

**HOME OWNERS' LOAN CORPORATION**  
**WASHINGTON, D. C.**

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**FEDERAL RELIEF FOR  
HOME OWNERS**



**UNITED STATES**  
**GOVERNMENT PRINTING OFFICE**  
**WASHINGTON : 1933**



## TO THE PUBLIC

In the effort of the Administration to provide immediate and direct relief to home owners, Home Owners' Loan Corporation has been created by the Government to deal directly with them individually. This Corporation has very great resources, but the total home-mortgage indebtedness of the people of the United States is very, very far beyond its total resources. Therefore, it is altogether necessary that mortgage lenders continue to carry most of the mortgages held by them and it is necessary that most home owners continue to pay under their present mortgage arrangements. If this is done it will be possible for this Corporation to relieve a great deal of distress which cannot be relieved by private lenders alone and to save a very great number of American homes to their owners who would otherwise lose the same.

This leaflet is written for the information of the public and I appeal to mortgage lenders to be as liberal with home owners as is possible and to all borrowers to make all payments possible on their home-mortgage indebtedness.

The managers of this Corporation are directed not to disturb normal home-mortgage loans but to exert every effort within the resources of the Corporation to save home owners from the loss of their homes due to unemployment or other unforeseen conditions.

W. F. STEVENSON,  
*Chairman of the Board,*  
*Home Owners' Loan Corporation.*

WASHINGTON, D.C.,  
*August 24, 1933.*

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## ORGANIZATION

Home Owners' Loan Corporation, Commerce Building, Washington, D.C., is a relief agency provided by law for relief to home owners, and will operate from its office at the above address but will have State managers and assistant managers in every State and Territory in the United States who will have all of its forms for application for loans and the handling of the same. Home owners should take up their problems with these managers of the Corporation in their own territory.

## HOMES TO BE DEALT WITH

The relief available is for home owners who use their property as their home, although property may be dealt with which is the home place of the owner in cases where he is temporarily residing elsewhere. The Corporation is not to deal with commercial rent property. Such homes may be located inside or outside of an incorporated city, town, or village. For the financing of ordinary farm loans, the owner should apply to the Federal land bank of his district or to the Farm Credit Administration, Washington, D.C. Homes are not excluded on account of an incidental use, such as gardening or light farming or the use of a part of the premises for business. No property can be dealt with which was built for more than four families nor if it has a value greater than \$20,000.

## PROCEDURE

Home owners should apply to the manager of Home Owners' Loan Corporation nearest the property to be dealt with, who will fully explain whether or not relief can be extended under the Federal statute. If the present holder of the mortgage will accept the bonds of the Corporation for his mortgage or claim against the property, the Corporation can refund mortgages up to 80 percent of the value of the property or up to \$14,000, which ever is smaller. It can take up second mortgages or other liens against the home with bonds, along with the first mortgage, and use cash to pay taxes or assessments, and make advancements for necessary repairs or maintenance, provided all advancements in bonds and cash do not amount to more than 80 percent of the value of the property. It is the primary purpose of the act of Congress to refund home mortgages by this process and it is hoped that all parties will cooperate to this end. The Corporation will have \$2,000,000,000 of bonds and only \$200,000,000 of cash, and it is clear that it cannot liquidate in cash any large part of the more than \$20,000,000,000 of mortgages now owing on American homes, and that most lenders, if they wish to refund, will be required to take bonds. The cash available is about 1 percent of all the home mortgages and the bonds available are about 10 percent of all home mortgages.

## CASH LOANS TO TAKE UP MORTGAGES

Where the lender refuses to accept bonds for his claim, the Corporation can advance cash to take up mortgages, provided the total outstanding indebtedness does not exceed 40 percent of the value of the property. It is hoped that home owners and their lenders, where the mortgage debt is not more excessive than 40 percent, will work out their own problems so that the cash of the Corporation may be preserved to pay taxes, assessments, etc., in cases of real distress where the Corporation is financing the home up to 80 percent with bonds. Furthermore, it is hoped that such home owners, where the lenders are calling the mortgage, will obtain their loans from ordinary lending agencies so that the Federal funds may be preserved for the saving of homes which are really in distress.

## CASH LOANS TO TAKE UP TAXES, ETC., ON UNINCUMBERED HOMES

The Corporation can advance upon homes otherwise unincumbered not exceeding 50 percent of the value thereof to take up taxes, assessments, and for necessary repairs and maintenance. Again it is hoped that such home owners will procure such funds from ordinary lending agencies where they are able to do so, so that the Federal funds may be made available for home owners in the greatest distress.

## LOANS TO RECOVER FORECLOSED HOMES

The Corporation may advance bonds and cash for taxes, etc., to recover homes already lost by their owners within 2 years from the time of such advance, whether the home be lost by foreclosure, sale under trust deed, under power of attorney, or by voluntary surrender to the mortgagee. Of course, in this case the present holder of the home would be required to accept bonds for his property as he would be required to do if he still held the mortgage.

## APPRAISAL

The relief legislation directs that the Corporation adopt rules for the appraisal of property to accomplish the purposes of the Act. The Corporation will not depend upon the technical market value. On the other hand, it will give equal weight to (1) present market value; (2) cost of reproduction of the property, less depreciation; and (3) a capitalization of the reasonable monthly rental value of the property over a period of the past 10 years. It will be the effort of the Corporation to arrive at the fair worth of the home to the home owner or to a family to whom such property would be suited as a home.

## LOAN TERMS

Loans refunded by the Corporation will be carried or refinanced for a period of 15 years and will be required to be amortized over that period by equal monthly payments. These payments, sufficient to pay interest and retire the principal in 15 years, will be about \$8 per thousand of indebtedness per month. The home owner may pay a monthly payment sufficient to pay interest only until June 1936, if

he desires, but thereupon will have to make a larger monthly payment in order to retire the loan in the time required. It is the desire of the Corporation to have all loans paid off monthly, if possible, for the reason that this method is more sound and economical home financing and is better for the home owner, but loans may be made, amortized over the same period and in the same manner by quarterly, semiannual, or annual installments if the necessities of the home owner require it. Loans refunded with bonds and loans made to pay taxes, etc., will be carried at a rate of 5 percent per annum on the unpaid balance. Loans to take up mortgages in cash will be carried at the rate of 6 percent per annum on the unpaid balance. The home owner will be required to execute the usual form of note and the usual form of instrument to secure the same, requiring the borrower to pay all future taxes and assessments and keep the property fully insured and to maintain the same.

### **HANDLING OF LOANS AFTER CLOSING**

Regular payments must be made to Home Owners' Loan Corporation, Commerce Building, Washington, D.C., by post-office money order, bank draft, or certified check, payable at par in Washington, D.C. The Corporation will have power to extend payments upon written application and upon a reasonable showing, as other lenders can do. However, the only way to own a home is to get it paid for, and borrowers are urged to keep up the payments under their contracts so that they will get out of debt. The Corporation will be compelled to foreclose eventually, if payments are not made, as other lenders of money foreclose.

### **PRESENT HOLDERS OF MORTGAGES**

Many people in the United States have laboriously saved money and through their practice of thrift accumulated more than 20 billions of dollars, most of which is loaned out by mortgage lending institutions on homes. It is not the purpose of this relief legislation to injure these thrifty savers of money in any way. On the other hand, every effort will be made to administer the same so as not to injure them. The accumulated funds for home mortgage lending at the present time is not sufficient to finance American homes. Every effort will be made to encourage the present home mortgage lenders to continue their operations and to make all the sound loans they have funds to make. It is hoped that this relief legislation will take up enough distress in the mortgage market and relieve enough home owners who are now hopelessly involved so that these home owners will now feel better and the holders of their mortgages will feel in a better position, and that thereby the market for homes will be relieved of this burden of distress and will be improved. All borrowers on their homes are urged to continue their present financing if they are able to do so and not to seek the refinancing of their mortgages unless they are compelled to do so in order to save their homes. Present lenders and present borrowers can assist greatly in the relief program if they will continue in a normal way and thereby enable Home Owners' Loan Corporation to serve in cases of the utmost distress and save homes which would otherwise be lost to their owners.

**BONDS**

Home Owners' Loan Corporation has available \$200,000,000 of capital subscribed in cash by the Secretary of the Treasury of the United States and can issue a maximum of only \$2,000,000,000 of bonds. It will therefore have at least 10 percent cash capital of its total maximum outstanding bond issue, and if it issues a smaller volume of bonds, its cash capital will be a higher percentage and will further strengthen the bonds. It will have a spread between its bond interest rate and its loan interest rate of 1 percent on all mortgages and 2 percent in all cases where it takes up mortgages in cash. It will therefore have a gross income, after bond interest, if it issues its maximum in bonds, of at least \$20,000,000 per annum, and more, depending upon the amount of 6-percent mortgages it acquires plus the return on its capital which at 5 percent will produce \$10,000,000, making a total possible gross income after bond interest of \$30,000,000 or more. It is thought that its gross income will pay all expenses and create a large surplus to absorb a very large amount of losses. It is true that the Corporation will finance up to 80 percent of value where it uses bonds, but it will also have a great many mortgages representing 50 percent of value or less, and a good many representing 40 percent of value or less. Furthermore, a mortgage representing 80 percent of value at this time, after all, is about as good as the best mortgages made by conservative lenders 5 years ago. Therefore, if the assets of present mortgage lending institutions are sound, then the assets of Home Owners' Loan Corporation should be sound and its bonds should be good. The bonds are guaranteed as to interest by the United States, and are exempt from every kind of taxation except surtaxes, inheritance, estate, and gift taxes. Furthermore, the value of the bonds will be held up by the fact that any person indebted to the Corporation may pay his debt with the bonds at face value.

*Offices of Home Owners' Loan Corporation*

State	City
Alabama.....	Birmingham Educational Building, Sixth Avenue and Twenty-second Street. Montgomery, Bell Building, Ninth Floor. Mobile, Customs Building.
Arizona.....	Phoenix, Professional Building.
Arkansas.....	Little Rock, Donaghey Building. Pine Bluff, Simmons National Bank Building. Jonesboro, American Trust Building. Fort Smith, Merchants National Bank Building. Texarkana, City Hall.
California.....	Los Angeles, 639 South Spring Street and 612 South Spring Street. Fresno, 1146 Fulton Street. Oakland, Security Building. Sacramento, Bryte Building, Seventh and J Streets. San Diego, 1030 Sixth Avenue. San Francisco, City Hall.
Colorado.....	Denver, Federal Building. Colorado Springs, Federal Building. Grand Junction, Federal Building. Pueblo, Federal Building.
Connecticut.....	New Haven, Hall and Records Building. Hartford, Post Office Building, 135 High Street. Waterbury, Post Office Building. Bridgeport, Stratfield Hotel Building. New London, 330 State Street. New Britain, 120 West Main Street.
Delaware.....	Wilmington, 200 Odd Fellows Building, Tenth and King. Dover, State Street. Georgetown.
District of Columbia..	Washington, Shoreham Building.
Florida.....	Jacksonville, Graham Building. Miami, Old Federal Building. Tampa, First National Bank Building. Orlando, Phillips Building. Pensacola, Brent Building.
Georgia.....	Atlanta, Western Union Building. Albany, Davis Exchange National Bank Building. Macon, City Hall. Savannah, Citizens and Southern National Bank Build- ing.
Idaho.....	Boise, Federal Building.
Illinois.....	Chicago, 134 North La Salle Street. Peoria, 208 Federal Building. East St. Louis. Rockford, Federal Building. Springfield, Rigely Farmers Bank Building. Champaign, 312½ North Hickory Street. Harrisburg-Cairo, City Hall, Harrisburg. Rock Island-Moline, 501 Fifteenth Street.



*Offices of Home Owners' Loan Corporation—Continued*

State	City
<b>Indiana</b> -----	Indianapolis, 150 East Market Street. Fort Wayne, Federal Building. South Bend, New Federal Building. Evansville, Second and Sycamore Street. Richmond (substation), 35 North Ninth Street. Hammond (substation), 5243 Hohman Street. Terre Haute (substation), 718 Ohio Street.
<b>Iowa</b> -----	Des Moines, Federal Office Building. Davenport, Citizens Bank Building. Fort Dodge, 619 Central Avenue. Sioux City, Commercial Building. Dubuque, Federal Building.
<b>Kansas</b> -----	Topeka, Aetna Building. Chanute, Fidelity Bank Building. Salina, North Seventh Street. Wichita, Schweiter Building.
<b>Kentucky</b> -----	Louisville, 231 South Fifth Street. Covington, First National Bank Building. Lexington, Security Trust Building. Paducah, City National Bank Building.
<b>Louisiana</b> -----	New Orleans, Louisiana Bank Building. Alexandria. Baton Rouge, Post Office Building. Lake Charles. Monroe, Ouachita Bank Building. Shreveport, 216 Milan Street.
<b>Maine</b> -----	Waterville, Professional Building. Augusta. Bangor, Coe Building. Lewiston, 215 Lisbon Street. Portland, 110 Exchange Street.
<b>Maryland</b> -----	Baltimore, 301 Post Office Building. Cumberland, Post Office Building. Easton, Masonic Building. Hyattsville, Metropolitan Building. Towson, 103 West Chesapeake Street.
<b>Massachusetts</b> -----	Boston, Shawmut Bank Building, 82 Devonshire Street. Worcester, Federal Building. Springfield, 420 Federal Building. Fall River (substation), Post Office Building. Salem (substation), Post Office Building. Lawrence (substation), Post Office Building. Greenfield (substation). Pittsfield (substation). Framingham. New Bedford.
<b>Michigan</b> -----	Detroit, 1615 Barlum Tower Building. Battle Creek. Grand Rapids. Saginaw. St. Ignace.
<b>Minnesota</b> -----	St. Paul, Bremer Arcade. Duluth, Federal Building. Minneapolis, Metropolitan Life Building.

*Offices of Home Owners' Loan Corporation—Continued*

State	City
Mississippi-----	Jackson, New Merchants Bank Building. Meridian, Threefoot Building. Hattiesburg, 208 West Pine Street. Greenwood, 109 Fulton Street. New Albany, Court House.
Missouri-----	St. Louis, 903 Buder Building, 7th and Market Streets. Kansas City, R. A. Long Building. Springfield, Post Office Building. Moberly, Library Building.
Montana-----	Great Falls, Wade George Building, First Avenue. Butte, Hirbour Building, Broadway and Main Streets.
Nebraska-----	Grand Island, Yancey Hotel. Lincoln, Sharp Building. Norfolk. Omaha, World-Herald Building. Scottsbluff.
Nevada-----	Reno, Arcade Building, 120 North Virginia Avenue. Elko. Las Vegas.
New Hampshire-----	Manchester, 1028 Elm Street.
New Jersey-----	Trenton, Post Office Building. Jersey City, 921 Bergen Avenue. Newark, 911 Franklin Street. Camden, Post Office Building. Hackensack, Main and Mercer Streets.
New Mexico-----	Albuquerque, Federal Building. Roswell. Las Cruces.
New York-----	New York City, 406 Empire State Building. Albany, Drislane Building. Buffalo, Liberty Bank Building. Brooklyn, Post Office Building.
North Carolina-----	Salisbury, Post Office Building. Raleigh, Wachovia Bank & Trust Co. Building. Ashville, New Medical Building, 31 Market Street. Greenville, Federal Building.
North Dakota-----	Fargo, Federal Building. Grand Forks, American Building. Minot, Federal Building. Bismarck, Federal Building.
Ohio-----	Columbus, Wyandotte Building. Columbus Branch, 180 North High Street. Cleveland, Williamson Building. Akron, 640 North Main Street. Cincinnati, Keith Building. Toledo, Northwest Savings Association Building.
Oklahoma-----	Tulsa, Fourth National Bank Building, Fourth and Boulder Streets. Oklahoma City, Perrine Building, First and Robinson Streets.

*Offices of Home Owners' Loan Corporation—Continued*

State	City
Oregon.....	Portland, Post Office Building. Klamath Falls, Federal Building. Eugene, Miner Building. La Grande, Federal Building.
Pennsylvania.....	Philadelphia, Schaff Building, Fifteenth and Race Streets. Harrisburg, Allison-Hill Trust Building. Pittsburgh, Benedum Trees Building. Scranton, Federal Building.
Rhode Island.....	Providence, Hospital Trust Building.
South Carolina.....	Columbia, National Loan & Exchange Bank Building. Spartanburg, 187 North Church Street. Greenville, Palmetto Building, South Main Street. Charleston, Peoples Office Building, 18 Broad Street.
South Dakota.....	Sioux Falls, Federal Building. Rapid City, Court House.
Tennessee.....	Nashville, Stahlman Building. Chattanooga. Knoxville. Memphis.
Texas.....	Dallas, Old City Bank Building. San Antonio. Houston. Amarillo.
Utah.....	Salt Lake City, 916 Boston Building. Ogden, 220 Federal Building.
Vermont.....	Rutland, New Post Office Building. Burlington, City Hall. Montpelier, Blanchard Black. Proctorsville, Fraternal Building.
Virginia.....	Richmond, Richmond Trust Building. Alexandria, Post Office Building. Bristol, Dominion National Bank Building. Danville, Municipal Building. Harrisonburg, National Bank Building. Norfolk, Old Telephone Building, 406 Plume Street. Roanoke, Federal Building. Lynchburg, Federal Building.
Washington.....	Seattle, 1411 Fourth Avenue Building. Spokane, 310 Columbia Building.
West Virginia.....	Charleston, Masonic Temple Building. Bluefield, Law and Commerce Building, 307 Federal Street. Huntington, Lecco Building. Martinsburg, Wiltshire Building. Wheeling, Riley Law Building.
Wisconsin.....	Madison, 1 West Main Street. Eau Claire, Federal Building, 510 South Barstow. Milwaukee, Federal Building. Oshkosh, Federal Building, 80 Washington Boulevard. Wausau, Federal Building, 402 Scott Street.
Wyoming.....	Casper, Producers and Refiners Building. Cheyenne, 406 Boyd Building.

# HOME OWNERS' LOAN CORPORATION

## OFFICERS—WASHINGTON

### Board of Directors

WILLIAM F. STEVENSON, *Chairman*  
JOHN H. FAHEY  
RUSSELL HAWKINS  
WALTER NEWTON  
T. DWIGHT WEBB

### Secretary and General Manager

A. E. HUTCHISON

### Assistant General Managers

W. P. GOODMAN  
JAMES A. HOYT

### Treasurer

PATRICK J. MALONEY

### General Counsel

HORACE RUSSELL

