's activities, and paint sales were at high level throughout the state, the result of wholehearted cooperation with FHA on the part of paint dealers and contractors.

Loans for the purchase of machine shop equipment, while fewer in number than the others listed, involved larger individuality.

Termite live underground, but reach the wood parts of a house by building mud runways up the masonry walls.



## Keep Your Home In Good Repair

Keep up the repairs on your home, and you keep up its value. A prospective buyer would hardly react favorably to a leaky roof, falling eaves, or the conspicuous absence of paint and plaster.

Our Modernization Loans are for the purpose of assisting home owners finance repairing and remodeling on an easy, long-term payment plan.

- Loans \$50 to \$2000
- Repayment, Monthly Basis
- Period, Three Years
- Reasonable Interest Charges
- Purposes: Repairing and Remodeling

For further information kindly refer your problems to representatives of this bank

Geo. E. Frey, Manager. Dwight L. Houghton, Asst. Mgr.

## Medford Branch of the United States National Bank of Portland

Head Office: Portland, Oregon

