

M. C. Caper

ENGLEWOOD BETTER HOUSING PROGRAM

IN COOPERATION WITH

FEDERAL HOUSING ADMINISTRATION

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February 29, 1936

HEADQUARTERS AND EXHIBIT
CITIZENS NATIONAL BANK BLDG.
1 ENGLE STREET
ENGLEWOOD, N. J.
TEL. 3-4374

Mr. Marriner S. Eccles, Governor
Federal Reserve Board,
Washington, D. C.

Dear Mr. Eccles:

Allow me to congratulate this Administration for its progressive appeal to private capital and initiative to enter the low-cost housing field. A group of persons known to me desire to cooperate and suggests settlements of single family 3 and 4 room houses to cost--house and lot--\$1,998 to \$2,998. All houses to conform to Federal Housing insured mortgage standards--neighborhood, construction, etc.

Such settlements are to house families in the \$1,000 to \$1,200 per year income group. With 80% FHA insured mortgages, monthly payments would be approximately \$16 to \$24 which would include taxes, fire insurance, 5% interest, and 20 year amortization of mortgage. In other words, costs would equal about \$6.00 per room per month.

The need to provide this low-income group with their own homes and gardens cannot be over-estimated. Would give parents social security--take their children off the city streets. To my knowledge no such proposal has been attempted to date by private interests.

What actual aid--materials, labor, and/or financing--will the Government contribute to a private corporation, or group of individuals, who have the courage to undertake to make such a proposal a reality? An immediate proposal--3,000 single family homes to cost between \$1,998 and \$2,998 within cheap commutation distance from industrial New York City. Other settlements as warranted.

Your wide experience, expert knowledge, and well known public spirit has prompted me to write to you for the above information. Thanking you in advance, I am,

Very truly yours,

T. Floyd Lorentzen

T. Floyd Lorentzen--Chairman

TFL:AM

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March 4, 1936

Dear Mr. Lorentzen:

From what you tell me in your letter of February 29, I should say that such a project as you have in mind might be carried out under the provisions of the National Housing Act. I would therefore suggest that you write directly to Mr. Stewart McDonald, the Federal Housing Administrator, or you might make a point of getting in touch personally with Mr. Arthur Walsh, the Assistant Administrator, who is a resident of New Jersey and who is doubtless known to the members of your Advisory Committee.

You ask what actual aid in the form of "materials, labor, and/or financing" the Government will contribute to such a project as you have in mind. Since you refer, however, to "a private corporation, or group of individuals," I take it that what you have in mind is a commercial enterprise, set up to acquire land and build houses for sale to persons of moderate means.

I do not know of any subsidy that would be available in a case like this; but, if the sponsors to whom you refer are able to provide the requisite equity for obtaining FHA insurance, I should think that you would have little difficulty in handling the bulk of your financing either through private institutions in New Jersey or through the RFC Mortgage Company.

Sincerely yours,

M. S. Eccles,
Chairman.

Mr. T. Floyd Lorentzen, Chairman
Englewood Better Housing Program
1 Engle Street
Englewood, N. J.

Received in
Governor's Office
MAR 2 1936

March 4, 1936

Dear Stewart:

I am enclosing for your information a copy of a letter which I have received from Mr. T. Floyd Lorentzen, chairman of the Englewood Better Housing Program, Englewood, N. J., and also a copy of the answer that I have sent to Mr. Lorentzen today.

Sincerely yours,

M. S. Eccles
Chairman

Honorable Stewart McDonald
Federal Housing Administrator
Washington, D. C.