Several Means of Financing Home Improvements Are Listed

Home improvement may be financed in a number of ways — unsecured personal loans, collateral loans, and mortgage loans.

Of these, the most common — and the most expensive — is the unsecured personal loan. For many, it is often the only way to take care of relatively small improvement outlays.

Such loans may be obtained from almost any bank or savings and loan asociation. They may be arranged by the contractor who does the work or the supplier of the materials.

It is advisable that after you have determined what the cost will be, to make your own arrangement directly with the financial institution, preferably one with which you carry a savings or checking acount.

Unsecured Property

Unsecured property improvement loans are usually made on the basis of discount rather than simple interest. For example, if you wish to obtain $1,000 for two years, an amount — commonly equal to 5 per cent, or $50 a year — will be added to the amount and the total will be repaid in equal monthly installments over the period of the loan.

This arrangement comes to something over 9 per cent simple interest, and is about the best that can be had for this type of financing.

About FHA Plans

So that persons without collateral may obtain financing, the Federal Housing Administration insures lending institutions against loses on unsecured home improvement loans up to a maximum amount of $3,500 and for a maximum of five years.

For information about the FHA plan, visit or write to your nearest FHA office for the explanatory pamphlet, "Remodel, Repair, Repay with FHA." This pamphlet lists improvements eligible for financing, tells how to arrange for a loan, and gives the maximum monthly charges permitted.

Many banks and savings and loan associations have their own terms which may slightly vary from those stated by FHA.

Conserve Value

Bankers realize that the repair and improvement of real property conserve its value.

Federal savings and loan asociations, for example, are permitted to make unsecured loans up to $3,500 without FHA insurance.

By posting collateral (stocks, bonds, or life insurance policies) as security for a loan, the charge will be on the basis of simple interest rather than a discount payment and may be much less in total amount. It is usually preferable to arrange for collateral financing rather than the unsecured type where possible to do so.

Mortgage Loans

The third method of financing is by mortgage loan. If you are planning improvements in connection with the purchase of an existing house, it is wise to arrange to have their cost included in the same mortgage loan that is made to finance the purchase.

The same rate of interest and repayment will be spread out over the same period as that of the rest of the mortgage loan. This is the most favorable financing of all.

If you wish to make extensive improvements on a house you own, on which the mortgage has already been repaid, a new mortgage loan can usually be arranged to cover the cost.

If the mortgage is not completely repaid, it may be possible to increase it to cover all or most of the improvement cost. This, called "open-ending," is however, possible and practicable only when provided for when the mortgage loan is made.

Poor Kitchen Light Can Cause Accident

Preparing meals with modern kitchen equipment has become an easier task for the homemaker. But lack of proper light in the kitchen paves the way for accidents, making it one of the most dangerous rooms in the home, according to the American Home Lighting Institute.

Improving kitchen lighting can be easy on the budget. In many cases, especially with counter lighting, fluorescent fixtures can be installed as a "do-it-yourself" project in older homes.

Two important things to watch when you plan for kitchen lighting are the color of light you choose and glare protection. Generally, deluxe cool white fluorescent is preferred for the kitchen. This light is easy to see by, and provides excellent color rendition of materials you work with, including foods.