

Housing Facts

Now that Chicago's Better Housing program for the modernization and repair of homes, made possible by the National Housing Act is under way to a good start, property owners in every section of the city are seeking authentic information concerning the borrowing of money for needed work, and other details of the plan formulated by the Federal Housing Administration.

Howard J. White, prominent architect, chairman of the Chicago Committee for the Better Housing Program has already received reports from leading contractors, manufacturer's of building materials and lending agencies, indicating that interest in the housing movement is at high pitch.

"The plan by which home owners may obtain credit for modernization work on easy terms, announced only a few weeks ago, is rapidly creating city-wide enthusiasm," Mr. White declared. "Indications are that hundreds of citizens will get under way with remodeling and repair work, just as soon as they fully understand the simplicity of the housing program. Home owners want to know how, where and under what terms, they may secure money for necessary improvement of their holdings."

GET PROPER ADVICE

The Chicago committee suggests that home owners should get in touch with a reputable local contractor, building material dealer, real estate man, or any other agency cooperating in the Better Housing Program, for advice and assistance in making applications for loans.

When the necessary information has been secured and it seems reasonable that the home owner is qualified to negotiate a loan, application may be made to any financial institution approved by the Federal Housing Administration. In many cases the builder or material dealer will take care of the loan negotiation.

More than 40 banks in every section of Chicago have already qualified as lending agencies under provisions of the National Housing Act. The Chicago committee for the Better Housing Program expects to establish an information bureau for all seeking details of the modernization and repair plan, and its financing features, at committee headquarters,

room 348, Conway building, 11 West Washington street.

"Who may apply?" for credit to make housing improvements is the first question asked by the interested home owner.

The answer is stated clearly by the Federal Housing Administrator — "Any property owner, individual, partnership, or corporation with a regular income from salary, commissions, business or other assured source. It is not necessary to be a depositor in the financial institution consulted."

AMOUNT ONE MAY BORROW

The government has answered other pertinent questions on modernization credits as follows:

How much may I apply for?—Answer: "From \$100 to \$2,000 depending on your income, for improvements on any one property."

How long may notes run?—Answer: "For any number of months from one to five years. However, the term of the notes depends entirely on the discretion of the financial institution which may at its option require loans to be repaid over such lesser periods as justified by the amount you can reasonably afford to pay each month."

What security is required?—Answer: "That you have an adequate regular income and a good credit record in your community. Other security may be accepted if deemed necessary by the financial institution to facilitate extension of credit; or if required by the law governing certain institutions."

What assurance need I give?—Answer: "(a) That you own the property; (b) That the annual gross income of the signers of the note is at least five times the annual payments to be made on the note; (c) That your mortgage, if any, is in such standing that the financial institution is justified in approving the loan; (d) That you will use the proceeds solely for property improvement."

What signatures are required on the note?—Answer: "Signature of the property owner; and (except in special cases) if the owner is an individual and is married, also signature of wife and husband. No other co-signers or endorsers are required, unless necessary to facilitate a loan which could not be made otherwise."

What is the cost of this credit?—Answer: "The financial institution

may not collect as interest or discount or fee of any kind, a total charge in excess of an amount equivalent to 5% discount per year on original face amount of a one-year note, payable in monthly installments. Charge for longer periods than one year is on the same basis."

How do I pay the notes?—Answer: "By making regular, equal, monthly payments (seasonal payments for farmers) until the note is paid in full."

May the owner of any kind of property apply?—Answer: "Applications will be considered for credit on one-family, two-family, and other residences; apartment buildings, stores, office buildings, garages, stores, warehouses, farm buildings."

What if I am late in making my payment?—Answer: "The maker must not permit his payments to fall in arrears. Should a payment be more than 15 days late, the financial institution's expense, caused thereby, should be reimbursed in part at the rate of not more than five cents per dollar for each payment in arrears. Persistent delinquency will make it necessary for the financial institution to take proper steps to effect collection in full."