

THE PROTECTION OF HOME OWNERSHIP

A Study of the Development of the  
Home Owners' Loan Corporation

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## INTRODUCTION

Although it is quite true that the forces of economic law will eventually right a maladjustment in the economic order just as the forces of modern medicine can usually right a disorder of a physiological character, mankind, being what it is, is unable to wait for the natural cure lest perchance the wound of a depression become festered with discontent, waste and perhaps revolution, and lest perhaps also the patient, which is the general public, become impatient and resort to harmful economic medicines vended by quacks and fakirs, the latter of which there has never been a dearth in the history of mankind. Human dignity requires at least that an honest effort be made to keep mankind from a condition of poverty and dependency not fitting to the essential nature of man. It is to this purpose that governments are created and sanctioned and failure to generally approach this purpose has caused individual governments to fail and even the form of government to be radically changed.

It is little wonder then that the Government of the United States has made every effort to end the present depression by attacking it on every known front. Of the many vast agencies set up by Congress the Home Owners' Loan Corporation is not the least important. It is the purpose of this thesis to discuss the organization and

functioning of this great administrative agency organized for the purpose of offering relief to distressed home owners and unburdening the practically crushed real estate market.

The sociological necessity for the preservation of the family is a commonplace, and since the family centers its activity in the home, the importance of preserving the homestead cannot be underestimated. That the home was seriously menaced is established by the first chapter of this thesis. The method employed by the government in alleviating the condition is discussed in the remaining chapters.

The reader must realize that at the time this thesis was being written the Home Owners' Loan Corporation was and is still a dynamic institution, making and servicing loans to qualified applicants. It is impossible therefore to estimate the value of its work at the present time. The Corporation is now "in process" and it will be many years before the benefits and detriments of its work can be balanced. It is the purpose of the writer therefore rather to collect the materials for later study of the method and organization of the Corporation since there is no other history of the first two years of the Corporation's existence. A large portion of this thesis is devoted to the actual procedure followed in the making of loans and volume two contains the various forms used by the Corporation in carrying out the procedural steps. It will be noted that the loans are made with factory-like precision and specialization and that

the element of efficiency has been introduced to that portion of the public engaged in home financing. It is likely that the method of the Corporation in making its loans will have a great effect on the future loaning policies of private lending institutions which in the past have been generally inefficient. The preservation of this procedure may therefore be of value as a history of what the Corporation has done and as a basis for future development of scientific financing of home properties.

In addition to its main purpose, this paper will also serve to show the development of a huge, modern corporation functioning as an administrative agency of the Government. The use of corporate organization and the vastness of scope of its work makes this institution an interesting study from the standpoint of modern governmental method of administration. Administrative law itself is rather a new development and the use of the corporate entity to carry it out is a thoroughly modern evolution.

Finally, the writer has endeavored to point out the various benefits and detriments occasioned by the work of the Corporation as of the time this thesis was written. Although, as hereinbefore stated, it is impossible to weigh the work of the Home Owners' Loan Corporation at the present time with any hope at arriving at exact conclusions, still, at any stage in an organization's development certain situations, things and methods appear to be helpful

or detrimental to the organization's purpose and a listing of them may be of benefit as starting points for later and more detailed study.

CHAPTER I

THE NEED FOR HOME MORTGAGE RELIEF



The condition which gave rise to the establishment of the Home Owners' Loan Corporation is aptly described in the following excerpts taken from several leading periodicals:

"Great numbers of people are losing their homes because of inability to secure renewals of their present short term mortgages. They are losing their savings of years and undergoing irreparable hardships because of the inability of institutions to give them these renewals. Since 1925 when the peak in home building was reached, mortgage foreclosures in urban communities all over the country have been increasing in a straight upward line. During 1931 and 1932 the pace has been accelerated. This means that about 400,000 will or have been taken from the owners." 1

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1. "More Homes or More Mortgages." by Rose M. Stein, New Republic, September 7, 1932.
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"The value of real estate in general has collapsed violently and there is no reason to suppose that the major part of this collapse is a temporary one. This means that all mortgagees will be anxious to call their mortgages or drastically reduce their capital amounts at the earliest opportunity. It would be impossible for farmers or urban home owners to raise the capital sums demanded and they would lose their farms or homes even though they were able to continue to meet interest payments." 2

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2. "The Mortgage Problem" Nation, 136:193, February 22, 1933
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"Rents have decline, there are many vacancies, and it is becoming increasingly difficult for owners to meet high taxes and interest rates that belong only to a boom era." 3

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3. "About That Mortgage." Review of Reviews, 87:48, March, 1933.
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"In the case of urban real estate upon which first mortgages are placed up to 60% of the 1929 value, both the equity of the owner and the security of the second mortgage creditor have been wiped out. As a result of the increasing gap between fixed charges and a declining income to meet them, it is estimated that 60 % of the real estate securities are now in default." 4

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4. "Urban Mortgages and Real Estate Securities." by Victoria J. Pederson, Survey Graphic, 22:303-4, June, 1933.
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"As the depression advances into the fourth year it becomes increasingly apparent that the mortgage crisis involves something more than the 'little fellow' struggling to keep his home. The annual charges for carrying mortgages are two and one half times as burdensome today as they were in 1929. Our mortgage procedure is ill equipt to meet this crisis. The liquidation of mortgages is absorbing more credit than the Nation can afford to spare. It has paralyzed the building industry and hurt the many trades dependent upon it. It has lessened the ability of the masses to pay rent and as rents have fallen alarm has spread. Defaults have increased and additional demands have been made for the liquidation of mortgages. The times call for liberality and freedom of action based on equality." 5

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5. "The Menace of Mortgage Debts." by Arthur C. Holden, Harpers, 166:575-81, April, 1933.
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"Three quarters of the six hundred families of Sunnyside are facing foreclosure." 6

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6. "Shadows over Sunnyside." Business Week, April 12, 1933.
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"It is admitted that loans in the last few years were too large and that with the drop in building costs and the deflation in the real estate market the

loans in most cases are equal to the present value of the security." 7

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- 7. "Homes, Mortgages and Foreclosures." by James Tynan, New Republic, December 14, 1932.
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"In the spring of 1932 the Government found itself faced with three related problems involving housing:

- a. The avalanche of foreclosures on homes and other properties caused by the inability of mortgagors to pay interest and principal due and the resultant collapse of the mortgage structure and of the real estate market.
- b. The inability of a dangerously large percentage of the population to provide themselves with adequate housing.
- c. The widespread unemployment in the building industry.

These problems were far from simple. In some respects they were temporary; in others, of long term. Insofar as they constituted an immediate threat to the economic and social structure they demanded direct and drastic action." 8

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- 8. "Federal Financial Participation in Home Financing, Home Building, and Housing." Federal Home Loan Bank Review, December, 1934.
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"With the foreclosures on homes averaging more than 200,000 each year during the depression, millions of our soundest citizens were being turned into embittered malcontents; life savings represented by equities in homes were being lost; values of home properties sank to disastrous levels; the real estate market collapsed and mortgage money disappeared; financial institutions with vaults full of frozen real-estate paper were forced to close. A drastic remedy was unavoidable. The task was too great for any private agency. To protect the public the Government was forced to enter directly into the business of re-financing homes." 9

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- 9. "The Government's Program for the Organization of the Nation's Home-Financing System." by John H. Fahey, Chairman, Federal Home Loan Bank Board, Federal Home Loan Bank Review, October, 1934.
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"Before 1930 the inherent weaknesses in our mortgage-finance structure, especially in urban centers, escaped general notice, but they quickly revealed themselves when business volume dropped and values under the influence of fear psychology shrank from the overoptimistic to the less than real. When millions lost their jobs and their incomes they could not carry the burden of this boom-time indebtedness. Estimated foreclosures on urban homes, based on reports received from county officials by the Division of Research and Statistics of the Federal Home Loan Bank Board, soared from an annual average of about 78,000 a year to 273,000 in 1932 and 271,000 in 1933. In June 1933 all previous records for a single month were broken when over 26,000 foreclosures were reported. Depriving our citizens to the number of approximately a million a year, of their homes and life savings was but the most immediate of the disasters of such a foreclosure situation. Almost simultaneously these sheriff's sales drove down all other property values. The real estate market went into a tail spin, distress sales constituting practically its only activity. With existing property purchasable at far less than the cost of new construction with incomes and rents declining, with a surplus of urban housing and of commercial structures, building came almost to a standstill. The value of all construction, including public works and highways, fell off to less than one third of the former annual average, and dwelling construction dropped to one-tenth. This put out of work more than a million people employed in construction and the industries which supply and service it. Naturally new mortgage credit disappeared both because of the inability to liquidate mortgages, and, in many instances, to collect interest. Banks and mortgage institutions with billions in frozen mortgage assets closed. Every foreclosure and resulting drop in values threatened the soundness of other mortgage-financing institutions. The huge investment (which, we must not forget, represents the savings of an army of workers and savers) was seriously impaired. Had the undermining of this investment been allowed to continue unchecked, it would have brought disaster not only to the lending institutions holding the mortgages but to the entire banking structure as well."

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10. "The Future of Private Mortgage Financing." Federal Home Loan Bank Review, November, 1934.
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The gravity of the condition that existed was not unknown to President Hoover. In answer to the need he advocated the establishment of Home Loan Banks to discount mortgage paper held by "frozen" lending institutions and thereby provided them with a means of liquidation. As a result of his advocacy the Federal Home Loan Bank System was inaugurated. This is in essence a Federal Reserve System for building and loan associations, savings banks and insurance companies. It consists of twelve banks empowered to make short and long term loans solely to its members. Although the establishment of Federal Home Loan Banks was a step forward in home finance, the system failed as an emergency measure. The provision of liquidity for home financing institutions did not prevent continued defaults by the unemployed home owners, and, since there was no real-estate market left with which these institutions could continue their functions, the credit remained unused and chaos continued to prevail.

Such was the condition that existed on April 13, 1933, when President Roosevelt delivered the following message to Congress:

"As a further and urgently necessary step in the program to promote economic recovery, I ask the Congress for legislation to protect small home owners from foreclosure and to relieve them of a portion of the burden of excessive interest and principal payments incurred during the period of higher values and higher earning power. Implicit in the legislation which I am suggesting to you is a declaration of national policy. This policy is that the

broader interests of the Nation require that special safeguards should be thrown around home ownership as a guaranty of social and economic stability, and that to protect home owners from inequitable enforced liquidation, in a time of general distress, is a proper concern of the Government." 11

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11. President Franklin D. Roosevelt in his message to Congress April 13, 1933
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As a result the Government's program for the organization of the Nation's home-financing system, of which the Home Owners' Loan Corporation is an integral part, has been established. The Home Owners' Loan Act became law on June 13, 1933, and the Home Owners' Loan Corporation was organized immediately. 12

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12. H.O.L.C. Act.
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CHAPTER II

THE PURPOSE OF THE HOME OWNERS' LOAN CORPORATION

In the spring of 1933 an emergency existed that required immediate action and no agency less powerful than the Federal Government could provide the drastic action necessary. The flood of foreclosures had to be stemmed. With the downward spiral in real estate values once started, private agencies had neither the funds nor the ability to take the risks required for refinancing distressed home mortgages. The Home Owners' Loan Corporation was established to step in and arrest urban home foreclosures.

Since the Corporation was established as a relief measure, and since a continued participation of the Government in the private business of home-finance would constitute an encroachment on private industry contrary to the established principles of democracy, the Corporation was organized to make loans for a period of but three years. It was designed as a temporary agency for the sole purpose of preventing complete collapse of the home mortgage business of the Nation. However, upon the success of the Home Owners' Loan Corporation the Government based its whole program for permanent corrective institutions designed to eliminate the basic weaknesses of home-financing. The Federal Home Loan Banks, the Federal Savings and Loan Associations, The Federal Savings and Loan Insurance Corporation, The Mutual Mortgage Insurance Fund and the National Mortgage Associations could have no great success unless the strain of foreclosures were removed. The importance of the Corpor

ation's work can best be realized by a brief resume of the functions of these other institutions whose possibility of success was so hinged upon the Corporation's proving an adequate palliative:

a. The Federal Home Loan Banks: A reserve system of 12 banks organized to provide a permanent reservoir of credit on which building and loan associations, savings banks and insurance companies can draw in any emergency. The desire is to have a sufficient number of these institutions join so as to provide the strength of a nation wide organization which will eliminate the mutual isolation of these institutions and establish a flow of mortgage money throughout the country unhandicapped by local emergencies.

b. Federal Savings and Loan Associations: Provision was made for the establishment of these institutions so that the Nation might have adequate home-mortgage lending agencies. They are believed to constitute the ideal type of home financing institution specializing in the long term amortized loan on homes. "Being under Federal Charter they are free from the impractical restrictions and unwise privileges that have injured building and loan associations in some States." 1.

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1. "The Government's Program for the Organization of the Nation's Home-Financing System." By John H. Fahey, Chairman, Federal Home Loan Bank Board, Federal Home Loan Bank Review, October, 1934.

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c. Federal Savings and Loan Insurance Corporation:

This Corporation must insure the accounts of Federal savings and loan associations and may insure those of sound building and loan associations up to \$5,000 to any one investor. It is intended to promote thrift and provide a haven for the savings of all classes of our population. It is hoped that the establishment of this corporation will end the withdrawal of funds from home financing institutions and invite new investments in building and loan shares. The Corporation is also expected to raise the standards of building and loan associations since it has the power to reject an application for insurance if in its judgment the character of an institution's management or its policies are inconsistent with sound home financing.

d. The Mutual Mortgage Insurance Fund: It is believed that the long term amortized mortgage is essential to sound home financing and secure home ownership in this country. 2

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2. Holden, Arthur C., "The Menace of Mortgage Debts, Harpers, 166:575, April, 1933

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Faced with the necessity of encouraging such long term loans which are particularly adaptable to building and loan associations without at the same time excluding institutions subject to heavy demand liabilities such as insurance companies and savings banks, the Government is using the device of mutual insurance to give such safety to long term amortized

mortgages that they will be readily negotiable and therefore suitable investments for such institutions. The Government has made available \$10,000,000 as a revolving fund for this Mutual Home Mortgage Insurance.

e. National Mortgage Associations: The Government has provided for the establishment of privately financed and managed national mortgage associations under Federal Charter and supervision, empowered to buy and sell mortgages insured in the Mutual Home Mortgage Insurance. It is hoped that these institutions will provide a national market for home mortgages and remove the isolation of communities so far as home mortgage credit is concerned. "First mortgage investments in this country have always suffered from a lack of marketability or liquidity. This is a new and vital service to the Nation's home-financing system." 3

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3. Fahey, John H., op cit.

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It will be noted that the Home Owners' Loan Corporation is so established as to follow the usual type of relief offered by the Roosevelt administration - relief directly to the distressed individual as distinguished from the relief to institutions provided by previous administrations.

However, the Government did not propose to relieve home mortgage distress by means of direct dole to the home owners. A gigantic corporation was established, authorized



to refund the existing mortgages and pay off the mortgagee in government bonds, at the same time taking a long term amortized mortgage from the home owner. The home owner is by this method relieved from his immediate distress but is not relieved from his obligation. The time for paying up is merely postponed with the government holding the security rather than the distressed banks, building and loan associations and insurance companies. It is the purpose of this paper to discuss in some detail the workings of this corporation.



CHAPTER III

THE HOME OWNERS' LOAN ACT AND AMENDMENT

The Provisions of the Act.

Since it is dangerous to attempt to abbreviate a statute lest such abbreviation fail to give the exact intent of the legislators, and since all statutes are, more or less, a concise statement of legislative intent, the writer deems it necessary that the Home Owners' Loan Act of 1933 be set out as enacted. However, since this paper deals specifically with the Home Owners' Loan Corporation, only those portions of the Act which refer to the Corporation will be noted here; the sections providing for the creation of Federal Savings and Loan Associations being omitted. The Home Owners' Loan Act of June 13, 1933, known as Public - 43 - 73d Congress provides as follows:

"An Act

To provide emergency relief with respect to home mortgage indebtedness, to refinance home mortgages, to extend relief to the owners of homes occupied by them and who are unable to amortize their debt elsewhere, to amend the Federal Home Loan Bank Act, to increase the market for obligations of the United States and for other purposes.

"BE IT ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES OF AMERICA IN CONGRESS ASSEMBLED, That this Act may be cited as the 'Home Owners' Loan Act of 1933'.

"Definitions

"Sec. 2. As used in this Act-

- (a) The term 'Board' means the Federal Home Loan Bank Board created under the Federal Home Loan Bank Act.
- (b) The term 'Corporation' means the Home Owners' Loan Corporation created under section 4 of this Act
- (c) The term 'home mortgage' means a first mortgage on real estate in fee simple or on a leasehold under a renewable lease for not less than ninety-nine

years, upon which there is located a dwelling for not more than four families, used by the owner as a home or held by him as his homestead, and having a value not exceeding \$20,000; and the term 'first mortgage' includes such classes of first liens as are commonly given to secure advances on real estate under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

(d) The term 'association' means a Federal Savings and Loan Association chartered by the Board as provided in section 5 of this Act.

"REPEAL OF DIRECT LOAN PROVISION OF FEDERAL HOME LOAN BANK ACT

"Sec. 3. Subsection (d) of section 4 of the Federal Home Loan Bank Act (providing for direct loans to home owners) is hereby repealed.

"CREATION OF HOME OWNERS' LOAN CORPORATION

"Sec. 4. (a) The Board is hereby authorized and directed to create a corporation to be known as the Home Owners' Loan Corporation, which shall be an instrumentality of the United States, which shall have authority to sue and to be sued in any court of competent jurisdiction, Federal or State, and which shall be under the direction of the Board and operated by it under such bylaws, rules, and regulations as it may prescribe for the accomplishment of the purposes and intent of this section. The members of the Board shall constitute the board of directors of the Corporation and shall serve as such directors without additional compensation.

"(b) The Board shall determine the minimum amount of capital stock of the Corporation and is authorized to increase such capital stock from time to time in such amounts as may be necessary, but not to exceed in the aggregate \$200,000,000. Such stock shall be subscribed for by the Secretary of the Treasury on behalf of the United States, and payments for such subscriptions shall be subject to call in whole or in part by the Board and shall be made at such time or times as the Secretary of the Treasury deems advisable. The Corporation shall issue to the Secretary of the Treasury receipts for payments by him for or on account of such stock, and such receipts shall be evidence of the stock ownership of the United States. In order to enable the Secretary of the Treasury to make such payments when called, the Reconstruction Finance Corporation is authorized and directed to allocate and make available to the Secretary of the Treasury the sum of \$200,000,000, or

so much thereof as may be necessary, and for such purpose the amount of the notes, bonds, debentures, or other such obligations which the Reconstruction Finance Corporation is authorized and empowered under section 9 of the Reconstruction Finance Corporation Act, as amended, to have outstanding at any one time, is hereby increased by such amounts as may be necessary.

"(c) The Corporation is authorized to issue bonds in an aggregate amount not to exceed \$2,000,000,000, which may be sold by the Corporation to obtain funds for carrying out the purposes of this section, or exchanged as hereinafter provided. Such bonds shall be issued in such denominations as the Board shall prescribe, shall mature within a period of not more than eighteen years from the date of their issue, shall bear interest at a rate not to exceed 4 per centum per annum, and shall be fully and unconditionally guaranteed as to interest only by the United States, and such guaranty shall be expressed on the face thereof. In the event that the Corporation shall be unable to pay upon demand, when due, the interest on any such bonds, the Secretary of the Treasury shall pay to the Corporation the amount of such interest, which is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, and the Corporation shall pay the amount of such interest to the holders of the bonds. Upon the payment of such interest by the Secretary of the Treasury the amount so paid shall become an obligation to the United States of the Corporation and shall bear interest at the same rate as that borne by the bonds upon which the interest has been so paid. The bonds issued by the Corporation under this subsection shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any District, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The Corporation, including its franchise, its capital, reserves and surplus, and its loans and income, shall likewise be exempt from such taxation; except that any real property of the Corporation shall be subject to taxation to the same extent, according to its value, as other real property is taxed.

"(d) The Corporation is authorized, for a period of three years after the date of enactment of this Act, (1) to acquire in exchange for bonds issued by it, home mortgages and other obligations and liens secured by real estate (including the interest of a vendor under a purchase-money mortgage or contract) recorded or filed in the proper office or executed prior to the date of the enactment of this Act, and (2) in connection with any such exchange, to make advances in cash to pay the taxes and assessments on



the real estate, to provide for necessary maintenance and make necessary repairs, to meet the incidental expenses of the transaction, and to pay such amounts, not exceeding \$50, to the holder of the mortgage, obligation, or lien acquired as may be the difference between the face value of the bonds exchanged plus accrued interest thereon and the cash so advanced shall not exceed in any case \$14,000, or 80 per centum of the value of the real estate as determined by an appraisal made by the Corporation, whichever is the smaller. In any case in which the amount of the face value of the bonds exchanged plus accrued interest thereon and the cash advanced is less than the amount the home owner owes with respect to the home mortgage or other obligation or lien so acquired by the Corporation, the Corporation shall credit the difference between such amount to the home owner and shall reduce the amount owed by the home owner to the Corporation to that extent. Each home mortgage or other obligation or lien so acquired shall be carried as a first lien or refinanced as a home mortgage by the Corporation on the basis of the price paid therefor by the Corporation, and shall be amortized by means of monthly payments sufficient to retire the interest and principal within a period of not to exceed fifteen years; but the amortization payments of any home owner may be made quarterly, semiannually, or annually, if in the judgment of the Corporation the situation of the home owner requires it. Interest on the unpaid balance of the obligation of the home owner to the Corporation shall be at a rate not exceeding 5 per centum per annum. The Corporation may at any time grant an extension of time to any home owner for the payment of any installment of principal or interest owed by him to the Corporation if, in the judgment of the Corporation, the circumstances of the home owner and the condition of the security justify such extension, and no payment of any installment of principal shall be required during the period of three years from the date this Act takes effect if the home owner shall not be in default with respect to any other condition or covenant of his mortgage. As used in this subsection, the term 'real estate' includes only real estate held in fee simple or on a leasehold under a lease renewable for not less than ninety-nine years, upon which there is located a dwelling for not more than four families used by the owner as a home or held by him as a homestead and having a value not exceeding \$20,000. No discrimination shall be made under this Act against any home mortgage by reason of the fact that the real estate securing such mortgage is located in a municipality, county, or taxing district which is in default upon any of its obligations.

"(c) The Corporation is further authorized, for a

period of three years from the date of enactment of this Act, to make loans in cash subject to the same limitations and for the same purposes for which cash advances may be made under subsection (d) of this section, in cases where the property is not otherwise encumbered; but no such loan shall exceed 50 per centum of the value of the property securing the same as determined upon an appraisal made by the Corporation. Each such loan shall be secured by a duly recorded home mortgage, and shall bear interest at the same rate and shall be subject to the same provisions with respect to amortization and extensions as are applicable in the case of obligations refinanced under subsection (d) of this section.

"(f) The Corporation is further authorized, for a period of three years from the date of enactment of this Act, in any case in which the holder of a home mortgage or other obligation or lien eligible for exchange under subsection (d) of this section does not accept the bonds of the Corporation in exchange as provided in such subsection and in which the Corporation finds that the home owner cannot obtain a loan from ordinary lending agencies, to make cash advances to such home owner in an amount not to exceed 40 per centum of the value of the property for the purposes specified in such subsection (d). Each such loan shall be secured by a duly recorded home mortgage and shall bear interest at a rate of interest which shall be uniform throughout the United States, but which in no event shall exceed a rate of 6 per centum per annum, and shall be subject to the same provisions with respect to amortization and extension as are applicable in cases of obligations refinanced under subsection (d) of this section.

"(g) The Corporation is further authorized, for a period of three years from the date of the enactment of this Act, to exchange bonds and to advance cash, subject to the limitations provided in subsection (d) of this section, to redeem or recover homes lost by the owners by foreclosure or forced sale by a trustee under a deed of trust or under power of attorney, or by voluntary surrender to the mortgagee within two years prior to such exchange or advance.

"(h) The Board shall make rules for the appraisal of the property on which loans are made under this section so as to accomplish the purposes of this Act.

"(i) Any person indebted to the Corporation may make payment to it in part or in full by delivery to it of its bonds which shall be accepted for such purpose at face value.



"(j) The Corporation shall have power to select, employ, and fix the compensation of such officers, employees, attorneys, or agents as shall be necessary for the performance of its duties under this Act, without regard to the provisions of other laws applicable to the employment or compensation of officers, employees, attorneys, or agents of the United States. No such officer, employee, attorney, or agent shall be paid compensation at a rate in excess of the rate provided by law in the case of the members of the Board. The Corporation shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government, and shall determine its necessary expenditures under this Act and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds. The Corporation shall pay such proportion of the salary and expenses of the members of the Board and of its officers and employees as the Board may determine to be equitable, and may use the facilities of Federal Home Loan Banks, upon making reasonable compensation therefor as determined by the Board.

"(k) The Board is authorized to make such bylaws, rules and regulations, not inconsistent with the provisions of this section, as may be necessary for the proper conduct of the affairs of the Corporation. The Corporation is further authorized and directed to retire and cancel the bonds and stock of the Corporation as rapidly as the resources of the Corporation will permit. Upon the retirement of such stock, the reasonable value thereof as determined by the Board shall be paid into the Treasury of the United States and the receipts issued therefor shall be canceled. The Board shall proceed to liquidate the Corporation when its purposes have been accomplished, and shall pay any surplus or accumulated funds into the Treasury of the United States as may be earned and as in the judgment of the Board it is proper for the Corporation to pay.

#### Penalties

"Sec. 8. (a) Whoever makes any statement, knowing it to be false, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of the Home Owners' Loan Corporation or the Board or an association upon any application, advance, discount, purchase, or repurchase agreement, or loan, under this Act, or any extension thereof by renewal deferment, or action or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both.

"(b) Whoever (1) falsely makes, forges, or counterfeits any note, debenture, bond, or other obligation or coupon, in imitation of or purporting to be a note, debenture, bond, or other obligation, or coupon, issued by the Home Owners' Loan Corporation or an association; or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited note, debenture, bond, or other obligation, or coupon, purporting to have been issued by the Home Owners' Loan Corporation or an association, knowing the same to be false, forged, or counterfeited; or (3) falsely alters any note, debenture, bond or other obligation, or coupon, issued or purporting to have been issued by the Home Owners' Loan Corporation or an association; or (4) passes, utters, or publishes, or attempts to pass, utter, or publish, as true any falsely altered or spurious note, debenture, bond, or obligation, or coupon, issued or purporting to have been issued by the Home Owners' Loan Corporation or an association, knowing the same to be falsely altered or spurious, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than five years or both.

"(c) Whoever, being connected in any capacity with the Board or the Home Owners' Loan Corporation or an association (1) embezzles, abstracts, purloins, or wilfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise intrusted to it; or (2) with intent to defraud the Board or the Home Owners' Loan Corporation or an association, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiners of the Board or the Home Owners' Loan Corporation or an association, makes any false entry in any book, report, or statement of or to the Board or the Home Owners' Loan Corporation or an association, or, without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, mortgage, judgment, or decree thereof, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than five years, or both.

"(d) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U.S.C., title 18, secs. 202 to 207, inclusive), insofar as applicable, are extended to apply to contracts or agreements of the Home Owners' Loan Corporation and as association under this Act, which, for the purposes hereof, shall be held to include advances, loans, discounts, and purchase and repurchase agreements; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

"(e) No person, partnership, association, or corporation shall make any charge in connection with a loan by the Corporation or any exchange of bonds or cash advance under this Act except ordinary charges authorized and required by the Corporation for services actually rendered for examination and perfecting of title, appraisal, and like necessary services. Any person, partnership, association or corporation violating the provisions of this subsection shall, upon conviction thereof, be fined not more than \$10,000, or imprisoned not more than five years, or both.

#### Separability Provision

"Sec. 9. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby."

"Approved, June 13, 1933."

#### The Amendment of April 27, 1934

The Home Owners' Loan Act of 1933 was amended April 27, 1934, by an Act known as Public No. 178 - 73d Congress as follows:

#### "AN ACT

To guarantee the bonds of the Home Owners' Loan Corporation, to amend the Home Owners' Loan Act of 1933, and for other purposes.

"BE IT ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES OF AMERICA IN CONGRESS ASSEMBLED, That (a) section 4(c) of the Home Owners' Loan Act of 1933 is amended to read as follows:

"(c) The Corporation is authorized to issue bonds in an aggregate amount not to exceed \$2,000,000,000, which may be sold by the Corporation to obtain funds for carrying out the purposes of this section, or exchanged as hereinafter provided. Such bonds shall be in such forms and denominations, shall mature within such periods of



not more than eighteen years from the date of their issue, shall bear such rates of interest not exceeding 4 per centum per annum, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices, as may be prescribed by the Corporation, with the approval of the Secretary of the Treasury. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer of officers thereof. In the event that the Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds of the Corporation issued under this subsection which are guaranteed as to interest and principal, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of the Corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the Corporation acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the Corporation shall be treated as public-debt transactions of the United States. The bonds issued by the Corporation under this subsection shall be except, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any District, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The Corporation, including its franchise, its capital, reserves and surplus, and its loans and income, shall likewise be exempt from such taxation; except that any real property of the Corporation shall be subject to taxation to the same extent, according to its value, as other real property is taxed. No such bonds shall be issued in excess of the assets of the Corporation, including the assets to be obtained from the proceeds of such bonds, but a failure to comply with this provision shall not invalidate the bonds or the guaranty of the same. The Corporation shall have power

to purchase in the open market at any time and at any price not to exceed par any of the bonds issued by it. Any such bonds so purchased may, with the approval of the Secretary of the Treasury, be sold or resold at any time and at any price. For a period of six months after the date this subsection, as amended, takes effect, the Corporation is authorized to refund any of its bonds issued prior to such date or any bonds issued after such date in compliance with commitments of the Corporation outstanding on such date, upon application of the holders thereof, by exchanging therefor bonds of an equal face amount issued by the Corporation under this subsection as amended, and bearing interest at such rate as may be prescribed by the Corporation with the approval of the Secretary of the Treasury; but such rate shall not be less than that first fixed after this subsection, as amended, takes effect on bonds exchanged by the Corporation for home mortgages. For the purpose of such refunding the Corporation is further authorized to increase its total bond issue in an amount equal to the amount of the bonds so refunded. Nothing in this subsection, as amended, shall be construed to prevent the Corporation from issuing bonds in compliance with commitments of the Corporation on the date this subsection as amended, takes effect.

"(b) The amendments made by subsection (a) of this section (except with respect to refunding) shall not apply to any bonds heretofore issued by the Home Owners' Loan Corporation under such section 4 (c), or to any bonds hereafter issued in compliance with commitments of the Corporation outstanding on the date of enactment of this Act.

"Sec. 2. Section 4 of the Home Owners' Loan Act is further amended by adding at the end thereof the following new subsections:

"(1) No home mortgage or other obligation or lien shall be acquired by the Corporation under subsection (d), and no cash advance shall be made under subsection (f), unless the applicant was in involuntary default on June 13, 1933, with respect to the indebtedness on his real estate and is unable to carry or refund his present mortgage indebtedness: Provided, That the foregoing limitation shall not apply in any case in which it is specifically shown to the satisfaction of the Corporation that a default after such date was due to unemployment or to economic conditions or misfortune beyond the control of the applicant, or in any case in which the home mortgage or other obligation or lien is held by an institution which is in liquidation.



"(m) In all cases where the Corporation is authorized to advance cash to provide for necessary maintenance and to make necessary repairs it is also authorized to advance cash or exchange bonds for the rehabilitation, modernization, rebuilding and enlargement of the homes financed; and in all cases where the Corporation has acquired a home mortgage or other obligation or lien it is authorized to advance cash or exchange bonds to provide for the maintenance, repair, rehabilitation, modernization, rebuilding, and enlargement of the homes financed and to take an additional lien, mortgage, or conveyance to secure such additional advance or to take a new home mortgage for the whole indebtedness; but the total amount advanced shall in no case exceed the respective amounts or percentages of value of the real estate as elsewhere provided in this section. Not to exceed \$200,000,000 of the proceeds derived from the sale of bonds of the Corporation shall be used in making cash advances to provide for necessary maintenance and necessary repairs and for the rehabilitation, modernization, rebuilding and enlargement of real estate securing the home mortgages and other obligations and liens acquired by the Corporation under this section.

"Sec. 3. The sixth sentence of section 4 (d) of the Home Owners' Loan Act of 1933 is amended to read as follows: 'The Corporation may at any time grant an extension of time to any home owner for the payment of any installment of principal or interest owed by him to the Corporation if, in the judgment of the Corporation, the circumstances of the home owner and the condition of the security justify such extension.'

"Sec. 4. Subsection (g) of section 4 of the Home Owners' Loan Act of 1933 is hereby amended to read as follows:

"(g) The Corporation is further authorized to exchange bonds and to advance cash to redeem or recover homes lost by the owners by foreclosure or forced sale by a trustee under a deed of trust or under power of attorney, or by voluntary surrender to the mortgagee subsequent to January 1, 1930, subject to the limitations provided in subsection (d) of this section.'

"Sec. 12. Subsection (e) of section 8 of the Home Owners' Loan Act of 1933, is hereby amended to read as follows:

"(e) No person, partnership, association, or corporation shall, directly or indirectly, solicit, contract for, charge or receive, or attempt to solicit, contract for, charge or receive any fee, charge, or

other consideration from any person applying to the Corporation for a loan, whether bond or cash except ordinary fees authorized and required by the Corporation for services actually rendered for examination and perfection of title, appraisal, and like necessary services. Any person, partnership, association, or corporation violating the provisions of this subsection shall, upon conviction thereof, be fined not more than \$10,000, or imprisoned not more than five years or both.'

"Sec. 13. Subsection (k) of section 4 of the Home Owners' Loan Act of 1933 is hereby amended by inserting a new sentence after the second sentence of such subsection as follows: 'All payments upon principal of loans made by the Corporation shall under regulations made by the Corporation be applied to the retirement of the bonds of the Corporation.'

"Sec. 15. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby."

"Approved, April 27, 1934."

The Home Owners' Loan Act of 1933 was amended again by an Act known as Public - 479 - 73d Congress as follows:

H.R. 9620

Title V, Miscellaneous

"Sec. 506, (a) The first sentence of Section 4(c) of the Home Owners' Loan Act of 1933, as amended, is further amended to read as follows:

"(c) The Corporation is authorized to issue bonds in an aggregate amount not to exceed \$3,000,000,000, which may be exchanged as hereinafter provided, or which may be sold by the Corporation to obtain funds for carrying out the purposes of this section or for the redemption of any of its outstanding bonds called in for retirement; and the Corporation is further authorized to increase its total bond issue in an amount equal to the amount of the bonds so called in and retired."

"(b) Section 4(m) of the Home Owners' Loan Act of 1933, as amended, is amended by striking out '\$200,000,000' and inserting in lieu thereof '\$300,000,000'."

"Sec. 508. (a) Section 2 (c) of the Home Owners' Loan Act of 1933, as amended, is amended by striking out 'under a renewable lease for not less than ninety-nine years' and inserting in lieu thereof '(1) under a lease for not less than ninety-nine years which is renewable, or (2) under a lease having a period of not less than fifty years to run from the date the mortgage was executed.'"

"(b) Section 4 (c) of such Act, as amended, is amended by striking out 'under a lease renewable for not less than ninety-nine years' and inserting in lieu thereof '(1) under a lease for not less than ninety-nine years which is renewable, or (2) under a lease having a period of not less than fifty years to run from the date the mortgage was executed.'"

CHAPTER IV

THE SET-UP OF THE HOME OWNERS' LOAN CORPORATION

A. THE CORPORATE SET-UP.

The Home Owners' Loan Act of June, 1933, authorizes the Federal Home Loan Bank Act "to create a corporation to be known as the Home Owners' Loan Corporation which shall be an instrumentality of the United States." Thus the Board is authorized to create what is known legally as a Public Corporation. Such corporations are established by proper governmental authority to carry out ministerial needs incident to legislation. They are a modern development in the law and are being used with increasing frequency to carry on the functions that were previously delegated to Commissions, Boards, Committees and Departments. Strictly speaking such corporations are anomalies for at the same time they are distinct entities and yet a part of government. However, regardless of technical definition, such corporations fulfill a public need and are an essential development in modern government.

The Federal Home Loan Bank Board constitutes the Board of Directors of the Home Owners' Loan Corporation and is authorized to prescribe such bylaws, rules and regulations as may be necessary to carry out the mandatory provisions of the Home Owners' Loan Act. The Board is authorized to determine the minimum amount of capital stock of the Corporation and to increase the capital stock from time to time and in such amounts as may be necessary but not to exceed \$200,000,000. All stock issued by the Corporation is sub-



scribed by the Secretary of the Treasury on behalf of the United States, the money being made available by the Reconstruction Finance Corporation.

The Corporation has the right to select, employ and fix the compensation of such officers, employees, attorneys or agents as may be necessary for the performance of its duties "without regard to the provisions of other laws applicable to the employment or compensation of officers, employees, attorneys or agents of the United States."

The Corporation has the right to a free use of the United States mails for its official business. It may sue or be sued in any court of competent jurisdiction. Its franchise, capital, reserves, surplus, loans, and income are exempt from taxation, but its real property is subject to taxation the same as any other real property. 1.

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1. Cf. Public No. 43 - 73d Congress, Section 4 (a) and (b)

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#### B. THE MANAGERIAL SET-UP.

The Board of Directors of the Corporation has established the Home Office in Washington. The general headquarters staff is composed of a General Manager, General Counsel, Financial Adviser, an Appraisal Adviser, Auditor, a Housing Adviser, Secretariat, Personnel Division, and Statistical Division.

The executive authority for the administration of affairs of the Corporation is vested in the General Man-

ager, who functions through his Deputy General Managers and six Assistant General Managers. Each Assistant General Manager is in charge of a District of the United States. These Districts are in turn divided into Regions in the charge of a Regional Manager. There are eleven such regions in the United States, each comprising a certain number of States. 2

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2. Cf. Accompanying map showing location of regional offices and regional areas.

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The regions function as decentralized units of the Home Office, the Regional Manager and his staff being in complete control of the production and servicing of loans in the Region. The State Managers of a Region report directly to the Regional Manager and the Regional Manager reports to the appropriate Assistant General Manager in Washington.

There is one State Office in each of the States except where otherwise directed by the Board of Directors. 3

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3. In Texas there are three completely autonomous District Offices instead of a State Office. The duties of the autonomous District Managers are identical with those of a State Manager except that the jurisdiction of each such Manager extends only to the boundaries of the autonomous District. Cf. Manual of Rules and Regulations of the Home Owners' Loan Corporation, Chapter II, page I.

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The State Office and the offices of the Corporation within the State are under the direction and control of the State Manager. The State Manager has all the necessary authority for the operation of the various offices within the State.



With the approval of the Regional Manager he may make and carry out such rules as local conditions may require provided they be not inconsistent with prescribed procedure.

Attached to each State Office are one or more Assistant State Managers, an Office Manager in the larger offices and heads of departments as follows:

State Counsel  
 State Disbursing Officer  
 State Accountant  
 State Appraiser  
 State Supply Clerk  
 State Insurance Clerk  
 State Personnel Supervisor  
 State Reconditioning Supervisor

and such other department heads and executives as may be authorized. 4

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4. Manual of Rules and Regulations, Chapter II, page 2.

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Each State is divided into Districts, each District being composed of a certain number of counties. 5


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5. Cf. Accompanying map showing location of District Offices and District areas in the State of Wisconsin.

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The District Offices within a state are under the control and direction of a District Manager who reports directly to the State Manager. Attached to each District Office is a District Counsel, District Appraiser, and District Reconditioning Supervisor. In addition, there are the various



-  41 E Oskosh
-  41 B Milwaukee
-  41 F Madison
-  41 C Wausau
-  41 D Eau Claire
-  State Madison





committees necessary for the closing of loans, the functions of which will be discussed in a later part of this paper. It is in the District Offices that the loans are actually closed. Fee attorneys, fee appraisers and fee architects work under the jurisdiction of the District offices and the vast majority of the Corporation's personnel is centered in them.

It has in some instances been advisable to establish sub-district offices. In such cases the Office works under the jurisdiction of the Sub-district Manager who reports directly to the District Manager. Sub-district offices are authorized to proceed with loans through fee appraisal, after which the files are sent to the District Office for closing. 6

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6. Manual of Rules and Regulations, Chapter II, page 5.

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### C. THE FINANCIAL SET-UP.

The Board of Directors of the Corporation has the authority to determine the minimum amount of capital stock and may increase the capital from time to time and in such amounts to it as may seem necessary, but the Act sets the maximum amount of stock at \$200,000,000. All stock issued by the Corporation is subscribed by the Secretary of the Treasury for the United States, payment for stock being subject to call by the Board of Directors of the Corporation, the money to be provided the Treasury by the Reconstruction Finance Corporation. The

writer has been unable to determine the amount of stock that has thus far been issued by the Corporation, but whatever the amount, it is in the nature of a security for the bond holders and has the possibility of being a special benefit to the holders of the 4% bonds, not guaranteed as to principal. Since the other bonds of the Corporation are guaranteed as to principal and interest, the capital stock is superfluous as a security. No doubt the money obtained from the capital stock issued has been largely spent for overhead but the overhead would have to be paid anyway and would otherwise have to come out of the amortization payments of the corporations mortgagors.

Under the original Act the Corporation was authorized to issue bonds in an aggregate amount not to exceed \$2,000,000,000. The bonds could be sold outright to obtain funds for carrying out the purposes of the Corporation or exchanged for notes or bonds secured by first mortgages on distressed home properties subject to the conditions and limitations set up. Such bonds were to be issued in such denominations as the Board of Directors would prescribe and to mature within a period of not more than 18 years from the date of their issuance. The bonds were to bear interest at a rate not to exceed 4% per annum and were guaranteed unconditionally as to interest only by the United States, any money paid by the Treasury for interest to become an obligation of the Corporation to the United States

bearing interest at the same rate as that borne by the bonds upon which the interest had been so paid. The bonds so issued by the Corporation were to be exempt, both as to principal and interest from all taxation (except surtaxes, estate, inheritance and gift taxes) then or thereafter imposed by the United States or any District, Territory, dependency, or possession thereof, or by any State, county, municipality or local taxing authority. By amendment, the Corporation was authorized to issue bonds in the aggregate of \$3,000,000,000 rather than \$2,000,000,000 as provided in the original act.

Under the original Act the Corporation issued its bonds at the maximum interest rate of 4%. The bonds were subject to call by the Corporation at any time within 18 years of the date of their issuance.

The amendment of April 27, 1934, to the Home Owners' Loan Act provided that the bonds issued by the Corporation and guaranteed by the United States both as to principal and interest, all payments by the United States by virtue of said guarantee to be treated as public debt transactions and in case of payment, the United States to succeed to all the rights of the bondholders paid off. For a period of six months after the date of the amendment to the Act the Corporation was authorized to refund any of its bonds issued prior to that date or issued after that date on commitments outstanding on that date, upon application of the holders thereof, by exchanging therefor bonds of equal face value so guaranteed as to principal and

interest.

Immediately upon the passage of the amended Act the Corporation changed the interest rate on its bonds to 3% and shortly thereafter the rate was again reduced to 2½%. Many of the 4% bonds were turned in for the guaranteed 3% bonds and all of the bonds have been selling on the market consistently near their par value, the 3% bonds having at several times sold for slightly over their par value. \$25.00 is the smallest denomination bond issued by the Corporation, all lesser amounts being disbursed in cash obtained by sale of bonds.

The notes taken by the Corporation and secured by its mortgages bear interest at 5% subject to being increased to 6% on accounts declared in default, said 6% to accrue from the date of default. The notes mature 15 years from their date of execution. All notes taken by the Corporation are secured by mortgages which are first liens on homestead properties and no loan is for more than 80% of the Corporation's appraisal of the property. Thus on the 4% bonds outstanding the Corporation makes a gross profit of 1%, on the 3% bonds a gross profit of 2% and on the 2½% bonds a gross profit of 2½%. It is on these margins of profit that the Corporation is expected to operate, all surplus to be paid to the United States Treasury in the form of dividends. It is anticipated that the mortgages held by the Corporation



will prove adequate security for all loans made. Any mortgagor may pay off his mortgage at any time and the Corporation is authorized to purchase its bonds at any time for amounts not to exceed the par value of such bonds. Should no bonds be available at par or less, the Corporation may call its bonds since there is no provision that the bonds will not be called for any length of time. The Corporation is authorized and directed to retire and cancel its bonds and stock as rapidly as the resources of the Corporation will permit and upon the retirement of the stock the reasonable value thereof as determined by the Board of Directors of the Corporation is to be paid to the Treasury of the United States.

As set up, theoretically, the Corporation can carry out its functions without loss to the Government and there is a possibility of the Corporation actually making money, although the payment of dividends to the United States is not a part of its purpose. There is little likelihood that its mortgages will prove to be inadequate security for the loans made and the margin of profit should be sufficient to pay all the expense of making and carrying the loans. Only a great drop in real estate values or poor management should mar the success of the Corporation from a financial point of view.



CHAPTER V

THE INTERPRETATION OF THE ACT

A. THE ELIGIBILITY OF APPLICANTS.

The Home Owners' Loan Act sets up many conditions which must be fulfilled before a loan may be closed and these conditions have been explained in detail by statements and bulletins of the Board of Directors of the Corporation issued from time to time. For the purpose of convenience the writer has listed them under three different heads: legal tests of eligibility, financial tests of eligibility and policy tests of eligibility. They are as follows:

Legal Tests:

1. Loans can be made only upon proper application.

The Corporation will in no way solicit the making of loans. 1

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1. Wisconsin Eligibility Chart, prepared by State Manager.
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2. No Corporation may receive a loan. 2.
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2. Ibid.
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The applicant must be willing to pay all the expenses of the loan. 3.

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3. Ibid. (N.B. The applicant subscribes himself to pay all loan expense when he makes out his application.)
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4. The value of the property as determined by the Corporation's appraisal must not exceed \$20,000. 4

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4. Cf. Sec. 4 (d) Home Owners' Loan Act of 1933; Washington Bulletin #118, issued May 21 under the author-

ity of Wm. McNeal, General Manager.

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5. The dwelling must not have facilities for more than four families. 5

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5. Cf. Section 4 (d) Home Owners' Loan Act of June 1933; Washington Bulletin #118 issued May 21, 1934; Bulletin #118 Revised, issued June 27, 1934 under the authority of Wm. McNeal, General Manager.

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6. Application for a loan must be made prior to June 13, 1936. 6

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6. Cf. Section 4 (d) Home Owners' Loan Act of 1933.

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7. In all jurisdictions where aliens have been given a statutory right to acquire and hold title to land the Home Owners' Loan Corporation may either make or refund loans. The validity of such alien titles is a matter of determination of the State Counsel in each instance. 7

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7. Cf. Manual of Rules and Regulations of the Home Owners' Loan Corporation, Chapter VI, p. 4; N.B. In Wisconsin aliens generally have the same rights as citizens. Cf. Sections 234.22 and 234.23, Wisconsin Statutes.

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8. Any applicant who has secured one loan is not eligible for another except that he might secure a reconditioning loan on property already refinanced by the Corporation. 8

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8. Cf. Manual of Rules and Regulations, Chap. VI, p. 8

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9. A home which is being used for illegal or immoral purposes is not eligible for a loan. 9

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9. Cf. Ibid., Chap. VI., p.8.

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10. The property may have some farm land, but ordinary farm property is not eligible. The test here is whether the applicant is primarily a farmer or draws his main livelihood from some other source than the land. 10

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10. Ibid., Chap VI., p. 8., Washington Bulletin 18, Washington Bulletin 18, Revised.

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11. The property must be used by the owner as his home or held by him as his homestead. The applicant need not necessarily be living on the property to be eligible for refinancing, but in case he is not living on the property it must be shown beyond all reasonable doubt that the property is the bona fide home of the applicant and that he or she is only temporarily absent therefrom. Where more than one property is owned by the applicant, an application on property not occupied by him is ineligible unless he makes a sworn statement which will qualify such other property as his home under the homestead requirement. 11

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11. Ibid.

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12. No loan may be made for an amount that exceeds \$14,000 or 80% of the Corporation's appraisal of the property



offered, whichever is the smaller, 12.

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12. Home Owners' Loan Act of June 1933, Sec. 4 (d); Manual of Rules and Regulations, Chap. VI., p. 7.

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13. In cases of combined business and residence property, care should be taken to determine that the dwelling portion of the property is suitable for use as a home, and that it is being held as the applicant's bona fide home. Where the business is clearly incidental to the home in that only a small portion of the property is used for business purposes and the remainder is the bona fide home of the applicant, the property is eligible. Where the home is clearly incidental to the business, the property is ineligible and the loan should be rejected. If a portion of the property is rented for business purposes, the rent therefrom must be assigned to the Corporation as additional security but may be retained by the borrower as long as installments due on the Corporation's loan are paid. 13.

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13. Manual of Rules and Regulations, Chap. VI, p. 8., Washington Bulletin, 18; Washington Bulletin, 18 Revised.

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14. The property must be real estate held in fee simple or held under a lease for not less than ninety-nine years, which is renewable, or held under a lease having not less than

fifty years to run from the date the mortgage is executed. 14

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14. Manual of Rules and Regulations, Chap. VI, p. 6;  
Washington Bulletin, 18, Revised.

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15. Where the applicant acquired title to the property since June 13, 1933, it must be shown that he resided thereon on said last mentioned date at his home and had some substantial interest directly or indirectly in the same or has since acquired title by inheritance or gift and in the case of a gift the applicant must satisfactorily show that such property was received as a bona fide absolute gift of an equity of substantial value. 15.

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15. Manual of Rules and Regulations, Chap. VI, p. 9.

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16. Where the mortgage or other lien to be refinanced encumbers both the home and other non-contiguous property and the mortgagee or other lien holder will not release the home property for the refunding of its proportionate part of the debt, the Corporation shall not in any case refund the debt of the applicant in excess of the percentage of the appraisal of the home as made by the Corporation as prescribed by the Act. 16.

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16. Washington Bulletin, 87, issued April 3, 1934 under the authority of Harold Lee, Deputy General Manager, and approved by Wm. McNeal, General Manager.

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17. In no case may the Corporation make a loan for more than 80% of the appraised value of the property as set by the Corporation's appraisal. 17.

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17. Home Owners' Loan Act of June 1933, Sec. 4 (d).

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#### Financial Tests:

1. The applicant must have been in involuntary default on June 13, 1933 with respect to the indebtedness on his home and be unable to carry or refund his present mortgage indebtedness except where it is specifically shown to the satisfaction of the Corporation that a default after June 13th, 1933 is due to unemployment or economic conditions beyond the control of the applicant or that the debt is held by an institution which is in liquidation. Great care must be exercised in cases where home mortgage distress is only incidental to the applicant's general financial embarrassment in his business or banking commitments. It is not intended to re-finance an applicant's home if such refinancing only serves as a protection to bank loans or other business obligations. 18.

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18. Cf. Manual of Rules and Regulations, Chap. VI, pp. 7-9, Washington Bulletin, 118; Washington Bulletin, 118 Revised.

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2. If the mortgagee will renew or carry the indebtedness even though a commission is charged, the applicant is ineligible per se. If the applicant pleads inability to pay

a commission or brokerage, the plea must be verified by the Application Department by contacting the mortgagee or his representative and by making other investigations to determine the ability of the mortgagor to pay such commission or brokerage. 19

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19. Washington Bulletin, 118; Washington Bulletin, 118, Revised.

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3. If the applicant or the spouse of the applicant is gainfully employed, or if either has an income from a business or profession or from any other source sufficient to pay interest and taxes on the home; or if by hypothecating or sacrificing other investments owned by either spouse the home property can be saved from foreclosure the application is ineligible. 20

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20. Ibid.

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4. To redeem a home from forced sale or voluntary surrender to a mortgagee in lieu of foreclosure, such sale or surrender must have occurred subsequent to January 1, 1930. 21

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21. Cf. Amendment to Home Owners' Loan Act, Public No. 178 73d Congress, dated April 27, 1934. N.B. The original Act of June 13, 1933 provided that the corporation may redeem or recover homes lost by the owners by foreclosure or forced sales or by voluntary surrender to the Mortgagee within two years prior to the making of the loan.



Under this original provision the last possible date on which the property could have been lost was June 13, 1931.

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5. If the property is not encumbered by a mortgage or other obligation or lien, a loan may be made in an amount not to exceed 50 per centum of the value of the property as determined upon an appraisal made by the Corporation, to pay the taxes and assessments on the real estate and to provide for necessary maintenance and make necessary repairs and for rehabilitation, modernization, rebuilding and enlarging and to pay incidental expenses of the transaction. In this connection, however, it must be shown to the satisfaction of the Corporation that the applicant is unable to secure funds for these purposes from either private sources or other governmental agencies. 22.

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22. Cf. Manual of Rules and Regulations, Chap. VI, p. 7; Washington Bulletin, 118; Washington Bulletin, 118, Revised.

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6. The applicant must be in real distress with his mortgage indebtedness, and yet applicants who have no present or prospective income of any character and who clearly cannot pay the indebtedness proposed to be refunded are not eligible unless their notes are also signed by responsible parties. It is the intention to preserve the homes of those who are victims of the general economic depression and who have a reasonable

chance of financially rehabilitating themselves with the return of normal conditions. The Corporation does not intend to refinance homes of owners who could continue to carry their present loans by making some sacrifice, nor will it refinance the home of an owner who is in such hopeless distress through illness or advanced age as to be primarily a case for charity. 23

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23. Cf. Ibid. Manual, p. 9; 118; 118 Revised.

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#### Policy Tests:

1. The moral character and past record for honesty and integrity of the applicant must be considered as an element for eligibility. Where there is a total lack of these qualities, such an applicant must be considered as ineligible for a loan. 24

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24. Cf. Ibid. Manual, p. 8; 118; 118 Revised.

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#### Necessary Repairs

Section 4 (d) of the Home Owners' Loan Act of June, 1933  
Provides as follows:

"The Corporation is authorized for a period of three years of the date of the enactment of this Act .....to make advances in cash.....to provide for necessary maintenance and make necessary repairs....."

The term repairing as used in this section of the Act includes only work involving no structural change or addition to the building equipment. It is confined to replacements due to wear and tear, weather or corrosion.

The making of necessary repairs on a homestead is not optional with the owner who applies for a loan. The Corporation definitely requires that all repairs necessary for the protection and preservation of the property be made prior to the consummation of a loan, the purpose of the provision being the protection of the Corporation's security. The cost of the repairs is added to and becomes a part of the amount ultimately loaned by the Corporation. The owner is allowed to perform the necessary work but all repairs are subject to the approval of the Corporation. No minimum limit has been set as to repairs. 25.

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25. Cf. Washington Bulletin, 97, issued April 13, 1934, under the authority of Wm. McNeal, General Manager.

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In general, the Corporation has felt that it is very necessary to put the home in good repair. This not only makes the property a better risk but it gives the owner an added pride that makes for a better moral risk.

The procedure with reference to necessary repairs is set out in detail in another portion of this thesis.

### Reconditioning

The amendment of April 27th, 1934 to the Home Owners' Loan Act established authority for the Corporation to make Reconditioning loans. Section 2 (m) of the Amended Act Provides as follows:

"In all cases where the Corporation is authorized to advance cash for necessary maintenance and to make necessary repairs it is also authorized to advance cash or exchange bonds for the rehabilitation, modernization, rebuilding and enlargement of the homes financed; and in all cases where the Corporation has acquired a home mortgage or other obligation or lien it is authorized to advance cash or exchange bonds to provide for the maintenance, repair, rehabilitation, modernization, rebuilding and enlargement of the homes financed and to take an additional lien mortgage or conveyance to secure such additional advance or to take a new mortgage for the whole indebtedness; but the total amount advanced shall in no case exceed the respective amounts elsewhere provided in this section. Not to exceed \$200,000,000 of the proceeds derived from the sale of bonds of the Corporation shall be used in making cash advanced to provide for necessary maintenance and necessary repairs and for the rehabilitation, modernization, rebuilding, and enlargement of real estate securing the home mortgages and other obligations and liens acquired by the Corporation under this section."

Reconditioning as set up in this section includes all work requiring structural changes or modifications in the architectural treatment and design of the building including rebuilding or enlargement of the property such as will tend to raise the standard of living of the occupant above the original intent of the building. The purpose of reconditioning is to extend the life of the property, add to its convenience and livability and make it more useful and market-



able at its intrinsic value. 26

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26. Cf. Manual of Rules and Regulations, Chap. V, p. 4

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While the Corporation requires that necessary repairs be made in each instance, it is not so with reconditioning but rather quite the opposite. Before an applicant can secure desired reconditioning his application must qualify under all the eligibility requirements hereinbefore set out, and in addition several other conditions must exist. First, the applicant must have an excellent credit record and a good present earning capacity; secondly, the proposed reconditioning must be reflected in increased earning capacity for the building, and, thirdly, the building must be in such a locality that the increased value of the building will be sustained during the period of the mortgage. The rise or decline of the neighborhood as a residential district is taken fully into account. If an applicant has secured a Home Owners' Loan and later applies for an additional reconditioning loan, unless he has made his payments to the Corporation regularly, his application will not be considered. Where the applicant owns a home free and clear of any incumbrances the applicant may be eligible for a reconditioning loan but such loan will be limited to 50% of the Corporation's final value of the property as reconditioned and in this connection it must be shown to the satisfaction

of the Corporation that the applicant is unable to secure funds for this purpose from either private sources or from other governmental agencies. 27.

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27. Cf. Sec. 4 (e) Home Owners' Loan Act of 1933 as Amended.

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It will be noted that the Amended Act provides that \$200,000,000 be spent for both repairs and reconditioning. Considering the vast amounts spent on necessary repairs prior to the passage of the Amendment and the vast amounts needed for necessary repairs for loans closed subsequent to the passage of the amendment to the Act, the fund provided for reconditioning is quite limited. However, the strict eligibility tests for reconditioning have made this sum adequate.

Where the distress loan has not been closed, as a general rule the Corporation requires that the amount to be loaned for reconditioning be included in the first mortgage being made by it. However, in extraordinary cases where the home owner would suffer unduly as a result of delay until arrangements can be consummated for reconditioning, the refunding of the existing debt is allowed to proceed in the regular course and be concluded without regard to reconditioning. Thereafter, upon the specific approval of the State Manager and the State Reconditioning Supervisor, an additional advance may be made for reconditioning, which may be closed on the approved

forms of note and mortgage or other instrument providing such note and mortgage or other instrument is subordinate only to the existing first lien of the Corporation. 28

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28. Cf. Manual of Rules and Regulations, Chap. V, p. 6; Washington Bulletin, 138, June 22, 1934, Resolution of the Board.

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Types of reconditioning allowed by the Corporation include the building of basements, remodeling large old homes into modern duplex flats, finishing off rooms in attics, installing modern plumbing and heating, changing from gas to electric lighting, building additions and porches, brick veneering, etc.

The procedure followed by the Corporation in making loans providing for reconditioning will be given in a later part of this thesis.

#### The Wholesale Department

The Wholesale Department of the Corporation was established to handle only those cases where the home mortgages of the applicants are held by institutions in legal custody such as National banks in the custody of the Comptroller of the Currency, state banks in the hands of the properly authorized state department or of a receiver duly appointed by a Court, building and loan associations and similar institutions in the custody of a state department or Court receiver and mort-

gage companies and other mortgage loan institutions in like custody. The purpose of the Wholesale department is to prevent foreclosures which other wise might be necessary in liquidating the assets of certain institutions in legal custody and relieve distress by accelerating the return of funds to the depositors and creditors.

The activities of the Wholesale Department were originally conducted under the supervision of special representatives of the Corporation and State and District Managers were required to deliver to the Wholesale Department all loan files wherein eligible mortgages or other eligible liens were held by institutions qualified for wholesale handling. It was thought that by handling the Wholesale files by a separate personnel the loans could be closed more quickly than if handled in the manner of other distress cases. After a trial period however, it was found that due to the small personnel of the Wholesale Department the loans were not being closed as quickly as the regular loans and that due to lack of proper checking these files contained a greater number of errors. Therefore, in most of the states, including Wisconsin, the wholesale department has been absorbed by the state office.

The Manual of Rules and Regulations of the Home Owners' Loan Corporation establishes that the tests of eligibility of the Corporation apply to all loans handled by the Wholesale Department. 29 Therefore, all wholesale cases to be

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29. Cf. Manual of Rules and Regulations, Chap. VIII, p. 3

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eligible would have to present a case of distress with reference to both mortgagor and mortgagee. Actually, however, little attention is paid to mortgagor distress; the fact that the mortgage or other lien is held by an institution in legal custody being usually held sufficient distress to allow refinancing with the Corporation. Nevertheless, a thorough check of the individual loans handled through the Corporation's Wholesale Department discloses that approximately 99% of all the home owners whose loans were held by financial institutions in legal custody and exchanged for Home Owners' Loan Corporation bonds, were themselves in financial distress. 30

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30. Cf. Washington Letter issued January 28, 1935 by John A. Fahey, Chairman of the Board.

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It would seem that the above figure is more the result of coincidence than of Corporate policy. Since practically all persons who apply for H.O.L.C. loans are in distress and since most of the institutions in legal custody were placed in that position because of idstressed long term loans many of which were secured by home mortgages, it is little wonder that the situation as outlined in Mr. Fahey's letter exists.

Wholesale loans are treated to the same loan procedure outlined in another portion of this paper with the exception that a mortgagee's consent to take bonds is not required and form 72 is substituted for form 71. 31

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31. Cf. Manual of Rules and Regulations, Chap. VIII, p. 3; Form 72 of Appendix.



Where the mortgage to be refinanced is held by a delinquent National bank it is necessary that the file contain an order of the Comptroller of the Currency consenting to the refinancing and in most other instances an order of the proper state court allowing the refinancing is required.

As of January 18, 1933, 126,483 Wholesale loans had been closed by the Corporation in the amount of \$360,100,305. This number comprises about fifteen per cent of the total loans closed as of that date. The obligations refinanced were taken over from the receivers of some 5680 national and state banks, building and loan associations, mortgage companies and other financial institutions in legal custody in which nearly \$670,000,000 of home mortgages were held. Wholesale loans generally required a reduction. The average Wholesale loan was \$2847 which is considerably lower than the average of all loans made by the Corporation. Of the \$360,000,000 of loans closed through the Wholesale Department of the Corporation more than \$226,000,000 or approximately 62% of the total were made in the states of Ohio, Michigan, Pennsylvania, Indiana and New Jersey to some 76,000 home owners. Of the entire wholesale operations of the Corporation with receivers of insolvent financial institutions up to December 31, 1934, aggregating \$347,465,146, approximately 20.7% was disbursed through national banks; 20.3% through building and loan associations; 54.5% through state banks and 4.5% through mortgage companies and similar financial institutions.

Approximately \$307,310,000 of this total was disbursed in H.O.L.C. bonds to the institutions themselves. The balance of about \$40,155,000 was disbursed for necessary repairs, back taxes, fees and other incidental cash expenditures. 32

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32. Washington Letter issued January 28, 1935 by John A. Fahey, Chairman of the Board of the Home Owners' Loan Corporation.

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Approximately 2000 Wholesale loans were closed in Wisconsin as of December 31, 1934.

#### Insurance

In order that its investments be protected from possible loss by fire or tornado, the Home Owners' Loan Corporation will not place a mortgage on property that is not amply insured. All insurance necessary to meet the corporations requirements must be obtained by the home owner, through a reputable, local agent of his own choice, in a company licensed to do business in the state where the property is located. No State Manager or any other employee of the Corporation is permitted to enter into any agreement or arrangement with any agent or company for the placing of insurance for the account of the borrower or to influence the borrower in any way in his selection of an agent or broker to write his insurance. "The Corporation does not intend in any way to interfere with the regular routine of the insurance business." 33

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33. Cf. Manual of Rules and Regulations of the Home Owners' Loan Corporation, Chap. XI, pp.2-3; Washington Bulletin,

# 42, issued under the direction of A. E. Hutchinson, General Manager, January 11, 1934.

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Fee attorneys who are also local insurance agents may be allowed to rewrite policies which they have previously written on risks which are being covered by Home Owners' Loan Corporation loans "but this shall not be construed as permitting such fee attorney to solicit or accept business on risks covered by Home Owners' Loan Corporation loans which they have not heretofore written." 34

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34. Cf. Resolution of Board of Directors, dated May 5, 1934 as indicated in Washing Bulletin, 124, issued by Harold Lee, Deputy General Manager with the approval of the General Manager; Manual of Rules and Regulations, Chap. XI, p.3.

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All properties securing loans made by the Corporation must be insured against loss by fire. Windstorm or other necessary coverage may likewise be required in certain territories.

The fire insurance required by the Corporation must be in an amount equal to either the insurable value of the improvements (which is construed to mean the depreciated reproduction value of the improvements) or the total amount of the loan, whichever is the smaller. 35

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35. Cf. Appraisal form # 8, p. 17 of Appendix

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If the mortgaged property includes outbuildings, a proportionate amount of insurance coverage must be provided for

them, particularly if their value is in excess of \$200.00. 36

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36 Cf. Manual of Rules and Regulations, Chap. XI, p. 3.

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Based upon statistical data secured from the principal Mortgage Loan Companies in the United States, reports from the United States Weather Bureau and Reports of the National Board of Fire Underwriters the Corporation has devised the following requirements with reference to windstorm insurance:

"(1) That windstorm insurance be required to the full replacement value of the improvements or the amount of the loan, whichever is smaller, in the following states: Arkansas, Indiana, Kansas, Nebraska, Illinois, Iowa, Missouri, Oklahoma, South Dakota.

"(2) That windstorm insurance be required up to one-half the replacement value of improvements in the following states: Alabama, Maine, New Jersey, South Carolina, Connecticut, Maryland, New York, Tennessee, Delaware, Massachusetts, North Carolina, Texas, Florida, Michigan, North Dakota, Virginia, Georgia, Minnesota, Ohio, West Virginia, Kentucky, Mississippi, Pennsylvania, Wisconsin, Louisiana, New Hampshire, Rhode Island, District of Columbia.

"(3) That no windstorm insurance be required on improvements in the following states: Arizona, Idaho, Oregon, Washington, California, Montana, Utah, Wyoming, Colorado, New Mexico, Vermont, Nevada." 36

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36. Cf. Resolution adopted by the Board of Directors of the Home Owners' Loan Corporation on November 12, 1934 as shown in Field Manual Bulletin No. A 3, dated November 26, 1934.

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It is assumed that all home owners whose property is encumbered will be insured and that they will have policies



to transfer to the Corporation. If the existing insurance is not sufficient to meet the requirements of the Corporation as stated above, it is required that the borrower obtain sufficient additional insurance at his own expense. If the existing insurance expires within 90 days from the date of the loan, a renewal policy or policies must be obtained by the home owner. Such insurance renewals should date from the expiration date of the expiring policy and not from the date of the loan, otherwise overlapping insurance will exist. No existing insurance may be cancelled to be rewritten as of the date of the loan unless premiums have not been paid. In such cases the Corporation should pay for only that coverage applying from the date its interest appears in the property. When existing insurance policies are to be transferred for the benefit of the Corporation the former mortgage clause must be cancelled and the Corporation's approved form of mortgage clause must be cancelled and the Corporation's approved form of mortgage clause must be executed and attached to the policy. 37

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37. Cf. Form # 12, p. 41, Appendix; Manual of Rules and Regulations, Chap. XI, p. 4; Washington Bulletin, 42, issued by A. E. Hutchison, General Manager under date of January 11, 1934.

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All premiums for insurance coverage required by the Corporation must be paid before the loan is closed and the closed loan file must contain receipts for such payments. The home owner should obtain the required insurance and pay



the premiums out of his own funds. However, if it is definitely shown that this is not possible, the Corporation may advance funds to pay the cost of the required coverage for a period of three years. Funds advanced by the Corporation are added to the cost of making the loan. 38

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38. Cf. Manual of Rules and Regulations, Chap. XI, p. 5

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All home owners are expected to renew their insurance on or before expiration and to furnish the original policy to the Corporation with a proper mortgage or loss payable clause attached. The H.O.L.C. mortgage is so worded that a failure to renew insurance is sufficient grounds for declaring the loan in default. All renewal policies must be accompanied by a receipt showing payment of the premium. If the home owner fails to renew the insurance on his property and the Corporation is compelled to protect its interests by placing necessary contracts upon expiration of the old policies, the home owner must reimburse the Corporation under the loan contract. If the Corporation is not so reimbursed by the home owner, the amount advanced for payment of the premiums on such insurance is added to the home owner's indebtedness. In such cases, pending the renewal of expired insurance, the Corporation is protected by an automatic binder arrangement. 38

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38. Cf. Manual of Rules and Regulations of the H.O.L.C., Chap. XI, pp. 3, 5, 6.

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## Losses

The following procedure for the handling of losses by fire, hail or windstorm is set out in a Resolution of the Board of Directors under date of May 2, 1934, shown in Washington Bulletin #110 dated May 8, 1934 and reiterated in the Manual of Rules and Regulations of the Home Owners' Loan Corporation in Chapter XI, pages 6,7,8, and 9:

"a. Losses Reported to Regional Office - Information Required - State, District and Sub-District Offices shall immediately report all fire and windstorm losses to the Regional Insurance Supervisor with the following information:

1. Name of mortgagor and Corporation loan number.
2. Date of loss.
3. Whether loss is total or partial (if partial loss approximate amount of loss shall be given).
4. Whether by fire or windstorm or other cause insured against.
5. What arrangements under way for adjustment.
6. If the loan papers have not been forwarded to the Regional Office, the name and address of the insurance company and the loan number shall be given together with a statement as to the policy or policies assigned to the Corporation.

"b. Procedure to be Followed in Handling Losses:

1. Partial Losses Under \$300.00. In all cases of partial loss in which the adjustment is less than \$300.00, the necessary repairs are to be made to the damaged building. In these cases the draft of the insurance company shall be forwarded to the Regional Insurance Supervisor for endorsement by the Regional Treasurer. When the draft has been endorsed it will be returned to the state office together with form of waiver of liens approved by the Regional Counsel. Before payment is made for the repairs, the borrower must furnish to the State Manager a statement showing that the property has been repaired to the borrower's satisfaction together with waivers of liens to be furnished by the contractor for any expense incurred in making the repairs. The

The statement required from the home owner and the necessary waivers obtained by the home owner from the contractor must be sent to the Regional Insurance Supervisor, together with a statement from the State Manager or his designated representative that the repairs have been made and the property fully restored to at least as good a condition as it was before the loss. If the amount of the loss is in excess of \$100.00, a reinstatement of insurance is required.

2. Total Losses and Partial Losses of \$300.00 or over-
- (a) Investigation Required - Report - In cases of total loss or partial losses where the adjustment amounts to \$300.00 or more, a complete investigation and report must be made by the State Manager or his designated representative. This report shall include the total appraised value of the property, the replacement value of the house or improvement, and the present market value of the lot. A photograph of the house as damaged and a street view of the property shall be supplied showing the character of the houses adjacent to the property damaged. The report made by the State Manager or his designated representative shall include information as to the financial status of the borrower, his character and integrity, his business or employment and the number of dependents. It should also include a statement of the borrower and his wife as to whether they desire the proceeds of the insurance loss applied to the loan account or to be used to repair the damaged structure or to rebuild in case of a total loss.

(b) When the Owner Wishes to Rebuild - If the structure has been totally destroyed and the borrower desires to rebuild, the Reconditioning Department shall secure three estimates of the cost, together with plans for such building, from three responsible contractors selected by the home owner. The cost of rebuilding shall in no event exceed the amount of insurance money available, plus any amount the borrower desires to add to the fund. Such plans and cost estimates shall be submitted to the Loan Review Division in Washington, through the Regional Manager, for presentation to the Board. The Board will either authorize such repairs or rebuilding, or require the insurance fund available to be applied in payment of the principal of the loan or make such other disposition of the matter as the circumstances in each case may require.

The file when submitted must contain complete reports from the Regional Reconditioning Supervisor, Regional Insurance Supervisor, and the Regional Appraiser. The file must also contain a bond furnished by the contractor guaranteeing completion of the work within a fixed time, free and clear of liens for labor and material. The form of bond must be approved by the Regional Counsel. A statement of the amount of principal and other charges against the loan must be included in the file. In addition to the reports required above, the file must contain a statement of the Regional Manager setting forth his recommendations.

"If the loan has not been closed and the Corporation does not have a vested interest in the property, no action shall be taken except to stop farther progress of the loan application and return to the insurance company or companies any checks or papers that may have been forwarded by them to the Corporation." 39

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39. Cf. Resolution of the Board of Directors under date of May 2, 1934 shown in Washington Bulletin #110 dated May 8, 1934; Manual of Rules and Regulations, Chap. XI, pp. 6, 7, 8, and 9.
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Chapter VI

PROCEDURE IN MAKING HOME OWNERS' LOAN CORPORATION LOANS



## APPLICATION DEPARTMENT

The first step in the procedure in the making of a Home Owner's Loan is the filing by the proposed mortgagor with the Application Department of the District Office a properly filled in application. 1. This form contains a great deal of in-

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1. Cf. Form #1, p. 1 of Appendix.

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formation about the applicant and the property upon which he seeks a loan and often the ineligibility of the applicant can be determined from it alone. In addition to the pertinent information therein contained, the application contains an agreement by the applicant to pay all necessary expenses incurred regardless of whether the loan is ultimately closed. This agreement, ostensibly at least, protects the Corporation in those cases where for some reason or another the loan is rejected after expense has been incurred. However, the fact that an application is made is fair evidence that the applicant is indigent and will be unable to pay, and for this reason it has been necessary for the Corporation to be wary of doubtful applications and to protect itself by an advance of money by the mortgagor or mortgagee in such cases.

The application department in each District Office has three essential functions to perform:

1. To consult with all applicants and help them to prepare their applications properly in order to expedite final disposition of their applications;

2. To eliminate promptly all applications which are obviously ineligible; and

3. To send promptly to the control section all apparently eligible applications. 2.

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2. Cf. Manual of Rules and Regulations, Chap. III, p. 3.

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Thus it falls mainly upon the application department to determine the eligibility of the applicant for a loan by the application of the various eligibility rules and tests hereinbefore discussed. It is the purpose of this chapter to discuss the procedural steps taken in the determination of the eligibility of applications.

If the application appears to be regular, that is, if it appears from the application that the property is a homestead, is owned by the applicant or applicants, is properly in distress, is not worth over \$20,000, houses of four families or less, and is not mortgaged for more than \$14,000, it is given a number and a form #202 letter is sent to the applicant. 3

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3. Cf. p. 4., Appendix.

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This letter acknowledges receipt of the application and requests two recent photographs of the homestead. With this letter is sent form #71 which must be filled in and subscribed by the applicant. 4 Form #71 is a detailed state-

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4. Cf. p. 5., Appendix.

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ment of the type of distress, amount of distress and the reason therefor. Any wilfull misstatement in this form is a violation of the Home Owners' Loan Act as amended and is punishable by a fine and imprisonment. Where the mortgage or other evidence of indebtedness is held by an institution in liquidation form # 72 is substituted for form # 71. 5

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5. Cf. op. 6., Appendix.

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Since the Home Owners' Loan Corporation is obliged, except in rare instances, to refinance home mortgages by the payment of bonds which, though guaranteed as to both principal and interest by the United States Government, are not strictly legal tender, the holder of the incumbrance is not obliged to accept them in satisfaction of the indebtedness due him. Therefore, it would in most instances be futile to procede with an application without an indication by the mortgagee or other incumbrancer of a willingness to accept bonds. Thus in every case a consent to take bonds signed by the mortgagee or other lien holder is required. The consent is in the form of a option contract, the consideration being the expense incurred in proceeding with the application. 6 Where the con-

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6. Cf. p. 2., Appendix.

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sent is not filed with the application a blank consent form

is sent to the incumbrancer along with form letter # 402. This letter merely requests that the enclosed consent form be filled in and promptly returned.

In order to check on the statements contained in the application and form # 71, a form # 200 or # 49 is sent to the mortgagee. These forms are questionnaires which, when complete gives a statement of the mortgagee's point of view on the applicant's mortgage status along with a statement as to whether or not he is willing to continue the financing of the mortgage or if foreclosure will be commenced. 7

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7. Cf. pp. 3, 7, and 9, Appendix.

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If at this point everything with reference to the file appears regular and the applicant appears to be eligible, a credit report is requested from an approved reporting agency. This report, in addition to giving the financial standing of the applicant, gives also a brief analysis of his character and habits. The report is returned to the application department.

At the same time as the credit report is ordered an Investigation and Preliminary Appraisal is made by a preliminary appraiser employed by the Corporation. The appraiser returns his findings on form #11. <sup>8</sup> This form when returned

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8. Cf. p. 11, Appendix.

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contains a great deal of information about the applicant and the property in question and serves as a complete check on the other statements contained in the file. In this report is contained an approximate valuation of the property and a statement as to whether or not the preliminary appraiser recommends that in his estimation the property is worth enough to enable the Home Owners' Loan Corporation to satisfy in full the existing encumbrance or incumbrances. If he is of the opinion that there is sufficient value to refinance without an adjustment, he recommends that a fee appraisal be made. If he recommends that a fee appraisal be not made, a letter is sent to both mortgagor and mortgagee to the effect that a preliminary examination was made of the property which disclosed that it would not appraise for an amount sufficient to grant the loan applied for and that the Corporation will not be able to proceed with a fee appraisal until the five dollar charge for such service is advanced.<sup>9</sup> Usually the applicant feels

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9. Cf. Form # 372, p. 13., Appendix.

that the property is worth more than the preliminary appraiser has reported or the mortgagee is willing to take an adjustment and so the fee is advanced. If after fifteen days the five dollars is not sent to the Corporation, a follow up letter is sent and if not replied to the file is sent to the reject file.<sup>10</sup>

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10. Cf. Form # 133, p. 14, Appendix.

The applicant is also required to furnish some proof of title to the property. Usually it is the deed by which title was vested in him or it might be a copy of a certificate of survivorship, divorce judgment or final decree in probate.

Upon receipt of each of the above forms the file is checked with reference to eligibility. Questions of homestead are referred to the District Counsel who passes upon homestead eligibility, questions of distress are ironed out by the head of the application department. Often the applicant is interviewed personally on these questions and where the file is to be continued in such cases, affidavits are obtained and included in the file to clear up patent difficulties.

The file is now sent to the control members of the application department who give it a thorough check. These men are experts on eligibility. They examine the file to see that the property was acquired by the applicant prior to the passage of the Act, that title is in the applicant, that the property does not contain more than four apartments, that the incumbrance existed prior to the passage of the Act, that the applicant has made effort to refinance elsewhere, that a proper condition of distress exists, that the applicant is of good character and deserving, that the property is not worth more than \$20,000 and is not encumbered for more than \$14,000, that the fee appraisal fee has been paid where necessary, that proper affidavits are contained in the file, that the applicant has ability to repay

upon the return of normal conditions and that the file is generally complete. If a lack of ability to pay is apparent, the applicant is required to secure co-signers to the proposed mortgage note before the file is passed. Usually members of the applicant's family join with him. If anything is found wrong with the file it is corrected. If the applicant is ineligible the loan is rejected and if eligible the file is advanced to the next department. In cases where reconditioning is also requested, form R-1 is included in the file at this time. The procedure in cases where reconditioning is requested will be taken up in another part of this thesis.

It will be noticed that at this point the only expense incurred is one dollar for the credit report. It is in this department that the vast bulk of ineligible applications are weeded out.

#### THE APPRAISAL DEPARTMENT

When a file is found to be complete and eligible by the application department it is cleared through the transfer desk and routed to the appraisal department with a request that a fee appraisal be made. The file at this stage contains necessarily the application, the credit report, the mortgagee's consent to take bonds, the preliminary appraisal and investigation report, form #71 or #72, form #200, evidence of title and two pictures of the property. In addition the file might contain one, some or all of the following: a special office

investigation of credit, an affidavit of homestead together with a letter signed by the district counsel to the effect that the property is a homestead, supporting affidavits showing inability to refinance elsewhere, a guarantee of the fee appraisal or a notification that the fee has been advanced to the Corporation, and a statement to the closing attorney as to whom will act as co-signors on the note with the applicant.

When a file is received by the appraisal department it is placed in abeyance and a notice is sent to the proper fee appraiser. This notice gives him the name of the applicant and the street address and legal description of the property and requests him to make a fee appraisal. The fee appraiser does not know the amount of the loan requested, the name of the mortgagee or the value of the property as estimated by the preliminary appraiser. This information is kept from him so that nothing will color the appraisal he is about to make.

The fee appraisers are selected from the ranks of experienced real estate men. Where these men have operated in a certain section of a city in their real estate dealings, appraisals of property in that district are sent to them. They are not strictly employees of the Corporation in that they do not work for a salary, but, as their name indicates, are paid a fee for each appraisal made. The fee of the fee appraisers varies in different sections of the country but in Wisconsin they are uniformly paid five dollars for each appraisal. In the Milwaukee district office which takes care



of the four counties of Milwaukee, Ozaukee, Waukesha and Washington, during the first year of operation of the Corporation an average of forty-five fee appraisers were employed.

### The Appraisal

No code can be drawn which will define completely all the duties and functions of an appraiser. His work is a mixture of mathematics and good common sense based on experience and his duty is to appraise the property fairly and impartially. However, several methods of making real property appraisals have been devised and the method selected by the Home Owners' Loan Corporation is the one approved by the American Institute of Architects and Contractors as the best yet devised. The basic principles and formula of the Home Owners' Loan Corporation appraisals are set out in the Manual of Rules and Regulations of the Home Owners' Loan Corporation in Chapter IV at page 7 as follows:

"a. Basic Principles:

(1) Every eligible home owner who applies for a mortgage under the Home Owners' Loan Act of 1933 is entitled to relief to the full extent warranted by the collateral offered. The relief is given by granting loans in amounts not exceeding 80% of the value of the property as appraised by the Corporation. The Corporation must not be exposed to unwarranted risks through excessive loans.

(2) It is not intended that every loan should be approved for the maximum amount and the appraised value should not be influenced in any way by the amount of loan requested.

(3) The purpose of the appraisal of the property

is to determine its full fair value as collateral for a long term first mortgage loan. Appraisals in every case will be made as if the property were free and clear of all liens.....

(4) The Fee Appraiser is charged with a grave dual responsibility. He should do full justice to the owner and to his property and he must make certain that the Loan Committee is furnished with an accurate valuation of the property. It is therefore essential that all questions on form # 8, Revised be answered fully, carefully and conscientiously. ll

11. Cf. Form #8, Revised, p. 17 of Appendix.

"(5) The appraisers are expected and instructed to be entirely independent in their judgment as to the value of the property, provided they conform to the general appraisal rules and policies of the Corporation. No senior administrative officer has the authority to require an appraiser to affix his signature to or otherwise assume responsibility for any value of any property unless the appraiser considers that the appraisal expresses his own best judgment as to the value of the property.

"b. H.O.L.C. Appraisal Formula - As a guide to be followed in determining the fair value of the property as collateral for a long term first mortgage, appraisers are instructed to give equal weight to:

- "(1) The market value at the time of appraisal;
- "(2) The cost of a similar lot at the time of appraisal, plus the reproduction cost of the building, less depreciation; and
- "(3) The value of the premises as arrived at by the capitalization of the monthly reasonable rental value of the premises over a period of the past ten years. To illustrate this instruction, let us suppose that a typical American home was worth, in 1928, \$10,000 and at that time when there was a fairly normal market for homes, the home had a market value of \$10,000. Assume that this home today has a market value of \$5,5000 and that the present cost of the lot, plus a reproduction of the house, less depreciation, gives a value of \$6,5000. Assume that the house had a rental value of \$100 a month ten years ago and now has a rental value of \$50 a month, and that the average rental value has been \$75 a month and that the capitalization of these rents on the basis prevailing in the community

will give a value of \$7,5000. By added \$5,500, \$6,500, and \$7,500 and by dividing the total of \$19,500 by three, an appraisal of \$6,500 is obtained. On this property the Corporation may advance a total of 80 per cent, or \$5,200 in bonds etc., under Section 4 (d) of the Act, or 50 per cent under Section 4 (e), or 40 per cent under Section 4 (f). This formula is given to be used solely as a guide and an illustration of the method to be pursued in determining the true value of the property as collateral for a long term first mortgage loan." 12

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12. Cf. Manual of Rules and Regulations, Chap. IV, p. 7.

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The above summary gives in a vague way the duties of fee appraisers and the formula under which they are required to operate. The following is a more detailed statement of how the Corporation's appraisals are actually made.

The appraiser first checks the legal description of the property with the plat book to make sure that his future estimations cover the exact property to be mortgaged. Then he proceeds to measure the lot, measure all the rooms, measure the outside dimensions of the building, take the height dimension of the building, i.e. the distance from attic to joist. With these figures he figures the cube of the building exclusive of the porches which are cubed separately. When he has arrived at the cube of the building, he is ready to figure the reproduction cost of the building. He does this by applying a cube formula as follows:

The cheapest type of cottage - one having stove heat, no plumbing and no basement - costs about 12¢ a cubic foot to reproduce. The best type home, one made of brick or stone,

having hot water heat, an oil burner, recreation room, modern equipment etc., costs between 32¢ and 36¢ a cubic foot to reproduce. The average frame bungalow, 22 feet by 38 feet, having five rooms and one furnished room in the attic, furnace heat, built in bath etc., costs about 22¢ a cubic foot to reproduce. About 45% of the Home Owners' Loan Corporation homes come within this class. 13.

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13. N.B. The above figures were compiled by the American Institute of Architects and Contractors.

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Homes are not classed rigidly within these three formulas by the appraiser but they are used as norms from which he can better estimate a close approximation to the reproduction cost of the building.

To the reproduction cost of the building the appraiser adds what in his estimation is the value of the land today and from the total obtained he deducts depreciation. The result is his reproduction appraisal value of the property.

He next determines the capitalization value of the premises. He arrives at this estimate by interviewing home owners in the neighborhood and by applying his own knowledge of real estate rental values in the district. The fair rental value of the property for the past ten years is determined and averaged.

The appraiser can convert the average rent to a determination of the capitalized value of the property in anyone of three ways. He can figure the annual rent at 10%, 12% or 16% of



the value of the property. If the annual rent is \$50 per month or \$600 per year, figuring it at 10% the value of the property is \$6000, if figured at 12% the value of the property is \$5000 and if figured at 16% the value of the property is \$3750. In applying these conversion ratios the appraiser uses his discretion, keeping in mind the upkeep of the property, the tendency toward lower or higher rents and the fact that a commercial building should have a higher rental yield than a homestead.

The appriaser has now established a reproduction value and a capitalization value for the premises and the next step is to determine the present market value of the property. This is nothing more or less than what the appraiser personally thinks is a fair price on sale at anytime of the property as it is today. The property is figured for sale in an average market in its present condition and the figure set usually approximates a 1926 value rating.

The sum of the three values established divided by three equals the appriased value of the property called the certified value upon which the loan is based.

In arriving at the above certified value the appraiser takes into consideration the condition of the building, the necessity of repairs and their approximate cost, his opinion of the applicant as determined by the applicant's pride of ownership and interest in the property, the amount of the last assessed taxes, the assessed value of the property and land, the racial element in the district, the class of district, i.e.

residential, light manufacturing, etc., whether the district is built up or outlying, whether there is an upward or downward trend in the district, whether the building is suited to the neighborhood, the condition of the lawn, shrubbery, etc., and what improvements are on the lot.

He figures at a flat rate garages and all other out buildings and deducts at flat rate penalties for obsolescence. He figures unsuitability, proximity to manufacturing plants, etc., poor architecture and future sociological undesirability due to an influx of negroes, Chinese or other races in the neighborhood, the nearness of a growing cemetery or plans for the construction of a factory nearby. Deductions for these characteristics are reflected in three different ways. They tend to reduce the market value appraisal; they tend to the use of a higher conversion ratio per cent figure in determining the capitalization value appraisal; and they tend to the use of a smaller cubic foot cost of reproduction figure in the reproduction cost appraisal.

When the appraiser has determined his certified value of the property he prepares the long, detailed appraisal form. 14

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14. Cf. Forms, #8 and #118, pp. 17, 19, Appendix.

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As a part of these forms the appraiser must draw a floor plan for each floor of the house and make a longitudinal sketch showing the relation of the house to the lot, the outbuildings.

to the house and lot, the location of driveways, the distance from connecting streets, the shape of the lot and a bird's eye view of the house. He attaches to these forms a photograph of the house taken by himself. Any willfull misstatement in these forms by the appraiser makes him subject to fine and imprisonment under the Home Owners' Loan Act as amended and therefore there must be no alterations or erasures on the forms nor is anyone allowed to make any changes thereon after they have been returned to the district office.

When the appraiser returns his appraisal to the district office a ledger entry is made showing that the fee appraisal has been made and giving the name of the appraiser. The appraisal form is placed in the file and the file is routed to checkers who examine the report of the appraiser to see that it is entirely filled in, that the proper drawings have been made, that the photograph is attached, etc. They also check all figures on a computator and they look for obvious appraisal errors such as discrepancies between the legal discription and the drawings, etc. Since no one, other than the appraiser, can alter or interpolate the appraisal report, all errors and omissions must be referred to the person who made the appraisal for correction.

When the checkers have passed the file it is cleared through the transfer desk and routed to the District Loan Committee.

### The District Loan Committee

The District Loan Committee is composed of three or more expert appraisers and it is the duty of this committee to decide the amount of a loan the Corporation will be able to make on the property as appraised. The committee takes into consideration all evidence of the value of the property contained in the file. This includes the preliminary appraisal, the fee appraisal, the credit report and the applicant's own statements contained in the application as to what he paid for the property and what he thinks it is worth. The committee may set the loan amount as high as 80% of the certified value and as low as it thinks justifiable under the circumstances. The men of this committee, in addition to being well informed as to property values in the city or district, are also well informed as to the idiosyncracies of the various preliminary and fee appraisers and they are therefore able to make proper adjustments so that the work of the appraisal department has some uniformity. Thus, where an appraisal is low, the appraiser is called in for a conference and the matter is adjusted, and where the committee is of the opinion that an appraisal is too high, the maximum loan amount is accordingly reduced.

The Committee catches differences between the preliminary and the fee appraisals and where the difference is over 10% a conference is had with either or both the appraisers attending and if the matter cannot be adjusted a member of the committee of the District Appraiser goes out and looks over the property



in question.

The files are then sorted into those where the amount applied for is less than the loan offer and those where the loan offer will not pay off the existing encumbrances in full. The files are then routed through the transfer desk to the State Appraisal Review Committee.

#### The State Appraisal Review Committee.

This committee is merely a check on the first committee. It pays greater attention to the desirability of the loan, i.e., from the credit angle, future value, etc. In the event there is a non-concurrence between the two committees a conference is had attended by the two committees and the District Appraiser and possibly the fee and preliminary appraiser as well, and the matter is adjusted. The appraisal report is stamped as approved by the committee for the amount determined subject possibly to any of the following conditions:

- a. That a co-signor be secured.
- b. That the Corporation be given an assignment of rents.
- c. That omissions and errors in the file be corrected.

At this point there is a definite split up of the files. Those where the Corporation is able to pay the outstanding incumbrances in full follow one course, and those where an adjustment will be necessary if the loan is to be closed follow another course. The files where the Corporation will be able to refinance without adjustment are routed through the transfer desk to the District Appraiser.

The District Appraiser acts in a general supervisory capacity over the two appraisal committees as has already been pointed out. He scans the file for discrepancies and defects and if satisfied signs his approval on the appraisal form.

The file is then routed to a checker who checks a long form with the appraisal, to determine whether or not it is complete and contains the proper approval notations of the committees and the District Appraiser.

If the appraisal form shows that repairs are necessary before the Corporation will be able to make a loan, the file is routed to the repair department so that proper repair bids may be obtained. If no repairs are necessary the file is ready for the Legal Department.

The files that are going to require adjustment are routed to the District Appraiser for approval. He gives them a cursory examination and if satisfied with the maximum loan offer, stamps his approval on the appraisal report. The files are then routed through the transfer desk to the repair department if necessary and then to the adjustment department.

#### The Adjustment Department

The adjustment department has the difficult job of trying to work out some arrangement between the parties to the loan transaction so that the loan may be consummated, keeping in mind the interests of the mortgagor, the mortgagee and the

Home Owners' Loan Corporation. This department handles only those files where the Corporation in giving its maximum loan will not be able to pay off in full the existing incumbrances. It is apparent that if the loan is to be closed someone must sustain a loss and it is also apparent that the person to sustain the loss is the incumbrancer since the applicant usually has nothing with which to bargain and the Corporation cannot change its maximum loan offer. It might seem a little unfair that the burden of adjustment is placed on the mortgagee, but it must be remembered that the Home Owners' Loan Act was passed to aid distressed home owners and not distressed mortgagees. Further, since the mortgagee has actually an inadequate security for the loan he has made to the applicant, should he foreclose and buy up the property on sheriff's sale, he still will not have value received for the expense of foreclosure will add to the indebtedness, the outstanding taxes will have to be paid, necessary repairs will have to be made, and the possibility of collecting on a deficiency judgment of any size are very remote since the applicant has the recourse of bankruptcy. Further, should the mortgagee foreclose he will be burdened with a highly taxed and low income producing property. Thus it can be seen that no matter how he proceeds, the incumbrancer must take his loss and the question is, will he take the loan or will he foreclose as the best means of minimizing it.

The consent to take bonds which was signed by the mort-

gagee when the file was in the Application Department was a consent to take in bonds the full amount of the indebtedness due him and since it is now impossible to pay him this amount, the consent is void and the mortgagee is at liberty to accept or reject the loan offer. In this department many loans are rejected but the Corporation is protected as to the expense incurred since in most cases an advance or guarantee of the fee appraisal cost has been secured.

When the file is received by the adjustment department a form letter is sent to the mortgagee and other lien holders telling him or them, as the case may be, the maximum loan that the Corporation will be able to make. 15. At this time

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15. Cf. Form #203, p. 20, Appendix.

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no notice is sent to the applicant for in many instances the matter can be adjusted without him. The letter states the gross loan approved and what deductions will have to be made such as outstanding taxes, necessary repairs, special assessment bonds outstanding but not yet due, and the costs of closing the loan, the balance to be available for the lien holder or lien holders. The Corporation does not attempt to give a net offer to the mortgagee because the expense of closing and the amount of outstanding taxes and improvement bonds can be only approximated at this time.

Where there is only one lien holder and he agrees to take whatever loss may develop, he is requested to send a letter of



acceptance together with a new consent to take bonds. When these are received the file is considered adjusted and is ready to proceed to the next department.

Where there are two lien holders such as two mortgagees or a mortgagee and a land contract vendor and the offer will not satisfy both their claims, a meeting is generally arranged and an amicable settlement is arrived at. In this case new consents and letters of acceptance are required for the file and it is then ready to proceed.

Where an acceptance is received from the holder of the first lien but none is received from the holder of the second, and there will be some balance left after payment of the first in full, the applicant is written to for the first time by the adjustment department.<sup>16</sup> This letter states the gross

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16. Cf. Form Letter #201, p. 21, Appendix.

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offer, the fact that the first has accepted and that it will be necessary to secure a release of the second before the file will proceed. In about 30% of the cases the second mortgage is not bona fide but is merely collateral or is held by a relative or friend for some personal obligation and thus can be released without consideration. In the remaining cases the holder of the second lien expects a consideration before he will release. Usually in such cases the applicant is unable to effect an adjustment unless the holder of the first

incumbrance is willing to sacrifice part of what he is entitled to in order to avoid a foreclosure action. If the holder of the second lien refuses to take the residue of the loan money and the holder of the first will not share with him, the Corporation tries to determine what the minimum acceptance of the second lien holder will be and then a conference is arranged between the parties and the chief adjustor. Often in this way an adjustment is arrived at.

Where the loan offer is insufficient to pay the holder of the first incumbrance in full and there will be nothing whatever for the holder of the second incumbrance, and the second incumbrance is bona fide, little can be done to work out an adjustment and usually in such cases the loan falls through. Fortunately however, such cases are very rare. Occasionally in such cases the holder of the second lien can be induced to release his lien when it has been pointed out to him that if the first mortgage is foreclosed he will lose his lien anyway. In such cases he retains the personal note of the applicant.

In rare cases, where every possible method of adjustment has been tried and all have failed, the Corporation has allowed a second mortgage to be given to the lien holder subject to certain conditions:

"Where the full amount of the indebtedness against the property cannot be refunded by the Corporation, the mortgagee or other lien holder will be permitted to take a second mortgage or second deed of trust if the amount

of such second mortgage or deed of trust does not exceed the difference between the Corporation's appraisal and the amount of the Corporation's first mortgage. In no case shall the second trust or second mortgage to such other mortgagee or lien holder be in terms which would cause the mortgagor's payments to the Corporation to be a hardship, or deprive the mortgagor of reasonable opportunity to pay such second mortgage or second trust." 17.

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17. Cf. Manual of Rules and Regulations, Chap. VI, p. 10.

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Actually, in the few instances where second mortgages are sanctioned by the Corporation, they are allowed for 10% of the appraised value, they must become due in ten or more years, and the mortgagor must have the option of paying only the interest for the first five years.

Where a complex adjustment has been arrived at the file is checked to make sure that all the parties understand the agreement, and where necessary, new consents to take bonds are procured.

Where no adjustment is possible all interested parties are notified and the file is sent to the reject file.

The adjusted files are routed through the transfer desk to the District Appraiser who makes a detailed examination of the appraisal and the adjustment agreement. The file is then transferred to the Legal Department.

#### The Repair Department

The Repair Department as considered at this time must

be distinguished from the Reconditioning Department which will be discussed in a separate part of this thesis. Although repairs and reconditioning are handled by the same personnel of the District Office and both are under the jurisdiction of the District Reconditioning supervisor, they are two distinct functions of the Home Owners' Loan Corporation and must therefore be considered separately.

Necessary repairs have been indicated on the preliminary investigation and appraisal report by the preliminary appraiser and confirmed on the appraisal report by the fee appraiser. The files are routed to the repair department through the transfer desk after they have been examined by the District Appraiser.

Before the Corporation can make a loan upon a home it is necessary that the home be in a proper state of repair. If repairs are necessary they must be made before the loan is closed. Necessary repairs can be defined as any repairs, the lack of which will tend to depreciate the investment. Such repairs would include the painting of the building, the repair of the roof or the providing of a new one, providing new tin work such as flashings, gutters and down spouts, repairing the furnace or stove, repairing the mason work, miscellaneous carpenter work, and in rare instances, repairing the plumbing.

A house must be painted where the paint is chipped or



peeling or where in the opinion of the appraiser it will need new paint within a year of his examination. If a roof leaks it must be repaired and where, though it be repaired it will likely leak within a year, a new roof must be provided. If the tin work is rusty, leaking or detached, it must be repaired or replaced. The house must have an adequate heating system and the Corporation will require anything from the repair of a cracked fire pot to the installation of a new furnace to provide it. However, if the building has stove heat which is adequate, a stove can be replaced only with another stove. Miscellaneous carpenter work may be required such as the replacing of rotted siding, the repair of porches, the repair of doors and door frames and the repair of decayed windows and window frames. In the repair of mason work the foundation is the chief consideration. The Corporation may require a basement where none was before but the foundation, whether basement or post must be so repaired as to last the duration of the loan. When a basement is replaced the new foundation must be similar to the one removed. The Corporation requires that the building be made level even should the expense of a floating foundation be necessary.

Generally nothing is done about the plumbing but in some cities, including Milwaukee, there is an ordinance to the effect that outdoor closets must be replaced by indoor plumbing and in such cases the Corporation requires the sim-

plest indoor plumbing fixture to be installed. This consists only of a toilet, no bath nor wash stand being included.

The general rule of the Corporation is that the work must be done with the cheapest durable product. It is emphasized that the work is being done to preserve the premises and not to beautify them. Exceptions are sometimes allowed to this rule where there is sufficient money available and the use of the minimum specifications would make the house appear out of relation to the neighborhood in which it is located.

No contract for necessary repairs can be let by the Home Owners' Loan Corporation without the letting of three competitive bids for the work to be done. Any contractor can get his name placed on the role of contractors by doing three things: he must show himself competent; he must signify a willingness to live up to the Corporation's rules as to bids, and thirdly, he must furnish a Certificate of Compliance with the requirements of the National Recovery Administration. 18

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18. Cf. Manual of Rules and Regulations, Chap. V, p. 7.

The bids are rotated among the contractors and attention is paid to the districts in which the contractors operate.

When the file is received by the repair department, requests for bids and H.O.L.C. specifications are sent to three contractors listed on the role of contractors. <sup>19</sup> Out of

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19. Cf. pp. 103-16, Appendix.

the three bids, the owner is allowed and invited to submit one bid from a contractor of his own choosing. Where he neglects or refused to do so, the Corporation lets the three bids. If the repair work to be done necessitates the awarding of contracts to separate contractors, requests for bids are sent to reliable contractors in each trade involved. <sup>20</sup>

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20. Cf. Manual of Rules and Regulations, Chap. V., p. 7.

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Before the requests for bids are sent out the owner is called in to get his opinion as to the repairs necessary, to see if the appraiser has overlooked any necessary repairs, and to secure more detailed information so that the requests for bids will be accurate. When the bids are returned they are examined and made a permanent part of the file. In each case the lowest competent bid is accepted. Should there be two identical bids, the bid submitted by the contractor selected by the owner is given precedence. Where the owner has not participated in the requesting for bids, the Reconditioning Supervisor of the District awards the contract at his own discretion.

It often happens that the applicant desires to do his own work or the mortgagee might want to do the repair work in order to cut down the deductions from the gross loan available. In both cases the consent and approval of the Reconditioning Super-

visor of the District must first be secured. 21

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21. Cf. Manual of Rules and Regulations, Chap. V, p. 7.

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Where the Corporation is to furnish only the materials, the bids are let in the same way as they are for the complete job. Where the applicant or the mortgagee desires to do the complete job, it must be done according to Home Owners' Loan Corporation specifications. In such cases the file is placed in abeyance and when the work is completed it is inspected and if found satisfactory, the file is continued.

Where the work is let to a contractor, the file is not kept in abeyance but is continued on in the regular course. Before the file is continued, the bids are typed in triplicate and signed by the Reconditioning Supervisor, District Appraiser and District Manager. Then the actual contracts are drawn between the successful bidder and the Corporation. <sup>22</sup> All contracts

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22. Cf. Forms R4A, B, C, pp. 116, 122, 123, Appendix.

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are contingent on the successful completion of the loan and the contractor is not obliged to begin the work until the loan has been closed. Before the contracts are let the owner is informed as to the successful bidders and he must sign an authorization allowing the work to be done by the particular contractor. <sup>23</sup> At the time the loan is closed the successful

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23. Cf. Form 105, p. 118, Appendix.



contractors are informed so that they may begin the work. The money assigned to the payment of necessary repairs is kept in escrow by the Corporation until the work has been completed, inspected and approved.

### The Legal Department

The third large department of the District office is called the Legal Department for the reason that the file will now, for the most part, be handled by lawyers. The loan is now ready for the process called closing and it is the purpose of this section of this paper to discuss the procedural steps taken in closing loans.

When the file is received by the legal department a letter is sent to the applicant telling him to deliver the Abstract of Title to a particular abstract company so that it may be extended to date. The abstract companies are selected by the State Manager. In Milwaukee County the abstracting work is divided between the three existing abstract companies. The Corporation does not call the abstracts in and then distribute them among the various companies because to do so would create a legal responsibility in the Corporation to pay for the extension regardless of whether or not the loan is ultimately closed. Thus the Corporation is protected in another instance where expense may be involved.

At the same time the applicant is written to, a letter is sent to the abstract company telling it the name of the

applicant, the legal description of the property upon which a loan is contemplated and that when the abstract has been continued for the applicant it should be sent to a particular attorney to whom the closing of the loan has been assigned. A ledger entry is then made giving the name of the applicant, the name of the closing attorney, the amount of the loan to be made, the name of the abstract company, and a statement as to whether or not necessary repairs are to be made. A note is then placed in the file telling the closing attorney the name of the abstract company to which the abstract will be delivered, and the file is sent to the closing attorney.

The closing attorneys are selected by the State Manager and their work is subject to the approval of the District and State counsels. They are paid on a fee basis receiving a definite sum for each loan closed plus additional fees for extra legal services. All extra legal service charges must be approved by the District Counsel before they can be included in the loan, and the applicant must agree that the work be done. The fee of the closing attorney varies in the different states. In Wisconsin the attorneys are paid \$20.00 for each loan closed. In the Milwaukee District Office during the first year the Corporation was in operation an average of forty closing attorneys were employed by the Corporation.

Ultimately it is the duty of the closing attorney to provide the Home Owners' Loan Corporation with a proper note or

bond secured by a mortgage which constitutes a first lien on the premises claimed by the applicant as his homestead. The method of fulfilling this duty is quite complicated.

A few days after the closing attorney receives the file, the extended abstract is sent him by the abstract company. This abstract is in effect a history of the property from the time the original patent was issued by the United States Government. It contains a record, in chronological order, of all deeds, mortgages, judgments, taxes, liens, plats, probates, divorces, certificates of survivorship, foreclosures, actions to quiet title, powers of attorney, guardianships, trusts, land contracts, special assessments, etc., that have from time to time affected the title to the property in question. It is the closing attorney's first duty to examine carefully this abstract of title and then draw an opinion of title setting forth the holder of the fee, the incumbrances on the fee, and any defects that might appear in the chain of title. The attorney is responsible in damages for any negligence in his examination of the title that results in loss to his client. The opinion of title states the exact condition of the property at the time the abstract was last extended and from it the attorney is able to outline the legal steps that will necessarily have to be taken before the Corporation's mortgage can safely be put on record. <sup>24</sup> Such an outline is next

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24. Cf. p. 25, Appendix.

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prepared by the attorney and is called the Title Memo. 25

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25. Cf. p. 26, Appendix.

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Both the Opinion of Title and the Title Memo must be subscribed by the closing attorney and they become an essential part of the file.

Where the property has been appraised for an amount sufficient to pay off the mortgagee in full a blank form #303 is sent to him with a request that it be filled in and returned immediately. <sup>26</sup> This form is a statement of the mort-

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26. Cf. p. 31, Appendix.

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gagee's account with the applicant. The mortgagee is requested to figure his interest to a date upon which the attorney estimates he will be able to close the loan.

At the same time tax statements are sent for all the outstanding taxes as indicated by the opinion of title. These statements are also figured to the date the attorney proposes to close the loan. Since interest and penalties on delinquent taxes are usually figured monthly the closing attorney has quite a range of time in which to close the loan without having to refigure it.

The attorney also writes to the holder of the incumbrance for all insurance policies covering the premises. The Corporation requires that there be adequate insurance coverage to



protect its security. These requirements have been hereinbefore set forth at length. It is the duty of the closing attorney to see to it that all the insurance requirements of the Corporation are complied with and that the policies are contained in the file.

The next step is to have the applicant come in for a conference at which time he verifies the statements of form #303 should one have been required, he is instructed how to proceed where there are judgments shown in the abstract, and he is informed of any title defects which possibly will have to be corrected before the loan can be closed. Any other pertinent matters that might have arisen with reference to the particular loan are also discussed at this time.

The closing attorney is now ready to draft form #15. 27

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27. Cf. p. 30, Appendix.

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This form is the ledger of the loan. It contains the name of the applicant, the address of the property, the name of the mortgagee or other incumbrancer and his address. It states the amount of the loan that is being made and shows how the entire amount is to be disbursed. Accrued interest on the H.O.L.C. bonds are figured and charged to the amount to be received by the mortgagee. The amount that will be disbursed in bonds and the amount that will be disbursed in cash is shown. All closing expenses are listed. The closing date is given and the monthly amortization payments that will be re-

quired of the applicant is shown. The form when properly executed gives a complete statement of the loan.

The proposed Home Owners' Loan Corporation note and mortgage are now drawn in duplicate and the Home Owners' Loan Corporation attorney then draws and has executed the following papers:

1. Form #53 which is a statement of what taxing bodies assess when the taxes become due the property and the addresses of the tax collecting officers. This form is included so that the Corporation may know when and to whom it should pay taxes where necessary to protect its equity, and from whom it may secure information as to taxes from time to time in the future. 28

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28. Cf. pp. 27-9, Appendix.

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2. Form #18 which is a pay voucher form for attorney's fees. 29

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29. Cf. p. 39, Appendix.

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3. Form #86. This form is included where the mortgagee is a non-resident. It is a letter signed by the mortgagee and stating to what Bank or Trust Company he desires delivery of the Home Owners' Loan Corporation bonds. <sup>30</sup> The Corporation

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30. Cf. Form #86, p. 36, Appendix.

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will in no case deliver its bonds directly to the mortgagee and where the holder of the mortgage is a bank or trust company it must select some other bank or trust company to take the bonds for it. 31

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31. Cf. Bulletin #122, issued June 1, 1934 by P. J. Maloney, Treasurer and approved by Wm. McNeal, General Manager.

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4. Form #353 which is an affidavit signed by the applicant to the effect that the property upon which he is seeking a loan is his homestead as defined by the statutes of the particular state. <sup>32</sup> This form is not required where a

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32. Cf. Form #353, p. 35, Appendix.

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homestead has arisen while the file was in the application department for in such cases a detailed affidavit of homestead approved by the district counsel is already contained in the file.

5. Form #365 which is an affidavit signed by the applicant to the effect that he has had no work performed nor materials furnished within a period of time as designated by the statutes of the particular state, which would make the homestead subject to a mechanics' lien. <sup>33</sup> This form is

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33. Cf. Form #365, p. 34, Appendix.

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required because in most states a mechanics' lien may be filed several months after the labor or materials have been

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supplied and thus a valid lien claim could be outstanding but not yet shown on record, and therefore not appearing in the abstract as an incumbrance. T2063

6. An affidavit of non-identity signed by the applicant where judgments appear in the abstract which are not against the applicant but which were taken against a person of like or similar name.

The file is now checked by the closing attorney to see that all papers have been properly executed and if found proper it is returned to the District Office where it is routed through the transfer desk to the District Counsel.

#### The District Counsel

The District Counsel compares the Opinion on Title with the Memo to determine that all defects and incumbrances listed in the former are taken care of in the latter. He then checks the Title Memo to see that no serious defects have been waived and also that the defects and incumbrances listed are to be corrected or removed in the manner approved by the Corporation. Should there be defects the correction of which will require extra legal services, he determines the fee the closing attorney will be able to add to the regular closing fee.

Although the Manual of Rules and Regulations of the Home Owners' Loan Corporation states that "the Corporation is willing to accept such titles as the better class of first mortgage lenders have accepted in the past as first mortgage security



in the territory where the property is situated," 34

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34. Cf. Manual of Rules and Regulations, Chap. VI, p. 11.

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actually, the Corporation is much more rigid in its title requirements. Some of the typical title requirements of the Corporation are as follows:

1. "All outstanding mortgages must be released of record.
2. "Where a foreclosure action has been commenced but has not been prosecuted to judgment, a stipulation and order dismissing the action must be filed in the action and the mortgage must be released of record.
3. "Where a foreclosure action has been prosecuted to judgment, the judgment must be satisfied in the action and the mortgage released of record.
4. "Whenever in a foreclosure action a receiver has been appointed, he must be discharged in the action.
5. "Where a foreclosure action has been prosecuted to Sheriff's sale, the property must be deeded back to the applicant, the mortgage must be released, and if the sale has been confirmed, any deficiency judgment must be satisfied.
6. "Where there are two mortgages and the first is foreclosed, the second being joined in the foreclosure action, and the foreclosure action is completed so as to place a fee title in the purchaser at sheriff's sale, the property must be deeded to applicant, the first mortgage must be released and in addition the second mortgage must be released lest it might be sometime held that the second mortgage will reattach as a lien upon the mortgagor of that mortgage once again acquiring title to the property.
7. "Where a mortgage is held by a guardian, trustee, executor, administrator and where the mortgagee is an institution in liquidation the release of the mortgage must first be authorized by a court of competent jurisdiction. Should the mortgagee be a defunct National Bank, in addition to the court order, an order of the Comptroller of the Currency is also required.

8. "In all probate and survivorship actions the inheritance and income taxes must be determined and paid.

9. "All taxes and special assessments due must be paid. Where there are special assessments outstanding but to become due at some future date, the amount thereof is deducted from the maximum loan so that the Corporation may pay them if it wishes without impairing the security required by the Act.

10. "All misnomers occurring after 1900 must be corrected by recorded affidavit or by correction deed.

11. "All mistakes in deed descriptions must be corrected by correction deeds or by action in equity to reform the conveyance in compliance with the intent of the parties thereto.

12. "All mechanics' liens that have not been outlawed by the statute of limitations must be released of record.

13. "In all cases where a joint tenant either to a mortgage, deed or land contract has died, a proper certificate of survivorship must be recorded.

14. "All judgments against the applicant not outlawed by the statute of limitations must be released or subordinated to the lien of the Corporation. If the applicant is unable to accomplish this the Corporation will allow a nominal sum to be added to the loan to effect their release provided they were docketed prior to the passage of the Home Owners' Loan Act. Usually the Corporation will not pay over \$20 for the release of outstanding judgments. Where such an amount is insufficient, the judgments are released by a statutory procedure called a Homestead Declaration which releases them for a period of one year in cases where the applicant's equity in the homestead property does not exceed the statutory exemption from execution.

15. "Where there are judgments listed in the abstract of title against a person of like or similar name to the applicant, but such judgments actually have not been taken against the applicant, the Corporation requires that the judgment entry in the abstract be endorsed by the judgment creditor or his attorney to the effect that the said judgment is not a lien against the property in question.

In such cases the applicant is also required to execute an affidavit to the effect that the judgments listed are not against him.

16. "All abstracts must contain the United States patent entry.

17. "All encroachments must be released by quitclaim deed.

18. "Where the applicant has acquired his interest in the property by unrecorded land contract, he must receive title by warranty deed, the original or a duplicate land contract agreement must be contained in the file, and affidavits must be executed by both vendor and vendee to the effect that the land contract is genuine and was entered into prior to the passage of the Act.

19. "All notes and mortgages refunded by the Corporation must be contained in the file

20. "All necessary powers of attorney must be duly recorded and shown in the abstract.

21. "Where a serious title difficulty arises that cannot be cleared by the above procedures, the applicant is called in and given the option of having the title quieted by an action in equity or of securing a policy of title insurance running to the Corporation." 35

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35. Cf. Manual of Rules and Regulations, Chap. VI, p. 11ff.

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When the title has been approved by the District Counsel, the file is routed through the transfer desk to a group of auditors who examine it to see that all the computations of the closing attorney are correct and properly set out on the form #15. This examination of the file is very thorough and involves a great amount of comparison and computation with reference to the papers added to the file by the closing attorney. All errors and omissions are corrected and the file is then routed through the transfer desk to the State Loan Review Board.

### The State Loan Review Board

When the file reaches the State Loan Review Board it should be ready for closing and it is the duty of this Board to give the file a thorough examination in every respect to see that everything necessary has been properly taken care of. The State Loan Review Board is really the court of last determination for when the file is approved here it leaves that District Office for the last time.

Since the file is here given a complete examination, an expert in the work of each department comprises the Board. Thus, there is an expert auditor, an expert on eligibility and appraisals, and an attorney who is an expert on titles. Usually also there is a chairman who is well versed in the whole policy of the Corporation and who acts as coordinator for the Board.

The State Loan Review Board examines the file from every possible angle. Eligibility is checked, appraisals are scrutinized, figures are audited and the abstract of title is reexamined to make sure that the closing attorney has not missed any defect or incumbrance in his title examination of the title. When the file is approved it is given a loan number, routed through the transfer desk and sent to the District Manager who subscribes the file with his approval. When the file has been approved by the District Manager it is sent to the Disbursing Department where the bond authorizations and checks are drawn. Since the smallest bond denomination is \$25, all



amounts for a less sum are disbursed in cash. The taxes, necessary repairs and closing expense are also paid in cash. When the checks and bond authorizations have been added to the file it is returned to the closing attorney for closing.

### Closing

The closing attorney calls in the applicants and has them execute the Home Owners' Loan Corporation note and mortgage and affidavits. Then the Home Owners' Loan Corporation mortgage is recorded and a request is sent to the abstract company for a report on title from the date the abstract was last extended to the date the mortgage was recorded. If the report shows any intervening lien or incumbrance, it must be eliminated. When it appears that the recorded Home Owners' Loan Corporation mortgage is a first lien on the property, the incumbrancer is called in to execute a release of the refinanced incumbrance, deliver the insurance, execute the bond authorizations, etc. When these things have been completed he is given one of the duplicate original bond authorizations and his check for any cash differential. The taxes are then paid and receipts secured, the abstractor is paid and a receipt secured, the register of deeds is paid and a receipt secured and if the repairs have been properly completed and approved, the contractor is paid and his receipt is placed in the file. All necessary releases, affidavits, satisfactions of judgments, deeds, etc. are then recorded and the abstract is then sent to the abstract company for a final extension.

The original form #15, form #13, the original Home Owners' Loan Corporation note and duplicate bond authorizations are then sent to the state office where they are examined and then sent on to the Regional Office. This is done so that the account of the borrower can be set up since payments are made on a monthly basis. 36

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36. Cf. Bulletin #85, issued April 4, 1934 by Wm. McNeal, General Manager.

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The balance of the file does not reach the regional office until several months after the loan is closed because of several unavoidable delays that will be discussed later herein.

When the abstract of title is returned by the abstract company it shows all the documents that were recorded as a part of the loan transaction. The closing attorney checks this last extension of the abstract with the title memo to make sure that all necessary papers have been recorded and are shown, and he then draws his final certificate of title. 37

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37. Cf. p. 42, Appendix.

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The attorney now must wait until the recorded documents are returned from the Register of Deeds office. Due to the vast amount of recording made necessary by the Corporation there is usually a delay of anywhere from one to three weeks until the instruments are returned. When everything is in order the file

is mailed to the State Office where it is examined and if found complete the attorney's check is sent to him . The file is then forwarded to the Regional Office where it is kept permanently. 38

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Cf. pp. 43,44, 45, and 57, Appendix.

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#### Reconditioning Procedure

When an applicant desires reconditioning, when he files his application for a loan he also executes form R 1. which is the application form for reconditioning, if eligible. 39.

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39. Cf. p. 93, Appendix

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The application then proceeds regularly until it is ready to be transferred to the Legal Department. At this point the file is routed to the Reconditioning Department where necessary repairs, if any, are arranged for as in the ordinary case. At the same time the steps necessary to the completion of the reconditioning angle of the loan are taken.

First an inspector of the Reconditioning Department inspects the property and renders a report as to the justification for such remodeling and modernizing. If the Reconditioning Supervisor feels that the reconditioning requested is advisable he has executed reconditioning approval form 7 R and the owner is notified to employ an architect to submit plans for the proposed alteration of the building. The reconditioning Department

is authorized to assist the architect in an advisory capacity in the drawing of his plans. The specifications for the proposed work are drawn by the Reconditioning Department and the architect must abide by them. The Corporation, however, in no way binds itself to pay the architect for any work he might do.

When the plans of the architect have been submitted and approved, the home owner is requested to secure bids for the proposed work from three contractors who have fulfilled the Corporation's requirements. Before a contractor may qualify for reconditioning contracts he must furnish the Corporation a signed certificate of compliance with the requirements of the National Recovery Administration. He must also carry workman's compensation insurance if such insurance is mandatory in the particular state, and he must carry public liability insurance approved by the Reconditioning Division and so written as to protect the contractor and the home owner. 40

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40. Cf. Form 13 A, p. 110; Form R 15, p. 103, Appendix.

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When the bids have been returned the Reconditioning Supervisor determines which contractor or contractors should do the work. The owner is then notified by form R 9 and the following contracts are prepared for execution: 41

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41. Cf. Form R 9, p. 120, Appendix

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(1) Reconditioning Form No. R-4A. This is a contract between the home owner and the contractor. It specifies the reconditioning work and sets forth the terms and conditions under which the work is to be done. The Corporation is in no sense a party to this contract. It is an independent transaction between the home owner and the contractor. The architect's plans and specifications are attached to this contract and made a part thereof. 42.

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42. Cf. p. 116, Appendix

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(2) Reconditioning Form No. R-4B. This is a contract entered into between the Corporation and the contractor. It contains an agreement on the part of the contractor to perform the work in accordance with the Corporation's requirements, and without holding the Corporation liable. 43

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43. Cf. p. 122, Appendix

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(3) Reconditioning Form No. R-4C. This is a contract between the home owner and the Corporation and sets forth the conditions under which the Corporation will advance funds to the order of the home owner for payment to the contractor. 44

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44. Cf. p. 123, Appendix.

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When the contracts have been prepared, form R 6 which is a reconditioning rider is added to form #8 and the file is routed to the Legal Department where it follows the regular procedure to closing. At the time the loan is closed the contracts are executed and the contractors are notified to proceed with the work. The funds allowed for reconditioning are held in escrow by the Corporation pending the completion of the work.

An inspector who is a full time employee of the Reconditioning Department inspects the work while it is in progress and certifies as to its final completion in accordance with the plans and specifications. <sup>45</sup> Funds become available to the order of

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45. Cf. Form 11R, p. 129, Appendix.

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the home owner for payment to the contractor or contractors furnishing labor or materials only when the contractor or contractors and the home owner have each performed his respective agreements in a manner that is satisfactory to the Corporation and the work has been accepted by the home owner. If the work is not satisfactory all interested parties are sent form R-11A which is a notice that the work is not acceptable to the Corporation. 46.

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46. Cf. p. 131, Appendix.

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Where the applicant has received a Home Owners' Loan and

later applies for an additional reconditioning loan a different procedure is followed which usually is so expensive as to make such loans practically prohibitive.

First the applicant files a Form R-1<sup>47</sup> which is the re-

47. Cf. p. 98, Appendix

gular application for reconditioning. A new credit report is ordered and if the preliminary appraisal is more than six months old, a new preliminary appraisal is ordered. If the applicant is found to be eligible for the loan the file is forwarded to the appraisal department. If the original appraisal is more than six months old, a new fee appraisal is required; otherwise, a copy of the original appraisal is placed in the file. The file is then routed to the Reconditioning Department where the same procedure is followed as in the case of an application for reconditioning prior to the closing of a loan. When complete the file is sent to the State Loan Committee.

When the file has been approved by the State Loan Committee it is returned to the attorney who closed the applicant's first loan. It is his duty to have the abstract posted to date and arrange for the release of any liens which might intervene the original Home Owners' Loan Corporation mortgage and the proposed second mortgage. When all is in readiness, the closing attorney has the contracts and the new Home Owners' Loan Corporation note and mortgage executed and the abstract extended to show the second mortgage. He then returns the file to the

Reconditioning Department where it is held pending the completion of the work. All the expense of credit report, fee appraisal, abstracting, recording and closing is added to the amount of the second mortgage. It can be readily seen that unless a large amount is authorized for the desired reconditioning the expense of obtaining such a loan more than offsets any advantage gained, and since the applicant for such reconditioning must be in distress in order to get the loan there is little likelihood that he will wish to assume another large indebtedness.

A difficulty arose with reference to such reconditioning loans where the first loan of the Corporation was for 80% of the appraised value of the property. In such cases the applicant had no more equity in the property which he could offer as security for the new mortgage. Since the Corporation can loan only 80% of the value of the property, it could loan only 80% of the amount needed for reconditioning. It would therefore be necessary for the applicant to provide 20% of the loan he desired. This condition was remedied by the Corporation's assuming that the property be enhanced 20% of the cost of reconditioning. Thus, if the property were first appraised at \$10,000 and the first loan was for 80% or \$8,000, and the applicant applied for \$2000 for reconditioning, upon the reconditioning being completed the property was assumed by the Corporation to be worth \$12,500. The total amount loaned by the Corporation would be \$10,000 which is exactly 80% of \$12,500.



### Special Cases Requiring Review at the Washington Office.

In special cases it is required that the file be approved by the Loan Review Division of the Washington office before the loan may be closed. In addition, the Loan Review Division may expressly direct that a particular file be forwarded to it for review. Further, the State Manager may, if he wishes, send doubtful cases to the Review Division for determination. Those cases where it is mandatory that the file be forwarded are as follows:

- (1) "40% Cash Loans All applications for loans under Section 4 (f) of the Home Owners' Loan Act as Amended must be submitted to the Loan Review Division for decision and approval before closing. In all such cases a full statement must be made by the State Manager giving the reasons why it is necessary to liquidate the mortgage in cash.
- (2) "Employees as Applicants or Lien Holders - In all cases where an employee of the Corporation, fee attorney, fee appraiser, fee inspector or other fee personnel is either an applicant for a loan or is interested as a lien holder or interested in a corporation or company which is a lien holder, or is attorney or agent for an interested party, the complete file must be forwarded to the Loan Review Division in Washington for final approval before closing.
- (3) "Old Debts Refinanced by New Mortgages since June 13, 1933. - In cases where home mortgages, other obligations and liens existed prior to June 13, 1933, securing debts, and the same identical debts continue to exist but are secured by a new instrument or instruments, the completed file must be forwarded to the Loan Review Division in Washington for its consideration. Such cases should not be forwarded to the Loan Review Division except upon recommendation of the State Manager and where it appears that extraordinary hardship will result unless the Corporation refunds such debts. In cases where such mortgages or other instruments are held by an institution eligible for wholesale handling, it is not necessary that such cases be submitted to the Loan Review Division.

(4) "Home and Business Property - In border line cases involving combined home and business property, where the State Manager is in actual doubt as to whether the property is used primarily for a home or primarily for business purposes, the file must be sent to the Loan Review Division in Washington for decision. Where the business use of the property is clearly incidental to the home in that only a small portion of the property is used for business purposes, and the remainder is a bona fide home of the applicant, the loan may be approved by the State Manager without the necessity of forwarding the file to Washington for review, provided the loan is eligible in all other respects. Where the use of the property is primarily for business purposes and the home is clearly incidental to the business, the property is ineligible and the loan shall be rejected by the State Manager without forwarding the file to the Loan Review Division. 47

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47. N.B. The provisions of this paragraph of the Manual of Rules and Regulations has been superceded by Washington Bulletin #136 issued June 28, 1934 under authority of Preston Delano, General Manager. This bulletin requires that, effective at once, "all applications involving combined business and home property shall be construed as unusual cases requiring review by the Loan Review Division in Washington, D. C. before final closing." Since the date of this bulletin the State Managers have been without discretion in such cases.

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(5) "Title by Gift Subsequent to June 13, 1933. - Where the applicant has acquired title by gift subsequent to June 13, 1933, a mortgage covering such property shall not be refinanced unless the applicant resided in the property on June 13, 1933, as a home and has since acquired title by gift. In cases of this character the file accompanied by a full statement of the facts, must be submitted to the Loan Review Division in Washington for decision. Such loans will not be made unless it appears to the satisfaction of the Loan Review Division that the property was acquired by the applicant as a bona fide absolute gift of an equity of substantial value.

(6) "Refusal of Spouse to Execute Note. - In loans to married persons where one spouse is legally competent to sign but will not do so, the loan may be closed without the signature of such spouse provided the Corporation will acquire a valid first lien. However, all such

cases shall first be forwarded to the Loan Review Division in Washington, with a full statement of the situation and recommendation of the State Manager for final approval.

(7) "Members of Congress as Applicants. - In all cases where a member of Congress is an applicant for a loan, the complete file will be forwarded to the Loan Review Division in Washington for final decision before closing.

(8) "Applications for the Refunding of Oral Contracts. In all cases where the contract sought to be refunded is oral, the file must be forwarded, before the loan is closed, to the Loan Review Division in Washington for decision. In addition to other necessary information the file must contain a statement of the substance of the contract supported by affidavits of the parties thereto.

(9) "Total Loss by Fire, Windstorm, Etc.," N.B. 48

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48. N. B. The procedure in such cases is outlined in the section of this paper which discusses insurance requirements of the Corporation. Cf. Manual of Rules and Regulations, Chap. VII.

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In the above cases the file proceeds through the District Office in the same manner as any other file except that a note is placed in the file while it is in the application Department to the effect that it must be reviewed in Washington, and when the file is ready to proceed to the Legal Department it is stopped. At this point the file is given a thorough checking to determine that all the papers are in order. The applicant is then called in, interviewed, and required to execute affidavits giving in detail all the facts relative to the case. The approved letter of transmittal is then added to the file and it is sent to the State Manager who in turn forwards it to the Washington

Office. <sup>49</sup> When the file is returned, it proceeds either to

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49. Cf. Form # 14, p. 48, Appendix.

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the Rejected Loan File or to the Legal Department, depending on the action taken by the Loan Review Division.

Where the Home Owners' Loan Corporation mortgage is sought to be released due to error or failure to close the loan, the State Counsel must send complete data to Washington requesting a release. On approval of the General Counsel, the release will be forwarded. 50

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50. Cf. Washington Bulletin #60 issued February 16, 1934, and issued under the authority of Wm. McNeal, General Manager.

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Where the mortgagor wishes to sell part of the mortgaged property and wishes a partial release of the Home Owners' Loan Corporation mortgage an investigation must be made by the State Manager and the District Appraiser where the request and amount to be paid for the release are approved. The State Manager must then have the State Counsel prepare and forward to the General Manager at Washington, a proposed form of release together with the approval of the State Manager and on approval of the General Manager and the General Counsel the partial release will be executed by proper officers of the Corporation and forwarded with a draft for the amount to be paid as may be directed. In all such cases the entire consideration of the



partial release shall be paid in cash and applied upon the principal of the mortgage indebtedness. 51

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51. Cf. Washington Bulletin #92, issued April 5, 1934 under the authority of Harold Lee, Deputy General Manager with the approval of William McNeal, General Manager.

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## CHAPTER VII

AMORTIZATION OF HOME OWNERS' LOAN CORPORATION LOANS.

The Home Owners' Loan Act of June 1933 provides that each mortgage acquired by the Corporation shall be amortized

"by means of monthly payments sufficient to retire the interest and principal within a period of not to exceed fifteen years; but the amortized payments of any home owner may be made quarterly, semiannually, or annually if in the judgment of the Corporation the situation of the Home Owner requires it. Interest on the unpaid balance of the obligation of the home owner to the Corporation shall be at a rate not exceeding 5% per annum. The Corporation may at any time grant an extension of time to any home owner for the payment of any installment of principal or interest owed by him to the Corporation if, in the judgment of the Corporation, the circumstances of the home owner and the condition of the security justify such extension, and no payment of any installment of principal shall be required during the period of three years from the date this Act takes effect if the home owner shall not be in default with respect to any other condition or covenant of his mortgage." 1

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1. Cf. Home Owners' Loan Act of June 1933, Section 4 (d)

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Under the above provisions of the original Act the Corporation allowed the applicant the option of amortizing his loan immediately upon closing or of paying only the interest on his indebtedness until June 13, 1936. All payments to the Corporation were established on a monthly basis regardless of the type amortization selected by the home owner and the home owner was allowed to reduce his debt by any amount in addition to the regular payments at any time. While the applicants had the benefit of this option, a vast majority of them chose to pay interest only until June 13, 1936.

When the Act was amended in April, 1934, the payment option was removed and all applicants from then on were required to immediately make monthly amortization payments on their loans. 2

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2. Public - No. 178 - 73d Congress, Section 2.

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The writer has been unable to determine the reason for this change of policy. It might be that the proponents of the amendment foresaw a large request for extension of payments and hoped to in some measure protect the Corporation's security by granting extensions on the payment of principal but requiring the payment of interest. In this way the distressed home owner could still be granted a concession by the Corporation without the shadow of loss to the tax paying public looming up whereas under the original provision of the Act, where the applicant paid only interest, an extension of payment granted by the Corporation would seriously endanger the security for the loan since the Corporation would be receiving nothing while the property depreciated, and taxes accrued. It must be remembered that the origin of the Corporation is political and any extensive foreclosure action shortly after the loans are made might have disastrous political effects.

Under both the original Act and the Amended Act the Corporation is authorized to make extensions on payments of prin-



principal and interest where it thinks such extensions justified. The following types of requests for extensions have been received:

1. Requests for the extension of payment of interest
2. Requests for the extension of payment of principal.
3. Requests for the extension of payment of both principal and interest. The majority of requests come under class "2".

Requests for extensions of payment have been made to all the various offices of the Corporation but they must all pass through the District Office where the loan was closed. When an applicant desires an extension of payment he is required to fill in form #9, which is a formal request, and a statement which contains information as to the borrower, his family and his credit.<sup>3</sup> When these forms have been returned by the

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3. Cf. Form # 9, pp. 51-2, Appendix.

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borrower, he is interrogated as to them and they are checked over to make sure that the information is correct and completely given. If any questions arise further investigation is made.

When the investigator has all the information before him he makes suggestions to the applicant that might enable him to keep up his payments. It might be advisable that the applicant rent a portion of the property or perhaps take in a roomer, and, in exceptional cases, it would probably be to his best

interest to dispose of the property. In short, the investigator tries to work out a plan that will be to the best interests of the applicant yet not detrimental to the Corporation's interests. If advisable the investigator will try to locate a job for the applicant by writing a letter for him or helping him make out or renew a contract and in every instance the applicant is urged to make some payment to the Corporation, however small.

When all possible information is collected the investigator prepares a detailed letter with recommendations as to whether or not an extension should be granted and for what length of time. This letter is signed by the District Manager and it, the form 9, and the statement of the borrower are sent to the Washington Office for approval. The maximum extension granted by the Corporation is six months. All extensions are granted by the Washington Office and the each extension is made according to each individual case presented.

All payments to the Corporation are made directly to the Regional Office. These payments were originally made to the Washington Office but this was changed when the Regional Offices were set up. Adequate collection facilities as yet have not been set up, it having been the aim of the Corporation thus far to make loans with little regard being had for their payment.

When the Regional Manager, with the approval of the Assistant General Manager recommends a case for foreclosure, the Regional Counsel is authorized to institute necessary foreclosure proceedings either through salaried attorneys employed by the Corporation, or with the approval of the Regional Manager, through an attorney or attorneys engaged on a fee basis. Counsel in such foreclosure proceedings are to act under the supervision of the General Counsel and are required to make such reports in such foreclosure proceedings as the General Counsel may from time to time require. In the event of sale of the property which is held as security for a loan the attorney representing the Corporation at such sale is authorized to bid for the Corporation up to a maximum not exceeding the amount due the Corporation, including any advances and expenses incurred in connection with such property or the sale thereof. 4

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4. Cf. Manual of Rules and Regulations, Chapl VI, p. 20.

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From the above it would seem that the Corporation does not contemplate the taking of deficiency judgments in the event the property offers inadequate security on foreclosure. However, the policy of the Corporation with reference to foreclosures can hardly be said to be established. At the date of this writing the writer has not been able to find a single instance where foreclosure has been commenced by the Corporation although close to a million loans have been closed.

## CHAPTER VIII

THE PERSONNEL OF THE HOME OWNERS' LOAN CORPORATION



Although there is no available information concerning the actual personnel of the Corporation, the writer has been an employee of the Corporation for a year and has had occasion to meet several of the Washington personnel and has worked with the Wisconsin personnel during this time and is therefore able to discuss this angle of the Corporation from the point of view of an observer, taking into consideration the various requirements of the Corporation in this regard.

Considering the fact that the Home Owners' Loan Corporation is of political origin, its workers being appointed without selectivity provided by civil service examination, the employees are, as a whole, well qualified to carry on the work of the Corporation. This is perhaps due to two things: (a) most of the persons in responsible positions must necessarily have either legal training or real estate experience. This limits to some extent the personnel to persons with more than average intelligence; (b) the board of Directors of the Corporation has set up many rules with reference to the personnel which tend to eliminate political influence with all its diverse harmful effects. The efforts of the Corporation in this latter respect are clearly shown in the following extracts taken from bulletins issued by the Washington office and from the Manual of Rules and Regulations:

"Favoritism in the selection of qualified sources of title evidence must not be practiced. 1.

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1. Cf. Washington Bulletin #63, issued February 23, 1934, under authority of Wm. McNeal, General Manager.

"Selection of attorneys must be made with an eye to experience and ability such as is recognized by other lenders and real estate operators in their respective communities." 2.

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2. Cf. Ibid.

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" The Home Owners' Loan Corporation is nonpartisan and non-political and its officers and employees are expected to so conduct themselves that no criticism can be directed against them or the Corporation on the ground of political activity. The Corporation has no right to deny to anyone the full privileges of citizenship in the matter of his or her preferences at the polls. It does, however, take the position that these privileges shall not be exercised in a manner to suggest political bias or activity which in turn may give rise to a suspicion that applicants for loans may be influenced directly or indirectly by political considerations, preferences or favoritism of any kind. The entire personnel is expected to observe the spirit of this policy. No person shall be employed by or continued in the employ of the Corporation:

"a. Who is a candidate for any elective office which requires or involves a campaign of any nature, as the making of political addresses or the solicitation of votes;

"b. Who holds any salaried office with or is a salaried officer of any state, county or municipal governing body, or in any capacity employed by the Federal Government;

"c. Who is after September 1, 1934 the chairman of any political committee or the president or chairman of any political club;

"d. Exceptions as to "a" and "b" will be made in cases of very minor positions such as school trustees, the duties of which offices in no way conflict with an employee's obligations to the Corporation.

"e. No fee attorney, fee appraiser or fee architect or other person paid upon a fee basis shall be entrusted with any further business of the Corporation who;

"1. Is a candidate for public office, during the period of such candidacy if such candidacy is for any office other than a minor one, or if such candidacy inter-

feres with his efficient handling of business for this Corporation, or further if the transaction of business during such candidacy may be misunderstood by the public as contributing to a political or partisan advantage;

"2. Who holds any salaried public office, during such term of office, if the office in any way interferes with his responsibility to the Corporation, or if it would create the presumption of political activity in the minds of the public;

"f. No officer or employee of this Corporation shall be allowed to solicit or receive political contributions or take an active part in any political campaign;

"g. No person shall be allowed, in any office or other space occupied by the Corporation, to solicit or receive contributions for any political purpose or for membership in or payments to any political club or other such organization.

"h. No officer or employee of the Corporation shall wear any political button or display any political posters or literature, and no political poster of any kind shall be displayed in any office of the Corporation. No person while engaged in fee services in which the Corporation is interested shall wear any political button or display any political posters or literature.

"i. No officer or employee of the Corporation shall issue or permit issuance of any list of employees, or of applicants for loans, or of the recipients of closed loans." 3

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3. Washington Bulletin #141, issued August 11, 1934 under the authority of Preston Delano, General Manager.
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"There should be no monopoly on the service which the Corporation requires to complete the job; in fact, there must not be a monopoly regardless of allegiance to a political party or to a faction of any political party. Attorneys and appraisers in sufficient number must be selected and recommended for approval to do the job at hand!" 4

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4. Cf. Washington Bulletin #96, issued April 13, 1934 under the authority of Wm. McNeal, General Manager.
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"The urgent and exacting nature of the Corporation's work calls explicitly for trained personnel. Each case of employee selection shall be guided by two basic factors, first, the personnel needs of the Corporation, and, second, the comparative technical qualifications of the applicant. The efficiency of the Corporation's operation in every office and department must rest upon recognition of all concerned that personal or partisan influence exercised at the sacrifice of consideration of actual merit on the part of the applicant is a dis-service to the Corporation and to the public." 5

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5. Cf. Manual of Rules and Regulations, Chap. XIV, p. 2.

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"Nepotism is contrary to the policy of the Corporation. Executives, Department Heads, and those responsible for passing upon the employment of applicants for positions with the Corporation shall not employ their relatives for any position in any office of the Corporation, no near relatives of any employee of the Corporation shall be given employment in the same office. It is the intention of this paragraph to prohibit executives and department heads who are responsible for passing upon the employment of applicants for positions from employing their near relatives for any position in any office, and also to preclude them from employing, for duty in the same office any applicant who is a near relative or who is related to another person already employed by the Corporation and in the same office." 6

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6. Cf. Manual of Rules and Regulations, Chap. XIV, p. 8.

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Although most of the above regulations of the Corporation are subject to interpretation and therefore possible of evasion, the writer of his own knowledge knows of several cases in Wisconsin at least where employees were discharged because it was found that they held public office, were related to employees or were running for public office.

All employees of executive grade in the various State



Offices of the Corporation have to be approved by the Board of Directors of the Corporation while all employees below the grade of executives may be appointed by the State Manager subject to the approval of the Regional Manager. 7

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7. Cf. Manual of Rules and Regulations, Chap. XIV, p. 3.

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All regular employees of the Corporation are entitled to leave of absence with pay. Leave with pay accrues at the rate of one and one-fourth days per month and may not be taken in advance of its accrual. This leave is cumulative from year to year for any number of leave years and Sundays and holidays are excluded in computing absences on annual leave. Any absence in excess of accrued leave is charged to leave without pay, subject to modification to annual leave when sufficient annual leave has accrued. Application for extended leave of absence, more than one day, must be submitted for approval by the employee's department head. 8

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8. Cf. Washington Bulletin #130, issued June 2, 1934 under the authority of R. R. Zimmerman, Personnel Assistant to the Chairman of the Board.

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Sick leave with pay accruals at the rate of two and one-half days per month or thirty days per calendar year may be granted as it accrues to employees who are incapacitated from

official duty. This leave is not cumulative from year to year and Sundays and holidays falling within a period of absence due to illness are included in making computations. Any absence on account of illness must be promptly reported to the department head and absences of five days or more must be certified by the attending physician. Any absence due to illness in excess of accrued sick leave is charged to leave without pay subject to modification to sick leave when, within the calendar year, sufficient sick leave has accrued. 9

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9. Ibid.

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Leave without pay is allowed when the absence requested is of a meritorious nature and where the employee has not sufficient accrued leave to cover the absence. Such absence is granted in multiples of whole days only. 10

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10. Ibid.

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Military leave with pay may be granted where the employee is ordered to duty for training or instruction for periods not to exceed fifteen days in any calendar year. Applications for such leave must be submitted in advance accompanied with a copy of the special orders. 11

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11. Ibid.

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Corporation employees who have been subpoenaed to attend court will be allowed special leave of absence with pay when serving as witnesses for the Government; otherwise such leave will be charged to annual leave or leave without pay. 12

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12. Ibid.

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The Home Owners' Loan Corporation is not subject to garnishment but it is the policy of the Corporation that an employee shall not refuse to pay his just debts if he is able. When the facts of a particular case are called to the attention of the State Manager it is his duty to make a just arrangement between the employee and his creditor. 13.

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13. Cf. Manual of Rules and Regulations, Chap. XIV, p. 12

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Salaried employees of the Home Owners' Loan Corporation are entitled to the benefits of the Federal Employee's Compensation Act, as Amended. <sup>13.</sup> The Act provides for medical,

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13. Cf. U.S. Code, Title 5, Chapter 15;39, Statutes at Large 742.

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surgical and hospital services and supplies, and transportation if necessary to secure them, in addition to payment of compensation for disability or death resulting from injuries received by employees injured in the performance of their

duties. 14

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14. Cf. Manual of Rules and Regulations, Chap. XIV, p. 12f.

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The salaries of the employees of the Corporation are comparatively low and the fees allowed closing attorneys and appraisers are likewise low. This is perhaps due to a necessity that the Corporation remain free from criticism. In Wisconsin appraisers receive five dollars for each completed appraisal and the closing attorneys receive twenty dollars for each loan closed. Additional fees allowed to closing attorneys for special services are uniformly below the minimum fees established by the Wisconsin Bar Association.



## CHAPTER IX

## TABLE OF LOANS MADE

Table 1.

HOME OWNERS' LOAN CORPORATION APPLICATIONS RECEIVED AND LOANS  
CLOSED, BY MONTHS.

MONTH	APPLICATIONS RECEIVED (NUMBER)	LOANS CLOSED	
		NUMBER	AMOUNT
1933			
Opening through			
September 30	403,114	593	\$1,688,787
October	129,504	3,424	10,164,678
November	99,232	10,946	31,445,827
December	90,946	22,236	62,621,051
1934			
January	123,189	30,339	86,143,838
February	136,132	32,940	93,499,995
March	168,273	52,260	150,213,639
April	145,772	56,172	171,490,768
May	119,791	64,172	208,293,766
June	97,679	71,768	223,440,191
July	66,157	78,046	235,467,606
August	72,022	69,738	202,442,864
September	39,317	59,240	179,299,857
October	51,864 (a)	65,813	201,211,532
November	14,171	54,468	170,544,562
Grand total to			1.
Nov. 30, 1934	1,757,163	672,205	2,027,968,961

a. N. B. The October figure of 51,864 includes 16,189 applications received from the division of wholesale operations at Detroit. This was a ten months total which should have been distributed over the year.

1. The above figures were taken from the Federal Home Loan Bank Review, January, 1935, p. 138. The figures are subject to adjustment.

As of November 30, 1934 individual cans averaged \$3,017 on which the monthly payment is less than \$24. Of the approximate \$2,000,000,000 expended as of said date, the

Corporation estimates that \$114,000,000 has been advanced in cash for payment of back taxes and assessments on re-financed homes. 2.

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2. Ibid.

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On November 13, 1934 the Corporation suspended acceptance of further applications and halted activity on all applications pending in stages prior to investigation by the Legal Department which is the last step before action by the Loan Closing Department. This was made necessary by the fact that the some 300,000 loans in the hands of closing attorneys at said date were sufficient to take up the Corporation's remaining assets. As of January 18, 1935 the Corporation had closed approximately 760,000 loans in the aggregate amount of approximately \$2,300,000,000. 2

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2. Washington Letter issued January 28, 1935 by John H. Fahey, Chairman of the Board of Directors of the Home Owners' Loan Corporation.

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Following President Roosevelt's announcement January 29, 1935 instructing the Home Owners' Loan Corporation to place before the Banking and Currency Committee of Congress its recommendation for extending the Corporation's borrowing power for home loan relief and anticipating early Congressional action increasing its resources the Board of Directors on

February 2, 1935 authorized the immediate resumption of normal loaning procedure in those cases not in the hands of the Legal Department which were thrown into suspense by the stop order of November 13. By virtue of this order more than 350,000 applications held up are now being expedited. 3

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3. Cf. Home Owners' Loan Corporation Washington Release dated February 2, 1935.

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As of the date of this writing, March 1, 1935, a bill authorizing the Home Owners' Loan Corporation to issue an additional 1,750,000,000 in bonds is before Congress but has not been acted upon.

As of January 1, 1935 it is estimated that the Corporation has been repaid \$48,843,935 on loans made. 4

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4. Chicago Daily Tribune, February 15, 1935.

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Table 2.

NUMBER OF MORTGAGES BY TYPES THAT HAD RECEIVED \$25,000  
OR MORE FROM THE HOME OWNERS' LOAN CORPORATION  
AND AMOUNTS RECEIVED

TYPE OF MORTGAGEE	MORTGAGES		LOANS	
	Number	percent of total	Amount	Percent of total
Bldg. & Loan Ass'ns.	2,358	36.6	\$336,420,545	35.5
Savings Banks	1,340	20.8	281,801,706	29.8
Commercial Banks	1,014	15.8	125,589,653	13.2
Life Insurance Cos.	470	7.3	70,935,955	7.5
Mortgage Companies	444	6.9	54,234,965	5.7
Individuals	224	3.5	10,617,817	1.1
Investment Companies	216	3.4	26,025,823	2.7
Fiduciary Instits.	121	1.9	21,908,523	2.3
Other Types	109	1.7	7,143,451	.8
Unknown Types	79	1.2	5,505,122	.6
Business Corps.	60	.9	7,812,665	.8
<b>Total</b>	<b>6,435</b>	<b>100.0</b>	<b>947,798,225</b>	<b>100.0</b>

5

5. Cf. Federal Home Loan Bank Review, January, 1935.  
 Figures are approximately as of November 1, 1934 with  
 some variations before and after that date.

Table 3.RECONDITIONING DIVISION--Summary of Operations June 1, 1934 to December 6, 1934.

	NUMBER	AMOUNT
1. Applications for reconditioning loans	449,519	\$90,000,000
2. Cases submitted to loan committee	306,439	63,001,009
3. Total contracts executed	170,256	30,114,633
4. Total Jobs completed	118,620	18,134,504
5. Jobs paid for	107,756	16,797,970
6. Federal Home Loan Bank Review, January, 1935.		

6

Over 98% of the money spent for reconditioning was spent on necessary repairs leaving a negligible balance awarded for non-emergency remodeling and renovating. 7

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7. Ibid.

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Of the \$2,300,000,000 spent by the Corporation as of January 18, 1935, approximately \$360,100,305 was authorized to receivers of some 5680 national and state banks, building and loan associations, mortgage companies and other financial institutions in legal custody in which nearly \$670,000,000 of home mortgages were held. The average wholesale loan was

§2847 as of the above date which is considerably lower than the average of all loans made by the Corporation. Of the entire wholesale operations of the Corporation with receivers of insolvent financial institutions up to December 31, 1934 aggregating \$347,465,146, approximately 20.7% was disbursed through national banks; 54.5% through state banks; 20.3% through building and loan associations and 4.5% through mortgage companies and similar financial institutions. Approximately \$307,310,000 of this total was disbursed in H.O.L.C. bonds to the institutions themselves and the balance of about \$40,155,000 was disbursed for necessary repairs, back taxes, fees and other incidental cash expenditures. 8

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8. Cf. Washington Letter issued January 28, 1935 by John H. Fahey, Chairman of the Board of Directors of the Home Owners' Loan Corporation.

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CHAPTER X

CONCLUSIONS



The Home Owners' Loan Corporation as set up in the Act of June, 1933 was seriously hampered by the fact that its bonds were not guaranteed both as to principal and interest. Under the original Act the bonds were guaranteed as to interest and in the case of a default in interest payments, the Secretary of the Treasury was required to pay to the Corporation the amounts of such interest but upon such payment the amount so paid became an obligation of the Corporation to the United States bearing interest at the same rate as the bonds upon which the interest had been so paid. Thus, the bonds of the Corporation were nothing but debentures, without specific security other than the general assets of the Corporation which assets would be depleted upon default because of a preferred claim of the United States for interest paid. The guarantee as to interest actually offered the bond holders nothing because any interest paid by the Government would automatically give the Government the right to a first claim on the assets of the Corporation to reimburse itself. Such debenture bonds have longed been frowned upon and most of the States have passed laws prohibiting banks, and insurance companies from investing in them. It thus became necessary for such states to pass enabling acts before the Home Owners' Loan Corporation could function properly. The delay occasioned would not have occurred had Congress guaranteed the bonds originally. The bonds were later guar-

anted as to both principal and interest by the amendment of April 27, 1934.

The elaborate and expensive department of the Corporation established to make modernization loans to distressed home owners has been and is a waste of governmental funds. It is absurd to expect home owners in such serious distress that foreclosure is imminent to go more deeply into debt to modernize the homes that only with the greatest effort they will be able to save. The principal of such modernization is contrary to good judgment. It is a distinct encouragement for people to live beyond their means. The National Housing Act provides a means of credit for those who can afford to rehabilitate their homes, and is therefore adequate. The modernization program of the Home Owners' Loan Corporation should never have been established. The futility of the program is born out by the statistics. Of the \$30,114,633 expended as of December 6, 1934 for reconditioning, over 98% was spent for necessary repairs leaving a negligible amount awarded for non-emergency remodeling and renovating. 1

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1. Cf. "Home Owners' Loan Corporation gives Liquidity to Lending Institutions", Federal Home Loan Bank Review, January, 1935.

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The Corporation has been decidedly lax in the establishment of collection agencies. For the first year of the Corporation's existence practically nothing was done in this regard

with the result that many of its mortgages are now in default and an attitude of irresponsibility has developed among the home owners many of whom believe that the Government has no intention of collecting its loans. It was not until January, 1935 that the Corporation made any serious effort to collect the installments due it. The Corporation as established was meant to offer relief without cost to the tax payers but unless the Corporation changes its collection policy it may become a greater liability than it has been an asset. On January 5, 1935, when the Corporation had closed nearly three-quarters of a million loans, it had instituted but 58 foreclosure actions and of these only 10 resulted from deliberate default, the others being due to abandonment. 2.

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2. Cf. Newspaper Release by Home Owners' Loan Corporation, Washington, February 4, 1935.

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The honesty and integrity of the American public does not reach so near to perfection. Were the Home Owners' Loans properly serviced there would probably be found thousands in deliberate default on their mortgages. The public should not be required to furnish housing to those who are able to take care of their own needs.

However, despite any criticism that might be made either of the organization or of the functioning of the Corporation, it has been a great success. By November 30, 1934 a total of 672,205 loans had been made by the Corporation and the homes of millions had been thereby saved. The social and economic

significance of this vast refinancing cannot be underestimated. What might have been the result had the Government neglected to come to the aid of the distressed home owner is a matter of speculation, but there can be little doubt that if these millions of Americans had been turned out of their homes by foreclosures, tax sales and evictions, not only would our economic structure have been seriously endangered, but our entire social program would have suffered a serious set back. Home ownership is a great unifying agency in family life. It is a symbol of family pride and a nucleus for the development of family cooperation. Upon it is based, to a large extent, a sense of social security without which despair is inevitable. For many, the home was all there was left to which they could cling as a tangible asset with everything else swept away in the devastating flood of the depression. It would be extravagant to say that home mortgage relief prevented a social revolution in the United States, but there can be no doubt that it played a great part in eliminating social unrest, dissatisfaction and fear which are the forerunners of hasty legislation and harmful panaceas.

In addition to the incalculable social good that has resulted from the work of the Corporation, our weakened economic structure has been greatly strengthened. 'Frozen' banks, building and loan associations and insurance companies have been 'thawed out' with the result that they have been



able to pay off on demands of depositors, investors and policy holders and at the same time have a supply of money ready for new investments. Public confidence in such institutions has been in a large measure restored. Many of such institutions were able to pay a dividend to their stockholders at the end of the fiscal year of 1934. The real estate market, once glutted with foreclosed properties, is recovering from the mire with the result that rents are increasing, building is progressing, and values are rising. The building trades have in turn been stimulated and many workers have regained employment. The Corporation alone has placed contracts for the repair, remodeling and modernization of homes in an amount totaling \$30,114,633 as of November 30, 1934.

The refinancing of mortgages in insolvent institutions not only saved the homes for the owners but resulted in a disbursement to depositors in the banks, a large proportion of whom were small depositors sorely in need of funds. As of January 18, 1935, \$360,100,305 had been disbursed by the Corporation to the receivers of some 5680 national banks, state banks, building and loan associations, mortgage companies and other financial institutions in legal custody. 3.

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3. Cf. Washington Letter, issued by John H. Fahey, Chairman of the Board, dated January 28, 1935.

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The circulation of this money has had an effect on the stimulation of trade which is essential to recovery.

The millions of dollars paid out by the Corporation in taxes has been of great assistance in enabling village, city and county governments to carry out their functions without resorting to the issuance of tax redemption certificates, baby bonds and the like. The resultant economic and social good cannot be measured but it is apparent that the nation has benefited from this contribution to its health, education and protection.

In addition to the primary social and economic benefits in preserving the existing structure of home ownership, there has occurred a large number of secondary benefits to insurance agents and companies, to professional appraisers, to attorneys, to credit reporting agencies, to abstracting companies and agencies, and to the vast full time personnel of the Corporation.

Finally, the work of the Corporation will have a great influence on the future mortgage policy of the country. It is inevitable that the Corporation's appraisals should exert a major influence in setting values on urban home properties throughout the land. 4

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4. Cf. "Effect on Home Values of Appraisals by the Home Owners' Loan Corporation." Federal Home Loan Bank Review. January, 1935.

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A foundation for an American science of appraising has been laid and a body of trained appraisers has been developed. There is every reason to believe that the appraisal technique

developed by the Corporation will take the place of "shoe-string appraisals" which were so common prior to the depression. Such appraisals have proved costly and mortgage lending institutions have learned that there is no substitute for a careful analysis of a proposed security.

It has been shown that the personal risk factor is large in home financing, and the Corporation's policy of looking to the credit of the applicant as well as the property he offers as security for a loan is calculated to point the way for future home mortgage financing.

The program of the Government in establishing the long term amortized mortgage seeks to eliminate the necessity for second mortgages, the high interest rates, servicing charges and commissions of which have been the cause of thousands of foreclosures. "The actual cost of obtaining and carrying a second mortgage has often run up to 30% of the amount of the loan." 5

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5. "The Government's Program for the Organization of the Nation's Home-Financing System. By John H. Fahey, Chairman, Federal Home Loan Bank Board, Federal Home Loan Bank Review. October, 1934.
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In addition to practically eliminating the second mortgage, the long term amortized loan eliminates the cost and inconvenience of renewals of short term first mortgages. That the long term amortized mortgage is preferred among the borrowing public has been proved in a recent survey made by the

American Savings, Building and Loan Institute where it was found that of the citizens interviewed 76% preferred this method of financing to the short term straight loan. 6

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6. Cf. "The Future of Private Mortgage Financing." Federal Home Loan Bank Review., November, 1934.

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The requirement of the Corporation that the property securing all loans be adequately insured has been of great assistance in providing insurance coverage to the homestead properties of the nation. Many of the homes were found to have inadequate coverage and some had no coverage at all, while still others were insured for far more than the value of the property. The scientific appraisals made by the Corporation have been instrumental in guiding home owners in covering their properties sufficiently but not excessively.

At the time of this writing it is impossible to know the ultimate value of the Corporation. Loans are still being made by the Corporation. Its work has really just begun. Still, from the work thus far accomplished there seems to be evidence that the Home Owners' Loan Act will later be pointed out as one of the great legislative achievements of the Roosevelt Administration. Theoretically, at least, the Corporation can work out its purpose without the taxpaying public being charged one cent for its operation. What will actually happen is an unknown quantity. If the Corporation is allowed



to proceed in a business-like manner in the collection of the money it has loaned without the interference and corruption of self-seeking politicians it should not lose in the future the success it now has.

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## APPLICATION FOR LOAN

Home Owners' Loan Act, Sec. 8. (a) Whoever makes any attempt, knowing it to be false, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of the Home Owners' Loan Corporation or the Board or an association upon any application, advance, discount, purchase or repurchase agreement, or loan, under this Act, or any extension thereof by renewal deferment, or action or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both.

Name of Applicant ..... No.....

Address of Property .....

(City)                      (County)                      (State)                      \$ (Total loan requested)

1. The undersigned hereby applies to Home Owners' Loan Corporation for a loan in the amount stated above on terms provided in Home Owners' Loan Act of 1933, and amendments thereto, and represents that all statements made in this application are true, and agrees to furnish said corporation with a first lien on the property herein described, as provided in said act, if this transaction can be consummated.

2. **LEGAL DESCRIPTION OF PROPERTY.** (Give complete description from deed or other title papers. Use another sheet if additional space is needed.)

3. Do you live on the premises described above?..... How long.....

3A. If not, briefly explain why.....

4. Kind of construction?..... No. of Stories..... No. of Rooms.....

4B. Size of lot..... x..... Age of building..... Kind of heat.....

5. Applicant bought the property....., 19....., at cost of \$.....

Added improvements (describe) .....

....., 19....., at cost of ..... \$.....

Making total cost of ..... \$.....

6. The present value is estimated by the owner as \$.....

**7. MORTGAGES OR CONTRACTS ON PROPERTY:**

(a) First mortgage (or contract) original amount \$.....

Principal

Dated....., 19....., Due....., 19....., Unpaid \$.....

Interest at rate of.....%:

Interest

Unpaid from....., 19....., to....., 19....., Unpaid \$.....

Name of mortgagee .....

Address .....

To whom do you pay interest.....



Approved..... Rejected.....

Reasons for rejection on either analysis .....

**PRELIMINARY OF FIELD REVIEW APPRAISERS REPORT**

Acting as an appraiser for Home Owners' Loan Corporation and in accordance with its regulations, I have actually viewed and examined the within-described property and value the same as follows: Land, \$.....; improvements, \$.....; Total, \$.....

This the..... day of..... 193.....

.....  
Preliminary Appraiser

**MANAGER'S WRITTEN REPORT AND RECOMMENDATION**

Based upon the application, an appraisal by a preliminary or Field Review Appraiser, the fee appraisal, character report and all other available information, I, the undersigned authorized agent of the Home Owners' Loan Corporation, hereby approve the loan as to eligibility and desirability under the regulations of the corporation and fix as the final appraisal of the above-described property the sum of \$....., and recommend the loan for closing, with the following qualifications only.....

.....  
Corporation Appraisal Committee

By .....  
An authorized member

We, the undersigned, approve the above report of the Corporation appraisal committee and recommend a loan to the herein designated applicant of \$..... subject to title examination and other requirements.

.....  
Chief Appraiser

By .....  
Deputy

**Note:** In the smaller offices where a regularly constituted corporation appraisal committee is not necessary the District or Branch office manager or appraiser may act and sign as an authorized member when so designated and deputized by the State Manager.

.....  
Chief Counsel

By .....  
Deputy

This the..... day of..... 193.....

.....  
State Manager

By .....  
Deputy

# MORTGAGEE'S CONSENT TO TAKE BONDS

To HOME OWNERS' LOAN CORPORATION:

The undersigned is a holder of a first mortgage or other obligation, which constitutes a lien or claim on the title to the home property of—

located at .....  
(Number) (Street) (City) (State)

in the sum of \$..... including unpaid balance of principal and interest, to date.

Being informed that said owner has made application to Home Owners' Loan Corporation to refund this said indebtedness, the undersigned has considered the method of refunding mortgages provided in Home Owners' Loan Act of 1933, as amended and passed by Congress and approved by the President, and the undersigned hereby consents, if said refunding can be consummated, to accept in full settlement of the claim of the undersigned the sum of \$....., face value of the bonds of Home Owners' Loan Corporation, to be adjusted with not exceeding \$25 cash and thereupon to release all the claim of the undersigned against said property.

It is understood that the Home Owners' Loan Corporation will incur trouble and expense in connection with its effort to refund the indebtedness of said home owner, and this consent is executed in consideration of the same and shall be binding for a period of ..... days from date, and thereafter until 10 days written notice shall have been given the State manager of the Corporation.

This, the..... day of ....., 193.....

The following information should be furnished by the mortgagee:

Date of mortgage ..... date due ..... balance due \$.....

Interest at .....%. Due from ..... to ..... \$.....

Other advances (describe):

..... \$.....

..... \$.....

..... \$.....

Total amount due to mortgagee..... \$..... as of ..... date.

.....  
(Signature)

.....  
(Address)

Phone Number .....

**REPORT ON MORTGAGEE'S REFUSAL TO CONSENT TO EXCHANGE OF MORTGAGE SECURITY FOR BONDS OF THE HOME OWNERS' LOAN CORPORATION**

Name of institution or individual holding lien .....

Address .....

Classification of institution .....  
(Type of bank, credit company, mortgage agency, or insurance company)

Nature of lien held .....

Amount of money involved .....  
(Principal) (Interest) (Taxes) (Miscellaneous) (Total)

Name of mortgagor .....

Address of mortgagor .....

Date the application for loan was filed .....

Date application for consent was presented to mortgagee .....

By whom presented .....

Was he a paid representative of the Home Owners' Loan Corporation? .....

State his title .....

Length of service with the Home Owners' Loan Corporation .....

Date of action taken by mortgagee .....

Did any agent of the Home Owners' Loan Corporation make a further effort to obtain consent? ..... Date of effort ..... By whom was effort made? .....

Nature of effort made .....

Reasons given by mortgagee for declining to give consent .....

## HOME OWNERS' LOAN CORPORATION

WASHINGTON

Wisconsin Agency

J. R. McQUILLAN  
State Manager

This letter is to acknowledge receipt of your application for a loan, which has been registered in this office as Number \_\_\_\_\_. We request that you refer to that number in any future reference to your application.

It will be necessary for you to furnish two recent photographs of your home. They may be kodak pictures reflecting an intelligent view of the building, front exposure. In returning these photographs, write plainly on the reverse side of each picture your name, address, city and county, as well as the application number indicated above.

Because you have an application for a home loan on file, you are not justified in refusing to make further payments on your indebtedness to the present mortgage or lienholders. In fact if you are in a position to make these payments, or a part of them, and refuse to do so, while your application is pending, the corporation is authorized to decline granting you a loan.

IMPORTANT. The enclosed questionnaire, known as Number 71, must be filled out and returned to our office immediately. Your application cannot receive our further attention until this request has been complied with.

Be sure to refer to your application number when returning Form Number 71.

Very truly yours,

HOME OWNERS' LOAN CORPORATION

By:





# CERTIFICATE CONCERNING MORTGAGE HELD BY INSTITUTION IN LIQUIDATION

....., .....

....., 1934

Application No. ....

Mortgagor .....

The loan granted to the above-named Mortgagor upon the Mortgagor's home property described in the mortgage accepted by the Home Owners' Loan Corporation under the supervision of the undersigned, was made in exchange for a mortgage or other obligation or lien on said home property held by an institution which is in liquidation, namely, .....

and that said institution is in the legal custody of .....

(Show name and title)

.....  
Counsel for Special Representative of  
Wholesale Department in the State of  
.....

**Instructions:**

This certificate must be signed as of the time the loan is closed either by the Special Representative or his Counsel. This certificate must be filled out, properly signed and included with the files in the case of every loan made to take up a mortgage held by an institution in liquidation.

If there is no Special Representative or Counsel for Special Representative available to sign this certificate, it may be signed by the State Manager or State Counsel.

HOME OWNERS' LOAN CORPORATION  
WISCONSIN AGENCY

7

R. McQUILLAN  
State Manager

Dear Sir:

In Re:

The above named individual has made an application for a Home Owners' Loan and refers to you as mortgagee. However, before taking further action we are writing to you and requesting that you give us the following information. Will you kindly use the spaces provided when answering and return this form to our office as soon as possible. This information **must be furnished** before a decision can be made as to whether or not the application is eligible.

1. Are his payments up to date?-----  
-----

2. If his payments are not up to date, what is the status of the Loan?

(a) Number of months or years and amounts that applicant is behind in interest-----

principal-----

(b) When did these delinquencies start?-----

(c) What taxes are outstanding?-----

Are you willing to extend this mortgage financing for a reasonable period?-----  
-----

(a) How long?-----

3. Do you intend to start foreclosure?-----

4. If you are not willing to continue the financing on some basis which you and the borrower can work out, will you accept the bonds of the Home Owners' Loan Corporation, ~~providing we agree to make the loan?~~

5. What is the borrower's total indebtedness to you? \$-----

It is the desire of this Corporation to use its resources to refund those home mortgage loans which **cannot otherwise be refinanced or carried**. If you find it impossible to continue with the mortgagor, will you state below the legal description as taken from the mortgage executed between the above described and yourself.

Very truly yours,

Manager

The legal description is as follows:

8

A F F I D A V I T

STATE OF WISCONSIN )  
                          ) ss  
                  COUNTY )

\_\_\_\_\_, being first duly sworn  
on oath, deposes and says that \_\_\_\_\_ has in good faith made a sincere  
effort to obtain a refinancing of the premises for which \_\_\_\_\_ is  
making application for a loan; that \_\_\_\_\_ has made application to  
the following mortgage houses:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

and has been refused a loan by them for the reason that their present  
financial policy does not permit loans on this type of property under  
present conditions;

That this affidavit is made to assist the affiant in securing  
a homestead loan under the Home Owners' Loan Act of 1933 and recent  
ruling thereunder pertaining to combined business and home properties.

\_\_\_\_\_  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_ 1934.

\_\_\_\_\_  
Notary Public,                   County, Wisconsin



9

CONFIDENTIAL INFORMATION REPORT

of Applicant \_\_\_\_\_ Application No. \_\_\_\_\_  
et Address \_\_\_\_\_  
roperty \_\_\_\_\_ Office \_\_\_\_\_

(The following questions must be fully answered by the mortgagee and returned to the above named Home Owners' Loan Corporation office before the above application can be accepted.)

Is above named applicant now your debtor? \_\_\_\_\_

Mortgage originally made by \_\_\_\_\_

Original date \_\_\_\_\_ Original Amount \$ \_\_\_\_\_

Balance of principal due \$ \_\_\_\_\_ Date due? \_\_\_\_\_

Have you threatened foreclosure? \_\_\_\_\_ Filed foreclosure? \_\_\_\_\_

From your investigation and knowledge: Is the borrower above mentioned in business or employed? \_\_\_\_\_ His income per month? \_\_\_\_\_

Are you or your client willing to carry this borrower or are you willing to extend or renew his indebtedness? \_\_\_\_\_

If so, on what time and interest rate basis? \_\_\_\_\_

If not willing to renew, itemize below the amount owing on your debt, giving dates and amounts of interest and principal maturities:

Figure total amount due you to definite date and indicate interest rate at which total will run if paid before other advances are made?

Total \$ \_\_\_\_\_ Interest rate \_\_\_\_\_% from \_\_\_\_\_

Remarks: Has applicant made any payments during pendency of H. O. L. C. Application? \_\_\_\_\_ If so, total amount \$ \_\_\_\_\_

As a preliminary indication to us, will you accept the bonds of this corporation upon final adjudication?

\_\_\_\_\_  
\_\_\_\_\_

HOME OWNERS' LOAN CORPORATION  
Wisconsin Agency

Date:

Re:

Due to the fact that the property on which you have made application for refinancing through the Home Owners' Loan Corporation contains a commercial element, it will be necessary for you to fill out this questionnaire answering each question in detail and return it to the issuing office of the Home Owners' Loan Corporation.

Does the applicant occupy the premises as a home? Answer Yes or No. \_\_\_\_\_

What portion occupied by the owner? \_\_\_\_\_

How long has the applicant owned the building? \_\_\_\_\_

Reasons for purchase of property. \_\_\_\_\_

How long has the applicant lived in the building? \_\_\_\_\_

If not occupying the building as a home where is the applicant living and the reasons for not occupying? \_\_\_\_\_

How many living units in the building including the one occupied by owner? \_\_\_\_\_

What rents are received from the living units? \_\_\_\_\_

How many vacancies in the living units? \_\_\_\_\_

How many business units in the building? \_\_\_\_\_

Does the applicant conduct a business in building? Answer Yes or No. \_\_\_\_\_

If the answer is YES, state the type of business and number years in conducting such business in the present premises. If the answer is NO, give a history of the years the applicant conducted such business and reasons for not conducting business

What are the rentals from other business units in the building and types of business conducted in the other business units? \_\_\_\_\_

Are you willing to make assignment of rentals to this Corporation for payment of principal and interest? \_\_\_\_\_

Do you own any other property? If so, describe other property, encumbrances thereon, status of such encumbrances, delinquent or not, marketability, income received therefrom, and whether or not you have tried to borrow on said properties or dispose of them otherwise to save the property you claim as your home. Are you in danger of losing any one or all of these properties? \_\_\_\_\_

Do you own any other investments? If so, describe these investments in complete detail as to type, encumbrances, marketability, income received therefore, and whether or not you tried to borrow on these investments or dispose of them otherwise to save this property. \_\_\_\_\_

Amount of original note and mortgage executed as a first lien against the premises. \$ \_\_\_\_\_.

If there are additional mortgages how were they incurred and for what reasons they filed against the property? State amounts. \_\_\_\_\_

Number of persons in applicant's family? \_\_\_\_\_. Age of children; state whether boys or girls. \_\_\_\_\_

Furnish the H.O.L.C. with an income tax statement covering the last ten years.

1924	\$	_____	1929	\$	_____
1925	\$	_____	1930	\$	_____
1926	\$	_____	1931	\$	_____
1927	\$	_____	1932	\$	_____
1928	\$	_____	1933	\$	_____

I hereby certify that the above statements are a true statement of fact.

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_ 193\_\_\_\_\_

Applicant's Name \_\_\_\_\_

Notary \_\_\_\_\_

My Commission Expires \_\_\_\_\_

# INVESTIGATION AND PRELIMINARY APPRAISER'S REPORT

(Appraisers are to regard this report as confidential. Applicant is not to be informed of any conclusions contained herein)

1. Owner's name.....
2. Street No.....
3. City..... County.....
4. State..... Appraiser.....

## DESCRIPTION OF PROPERTY APPRAISED

5.	<b>N</b>	Street No.....
6.		City..... State.....
7.		Legal description.....
	<b>W</b> <b>E</b>	
	<b>S</b>	Character of neighborhood.....

8. Above draw plat of lot and show streets.      Lot size \_\_\_\_\_ x \_\_\_\_\_.
9. Does applicant occupy premises?.....      Built to accommodate \_\_\_\_\_ families.
10. Is applicant employed?.....      Age of applicant \_\_\_\_\_
11. Is there any undisclosed understanding between the mortgagee and applicant? If any, state exact details.....

A. Does applicant own any other Real Estate? If so what is the value \$ \_\_\_\_\_  
 State amount of encumbrances thereon \$ \_\_\_\_\_. Where located?  
 Monthly income therefrom \$ \_\_\_\_\_.

B. What is the total annual income of the family \$ \_\_\_\_\_.

C. If a loan is made from what source will the applicant secure funds to repay.....

D. What is the cause of present distress?.....

E. Has any work been done on the premises during the past six months for which claim for lien can be filed?.....



12. General appearance of home from standpoint of pride of ownership.....  
.....  
.....

Condition of building..... Condition of yard.....

13. General impression of neighborhood.....  
.....

A. How does the property compare with other properties in the neighborhood?  
.....

14. Opinion of approximate value of land, if vacant..... \$

Opinion of approximate present value of improvements..... \$

Opinion of approximate fair value of property..... \$

15. Applicant is asking for loan (cash—bonds) amounting to..... \$

16. Do you recommend a fee appraisal?  
.....

**REMARKS**

(Appraiser should list here any other information which, in his judgment, might be of value to the Home Owners' Loan Corporation)

If applicant desires Repair, Remodeling or Modernizing report as to the possibility otherwise give such information which will be of value to the H.O.L.C.  
.....  
.....  
.....

A. Whom did you interview?  
.....

B. If married, name of husband or wife.  
.....

**CERTIFICATION**

I, the undersigned, do hereby certify that I have viewed this property and interviewed the applicant, or applicant representative, and that to the best of my knowledge and belief the statements made in this report are correct, and that I have no personal interest, present or prospective, in the property, applicant, or mortgagee.

Signature.....

*Preliminary Appraiser*

Address.....

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**HOME OWNERS' LOAN CORPORATION****WASHINGTON****WISCONSIN AGENCY****R. McQUILLAN**  
**STATE MANAGER**

Your Application No. \_\_\_\_\_ and file in connection therewith, has been submitted to this Board for consideration.

After a careful review of all the facts in your case, we find that you are not eligible for a loan from this Corporation under the rules and regulations of the Home Owners' Loan Act, for the following reasons:

We are sorry we are unable to be of further service to you.

Very truly yours,

Wisconsin                      Review Board  
HOME OWNERS' LOAN CORPORATION

By \_\_\_\_\_

HOME OWNERS' LOAN CORPORATION  
WASHINGTON

WISCONSIN AGENCY

13

R. MCQUILLAN  
STATE MANAGER

ONE WEST MAIN STREET  
MADISON, WISCONSIN

Re:

Dear Sir:

A preliminary appraisal has been made of the above applicant's homestead upon which you hold a mortgage or other lien. This appraisal is necessary in order for us to determine whether or not the value of the home is sufficient to allow us to refinance the present indebtedness.

We regret to state that such preliminary appraisal discloses that the lien indebtedness will exceed eighty per cent (80%) of the valuation of the applicant's homestead which is the highest amount that can be loaned under the provisions of the Home Owners' Loan Act.

If you feel that the property is worth more than is indicated by the Preliminary Appraisal, a Fee Appraisal may be made, which cost will be \$5.00, if you assume the expense in the event no loan is closed.

If any new circumstances have arisen since the application was made which might change the amount of your indebtedness or if you and other lien creditors are willing to make an adjustment, we will be grateful to hear from you so that we may further consider the application.

Please refer your reply to

Very truly yours,

HOME OWNERS' LOAN CORPORATION

By \_\_\_\_\_

## HOME OWNERS' LOAN CORPORATION

WASHINGTON

14.

Wisconsin Agency

J. R. McQUILLAN  
State Manager

Re:

Dear Sir:

May we refer you to our letter of \_\_\_\_\_, in which we advised you that the preliminary examination made on the homestead of the above named applicant disclosed that it will appraise for an amount not sufficient to grant the loan applied for.

To date we have not received the five dollar fee which must be advanced before a final appraisal can be made in this case. As a result, we are assuming that you do not desire to advance the fee mentioned above, and regret to state that we have no alternative other than to reject this application.

Yours very truly,

HOME OWNERS' LOAN CORPORATION

By \_\_\_\_\_



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ASSIGNMENT OF RENTS

FOR VALUE RECEIVED, The undersigned mortgagor hereby assigns, sets over, and delivers to HOME OWNERS' LOAN CORPORATION, of Washington, D.C., a corporation created and doing business under and pursuant to Act of Congress of United States, and its assigns, all right, title, interest and demand in and to the rents, issues and profits of the following described premises situated in the County of \_\_\_\_\_, State of Wisconsin.

And to that end hereby assigns and sets over to the said HOME OWNERS' LOAN CORPORATION and its assigns, the hiring or lease of the said premises now made, executed or delivered, and whether written or verbal, or to be hereafter made, executed or delivered, be the same written or verbal, of the aforesaid premises, and does hereby empower the said corporation, by its officers, agents or attorneys, to collect the said rents as they shall become due and to receipt for same, the same as undersigned might or could do if personally present, and does hereby direct each and all of the tenants of the aforesaid premises to pay such rents as may now be due or shall hereafter become due to the said corporation, its agent, or attorney, and the receipts for the said rents shall in all things be undersigned's receipts for same. The term of this assignment shall be until certain notes and mortgage of even date herewith, executed by undersigned to said HOME OWNERS' LOAN CORPORATION for the sum of \$ \_\_\_\_\_ shall have been fully paid and satisfied, at which time this Assignment of Rents is fully satisfied, cancelled and released, and the releasing of said mortgage shall constitute a release hereof. The undersigned further makes, constitutes and appoints, during the term of this Assignment of Rents, as hereinbefore set out, said HOME OWNERS' LOAN CORPORATION, the undersigned mortgagor's true and lawful attorney, for him and in his name, to renew any and all leases of said premises, from time to time, or agree to renew the same, and also to make such new leases, agreements and writings in regard to the leasing of said premises as it shall think proper.

It is understood and agreed that this Assignment of Rents shall not become operative and effective unless default shall be made in the covenants, terms and conditions of the note and mortgage hereinbefore described.

Words indicating the singular shall include the plural and singular, and words indicating the masculine shall include masculine and feminine as the case may be and all the terms, conditions and covenants herein contained shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF this assignment has been executed \_\_\_\_\_,  
193 \_\_\_\_\_.

(SEAL)

# REQUEST FOR APPRAISAL

.....  
(Address)

.....  
(Date)

Mr.....  
.....  
.....

DEAR SIR:

Home Owners' Loan Corporation has an application for the making or refunding of a loan on property, rough plat of which appears at the right and legal description of which is as follows:



**WARNING**

Section 8 (a). Whoever makes any statement, knowing it to be false, or whoever wilfully *overvalues* any security, for the purpose of influencing in any way the action of the Home Owners' Loan Corporation or the Board or an association upon any application, advance, discount, purchase, or repurchase agreement, or loan, under this Act, or any extension thereof by renewal deferment, or action or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both.

Staple Photograph Here

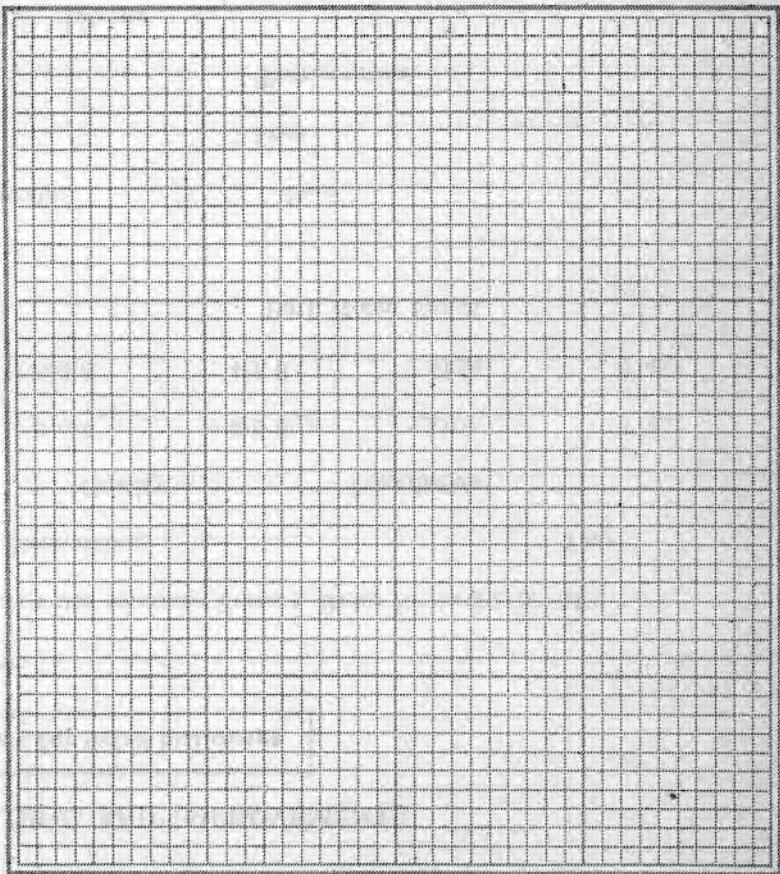
**HOME OWNERS' LOAN CORPORATION**

**APPRAISER'S REPORT**

Note: (Appraisers are to regard this report as confidential. Applicant is not to be informed of any conclusion contained herein).

**PROPERTY APPRAISED**

City..... Pop.....  
State..... Co.....  
No..... St.....  
..... Side, betw..... &.....  
..... ft..... from..... St.  
(If on corner, so state)



Owner's Name.....  
Street number.....  
City..... State.....  
Title, Fee Simple or Leasehold.....

INDICATE NORTH BY ARROW

**DISTRICT**

PRINCIPAL USE:  Residential;  Apartment;  Business;  Rooming house;  Industrial.  
RESIDENTIAL DISTRICT:  Best;  Good;  Poor; TREND:  Static;  Up;  Down.  
TRANSITION:  None,  to Business,  to Apartments,  to Industry. Rate.....  
SECTION:  Old;  New;  Congested;  Houses Scattered: .....% Built up.  
REMARKS:.....  
 IN CITY LIMITS;  Outlying; Miles beyond city limits; .....: Police and Fire Protection; .....:  
BLOCKS to School .....; High School .....; Stores.....; Bus.....; Carline.....; El. or Sub.....  
RESIDENTS in neighborhood: American.....% Foreign.....% Negro.....% Oriental.....%  
NEW PUBLIC IMPROVEMENTS now authorized.....  
MARKETABILITY: Is property of such type and location as to ordinarily be  Readily Saleable;  Slow;  Difficult.  
EXPLAIN.....



Do condition of buildings warrant 15 year loan? ..... 10 year loan?.....

If answer to either question in line 89 is negative, give reasons: .....

**CERTIFICATION**

I, the undersigned, do hereby certify that I have carefully inspected this property, that to the best of my knowledge and belief the statements made in this report are correct, that I have no personal interest, present or prospective, in the property, applicant, or mortgage; and that in my opinion the fair value of the property as collateral for a long term first mortgage loan is \$....., (of which \$..... is allocated to LAND) from this total there should be deducted \$..... (line 56) until the necessary repairs (lines 45 and 47) have been made.

**SUPPLEMENTARY REPORT**

List here any additional information concerning property or applicant which might prove of value to Home Owner's Loan Corporation.....

Signature.....  
Appraiser

Address.....

City..... State.....

Date..... 193.....

Assessed Value..... Yr.-Land \$..... Bldg. \$..... Total \$.....

Annual Taxes..... Yr. County \$..... Town or Township \$..... City or Village \$..... Total \$.....

Unpaid Assessments..... \$.....

**H.O.L.C. APPRAISAL REVIEW**

entries to be made until the Fee appraisal has been completed and turned into the HOLC office)

	A. Owner	B. Preliminary	C. Fee	D. District App.	E. State App.
00. Name					
01. Date					
02. L					
03. B					
04. T					

**FOR H.O.L.C. MANAGER**

Repairs waived.....

Repairs to be provided for prior to loan.....

..... amount reserved..... \$.....

CORPORATION VALUE as if repaired in accordance with line 104.....

Land \$..... Buildings \$..... Total \$.....

Manager



LAND VALUE

Lot Size—Width ..... Ft.; Depth..... Ft.;  Steep sloping;  Level;  {above/below} street level..... Ft.

SIDEWALKS..... STREET OR ROAD paved with..... Alley..... Paved.....

Electricity;  Gas;  Sewer;  Septic tank;  Cess pool;  City Water;  Well

RESTRICTIONS, setbacks, zoning, etc. Not complied with?.....

EASEMENTS, common user agreements, joint driveways, etc.....

LANDSCAPING..... Condition.....

PRESENT PRICE OBTAINABLE For this or equivalent land if vacant..... \$.....

PRESENT JUSTIFIED VALUE for this land, exclusive of buildings..... \$.....

Method of Valuation in 28.....  Sq. Ft.....  Front Ft.  Lot @ \$..... per Unit

REMARKS:.....

DESCRIPTION OF BUILDING AND IMPROVEMENTS

Staple riders here for extra buildings

Total number of buildings on plot..... Types.....

BUILDING A—(for each additional building of importance use separate Form 8 Rider Revised 1/30/34)

TYPE & STYLE..... Roof..... Remodeling..... Year.....

CONSTRUCTION: Class..... Material..... Quality..... Foundation.....

ROOMS: Bmt.....: 1st fl.....: 2nd fl.....: 3rd fl.....: 4th fl.....: Attic.....: Total.....

BATHS: Bmt.....: 1st fl.....: 2nd fl.....: 3rd fl.....: 4th fl.....: Attic.....: Total.....

PLUMBING..... Fixtures..... Bath Room Finish.....

Special rooms and features.....

INTERIOR FLOOR PLAN: Good..... Acceptable..... Poor.....

FINISH: Floors..... Walls..... Trim.....

HEAT:..... Fireplace..... Refrigeration.....

CONDITION of exterior..... Interior.....

CONDITION, structural, dry rot, termites, etc.....

EXTERIOR REPAIRS NECESSARY:.....

Approx. \$.....

INTERIOR REPAIRS NECESSARY:.....

Approx. \$.....

BUILDING SIZE..... ft. x ..... ft. Total building height..... stories..... ft.; Basement size..... ft. x ..... ft.

REPRODUCTION COST..... Cubic or Square Feet @..... per  sq. ft.  cu. ft. \$.....

DEPRECIATION: Present Age..... yrs.; Effective age..... yrs.; Total..... %..... \$.....

DEPRECIATED REPRODUCTION Cost of improvements at this date:..... \$.....

VALUE OF IMPROVEMENTS BASED on economic suitability to Site is:..... \$.....

Justification for difference, if any, between items 52 & 53.....

DEDUCTION in value pending necessary repairs ..... \$ .....

GARAGE:  BARN: Material..... Cars..... Size.....ft. x .....ft.  Attached  Detached  Heated

Floor..... Age..... Stories..... Use of upper floors.....

**SUMMARY—COST OF REPRODUCTION**

Building A—Reproduction Cost (lesser of lines 52 & 53) ..... \$ .....

“ B—Reproduction Cost from rider “ “ ..... \$ .....

“ C “ “ “ “ “ “ ..... \$ .....

“ D “ “ “ “ “ “ ..... \$ .....

“ E “ “ “ “ “ “ ..... \$ .....

“ F “ “ “ “ “ “ ..... \$ .....

Garage..... \$ .....

TOTAL DEPRECIATED REPRODUCTION COST AS OF THIS DATE:..... \$ .....

**RENTAL VALUE**

VACANCIES in district in properties of this type: Few..... Many..... Excessive.....

Is this property readily rentable at prevailing rents in this district?.....

Comment.....

Describe portion of building occupied by owner.....

OCCUPIED BY tenants (account for all units as occupied or vacant)

1. ....	Vacant		furnished	living or	
	Occupied	Rent \$ .....	unfurnished.....	business.....	\$ .....
2. ....	Vacant		furnished	living or	
	Occupied	Rent \$ .....	unfurnished.....	business.....	\$ .....
3. ....	Vacant		furnished	living or	
	Occupied	Rent \$ .....	unfurnished.....	business.....	\$ .....
4. ....	Vacant		furnished	living or	
	Occupied	Rent \$ .....	unfurnished.....	business.....	\$ .....

Total actual monthly rental of premises, unfurnished (if rented furnished, give rental value unfurnished) \$ .....

Opinion of fair monthly rental value of premises unfurnished (for normal)..... \$ .....

REASONABLE average monthly rental of premises, unfurnished, for past 10 year period..... \$ .....

REMARKS:.....

.....

.....

\* \* \* \* \*

**VALUE ESTIMATES**

PRESENT MARKET PRICE obtainable for property:..... \$ .....

SUMMATION VALUE: Land (Line 28) \$..... Improvements (Line 66) \$..... Total \$ .....

CAPITALIZED VALUE based on the average rents as established on line 78..... \$ .....

COMBINED TOTAL of value estimates..... \$ .....

VALUATION AS PER HOLC FORMULA (1/3 of value in line 85)..... \$ .....

COMMENTS.....

.....

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## DESCRIPTION OF ADDITIONAL BUILDINGS AND IMPROVEMENTS

RIDER FOR BUILDING ( )B; ( )C; ( )D; ( )E; ( )F

Type & Style..... Roof..... Remodeling..... Year.....

Construction: Class..... Material..... Quality..... Foundation.....

Rooms: Bmt.....; 1st Fl.....; 2nd Fl.....; 3rd Fl.....; 4th Fl.....; Attic.....; Total.....

Baths: Bmt.....; 1st Fl.....; 2nd Fl.....; 3rd Fl.....; 4th Fl.....; Attic.....; Total.....

Plumbing..... Fixtures..... Bath Room Finish.....

Special rooms and features.....

Interior Floor Plan: Good..... Acceptable..... Poor.....

Finish: Floors..... Walls..... Trim.....

Heat:..... Fireplace..... Refrigeration.....

Condition of exterior..... Interior.....

Condition; structural, dry rot, termites, etc.....

Exterior Repairs Necessary.....

Approx. \$.....

Interior Repairs Necessary:.....

Approx. \$.....

Building size..... ft. x..... ft. Total building height..... stories..... ft.; Basement size..... ft. x..... ft.

Reproduction Cost..... Cubic or Square Feet @..... per  sq. ft.  cu. ft. \$.....

Depreciation: Present age..... yrs.; Effective age..... yrs.; Total..... %..... \$.....

Depreciated Reproduction Cost of improvements at this date:..... \$.....

Value of Improvements Based on economic suitability to Site is:..... \$.....

Justification for difference, if any, between items 52 & 53.....

REMARKS:.....

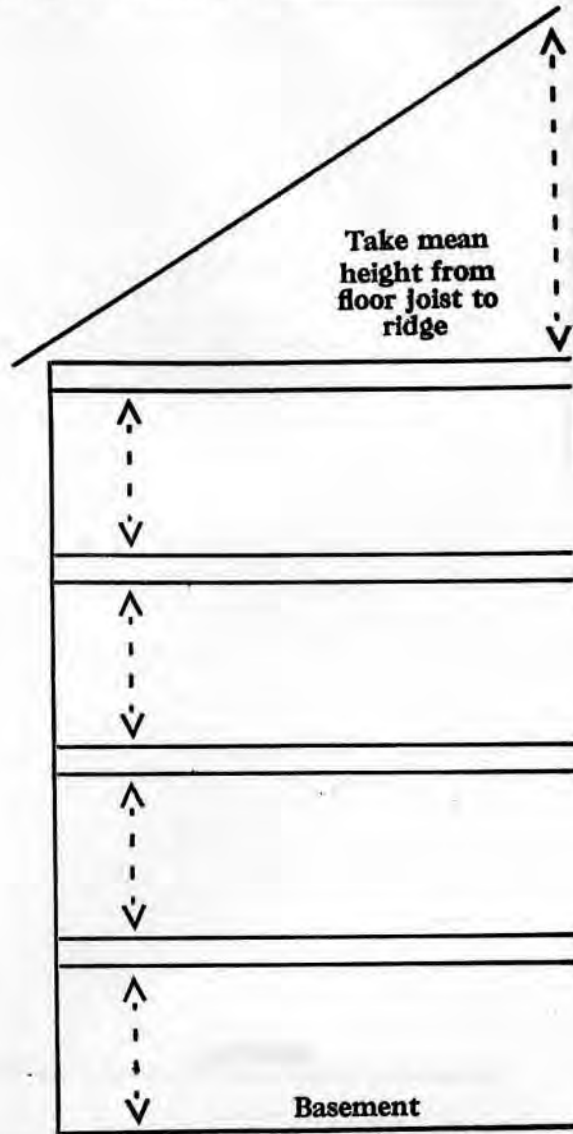
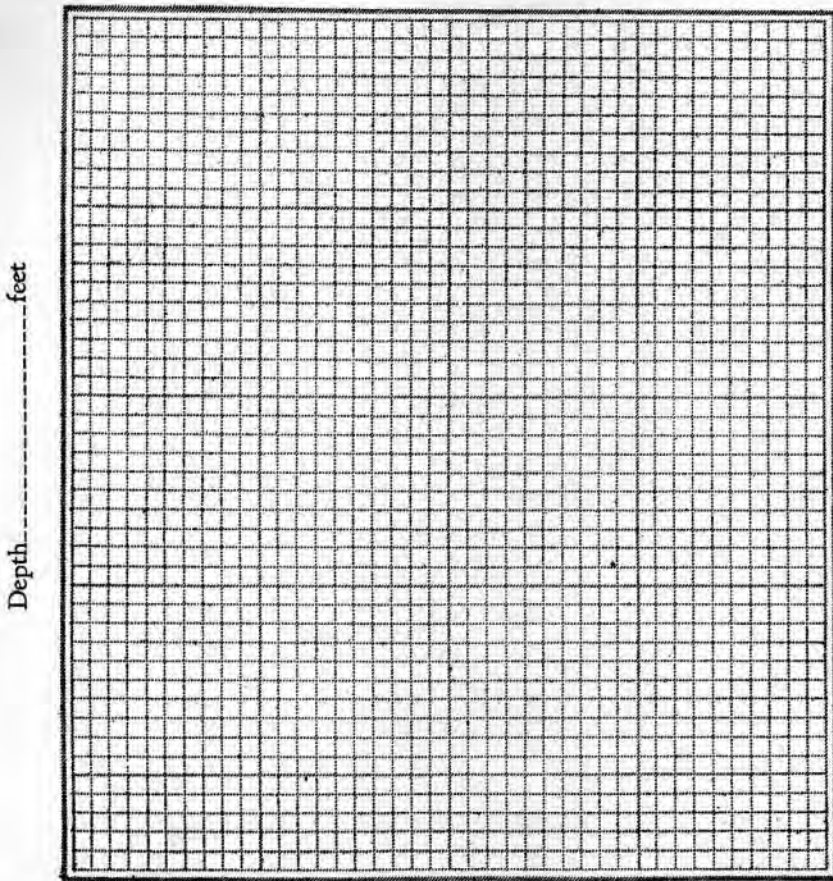
Deduction in value pending necessary repairs (line 46-48)..... \$.....



Owner's Name \_\_\_\_\_ Address \_\_\_\_\_  
 City \_\_\_\_\_

**LOT AND BUILDING PLAN**

Sketch Plan of House and Note Dimensions of Porches, Garages, Driveways and Other Buildings. Note name of street and lot size dimensions.



Frontage \_\_\_\_\_ Feet \_\_\_\_\_ Street \_\_\_\_\_

Zoned \_\_\_\_\_

A — Type of Building \_\_\_\_\_

Number of Cubic Ft. \_\_\_\_\_

Porches: No. Cu. Ft. \_\_\_\_\_ (take \_\_\_\_\_ total) \_\_\_\_\_

Total Cu. Ft. \_\_\_\_\_ @ \_\_\_\_\_ per foot \$ \_\_\_\_\_ (Line 50)

Depreciation: Age \_\_\_\_\_ Effective Age \_\_\_\_\_ yrs. \_\_\_\_\_ % \$ \_\_\_\_\_ (Line 51)

Depreciated Reproduction Cost of Improvement \$ \_\_\_\_\_ (Line 52)

Value based on economic suitability to Site is: \$ \_\_\_\_\_ (Line 53)

**OTHER BUILDINGS**

B — Type \_\_\_\_\_

No. Cu. Ft. \_\_\_\_\_ @ \_\_\_\_\_ per ft. \$ \_\_\_\_\_

Dep.: Age \_\_\_\_\_ yrs. \_\_\_\_\_ % \$ \_\_\_\_\_

Dep. reproduction value \$ \_\_\_\_\_ (Line 60)

Value based on economic suitability to Site is \$ \_\_\_\_\_

C — Type \_\_\_\_\_

No. Cu. Ft. \_\_\_\_\_ @ \_\_\_\_\_ per ft. \$ \_\_\_\_\_

Dep.: Age \_\_\_\_\_ yrs. \_\_\_\_\_ % \$ \_\_\_\_\_

Dep. reproduction value \$ \_\_\_\_\_ (Line 61)

Value based on economic suitability to Site is \$ \_\_\_\_\_

Garage: No. cars \_\_\_\_\_ attached \_\_\_\_\_

No. Cu. Ft. \_\_\_\_\_ @ \_\_\_\_\_ per ft. \$ \_\_\_\_\_

Dep. Age \_\_\_\_\_ yrs. \_\_\_\_\_ % \$ \_\_\_\_\_

Dep. reproduction value \$ \_\_\_\_\_ (Line 65)

Total depreciated reproduction value of improvements \$ \_\_\_\_\_ (Line 66)

Land Values (Line 28) \$ \_\_\_\_\_ (Line 28)

Summation Value \$ \_\_\_\_\_ (Line 83)

Present Market Price obtainable land \$ \_\_\_\_\_

Dwelling \$ \_\_\_\_\_

Garage \$ \_\_\_\_\_

Other Buildings \$ \_\_\_\_\_

Total \$ \_\_\_\_\_ (Line 82)

Cap. rental value — Low \$ \_\_\_\_\_ High \$ \_\_\_\_\_ (Line 84)

Total of three above values — Lines 82, 83, 84 \$ \_\_\_\_\_ (Line 85)

Valuation as per H. O. L. C. Formula \$ \_\_\_\_\_ (Line 86)





## HOME OWNERS' LOAN CORPORATION

Wisconsin Agency

J. R. McQuillan  
State Manager

Dear Sir:

A fee appraisal has been made on the above named applicant's homestead upon which you hold a mortgage or other lien. Subject to the final approval of our Loan Review Board we find that we can loan approximately \$ on the property.

From the above amount must be deducted the following items:

- (1) All special assessment taxes now due and those existing but not yet due and payable.
- (2) All delinquent taxes.
- (3) A loan expense of approximately \$30.
- (4) Cost of necessary repairs estimated by our appraiser at about

\$ .

According to the provisions of the Home Owners' Loan Act, we cannot make a loan in excess of 80% of the appraised value of the premises, and as a result the loan which we are in a position to make will not be large enough to pay all the lien creditors, if there are such, arrange a meeting and if possible make a satisfactory adjustment whereby the loan available would satisfy all indebtedness and pay all necessary expense.

It is our sincere desire to be of assistance to both you and the mortgagor by refinancing his indebtedness, but before we can give his application our further attention we must have from you and the other creditors, if there are such, a letter accepting the amount available after the above mentioned deductions have been made. A copy of this letter is being sent to each of the interested parties for this purpose.

In the event that we do not receive a reply to this letter within fifteen days from the date shown above, we will assume that our offer is not acceptable, and as a result our only alternative will be to reject this application.

Hoping that it will be possible to make some adjustment satisfactory to both the creditors and the mortgagor so that we can be of assistance in refinancing his property, we are

Very truly yours,

HOME OWNERS' LOAN CORPORATION

Kindly address reply to writer.

By:

21

HOME OWNERS' LOAN CORPORATION  
WASHINGTON  

---

WISCONSIN AGENCY

McQUILLAN  
Manager

MADISON, WISCONSIN

District Manager,  
Home Owners' Loan Corporation,

Dear Sir:

Re: Application No.

This Board has reviewed the appraisal reports and other papers up to and including the free appraisal report, with respect to the eligibility of the above loan and finds the papers and reports satisfactory, and approves a certified value of \$----- and loan of -----, subject to:

With these reservations, you are now authorized to continue with the closing of this loan in accordance with the Home Owners' Loan Act and the rules and regulations of the Corporation.

Very truly yours,

Wisconsin Appraisal Review Board  
HOME OWNERS' LOAN CORPORATION

By-----

HOME OWNERS' LOAN CORPORATION

WASHINGTON

WISCONSIN AGENCY

22

R. McQUILLAN  
STATE MANAGER

Dear Sir:

Your property, which was described in your application for a loan, has been appraised. It meets with the appraisal requirements and the next thing to be done is for you to have your abstract continued to date. Perhaps the abstract is in possession of your mortgage holder, but if it is, it will surely be turned over to you for use in connection with this loan.

After the abstract has been brought down to date, will you please bring it to

-----, Attorney at Law, whose office is  
at -----

for his examination? Be sure that he gets the abstract from you as soon as possible. If your title in the premises is sufficient to enable us to make the loan, you will be advised by this office.

If you are holding your property under an unrecorded land contract, you are asked to have it recorded before having your abstract brought down to date so that it will appear on the abstract.

Kindly be prepared to pay fees to the abstractor who continues your abstract when the work is completed.

Yours very truly,

EARL P. McCARRON,  
District Counsel,  
HOME OWNERS' LOAN CORPORATION.

....., 1934

H.O.L.C. Loan No. ....

.....  
Name of Borrower

.....  
Office of Origin

gentlemen:

It is our purpose to close the refunding of a loan for .....

property located at .....

the ..... day of ....., 1934.

It appears that as of such date we will have funds available to pay your lien to the amount of ....., to be paid in bonds, and accrued interest on such bonds, and cash (in a sum not exceeding \$25.00) for which you will receive an authorization for such bonds and a check for such cash. Will you please confirm acceptance of such bonds and cash as of that date.

If such sum is acceptable, please forward the cancelled papers and release in connection with our present security covering the property above described to your correspondent or agent or to a local bank or trust company for delivery to us upon such closing in exchange for the authorization for such bonds and cash with instructions as to delivery, sending us a copy of such letter for our information and guidance.

With such copy send to us authoritatively signed letters of direction (forms for which are enclosed) in duplicate, for the delivery of bonds of denominations specified therein, designating your bank or trust company through which such bonds will be delivered. We will attach the letters of direction to the duplicate bond authorization and promptly send the bonds to the designated bank or trust company.

In the event such closing cannot take place on the exact date stated it is understood that it will be closed as nearly on that date as possible, but not exceeding twenty days thereafter, and that the settlement will be as of the original date set.

Very truly yours,

.....  
Name

.....  
Address

# Summary Sheet

## APPRAISAL DIVISION

E—Error  
M—Missing  
O—Ordered

Checked by  
Dist. State

Remarks

1. Form 1—Application—With Signature			
2. Form 2—Consent Form—Correct Amount			
3. Form 2—Mortgagee's Address			
4. Form 200—Questionnaire to Mortgagee			
5. Form 11—Preliminary Appraisal \$.....			
6. Marital Status			
7. Form 101A—Inspection Report as to Repairs			
8. Form 3—Request for Appraisal			
9. Form 8—Appraisal Report with { Approval..... Signature..... Photo.....			
10. Field Report			
11. Repairs Needed.....Not Needed.....			
12. Credit Report			
13. Homestead—Affidavit if necessary			
14. Form 101—Repair Bids (triplicate).....Approved.....			
15. Contract for Letting Repair Bids			
16. Abstract Ordered, Date.....By Whom.....			

CHECKED BY.....

### PERTINENT DATA

Fee Appraisal . . . . . \$.....

Repairs—Total as shown on Form 101 . . . . . \$.....

Appraisal Approved for Certified Value . . . . . \$.....

Loan Value . . . . . \$.....

First Lien . . . . . \$.....

Second Lien . . . . . \$.....

Taxes . . . . . \$.....

Others . . . . . \$.....

Total Indebtedness . . . . . \$.....

Reduction Necessary.....Accepted.....

Remarks: .....

Approved District Appraisal \$..... By Whom.....

Approved State Appraisal \$..... By Whom.....



**PRELIMINARY CERTIFICATE OF TITLE**

To: **HOME OWNERS' LOAN CORPORATION**

Application No. \_\_\_\_\_ Loan No. \_\_\_\_\_

Name of Applicant \_\_\_\_\_

Address of Applicant \_\_\_\_\_

Address of Property \_\_\_\_\_

This certifies that the undersigned has examined all of the public records relative to real estate titles of the County and State in which the land described in Schedule A below is situated, or has examined abstracts of title purporting to reflect the contents of such records relative to said land, which abstracts are deemed sufficiently complete and worthy of confidence, and which sources of title information cover from the date of patent from United States Government (unless as hereinafter fully explained, it is, in my opinion and in accordance with the practice of competent local title Attorneys, sufficient to start with a well recognized source of good title subsequent to such patent)\*, or where title does not emanate from such Government, at least forty years to a well recognized source of good title. After such examination, it is the opinion of the undersigned that, subject to the mortgage(s), lien(s), and other matters shown under Schedule B hereof, the fee simple, marketable title to the premises described in Schedule A hereof was, at the date of this certificate, indefeasibly vested in:

\_\_\_\_\_  
by \_\_\_\_\_

(The exact interest of each owner must be clearly designated; the deed or other instrument vesting title in the foregoing party or parties, giving date, parties, date of record, and record reference, must be shown.)

Mortgage or other instrument securing debt and note—bond—\*\* to be executed by \_\_\_\_\_

(The exact way in which the names are to appear in the note and mortgage must be shown; marital, fiduciary or other relationship must be given.)

**SCHEDULE A**

Accurate description of property to be mortgaged:

**ALL THAT CERTAIN** tract or parcel of land, situate, lying and being in the \_\_\_\_\_  
of \_\_\_\_\_ County of \_\_\_\_\_, State of \_\_\_\_\_

In all cases where reference is to lot and block only, sketch of the property must be shown. It is desirable in all cases.

\*\*Strike out word not applicable.

14. **RESTRICTIVE COVENANTS:** Are there any restrictive covenants of record?.....

If so, give record reference: Book....., Page..... Do they contain:

- (a) Reversionary or forfeiture clause?.....
- (b) Right of re-entry to abate violations?.....
- (c) Other conditions creating a conditional title?.....
- (d) If so, will such rights be released, waived or subordinated in favor of mortgage to Home Owners' Loan Corporation?.....
- (e) Is property subject to Zoning Ordinances?..... If so, give brief summary:

15. **OTHER OBJECTIONS AND DEFECTS:** (Set forth any objections, defects and questions of title not disposed of at the date of this certificate and specify the ones which will be properly cleared at or before closing of loan. In recovery cases, show when and how applicant became divested of title and the requirements necessary to properly revest title.

I further certify that the following abstracts of title, continuation abstracts and original survey or blue-print thereof have been used in the examination of title as indicated below.

Abstracter \_\_\_\_\_ Period Covered \_\_\_\_\_

Survey Dated \_\_\_\_\_ Surveyor or Civil Engineer \_\_\_\_\_

\*If this certificate does not cover to date of patent, give reason together with your opinion that it is sufficient to start with a well recognized source of good title subsequent to such patent.

Title examined to, and this certificate dated the \_\_\_\_\_ day of \_\_\_\_\_

193\_\_\_\_, at \_\_\_\_\_ M.

Address: \_\_\_\_\_

Approved Attorney or Firm \_\_\_\_\_

By \_\_\_\_\_

Member of Firm \_\_\_\_\_

Examined and Approved this \_\_\_\_\_ day of \_\_\_\_\_, 193\_\_\_\_.

Supervising Attorney \_\_\_\_\_

Approved: \_\_\_\_\_

State Counsel



Total Taxes Not Now Due and Payable where Amount Ascertainable..... \$.....

(b) Taxes which are liens but amount not now ascertainable: (Give year, date when they became liens and when payable; specify whether State, County, City, Town, School, Water, etc.)

8. **SPECIAL ASSESSMENTS:** (Show character of improvement. All special assessments payable in the future, either in one payment or in installments, must be considered as liens and reported as such).

..... Delinquent Special Assessments, Interest and Penalty..... \$.....

..... Current Special Assessments..... \$.....

Total Special Assessments Now Due and Payable..... \$.....

**SPECIAL ASSESSMENTS PAYABLE IN THE FUTURE AS FOLLOWS:**

..... Assessment payable....., 193, \$.....

..... " "....., 193, \$.....

..... " "....., 193, \$.....

..... " "....., 193, \$.....

..... " "....., 193, \$.....

Total of Special Assessments Payable in the Future..... \$.....

(If payment waived the following marginal notation must be made and initialed by State, Wholesale, or District Counsel: "Payment Waived—Loanable Amount Reduced Accordingly.")

9. **LAND CONTRACTS, RECORDED OR UNRECORDED:** (Give full details, including names of vendor and vendee, date of contract, purchase price, method of payments, and outstanding balance. If recorded, give record book and page. The original written agreement or copy thereof must be secured and forwarded with other loan papers.)

10. **RECORDED LEASES OR KNOWN UNRECORDED LEASES:**

(a) Give date, parties, duration, record date and reference, renewal terms and purchase option. If mortgage is to be made on leasehold, you should certify that in your opinion it is a valid lease within the terms of the Home Owners' Loan Act as amended, which can be mortgaged by the lessee or present holder.

(b) Oil and Mineral Rights: (State whether they have been conveyed or leased. If so, describe fully.)

11. **SUITS PENDING OR LIS PENDENS AFFECTING TITLE:** (State and Federal Courts.)

12. **BANKRUPTCY PROCEEDINGS** by or against all parties in chain of title within ten years last past:

13. **PARTY WALL AGREEMENTS, EASEMENTS AND ENCROACHMENTS:**



HOME OWNERS' LOAN CORPORATION  
WASHINGTON

WISCONSIN AGENCY

MADISON, WISCONSIN

L. McQUILLAN  
District Manager

Mr.  
District Counsel  
Home Owners' Loan Corporation

Wisconsin

In Re: Application No.

Loan of

After examining the abstract of title covering the homestead of the above named applicant, I have approved the title as set forth in my opinion, and recommend that the loan may safely be closed. The objections to title either have been found immaterial or have been corrected. The description contained in our mortgage compares with that covered in our recommended appraisal. The encumbrances which we are absorbing are eligible under the terms of the Act.

The following instruments placing merchantable title in \_\_\_\_\_ free and clear from all encumbrances, except tax liens and the mortgage to our corporation, should be obtained and recorded before exchanging our bonds:

- 1.
- 2.
- 3.
- 4.

Our mortgage should be executed by

Yours very truly,

\_\_\_\_\_  
County Attorney  
HOME OWNERS' LOAN CORPORATION

I have examined the file, insofar as it concerns title, and have compared it with the above statements subscribed by the County Attorney which are true and correct and I, therefore, approve the same.

\_\_\_\_\_  
District Counsel

Dated \_\_\_\_\_

27

\$.....  
.....  
(Place) (State)

....., 193.....  
(Date)

For value received I, or we, promise to pay to the order of Home Owners' Loan Corporation at its office in Washington, D. C., the sum of \$....., with interest at the rate of..... per centum per annum on the unpaid balance, and said principal and interest shall be payable \$..... monthly from date, to be applied first to interest on the unpaid balance and the remainder to principal until said debt is paid in full. Extra payments may be made at any time and interest will be charged only on the unpaid balance.

It is agreed that time is of the essence of this contract and that in the event of default in payment of any installment for a period of ninety days the holder of this note may, at its option, declare all the remainder of said debt due and collectible without notice to any party to this note, notice being expressly waived, and any failure to exercise said option shall not constitute a waiver of the right to exercise the same at any other time. In the event of default in the making of any payments herein provided and in the event the whole of said debt is declared to be due, interest shall accrue at the rate of ..... per centum per annum. In the event of default in payment of this note and if the same is collected by an attorney at law I, or we, agree to pay all costs of collection, including a reasonable attorney's fee, not exceeding ten (10) per cent.

I, or we, hereby waive the benefit of any valuation or appraisal laws of this State. I, or we, each further waive demand, protest, and notice of demand, protest, and nonpayment.

Given under the hand and seal of each party.

[SEAL] ..... [SEAL]  
(Signature)

.....  
(Mail Address)

..... [SEAL]  
(Signature)

.....  
(Mail Address)

THIS INDENTURE, made this \_\_\_\_\_ day of \_\_\_\_\_, in the year of our  
and one thousand, nine hundred and \_\_\_\_\_ between \_\_\_\_\_

\_\_\_\_\_ County, Wisconsin, hereinafter called the mortgagor and  
HOME OWNERS' LOAN CORPORATION of Washington, D. C., hereinafter called the mortgagee:

WITNESSETH, that the said mortgagor, for and in consideration of

\_\_\_\_\_ sum of \_\_\_\_\_ Dollars,  
\_\_\_\_\_ him in hand paid by the said mortgagee, the receipt whereof is hereby acknowledged, has granted, bargained, sold and  
conveyed, and does by these presents, grant, bargain, sell and convey to the said mortgagee, its successors and assigns forever,  
the following described premises, situate, lying and being in the County of \_\_\_\_\_ and  
State of Wisconsin, to-wit:

\_\_\_\_\_ together with the privileges and appurtenances to the same belonging, and including all heating, plumbing and lighting  
fixtures and equipment now or hereafter attached to or used in connection with the real estate herein described.

The Mortgagor herein hereby assigns to Home Owners' Loan Corporation any and all rents on the premises herein de-  
scribed and authorizes said Corporation, by its agent, to take possession of said premises at any time there is any default in  
the payment of the debt hereby secured or in the performance of any obligation herein contained, and rent the same for the  
account of the Mortgagor as described herein, and to deduct from such rents all costs of collection and administration and to  
apply the remainder of the same on the debt hereby secured.

**TO HAVE AND TO HOLD THE SAME**, unto the said mortgagee, its successors and assigns forever. And the said  
mortgagor, for his heirs, executors, and administrators, does hereby covenant with the said mortgagee, its successors and  
assigns, that he is lawfully seized of said premises in fee simple; that he has good right to sell and convey the same; that the  
same are free from all liens and incumbrances and that the said mortgagor will **WARRANT AND DEFEND** the title to the  
same against all lawful claims, **PROVIDED, NEVERTHELESS**, that if the said mortgagor shall well and truly pay or cause  
to be paid to the said mortgagee, its successors or assigns,

\_\_\_\_\_ sum of \_\_\_\_\_ Dollars,  
with interest thereon according to the terms and conditions of one promissory note executed by said mortgagor to said mortga-  
gee, bearing even date herewith, which said note is secured hereby; and shall well and truly keep and perform all and singular  
the covenants and agreements herein contained, on the part of the said mortgagor to be kept and performed, and of the note  
accompanying this mortgage, then this mortgage to be null and void.

And the said mortgagor does further covenant and agree:

1. To pay the sum of money above specified, and the interest thereon, at the time and in the manner above mentioned.
2. To pay when due all taxes and assessments of every nature, that may be assessed on said premises or any part thereof, and deliver  
official receipts therefor to the said mortgagee, or a certificate signed by each taxing official to whom any such taxes or assessments  
shall be payable, that all taxes or assessments due to be paid said officials have been paid for the current year.
3. To pay all taxes assessed against the mortgage interest herein created.
4. Also that he does hereby exercise the option to have the interests of mortgagor and mortgagee in said real estate assessed and taxed  
together to the mortgagor without separate valuation.
5. And also, that he hereby irrevocably requests the assessor of the assessment district wherein said lands lie and his successors in  
office to assess the interests of the mortgagor and mortgagee hereunder to the mortgagor, without any separate valuation, and waives the  
right of offset or deduction now or hereafter provided by any statute.
6. To keep all buildings now erected on said premises, or hereafter erected thereon, and all equipment attached to or used in connec-  
tion with the real estate herein encumbered, insured against loss or damage by fire or otherwise in such sums, with insurers, and to an  
amount approved by the said mortgagee as a further security to said mortgage debt, with mortgage clause in form satisfactory to the said  
mortgagee, and assign and deliver to the said mortgagee, as issued, with all premiums thereon paid in full, all insurance policies upon said  
property.
7. To commit, permit or suffer no waste, impairment or deterioration of said property.
8. And that if default be made in the payment of any of the aforesaid taxes or assessments, or in the procuring and maintaining of  
insurance as above covenanted or in the event of the failure of the said mortgagor to keep the buildings on said premises and those to be  
erected on said premises, or improvements thereon, in good repair, said mortgagee, its successors or assigns, may pay such taxes, assess-  
ments, effect such insurance and make such repairs as in its discretion may be necessary to properly protect the premises herein described,  
and the sums so paid shall be a further lien on said premises under this mortgage, payable forthwith, and shall bear interest at the same











**HOME OWNERS' LOAN CORPORATION**  
**WISCONSIN AGENCY**

Form 303

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APPLICANT..... ADDRESS.....

FILE NO..... CITY.....

Dear Sir:

We are preparing to draw final papers in the above entitled loan on which you are a lien holder. Before this loan can be completed, we must ask you to fill out the following form in detail and return as soon as possible to this office.

Yours very truly,  
**HOME OWNERS' LOAN CORPORATION**

HOME OWNERS' LOAN CORPORATION

Gentlemen:

The following is a correct itemized statement of the balance due on the ( ) Mortgage; ( ) Land Contract; ( ) Judgment; ( ) Mechanic's Lien; (place "x" in front of lien described) of the above applicant on the following described property, computed to the ..... day of ..... A. D. 1934.

*Address of Property*

*Statement*

a. Principal Balance	- - - - -	\$.....
b. Interest to	- - - - - , 1934	.....
c. Taxes (Advanced and charged to loan)	- - - - -	.....
d. Insurance (Advanced for premiums)	- - - - -	.....
e. Other Advances (Describe in full)	- - - - -	.....
<b>TOTAL</b>	- - - - -	<b>\$.....</b>

The following Insurance Policies are in force on this property and will be delivered to you upon completion of the loan:

FIRE INSURANCE Policies in force (List each)	AMOUNT	EXPIRATION DATE	PRESENT BENEFICIARY	NAME OF AGENT
--	--------	--------------------	------------------------	------------------

.....

.....

.....

TORNADO OR WINDSTORM Policies in force (List each)	AMOUNT	EXPIRATION DATE	PRESENT BENEFICIARY	NAME OF AGENT
---	--------	--------------------	------------------------	------------------

.....

.....

.....

Are premiums paid?.....

The undersigned does hereby certify that statement of above account includes figures due on the secured lien and includes no moneys advanced for any purpose not in connection with and secured by such lien.

By.....

NOTE: If you are holding an unrecorded Land Contract, it will be necessary for us to have the original or a Certified Copy thereof.



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**SUMMARY SHEET**

**DISBURSEMENT AUTHORIZATION AND SUPPORTING VOUCHERS AND INVOICES**

D  
C i C  
h s h S  
e t e t  
c r c a  
k i k t  
e e e e  
d t d  
  
B O B O  
y f y f  
f. f.

**REMARKS**

**Date**

**Returned for**  
E—error  
M—Missing

1. Form 15—Original & 3 copies			
2. Form 26 in duplicate, covering the following			
A. Taxes & Assessments			
Tax bills at date of settlement			
B. Repairs			
Forms 101 in triplicate			
C. Insurance Premium			
Certified Invoices			
D. Abstractors' Fee			
Certified Invoice			
E. Recording Fee			
Itemized Statement of costs			
F. Lien Holders Show Number ( )			
Certified, Itemized Statement for each			
G. Incidental Costs			
Individual Certified Invoices			
H.			
3. Form 18 in duplicate—Local Attorney Fee			
Certified Invoice			
4. Credit Reports—Show Number ( )			
Corporation Reimbursed			
5. Appraisal Fee			
Corporation Reimbursed			
6. Applicants Check for costs attached			

Checked by



SUMMARY SHEET

LEGAL DIVISION

REMARKS

CHECKED BY  
Dist. Off. State Off.

. 1st Lien Holder's Consent			
. 2nd Lien Holder's Consent			
. 3rd Lien Holder's Consent			
. Original Mortgage Note to HOLC			
. Original Mortgage to HOLC			
. Opinion of County Attorney			
. Opinion of District Counsel			
. Fire Insurance Policy			
. Fire Insurance Policy			
. Tornado Insurance Policy			
. Tornado Insurance Policy			
. Contract for Improvement and Repair			
. Credit Report			
. Waivers of Liens			
. Release of all Prior Liens			
. Abstract of Title			

PERTINENT DATA

Mortgage Loan HOLC			
Fire Insurance			
Tornado Insurance			
Certified Appraisal (Dist.)			
Mortgage Loan % of Appraisal			
Completed Abstract of Title			

Checked By

STATE OF WISCONSIN)  
(ss.  
\_\_\_\_\_COUNTY)

\_\_\_\_\_, being first duly sworn,  
upon oath deposes and says that he is the applicant for a  
loan from the Home Owners' Loan Corporation on the follow-  
ing described premises located in the City of \_\_\_\_\_,  
\_\_\_\_\_County, Wisconsin:

That for a period of six months next preceding the date  
of this affidavit there has been no labor or material fur-  
nished of any kind or nature whatsoever which might or could  
give rise to the perfection of a labor or material men's  
lien as provided for by the statutes of the State of Wis-  
consin against the above described property.

Affiant further deposes and says that he knows of no  
judgment rendered and docketed against him in the Federal  
Court for the \_\_\_\_\_District of the State of Wis-  
consin.

Affiant further deposes and says that since the filing  
of this application for a home loan his premises has not  
suffered loss or damage by fire, windstorm, cyclone, tor-  
nado, or from any other cause.

\_\_\_\_\_  
Subscribed and sworn to before me

this \_\_\_\_\_day of \_\_\_\_\_, 1934.

\_\_\_\_\_  
Notary Public, \_\_\_\_\_County, Wis.

My commission expires \_\_\_\_\_

# AFFIDAVIT

STATE OF WISCONSIN,  
-----County, } ss.

-----  
being first duly sworn on oath, depose and says that the property described by him in his application for a home loan, which application is on file with the Home Owners' Loan Corporation created by Act of Congress of the United States of America, is used by the owner as a home or held by him as his homestead as defined by Section 272.20 of the Wisconsin Statutes;

That this affidavit is made to assist affiant in obtaining a homestead loan under the Home Owners' Loan Act of 1933.

If more than one joins in the execution hereof as affiant, or any be of the feminine sex, the pronouns and relative words herein used shall be read as if written in plural or feminine, respectively.

-----  
-----

Subscribed and sworn to before me this  
-----day of -----, 19-----

-----  
Notary Public, -----County, Wis.

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DIRECTION TO  
HOME OWNERS' LOAN CORPORATION  
FOR DELIVERY OF BONDS

Mortgagees' Loan No. ...., 1934

The undersigned hereby directs the delivery through .....

Home Owners' Loan Corporation bonds, in connection with the above described pending loan, in denomi-  
ations and in the form as follows:

.....	\$25 Coupon Bonds	-	-	-	-	.....
.....	50 Coupon Bonds	-	-	-	-	.....
.....	100 Coupon Bonds	-	-	-	-	.....
.....	500 Coupon Bonds	-	-	-	-	.....
.....	1,000 Coupon Bonds	-	-	-	-	.....
.....	5,000 Coupon Bonds	-	-	-	-	.....
.....	1,000 Registered Bonds	-	-	-	-	.....
.....	5,000 Registered Bonds	-	-	-	-	.....
	Total par value	-	-	-	-	\$.....

And the undersigned further represents that the signature of the authorized recipient of the bonds  
the signature hereinafter subscribed.

H.O.L.C. No. ....

Name of Borrower

Signature

Office of Origin

Street Address

City

State



Date\_\_\_\_\_

**HOME OWNERS' LOAN CORPORATION**

\_\_\_\_\_Office

To\_\_\_\_\_

Loan No.\_\_\_\_\_

Name\_\_\_\_\_

Address of\_\_\_\_\_

Property\_\_\_\_\_

Subject to title and available bonds and/or cash, the above numbered and designated loan will be closed on or about the \_\_\_\_\_day of \_\_\_\_\_, 193\_\_\_\_, and in accordance with the adjustment made with respect to your claim you will be entitled to receive in bonds and/or cash the amount of \$\_\_\_\_\_, such bonds to bear interest at the rate and be upon such terms as are authorized on the date of final closing.

Yours very truly,

**HOME OWNERS' LOAN CORPORATION**

By\_\_\_\_\_

TITLE

Application No.....

38

LOAN NO.....

DATE.....

NAME..... ADDRESS.....

THE FOLLOWING DISBURSEMENTS ARE NECESSARY TO COMPLETE THE LOAN OF THE APPLICANT LISTED ABOVE.

NAME	ADDRESS	PURPOSE	AMOUNT IN CASH	
C. L. Femrite, County Treasurer	Madison, Wisconsin	Tax		
Dane County Title Company	Madison, Wisconsin	Continuing Abstract		
Treas. Home Owners' Loan Corp.	Washington, D. C.	Re-imburse Expense a/c	\$5	00
	Madison, Wisconsin	Opinion	7	50
C. A. Lewis, Reg. of Deeds	Madison, Wisconsin	Recording		
Treas. Home Owners' Loan Corp.	Washington, D. C.	Re-imburse Expense a/c	1	00

NAME OF MORTGAGEE	ADDRESS	PURPOSE	AMOUNT IN BONDS	

NO. INSURANCE POLICIES.....  
 A'MT OF FIRE \$.....  
 AM'T OF TORNADO \$.....  
 PREMIUM PAID—UNPAID.....  
 NEED ADDITIONAL FIRE.....  
 TORNADO.....  
 RECORD .....

TOTAL AMOUNT OF LOAN \$.....  
 SIGNED .....,  
 ADDRESS .....

# PAY VOUCHER

## For Personal Services

VOUCHER No. ....

OFFICE No. ....

### HOME OWNERS' LOAN CORPORATION

WASHINGTON, D. C.

HOME OWNERS' LOAN CORPORATION, Dr.

To .....

Address .....

	DAYS SERVED	RATE	AMOUNT
For services rendered as .....			
Under authority of .....			
From ....., 193 , to ....., 193			
Less deductions for .....			
Remarks: .....			
<b>TOTAL,</b>			

I CERTIFY that the above bill is correct and just and that payment has not been received.

(Do not sign in duplicate.)

Payee .....

Bill must be completely filled in by payee before certification and there must not be any erasure or other alteration whatever.)

I CERTIFY that the foregoing account is correct; that it appears from the records of my office that the person named hereon was duly appointed or employed, and that he has performed the services required during the period mentioned; that such services, except as otherwise indicated under "Remarks" above, have been performed under my supervision, and that he is entitled to the amount of pay stated.

Account submitted for ..... \$ ..... City ..... State .....

Differences .....

Branch Manager.

City ..... State .....

Approved:

\$ .....

State Manager.

Approved for ..... \$ .....

City ..... State .....

Paid by check on Treasurer of the United States, No. .... dated ....., 193 , in favor of payee named above.









FINAL CERTIFICATE OF TITLE

42

To: HOME OWNERS' LOAN CORPORATION.

Application No. \_\_\_\_\_

Loan No. \_\_\_\_\_

Name of Applicant \_\_\_\_\_

Address of Applicant \_\_\_\_\_

Address of Property \_\_\_\_\_

1. It is hereby certified that in the opinion of the undersigned the fee simple, marketable title to the real property described in my preliminary certificate of title dated \_\_\_\_\_, 193\_\_\_\_ (which description is identical with that contained in the mortgage hereinafter described) is, at the date of this certificate, indefeasibly vested in \_\_\_\_\_

by \_\_\_\_\_, executed by \_\_\_\_\_ dated \_\_\_\_\_, 19\_\_\_\_, filed for record \_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_ M., and recorded in Book of Deeds \_\_\_\_\_ Page \_\_\_\_\_ of the records of the County\* of \_\_\_\_\_, State of \_\_\_\_\_, or Recorder's File No. \_\_\_\_\_

(If title not obtained by deed, show other instrument vesting title in the foregoing party or parties, giving date, date of record and record reference.) \_\_\_\_\_

2. All mortgages, liens, defects and objections shown by said preliminary certificate of title, or created or arising subsequent to its date, have been properly satisfied, cancelled, released, subordinated, or otherwise disposed of, of record, except such taxes as are liens but are not yet due and payable; and except such installments of special assessments as are liens but are not yet due and payable, the payment of which has been duly waived by an authorized official of the Home Owners' Loan Corporation.

3. That the mortgage covering the identical real property described in said preliminary certificate of title and executed by \_\_\_\_\_

to Home Owners' Loan Corporation, dated \_\_\_\_\_, 193\_\_\_\_, filed for record \_\_\_\_\_, 193\_\_\_\_, at \_\_\_\_\_ M., duly recorded in Mortgage Book \_\_\_\_\_, Page \_\_\_\_\_ of the records of the County\* of \_\_\_\_\_, State of \_\_\_\_\_ (or if Book and Page not yet assigned)

Recorder's File No. \_\_\_\_\_, is, in my opinion, a valid first lien on said premises (except as to the taxes and special assessments described in paragraph 2 herein) and secures a note—bond—\*\* dated \_\_\_\_\_, 193\_\_\_\_, signed by \_\_\_\_\_

payable to Home Owners' Loan Corporation in the aggregate principal sum of \$ \_\_\_\_\_ and that the full consideration for said note—bond—\*\* and mortgage has passed to the mortgagor(s).

My examination of the above title was continued from \_\_\_\_\_, 193\_\_\_\_, the date to which my previous examination was made as shown by said preliminary certificate of title down to the \_\_\_\_\_ day of \_\_\_\_\_, 193\_\_\_\_, at \_\_\_\_\_ o'clock, \_\_\_\_\_ M., (which is the date of this certificate) and includes the date of the filing for record of said mortgage.

\*Strike out "County" and insert "Town," "City" or "Parish" where necessary. \*\*Strike out word not applicable.

Address: \_\_\_\_\_

Approved Attorney or Firm

By \_\_\_\_\_ Member of Firm

Examined and Approved \_\_\_\_\_, 193\_\_\_\_

Approved:

Supervising Attorney

State Counsel

43

HOME OWNERS' LOAN CORPORATION  
WASHINGTON

Wisconsin Agency

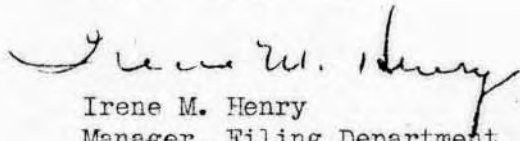
Madison, Wisconsin

J. R. McQUILLAN  
State Manager

Dear Sir:

This will acknowledge receipt of and thank you for the above loan file containing supporting final papers. The papers will be checked promptly, and if found correct, your check will be released.

Very truly yours,



Irene M. Henry  
Manager, Filing Department  
HOME OWNERS' LOAN CORPORATION



## HOME OWNERS' LOAN CORPORATION

WASHINGTON

WISCONSIN AGENCY

44

R. McQUILLAN  
STATE MANAGERONE WEST MAIN STREET  
MADISON, WISCONSIN

Dear Sir:

The above loan was transmitted to you under date of \_\_\_\_\_ and we find that the following final papers, checked "x," have not been received in this office. Kindly furnish these papers at the earliest possible date in order that there be no further delay in forwarding the completed loan to Washington:

-----Form 15  
 -----Note  
 -----Mortgage  
 -----Application  
 -----Insurance Policies  
 -----Abstract  
 -----Opinion of Title  
 -----Receipts  
 -----Releases  
 -----Appraisal Report  
 -----Mortgagee's Consent  
 -----Tax Form No. 53  
 -----Credit Report  
 -----Receipt for Bonds  
 -----Certified Repair Bids

Miscellaneous papers:

We will appreciate your cooperation.

Very truly yours,

J. R. McQUILLAN,  
State Manager,

HOME OWNERS' LOAN CORPORATION.

FWK h

45

HOME OWNERS' LOAN CORPORATION  
WASHINGTON

Wisconsin Agency

. R. McQUILLAN  
State Manager

Madison, Wisconsin

We are enclosing herewith our check in the amount of  
\$ \_\_\_\_\_ in payment of your services in connection with  
the closing of Loan No. 47-

We are also enclosing your certified invoice and ask  
that you receipt the same and return to this office im-  
mediately.

A return-addressed envelope is being enclosed for your  
convenience.

Yours very truly,

H. L. Fitze  
Disbursing Officer  
HOME OWNERS' LOAN CORPORATION

HLF:LN

HOME OWNERS' LOAN CORPORATION

WASHINGTON

46

—  
Wisconsin Agency

J. R. McQUILLAN  
State Manager

MADISON, WISCONSIN

We are enclosing herewith the following checks in payment of your services in connection with the closing of the following loans:

We are enclosing your certified invoices and ask that you receipt the same and return to this office immediately. A return-addressed envelope is being enclosed for your convenience.

Your prompt attention to this matter will be appreciated.

Yours very truly,

H. L. Fitze  
Disbursing Officer  
HOME OWNERS' LOAN CORPORATION

HLF:LMN

HOME OWNERS' LOAN CORPORATION  
WASHINGTON  
—  
WISCONSIN AGENCY

47

R. McQUILLAN  
STATE MANAGER

MADISON, WISCONSIN

Re: LOAN NO. \_\_\_\_\_

Dear Sir:

The above loan has been closed through this office, and we are enclosing the entire file in connection therewith. The authorizations totaling \$\_\_\_\_\_, and checks totaling \$\_\_\_\_\_, are enclosed. Checks covering repairs totaling \$\_\_\_\_\_, and attorney check for \$\_\_\_\_\_, together with checks covering appraisal report and character report are being withheld and will be disbursed direct from this office.

Please comply with instructions for obtaining signatures on the duplicate and triplicate copies of the authorizations, and return in separate envelope to the Home Owners' Loan Corporation, Bond Division, State Office, Madison, Wisconsin, together with original signed note, original signed Form 15, and signed copy of Form 13. Kindly affix loan number in the upper right hand corner of Form 13. These should be returned as soon as possible in the enclosed envelope with Form 46 properly filled out.

When you have completed the closing of the above loan, all remaining documents when properly completed and recorded, if necessary, must be returned to the State Office in separate envelope, with the loan number plainly marked on the outside. All documents returned are to be properly listed on Form 46 as per instructions.

Very truly yours,

H. L. Fitze  
Disbursing Officer  
HOME OWNERS' LOAN CORPORATION

encls.



48

(CITY)

(STATE)

HOME OWNERS' LOAN CORPORATION,  
LOAN REVIEW DIVISION,  
WASHINGTON, D. C.

Dear Sirs:

Enclosed herewith we submit, with recommendation for approval, the following named application for \_\_\_\_\_ % \_\_\_\_\_ loan. This file is submitted in accordance with following regulations: \_\_\_\_\_

(NAME)

(STREET)

(CITY OR TOWN)

(STATE)

Amount of Loan Requested ----- \$ \_\_\_\_\_

Which provides for payment of:

First Mortgage: ..... \$ \_\_\_\_\_

Held by: \_\_\_\_\_

Second Mortgage: ..... \$ \_\_\_\_\_

Held by: \_\_\_\_\_

Taxes ..... \$ \_\_\_\_\_

Repairs (Estimates Attached) ..... \$ \_\_\_\_\_

Expenses ..... \$ \_\_\_\_\_

..... \$ \_\_\_\_\_

..... \$ \_\_\_\_\_

TOTAL - (Must coincide with amount above) ----- \$ \_\_\_\_\_

The terms of payment of loan are to be:

(1) The regular monthly, or (2) \_\_\_\_\_

Appraisal of property is fixed at \$ \_\_\_\_\_. The present lien or mortgage to be refinanced was of record, or executed in good faith, prior to June 13, 1933, and the property is the homestead of applicant.

Applicant is \_\_\_\_\_ years of age; \_\_\_\_\_ Married; \_\_\_\_\_ dependents; employed by \_\_\_\_\_; and earns \$ \_\_\_\_\_ per week.

Character report is \_\_\_\_\_. Applicant will \_\_\_\_\_ be able to pay installments. The following facts are stated to show acute distress on part of mortgagor: \_\_\_\_\_

This file consists of the following papers, arranged in the order stated:

- (1) This letter of Transmittal.
- (2) Application (Form 1) properly filled out and signed by all necessary parties on both front and reverse sides, including definite recommendation and approval signed by State Manager, State Counsel, and Chief Appraiser.
- (3) Fee Appraisal (Kodak photo attached)
- (4) Preliminary Appraisal
- (5) Character Report
- (6) If cash loan, written refusal of mortgagee to accept bonds, or if impossible to secure, then a written statement from the applicant or from Manager to this effect.
- (7) Written evidence showing reasonable efforts by mortgagor to continue loan with present mortgagee and to finance through other channels.
- (8) Bids for Repairs and Maintenance itemized, the lowest and best of which is marked approved.
- (9) Form 71 or 72.
- (10) Affidavits as required in cases of mortgages refinanced since June 13, 1933 (Supplement to Bulletin #32)
- (11) Other pertinent papers which will be of assistance to the Board considering application.

Very truly yours,

\_\_\_\_\_  
State Manager.

HOME OWNERS' LOAN CORPORATION  
WASHINGTON

Wisconsin Agency

J. R. McQUILLAN  
State Manager

Madison, Wisconsin

This is an answer to your letter relative to payments on your loan.

Under the present law, monthly payments of interest and principal are required on all loans dated after April 28, 1934. This payment amounts to \$ \_\_\_\_\_ a month on your loan.

If you are unable to meet these payments, you may make application for an extension for a period not exceeding six months by completing the two forms enclosed, "Application for Extension" and "Statement of Borrower."

If you are able to pay only the interest of \$ \_\_\_\_\_ per month, kindly fill in the application accordingly. If you cannot pay even the interest, insert the amount that you will be able to pay.

It is important that you fill in both forms carefully. After completing and signing both forms, mail them to the office through which your loan was obtained. After investigation you will be advised further in due course. However, while your application is pending, kindly continue to make whatever payments possible on the due dates.

Very truly yours,

A. L. Koch  
Chief Accountant

Enc.

50

APPLICATION FOR EXTENSION

..... 19  
(Date)

Address .....  
(Number) (Street)

.....  
(City) (State)

HOME OWNERS' LOAN CORPORATION

.....  
.....

Loan No. ....

Gentlemen:

Whereas the undersigned is indebted to Home Owners' Loan Corporation in the sum of \$.....,  
constituting a first lien on the home of the undersigned, and requiring payments of \$..... per month,  
and is temporarily unable to make full payments as required by the contract, therefore

The undersigned hereby requests an extension as is provided in Home Owners' Loan Act of 1933, and specifically  
requests, if possible, that applicant be allowed to pay only \$..... per month for ..... months,  
after which regular contract payments will be made. Applicant represents that the reasons for this application for  
extension are as follows:

Signatures.....  
of  
Borrowers.....

TO BE FILLED IN BY STATE MANAGER.

Date of closing Loan: .....  
Corporation's appraisal of property: \$.....  
Amount of Loan: \$.....  
Date first payment due: .....  
Amount of payments: .....

RECOMMENDATION OF STATE MANAGER

I have carefully examined the foregoing application for an extension and investigated the facts, and make the  
following recommendation:

.....  
State Manager

APPROVED BY THE BOARD:

.....  
(Date)

STATEMENT OF BORROWER

To Accompany Application for Extension  
(Form 9)

Loan No. \_\_\_\_\_ (Date) \_\_\_\_\_ 19\_\_\_\_

Address \_\_\_\_\_  
(Number) (Street)  
\_\_\_\_\_  
(City) (State)

1. The following members of the household are 16 years old or more:

Age	Employed by	@ \$
_____	_____	_____ (monthly)
_____	_____	_____
_____	_____	_____

2. Number of members of household under 16 years of age: \_\_\_\_\_

3. Approximate total income of all members of household from all sources, including rentals:

1933		1934		BALANCE OF YEAR ESTIMATED
Month	\$	Month	\$	
Jan.	_____	Jan.	_____	
Feb.	_____	Feb.	_____	
Mar.	_____	Mar.	_____	
Apr.	_____	Apr.	_____	
May	_____	May	_____	
June	_____	June	_____	
July	_____	July	_____	
Aug.	_____	Aug.	_____	
Sept.	_____	Sept.	_____	
Oct.	_____	Oct.	_____	
Nov.	_____	Nov.	_____	
Dec.	_____	Dec.	_____	
TOTAL	\$ _____	TOTAL	\$ _____	

4. Monthly expenses on this property, and other monthly expenses:

1st Mtge.	\$ _____	Heat	\$ _____	Telephone	\$ _____
2nd Mtge.	_____	Gas & Elec.	_____	Personal	_____
Taxes	_____	Upkeep	_____	Automobile	_____
Fire Ins.	_____	Food	_____	TOTAL	\$ _____
Life Ins.	_____	Clothing	_____		

5. Taxes will be due and payable during the current year:  
Date \_\_\_\_\_ \$ \_\_\_\_\_ Date \_\_\_\_\_ \$ \_\_\_\_\_ Date \_\_\_\_\_ \$ \_\_\_\_\_

and will be paid as follows: \_\_\_\_\_

6. If dwelling is a one-family house not occupied by owner, is it rented? \_\_\_\_\_  
For how much? \_\_\_\_\_  
If built to accommodate more than one family, how many apartments are there? \_\_\_\_\_ How many rented? \_\_\_\_\_ For how much? \_\_\_\_\_

7. Are you behind in your monthly payments? \_\_\_\_\_  
How many payments are now in arrears? \_\_\_\_\_

8. Additional facts in regard to income, and grounds for belief in ability to resume payments in full at expiration of extension period are:

I certify that the statements made herein are, to the best of my knowledge and belief, true and accurate.

\_\_\_\_\_  
Signature of Borrower



52

APPLICATION FOR PAYMENT OTHER THAN MONTHLY

..... 19  
(Date)

Address.....  
(Number) (Street)

.....  
(City) (State)

HOME OWNERS' LOAN CORPORATION

Loan No.....

Gentlemen:

Whereas the undersigned is indebted to Home Owners' Loan Corporation in the sum of \$....., constituting a first lien on the home of the undersigned, and requiring payments of \$..... per month, and is temporarily unable to make monthly payments as required by the contract, but desires to make said payments on a ..... basis.  
(quarterly, semi-annual or annual)

The undersigned hereby requests that he be permitted to make said payments on said basis for the following reasons:

Signatures.....  
of  
Borrowers.....

TO BE FILLED IN BY STATE MANAGER.

Date of closing Loan: .....  
Corporation's appraisal of property: \$.....  
Amount of Loan: \$.....  
Date first payment due: .....  
Amount of payments: .....

RECOMMENDATION OF STATE MANAGER

I have carefully examined the foregoing application for payments on a ..... basis, (quarterly, semi-annual or annual) investigated the facts, and make the following recommendation:

.....  
State Manager

APPROVED BY THE BOARD:

.....  
(Date)

REQUEST TO CORPORATION TO PAY TAXES

Loan No. \_\_\_\_\_

Name of borrower \_\_\_\_\_ Address \_\_\_\_\_

State in which property is located \_\_\_\_\_

Date \_\_\_\_\_

HOME OWNERS' LOAN CORPORATION  
WASHINGTON, D. C.

When the loan on the property of the undersigned mortgagor was closed and mortgage or deed of trust executed to the Home Owners' Loan Corporation, a tax or taxes on said property was overlooked which the undersigned mortgagor hereby requests you to pay, which taxes are assessed and are a lien against said property.

Said taxes itemized are as follows:

<u>TYPE OF TAX</u>	<u>PAYABLE TO</u>	<u>TITLE</u>	<u>ADDRESS</u>	<u>AMT.</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total \$ \_\_\_\_\_

In consideration of the Home Owners' Loan Corporation paying said tax, the undersigned hereby agree that the amount of said tax, with the cost of any expenses attending the same shall be payable on demand, shall be part of the principal debt secured by the note and mortgage executed to said Corporation, and shall be and become a lien on the premises and property described in the mortgage or deed of trust executed to said Corporation by the undersigned, and be secured by the note and mortgage or deed of trust executed by the undersigned to said Corporation, with interest thereon from date of payment, at the rate of six (6) percent per annum until repaid, and in case of default in payment of the above-described indebtedness, the undersigned agrees that such non-payment shall constitute a breach of his contract with said Corporation as provided in said mortgage or deed of trust executed by him, and subject him, at the option of the Corporation, to all the penalties for default and defeasance provided in said mortgage or deed of trust.

A bill for said taxes from the tax-collector is attached herewith.

WITNESS:

\_\_\_\_\_  
(SEAL)

\_\_\_\_\_  
(SEAL)

HOME OWNERS' LOAN CORPORATION

WASHINGTON

Wisconsin Agency

R. McQuillan  
State Manager

Madison, Wisconsin

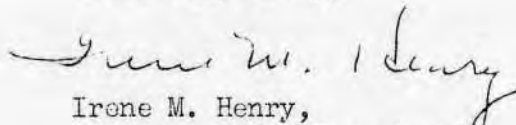
Dear Sir:

Recently the Home Owners' Loan Corporation refinanced your lien against the premises of our applicant whose name appears on the attached form known as the "Mortgagee's Consent To Accept Bonds". The consent executed by you has been in our files for a considerable length of time, but in order to adjust our records with the amount disbursed to you, we are asking for your cooperation in the following manner.

In the blank space provided for the amount of your lien including unpaid principal and interest, will you kindly insert such amount as was computed to the date indicated at the bottom of the form. This date represents the day on which the loan was closed. We have made all other necessary insertions including the total amount of cash and bonds which you received. Please insert the amount requested and sign the consent form.

We are enclosing a self addressed envelope for your convenience and will appreciate your prompt attention.

Yours very truly,



Irene M. Henry,  
Manager Filing Department  
HOME OWNERS' LOAN CORPORATION

"WHEREAS on the \_\_\_\_\_ day of \_\_\_\_\_ the undersigned executed a note or bond and a mortgage or other instrument securing the same to Home Owners' Loan Corporation in the sum of \$ \_\_\_\_\_ and

"WHEREAS such sum has not yet been disbursed but said transaction is about to be closed and the sum of \$ \_\_\_\_\_ is about to be disbursed to be secured by said original instrument, therefore

In consideration of the making of said loan and in consideration of the disbursement by Home Owners' Loan Corporation of the sum of \$ \_\_\_\_\_ on account of said loan transaction and secured by said original instrument as executed, the undersigned hereby agrees to pay the sum of \$ \_\_\_\_\_ monthly from the date hereof, to be applied first to the accrued interest on the unpaid balance, and the remainder to the principal of said debt until the same is paid in full.

Except as herein altered, said debt shall remain as expressed in the original note or bond and mortgage or other instrument securing the same, together with all the rights and privileges expressed in said original instruments.

This, the \_\_\_\_\_ day of \_\_\_\_\_, 1934.

Where the words "sum of \$ \_\_\_\_\_" is referred to above, it is intended to mean cash/ or bonds.

\_\_\_\_\_  
\_\_\_\_\_



HOME OWNERS' LOAN CORPORATION

Madison, Wisconsin

Date \_\_\_\_\_

We hereby acknowledge receipt of \$ \_\_\_\_\_  
representing refund on \_\_\_\_\_  
on Loan No. \_\_\_\_\_.

This refund will be forwarded to Washington  
to be credited to the account of the borrower \_\_\_\_\_  
\_\_\_\_\_.

Yours very truly,

H. L. Fitze  
Disbursing Officer  
HOME OWNERS' LOAN CORPORATION

HLF;rb

HOME OWNERS' LOAN CORPORATION

WASHINGTON

Wisconsin Agency

First Bank of Wisconsin  
Madison, Wisconsin

R. McQuillan  
State Manager

Regional Office  
Chicago, Illinois

RE: LOAN NO.

Gentlemen:

I have examined the opinions of \_\_\_\_\_, local attorney for \_\_\_\_\_ County, and of \_\_\_\_\_, District Counsel of \_\_\_\_\_, as well as all evidence of title submitted in regard to the above loan. It is my conclusion that the Home Owners' Loan Corporation has acquired a first lien of record on the premises known as the homestead of the above applicant. All prior encumbrances have been paid and discharged.

The insurance policies, mortgage clauses, and entire file are correct.

Respectfully yours,

Jerome Fox  
State Counsel  
HOME OWNERS' LOAN CORPORATION

JF

# CHECK SHEET

(This form must be included in every loan file)

(Each of the questions below must be answered "yes" or "no"; the answers to be written at the time each question is checked with the file, by the person who does the checking.) Abbreviations: LGL, Legal Dept.; APRL, Appraisal Dept.; AUDT, Auditing Dept.; MGRL, Managerial.

CHECK SHEET OF LOAN NO. \_\_\_\_\_ Amount of Loan \$ \_\_\_\_\_ Date \_\_\_\_\_ 193\_\_\_\_\_

Borrower	City or Town	State
<b>FORM 46:</b>		
1. Is it attached, completely filled out, and signed?	MGRL	To be Signed by:
2. Does it show that file has been checked?	MGRL	Answered: Yes or No
<b>SETTLEMENT REPORT (Form 15):</b>		
3. Is it filled out completely and signed by necessary parties?	AUDT	SIGNATURE:
<b>THE NOTE OR OTHER OBLIGATION AND THE MORTGAGE:</b>		
4. Are they of identical date?	LGL	
5. For the same amount?	LGL	
6. Signed by parties executing application?	LGL	
7. Is the mortgage properly witnessed and/or acknowledged and if necessary sealed by Notary?	LGL	
8. Does Notary state when commission expires?	LGL	
9. Has the mortgage been filed for record and is Form 13 attached to file?	LGL	
<b>ATTORNEY'S CERTIFICATE:</b>		
10. Is there a preliminary certificate signed by the Attorney or Title Company?	LGL	
11. Is there a marginal notation, signed and dated, opposite each exception or lien, or cloud on title, listed in preliminary certificate which shows fact and method of clearance of such liens, etc.?	LGL	
12. Is there a final certificate signed by Attorney or Title Company?	LGL	
13. Is approval or evidence of inspection of State Counsel written on final certificate?	LGL	
14. Except for current taxes which cannot be paid on date loan is closed, and unpaid assessments not delinquent, which must be shown in Final Title Certificate, does final certificate show that Corporation has an unconditional first mortgage lien?	LGL	
<b>REPAIRS:</b>		
15. Does the file include at least two itemized estimates and bids?	MGRL	
16. Do bids cover same items competitively?	MGRL	
17. Is approval of one of the bids shown and acceptance by home owner where required?	MGRL	
18. Is contract included in file?	MGRL	
19. Does the file indicate that the property is unencumbered by liens?	MGRL	
<b>TAXES ASSESSABLE:</b>		
20. Does file contain form properly filled out?	LGL	
<b>BOND AUTHORIZATION: (Form 62):</b>		
21. Are duplicate and triplicate in file?	AUDT	
22. Filled out as to amount and otherwise?	AUDT	
<b>INSURANCE: Fire—Amount \$ _____ Windstorm—Amount \$ _____</b>		
23. Are policies issued to mortgagor and attached?	LGL	
24. Is description correct?	LGL	
25. Is approved mortgage clause attached?	LGL	
26. Are all the transfers regular and signed in ink?	LGL	
27. Are concurrent insurance permits in order?	LGL	
28. Is coverage sufficient to meet our requirements?	LGL	
<b>RECEIPTS:</b>		
29. Are there attached, required receipts for ALL money and bonds disbursed, as shown on Form 15?	LGL	
<b>APPLICATION (Form 1):</b>		
30. Is it properly filled in?	MGRL	
31. Does description of property correspond with mortgage?	MGRL	
32. Is it properly signed?	MGRL	
33. Has the appraisal (on reverse) been completed?	MGRL	
34. Is Manager's Report and Recommendation filled out and signed?	MGRL	
35. Is the amount of the loan stated?	MGRL	
36. Is the loan recommendation signed by the necessary officials?	MGRL	
<b>THE APPRAISAL: (Forms 11 and 8)</b>		
37. Is the Preliminary Appraisal (Form 11) complete and properly signed?	APRL	
38. Is the Fee Appraisal (Form 8) complete in all respects and signed properly?	APRL	
39. Is the photo attached to the Fee Appraisal?	APRL	
40. Has final Corporation appraisal by the State Manager been fixed? In what amount? _____	MGRL	
41. Is loan eligible on appraisal as fixed?	MGRL	
<b>CHARACTER REPORT:</b>		
42. Is it on Standard Form (Form 76)?	MGRL	
43. Are all blanks properly filled out?	MGRL	
<b>MORTGAGEE'S CONSENT: (Form 2)</b>		
44. If a bond loan, does file contain mortgagee's consent?	MGRL	
45. If a cash loan, is there written evidence of refusal to accept bonds?	MGRL	
<b>DISTRESS:</b>		
46. Does file contain forms 71 or 72 properly filled out and signed?	MGRL	
47. Is there written evidence showing distress?	MGRL	
48. Does file show mortgagor in involuntary default on June 13, 1933?	MGRL	
49. If not, does file show that default since June 13, 1933, resulting because of unemployment or economic conditions or misfortunes beyond control of borrower, or that the mortgage taken up was held by an institution in liquidation?	MGRL	
<b>EFFORTS TO REFINANCE:</b>		
50. Is there written evidence showing: That mortgagor was unable to refinance with present mortgagee? That mortgagor was unable to finance through other channels?	MGRL MGRL	
<b>CANCELLED INSTRUMENTS:</b>		
51. Does file include mortgage, etc., and notes taken up, or a certificate describing same fully?	LGL	
<b>CHECK SHEET: (Form 102)</b>		
52. To be inserted as No. 18 in file. Is this sheet properly filled out and signed?	MGRL	

SIGNED \_\_\_\_\_

(State Mgr. or Authorized Deputy)

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# APPLICATION FOR EMPLOYMENT

Do not write in this space

ELIGIBLE FOR:

## FEDERAL HOME LOAN BANK BOARD HOME OWNERS' LOAN CORPORATION FEDERAL SAVINGS AND LOAN DIVISION

Attach in this space a photograph taken within last two years. Attach a group photograph nor proof.

(Print Name) If female, prefix "Miss" or "Mrs." and if married, your own Christian name, as "Mrs. Mary L. Doe."

(R.F.D. or street address)

(City or post office)

(State)

Date

Phone number

Are you a citizen of the United States?	Place of birth? (Foreign-born citizens must prove citizenship. If native, show State or Territory; if foreign born, show country)	Date of birth (give month, day, and year)?	In what State or Territory (or District of Columbia) have you actual bona fide residence? Congressional district?
---	---	--	---

Position desired: .....

Location desired: ..... Will you accept a temporary appointment? .....

What is the lowest entrance salary you are willing to accept? .....

When could you report for duty if appointed? .....

Sex..... Married or single..... Race.....

Are you physically sound?..... State any defects.....

Are you willing to stand a physical examination? .....

Height..... feet..... inches. Weight..... pounds.

Are you now in the employ of the U. S. Government? (Answer "Yes" or "No")..... If your answer is "Yes", state where and in what position, and whether employment is permanent or temporary.....

a) Have you ever passed a Civil Service examination?..... If so, for what position, date, and grade received.....

a) Were you ever employed in any branch of the U. S. Government?(Answer "Yes" or "No").....

b) If employed, was your appointment permanent or temporary?.....

c) If employed, either permanently or temporarily, fill in the answers to the following questions concerning each period of your employment by Government:

In what department or office were you employed?	In what city or town were you employed?	Dates of employment	Did you voluntarily resign?	Were you discharged?
		From....., 1..... to....., 1.....		
		From....., 1..... to....., 1.....		

Are you receiving an annuity from the Federal Government under the retirement act?.....

Are any members of your family or relatives (either blood or by marriage) in any part of the U. S. Government service whatsoever? (Answer "Yes" or "No")..... If so, furnish the information required below in regard to all such relatives:

NAME	Post office address	Position and department or office in which employed	Relationship	Married or single
	Street and No..... City or town.....	Position ..... Department or office.....		

Give names, ages, and relationship of any persons mainly dependent upon you for support.....

Are you related to any person now in the employ of the Federal Home Loan Bank Board, Home Owners' Loan Corporation or Federal Savings and Loan Association?..... If so, give names and relationship.....





Military and naval record. If any, check (✓) to indicate branch and other information, and give dates of enlistment and discharge:

one	Army	Navy	Marine Corps	Coast Guard	War veteran	Pensioner	Veterans' Bureau beneficiary
-----	------	------	--------------	-------------	-------------	-----------	------------------------------

sted..... Discharged..... Enlisted..... Discharged.....

If retired, state reason for retirement and amount of retirement pay per month.....

Are you receiving any monetary benefits from the Veterans' administration on account of prior military or naval service? (Answer "Yes" or "No")..... If so, state nature of allowance and file number of claim.....

Do you now hold any State or municipal office? If so, state below:

(Title) (Location) (Date appointment expires)

Have you ever been arrested..... If so, give date, charge, and disposition made of it. (If a felony was involved, give particulars.)

Give the names and home and business addresses of five persons, NOT relatives, who have knowledge of your experience and ability. College students or recent graduates may give the names of professors or instructors who are familiar with their qualifications.

Full name	Home address (street, number, city, and State)	Business address (street, number, city, and State)	Business or occupation

Remarks:

As the rating on education, training and experience is determined largely from the information furnished in response to the questions asked in this form, each question should be specifically and fully yet concisely answered. When considering the qualifications of applicants, the prescribed specifications of education, training or experience must be rigidly adhered to.

Give in the blanks below a detailed statement of your education, including dates:

(a) Grammar school: Attended from....., 1....., to....., 1..... Highest grade completed.....

(b) High school: Name and location..... Attended from....., 1....., to....., 1..... Highest grade completed.....

Were you graduated?.....

(c) College or university:

NAME	LOCATION	Dates of attendance (Give month and year)		Semester hours credit received	Major subject		Degree conferred	Date of degree
		From—	To—		Name	Sem. hrs. in majors		

(d) If you have pursued any postgraduate courses of study, state fully what studies and when, where, and for what length of time they were pursued.....

(e) Name any publications of which you may be the author.....

(f) If you are an applicant for an attorney or other legal position, answer the following questions:

(1) Are you a bar member?..... (2) When and where were you admitted?.....

(3) When and where practiced?.....

(4) Nature of practice.....



ALL PERSONNEL RECOMMENDATIONS SHOULD BE SUBMITTED AND JUSTIFIED ON THIS FORM

HOME OWNERS' LOAN CORPORATION

District \_\_\_\_\_ (Place and date)

MEMORANDUM FOR THE STATE MANAGER:

The following personnel action is respectfully recommended:

Name and address \_\_\_\_\_

Position \_\_\_\_\_

Salary \_\_\_\_\_

Station \_\_\_\_\_ (Department or Territory)

Effective \_\_\_\_\_

Justification:

Necessity for employment:

Qualifications of appointee:

Duties to be performed:

\_\_\_\_\_  
(District Manager)



DATE \_\_\_\_\_

- 1. Name (print) \_\_\_\_\_  
 (First name) \_\_\_\_\_ (Middle initial) \_\_\_\_\_ (Last name) \_\_\_\_\_
- 2. Office Address \_\_\_\_\_ Telephone number \_\_\_\_\_  
 (Street number) \_\_\_\_\_
- 3. City \_\_\_\_\_ State \_\_\_\_\_
- 4. Name of Firm \_\_\_\_\_ Member or Associate \_\_\_\_\_
- 5. Date of Birth \_\_\_\_\_ Place of Birth \_\_\_\_\_

EDUCATION

	Institution	From (Year)	To (Year)	Degree
Academic	_____	_____	_____	_____
Legal	_____	_____	_____	_____

- 7. Date of admission to Bar \_\_\_\_\_ Place \_\_\_\_\_
- 8. Date and place of admission to the Bar in any other State \_\_\_\_\_
- 9. Period of practice in present county \_\_\_\_\_
- 10. Extent of experience in title examination and loan closing \_\_\_\_\_

11. Name and addresses of responsible clients to whom you have rendered title services:
- (1) Name \_\_\_\_\_  
 Address \_\_\_\_\_
  - (2) Name \_\_\_\_\_  
 Address \_\_\_\_\_
  - (3) Name \_\_\_\_\_  
 Address \_\_\_\_\_

- 12. Do you hold any public office? \_\_\_\_\_
- 13. If so, state what it is, and amount of time it takes \_\_\_\_\_

Are you engaged in any other work other than the general practice of law?

15. If so, state what it is and the amount of time it takes. \_\_\_\_\_

16. Principal positions of honor or trust held by you \_\_\_\_\_

17. Are you in a position to give prompt and efficient service to the Home Owners' Loan Corporation in the examination of titles and closing of loans? \_\_\_\_\_

18. Physical defects, if any \_\_\_\_\_

19. Names of relatives, if any, now in the employ of the Home Owners' Loan Corporation. \_\_\_\_\_

20. Any additional information desired to be submitted \_\_\_\_\_

I hereby represent that the foregoing statements are true and complete.

(Signature)

(Name of firm, if any)

Approved and recommended:

State Manager.

State Counsel.

Approved: Washington, D.C.

1934

General Counsel.

Are you engaged in any other work other than the general practice of law?







STATEMENT OF APPRAISAL EXPERIENCE

Gives names of 5 or more clients for whom you have appraised Real Estate during the last five years:

NAME	ADDRESS	TYPE OF PROPERTY	PURPOSE	DATE

Written signature: .....

**Instructions:** This form is to be completed in *triplicate*. The original and duplicate are to be returned to Home Owners' Loan Corporation, Appraisal Division, Washington, D. C. The triplicate is to be retained for record by the Chief State Appraiser.

Each question in the above form must be completely answered in order to give full information as to the applicant's or appraiser's qualifications. *This does not mean, however, that all of these qualifications are necessarily required of the applicant or appraiser.*

Any additional qualifications may be submitted by letter *in triplicate* and attached hereto.

**Status of Employment:**

(State Appraiser to fill in one of the following)

<input type="checkbox"/> Previously approved and now working  <input type="checkbox"/> Form 69 sent forward on ..... 19..... with recommendation  <input type="checkbox"/> Form 69 will be sent forward about ..... 19..... with recommendation	as	Appraiser doing ..... work at \$..... Territory ..... Supervised by HOLC office at .....
---	----	---

Applicant has been interviewed by ..... of HOLC., who reports .....

**Appraisal Advisory Committee Action**

..... date ..... 19 .....

Date ..... 19 .....

.....  
Chief State Appraiser

(Supplementary to Form 69)     Original     Duplicate     Triplicate



## CONDITIONS

1. The Government reserves the right to reject any and all bids, to waive any informality in bids and, unless otherwise specified by the bidder, to accept any item in the bid. In case of error in the extension of prices in bid, the unit prices will govern.

2. Time, in connection with discount offered, will be computed from date of the delivery of the supply carrier when final inspection and acceptance are at point of origin, or from date of delivery at destination or of embarkation when final inspection and acceptance are at those points, or from date correct bill or voucher properly certified by the contractor is received if the latter date is later than the date of delivery.

3. In case of default of the contractor, the Government may procure the articles or services from other sources and hold the contractor responsible for any excess cost occasioned thereby.

4. No member of or delegate to Congress, or resident Commissioner, shall be admitted to any share or interest in this contract or to any benefit that may arise therefrom unless it be made with a corporation for its general benefit.

## BID

(Date) \_\_\_\_\_

In compliance with the above invitation for bids, and subject to all the conditions thereof, the undersigned offers and agrees, if this bid be accepted within \_\_\_\_\_ days from the date of the opening, to furnish or all of the items upon which prices are quoted, at the price set opposite each item, and, unless otherwise specified, within \_\_\_\_\_ days after receipt of order, delivery \_\_\_\_\_

Discounts will be allowed for prompt payment as follows: 10 calendar days, \_\_\_\_\_ per cent; 20 calendar days, \_\_\_\_\_ per cent; 30 calendar days, \_\_\_\_\_ per cent.

(Bidder)

(Address)

By \_\_\_\_\_, Title \_\_\_\_\_  
(Member of firm or person authorized to sign bids for corporation)

## ACCEPTANCE

(Date) \_\_\_\_\_

Accepted as to items numbered \_\_\_\_\_

(Name)

(Title)

## INSTRUCTIONS TO BIDDERS

1. Samples of items, when required, must be furnished, free of expense, prior to the opening of bids, and, if not destroyed, upon request, be returned at the bidder's expense.
2. Prices should be stated in units of quantity specified with packing included.
3. Time of proposed delivery must be stated in definite terms. If time varies for different items the bidder shall so state.
4. If the item bid upon has a trade name or brand, such trade name or brand must be stated in the bid.
5. To insure prompt payment, bills should be certified as follows: "I certify that the above bill is correct and just, and payment therefor has not been received."

NOTE.—This form is adaptable generally for use whether or not a formal contract is required.

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HOME OWNERS' LOAN CORPORATION

March 17, 1934

In accordance with Executive Order No. 6646, dated March 14, 1934, it is directed that all bids involving expenditure of Government funds shall be or be accompanied by the following certificate:

The following certificate form shall be signed and submitted by all bidders with all bids involving expenditure of Government funds (whether Federal or non-Federal), in accordance with Executive Order No. 6646, dated March 14, 1934. Only bids accompanied by such certificate shall be considered or accepted. Bidders shall also require subcontractors (including suppliers) to sign similar certificates before making awards to or purchases from such subcontractors. Such certificate may be accepted as evidence that the contractor is complying with the applicable approved code or codes of fair competition adopted under Title I of the National Industrial Recovery Act for the trade or industry or subdivision thereof involved, or, if there be no such approved code of fair competition, with the President's Reemployment Agreement.

CERTIFICATE OF COMPLIANCE

It is hereby certified that the undersigned is complying with and will continue to comply with each approved code of fair competition to which he is subject, and/or if engaged in any trade or industry for which there is no approved code of fair competition, then as to such trade or industry that he has become a party to and is complying with and will continue to comply with an agreement with the President under Section 4 (z) of the National Industrial Recovery Act (President's Reemployment Agreement) and that all other conditions and requirements of Executive Order No. 6646, dated March 14, 1934, are being and will be complied with.

Provided, that where supplies are purchased that are not mined, produced, or manufactured in the United States (see sec. 2, title III, of the act approved March 3, 1933, Public No. 428, 72d Cong.), the special or general code of fair practice shall apply to that portion of the contract executed within the United States.

TAXES, ETC.: Prices bid herein include any Federal Tax heretofore imposed by the Congress which is applicable to the material on this bid. If any sales tax, processing tax, adjustment charge, or other taxes or charges are imposed or changed by the Congress after the date set for the opening of this bid and made applicable directly upon the production, manufacture or sale of the supplies covered by this bid, and are paid by the contractor on the articles or supplies herein contracted for, then the prices named in this bid will be increased or decreased accordingly, and any amount due the contractor as a result of such change will be charged to the Government and entered on vouchers (or invoices) as separate items.

(Date)

(Individual or firm name)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



## Wisconsin Agency

## INSTRUCTIONS TO CONTRACTORS FOR EXECUTING CONTRACTS AND SECURING PAYMENT THEREFORE

Please read carefully the following suggestions and instructions regarding the necessary forms and documents and the proper execution thereof in connection with the repair procedure in order to insure prompt payments to the contractors.

## THESE FORMS AND DOCUMENTS COMPRISE THE FOLLOWING:

(1) FORM 115. There are five copies of the contract which must be signed by the contractor and the home owner. We require that the contractor have all copies signed by the home owner. The contractor is then to leave one copy with the home owner, retain one copy himself, and return to this office in an envelope (which will be provided) the three copies (original and two copies) of the contract.

Particular attention is directed to the necessity of having no one sign the contract except the actual parties interested in the contract, viz., if the contract is between Mr. John Smith, the home owner, and the Doe Construction Co., the contract must be signed by no one but Mr. John Smith and the Doe Construction Company and by an officer of the company. In other words, the person signing the contract must be an officer of the corporation, a member of a partnership, or the individual person doing business as an individual contractor.

Regarding the home owner signing the contract Form 115 and Form 110, it is necessary that the person or persons who executed the mortgage to the Corporation sign as parties to the Contract and on Form 110. Contracts must be properly witnessed. Be sure to have the signature of the witnesses for the contract and home owner on the line provided therefore.

(2) When the work is complete according to the specifications, the contractor will secure the signature of the home owner on Form 110, as instructed in the preceding paragraph.

(3) FORM 117. Waiver of Lien Form. The contractor is to sign on the first line and on the following lines are to appear the signatures of supply dealers who have supplied materials for the job, and any sub-contractors who may have done work in connection therewith. These signatures should show whether the concern is a contractor, sub-contractor, or material dealer. All signatures must be properly witnessed, and must be dated in the space provided. If no sub-contractors or material men are involved, the contractor must state "none" on the line provided for sub-contractor. In every case the contractor must sign Waiver of Lien and have same properly witnessed.

(4) FORM 119. Affidavit. This form is to be signed by the contractor and must be acknowledged by a Notary Public.

(5) FORM 13-A. This is a certificate evidencing N. R. A. compliance and must be signed by the contractor and properly dated.

(6) FORM 21. This is a pay voucher and is to be signed by the contractor on the line marked "Payee".

(7) In addition to these forms, the contractor must submit in his request for payment an invoice showing the price of the contract and the kind of work executed and on the face of this invoice is to appear the following wording:

"We hereby certify that the above bill is true  
and correct and that the same has not been paid."

Below this statement must appear the name of the firm under which it does business and must be signed by the proper party - (same as shown on the contract).

As soon as these forms and documents are properly executed and received at this office, an inspection of the contractor's work will be made and when approved by the Department, certification will be forwarded to the State Office. The State Bursar will immediately transmit a check for the payment of work as provided in the contract.

Your careful attention to the necessary details involved here is greatly desired to facilitate the work and to speed up the remittances to the contractor.













FROM ..... 193  
PERIOD }  
To ..... 193

**HOME OWNERS' LOAN CORPORATION**  
**RECONCILIATION OF CASH ON HAND**  
**EXPENSE ACCOUNT**

Submitted by ..... at .....  
(Signature of State Manager) (City and State)

(This report to be submitted with Schedule of Receipts and Disbursements of Expense Account as of the 15th and last day of each month)

Balance carried forward from last report ( ..... ) \$ .....

Total Receipts as per Schedule of Receipts and Disbursements—Expense %c .....

OTHER DEBITS:  
.....  
.....  
.....

TOTAL DEBITS \$ .....

Total Disbursements as per Schedule of Receipts and Disbursements—Expense %c .....

OTHER CREDITS:  
.....  
.....  
.....

TOTAL CREDITS .....

Balance of cash on hand—Expense %c .....

Daily Report of Disbursements—Loan Account

..... State ..... Date ....., 1934

Previous day's balance.....	\$.....		
Deposit (notification from home office)....., 1934..			
Total amount to be accounted for .....		\$.....	
Less total amount disbursed today .....			
Today's balance .....		\$.....	

CHECKS ISSUED TODAY		CHECKS VOIDED		
From number	To number	Check number	Check number	Check number

REMARKS:

-----  
State Manager.

NOTE.—This report is to be prepared on typewriter and the original is to be forwarded to the Accounting Division, Home Owners' Loan Corporation, Washington, D.C., at the close of business each day and is to account for all checks and amounts disbursed. All canceled, voided, or mutilated checks should be accounted for, attached hereto, and forwarded with this report.











**VOUCHER**  
Cash on Bond Loans

VOUCHER No. ....

OFFICE No. ....

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

HOME OWNERS' LOAN CORPORATION, DR.

To .....

Address .....

per approved loan (describe fully) .....

urpose of payment .....

der authority of .....

m ....., 193 , to ....., 193

marks: .....

\$ .....

TOTAL .....

\$ .....

I CERTIFY that the amount designated above was incurred in connection with the loan mentioned herein and is rightfully chargeable thereto.

Checked and payment recommended:

Approved:

.....  
*Branch Manager.*

.....  
*State Manager.*

..... State .....

..... City ..... State .....

Paid by check on Treasurer of the United States, No. ...., dated ....., 193 ,  
in favor of the payee named above.





















VOUCHER

For Reimbursement of Travel and Other Expenses, Including Per Diem

Voucher No. Office No.

HOME OWNERS' LOAN CORPORATION

Washington, D. C.

HOME OWNERS' LOAN CORPORATION, DR.

To Address

Table with columns for reimbursement details, dates (193 ), and amounts (\$).

OATH OR AFFIRMATION OF CLAIMANT

I do solemnly affirm that the above account and schedule annexed are just and true in all respects...

(Do not sign in duplicate)

Payee Title

(Bill must be completely filled in by payee before certification, and there must not be any erasure or other alteration whatever.)

Subscribed and before me at day of 193

(Name)

My commission expires Notary Public.

I CERTIFY that the services have been performed as stated in the above account; that the expenses incurred are properly chargeable to the Home Owners' Loan Corporation...

Account submitted for \$ Checked and payment recommended:

Branch Manager.

City State

Approved:

State Manager.

City State

PREAUDIT

Certified for payment in the sum of \$ Assistant General Manager.

Auditor.

Chairman of the Board.

MEMORANDUM OF TRAVEL PERFORMED UPON TRANSPORTATION REQUESTS

Table with columns: Date of Travel, No. of Trans. Request, From, To, Via R. R., Amount.

paid by Check No. on the Treasurer of the United States, Symbol-

1 Swear or affirm. 2 Sworn or affirmed. 3 Where Travel Requests are not used, payee will insert in second column the words "cash fares."





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HOME OWNERS' LOAN CORPORATION  
WASHINGTON, D.C.

STATEMENT  
MONTHLY OPERATING EXPENSE

Month of \_\_\_\_\_, 193    Office No. \_\_\_\_\_    City \_\_\_\_\_    State \_\_\_\_\_

	Number	Amount
Applications received during month .....		\$ .....
Loans closed (paid out):		
Bond loans .....		
50 percent cash loans .....		
40 percent cash loans .....		
Expenses for month (exclusive of furniture and fixtures) .....		
Average handling expense per loan closed .....		

.....  
*State Manager.*

REMARKS:

NOTE.—This form should be filled out at the end of each month by the officer in charge of each branch office in submitting monthly operating expense account to State headquarters office.

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HOME OWNERS' LOAN CORPORATION  
WASHINGTON, D.C.

STATEMENT  
MONTHLY OPERATING EXPENSE

Month of \_\_\_\_\_, 193      Office No. \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

	Number	Amount
Applications received during month _____		\$ _____
Loans closed (paid out):		
Bond loans _____		
50 percent cash loans _____		
40 percent cash loans _____		
Expenses for month (exclusive of furniture and fixtures) _____		
Average handling expense per loan closed _____		

\_\_\_\_\_  
*State Manager.*

REMARKS:

NOTE.—This form should be filled out at the end of each month by the officer in charge of each branch office in submitting monthly operating expense account to State headquarters office.

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**TRAVEL AUTHORIZATION  
HOME OWNERS' LOAN CORPORATION**

Order No. \_\_\_\_\_.

\_\_\_\_\_193

Dear Mr.

You are hereby authorized to travel as indicated below for the purpose of performance of official duties in connection with the Home Owners' Loan Corporation.

From:

To :

You will be allowed a per diem of \$\_\_\_\_\_ in lieu of subsistence, and other incidental travel expenses permitted by the Standardized Government Travel Regulations.

Probable Duration of Trip:

A reference to the number of this travel order must appear in each expense voucher taking up expenses incurred hereunder.

\_\_\_\_\_  
Name and Title

Approved:  
\_\_\_\_\_



# HOME OWNERS' LOAN CORPORATION

## SEMI-MONTHLY REPORT OF DEPOSITS AND DISBURSEMENTS

### REIMBURSEMENT ACCOUNT

Submitted by \_\_\_\_\_ Dated \_\_\_\_\_ 193\_\_\_\_  
 (Signature of State Manager)

City \_\_\_\_\_ State \_\_\_\_\_

Period - From \_\_\_\_\_ 193\_\_ To \_\_\_\_\_ 193\_\_

Name of Bank \_\_\_\_\_

(Prepare in duplicate. Record detail daily and summarize on the 15th and last day of each month. Send original to the Regional Auditor and retain the duplicate for your files arranged chronologically.)

Balance from previous report _____	\$	
Add: Deposits as per this report _____	\$	
Total Amount to be accounted for _____	\$	
Less: Disbursements as per this report _____	\$	
Balance, as of _____ 193__	\$	

Checks Voided		Indicated if Attached Hereto				Yes ( ) No ( )	
Check No.	Check No.	Check No.	Check No.	Check No.	Check No.	Check No.	

Line No.	1	2	3	4	5	6	DISBURSEMENTS		9						
							Date	Name of Applicant Payee, Etc.		Kind of Fee	Application No.	Deposits	Check No.	Folio	Amounts
														Orig. Sht. No.	
1															
2															
3															
4															
5															
6															
7															
8															
9															
10															
11															
Total Carried Forward _____															

	1	2	3	4	5	6	7	8	9	
Line No.	Date	Name of Applicant Payee, Etc.	Kind of Fee	Application No.	Deposits	DISBURSEMENTS			Amounts	
						Check No.	Folio Orig. Dep Sht. No.	Line No.		
				Total Brought Forward						
12					\$				\$	
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32										
33										
34										
35										
36										
37										
38										
Total of this Sheet										









DATE	MADISON	MILWAUKEE	EAU CLAIRE	WAUSAU	OSHKOSH	WHOLESALE	STATE
80% Bond Loans Disbursed	#						
80% Bond Loans Disbursed	Amt.						
Appraisals	Amt.						
50% Cash Loans Disbursed	#						
50% Cash Loans Disbursed	Amt.						
Appraisals	Amt.						
40% Cash Loans Disbursed	#						
40% Cash Loans Disbursed	Amt.						
Appraisals	Amt.						
Total Loans Disbursed to Date	#						
Total Loans Disbursed to Date	Amt.						
Applications Received	#						
Applications Received	Amt.						
Rejected and Withdrawn	#						
Preliminary Appraisals Ordered	#						
Preliminary Appraisals Completed	#						
Fee Appraisals Ordered	#						
Fee Appraisals Completed	#						
Cases Referred to App. Review Board	#						
Final (Corp.) Appraisals Made	#						
Cases Referred to Attorneys	#						
Received from Atty's Ready for Closing	#						
Forwarded to State Office for Disbursements	#						

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ACCUMULATIVE UP TO AND INCLUDING

	DATE	MADISON	MILWAUKEE	EAU CLAIRE	WAUSAU	OSHKOSH	TOTAL
1. Cases Received							
2. Cases Approved							
3. Cases Referred Back							
4. Cases Rejected							
5. Cases Withdrawn							
6. Cases on Hand							
7. Cases Received Cumulative							
8. Cases Approved Cumulative							
9. Cases Referred Back Cumulative							
10. Cases Rejected Cumulative							
11. Cases Withdrawn Cumulative							

NOTE — Madison District

SUB-DIST.	REC'D	APPROVED	REFERRED BACK	REJECTED	WITHDRAWN	ON HAND
Kenosha						
Racine						

1. No. of Cases Carried Over
2. No. of Cases Received
3. No. of Cases Approved
4. No. of Cases Rejected
5. Returned or Held for Adjustment
6. No. of Cases Remaining
7. No. of Cases Received
8. No. of Cases Approved
9. No. of Cases Rejected

DATE	F MADISON	B MILWAUKEE	C EAU CLAIRE	D WAUSAU	E OSHKOSH	TOTAL
Current						
Cumulative						
Cumulative						
Cumulative						

DAILY REPORT

90

Date

LOANS RECEIVED, TOTAL

Sent to Loan Review Board

Sent to Accounting Dep't., Audit

Held in Filing Dep't.

LOANS HELD LOAN REVIEW BOARD

Close of Business

Date

AUDIT DEPARTMENT

Loans Received

Passed

On Hand

CHECK WRITING

Loans Received

Checks & Authorizations issued

On Hand

TRANSMITTAL TO ATTORNEYS

Received

Transmitted

Complete for Transmittal

On Hand

LOANS REPORTED CLOSED, first papers transmitted

FILES REFERRED FOR FINAL LEGAL REVIEW

FILES ON HAND IN STATE LEGAL DEPARTMENT

FINAL FILES FORWARDED TO WASHINGTON



HOME OWNERS' LOAN CORPORATION

MONTHLY PAYMENTS TABLE

	5% Pr. & Int. 15 yrs.	6% Pr. & Int. 15 yrs.
\$14,000.00	\$110.71	\$118.14
13,000.00	102.80	109.70
12,000.00	94.89	101.26
11,000.00	86.99	92.82
10,000.00	79.08	84.39
9,000.00	71.17	75.95
8,000.00	63.26	67.51
7,000.00	55.36	59.07
6,000.00	47.45	50.63
5,000.00	39.54	42.19
4,000.00	31.63	33.75
3,000.00	23.72	25.32
2,000.00	15.82	16.88
1,000.00	7.91	8.44
900.00	7.12	7.59
800.00	6.33	6.75
700.00	5.54	5.91
600.00	4.74	5.06
500.00	3.95	4.22
400.00	3.16	3.38
300.00	2.37	2.53
200.00	1.58	1.69
100.00	.79	.84
90.00	.71	.76
80.00	.63	.68
70.00	.55	.59
60.00	.47	.51
50.00	.40	.42
40.00	.32	.34
30.00	.24	.25
20.00	.16	.17
10.00	.08	.08
9.00	.07	.08
8.00	.06	.07
7.00	.06	.06
6.00	.05	.05
5.00	.04	.04
4.00	.03	.03
3.00	.02	.03
2.00	.02	.02
1.00	.01	.01

HOME OWNERS LOAN CORPORATION

Accumulated Interest Table - 2 3/4% Bonds

DECEMBER

Day of Month	Denomination of Bond				
	\$25.00	\$50.00	\$100.00	\$500.00	\$1000.00
1	.23	.46	.91	4.56	9.12
2	.23	.46	.92	4.60	9.19
3	.23	.46	.93	4.63	9.27
4	.23	.47	.93	4.67	9.34
5	.24	.47	.94	4.71	9.42
6	.24	.47	.95	4.75	9.49
7	.24	.48	.96	4.78	9.57
8	.24	.48	.96	4.82	9.64
9	.24	.49	.97	4.86	9.71
10	.24	.49	.98	4.89	9.79
11	.25	.49	.99	4.93	9.86
12	.25	.50	.99	4.97	9.94
13	.25	.50	1.00	5.01	10.01
14	.25	.50	1.01	5.04	10.09
15	.25	.51	1.02	5.08	10.16
16	.26	.51	1.02	5.12	10.24
17	.26	.52	1.03	5.16	10.31
18	.26	.52	1.04	5.19	10.39
19	.26	.52	1.05	5.23	10.46
20	.26	.53	1.05	5.27	10.54
21	.27	.53	1.06	5.31	10.61
22	.27	.53	1.07	5.34	10.69
23	.27	.54	1.08	5.38	10.76
24	.27	.54	1.08	5.42	10.84
25	.27	.55	1.09	5.46	10.91
26	.27	.55	1.10	5.49	10.99
27	.28	.55	1.11	5.53	11.06
28	.28	.56	1.11	5.57	11.13
29	.28	.56	1.12	5.60	11.21
30	.28	.56	1.13	5.64	11.28
31	.28	.57	1.14	5.68	11.36

HOME OWNERS' LOAN CORPORATION  
RECONDITIONING DIVISION

APPLICATION TO FINANCE RECONDITIONING

(Before filling out this application the home owner is requested to read the pamphlet "Guide to Home Reconditioning")

1. Owners' Name \_\_\_\_\_

2. Street Address \_\_\_\_\_ Telephone \_\_\_\_\_

3. City \_\_\_\_\_ State \_\_\_\_\_

4. The undersigned hereby applies to the HOME OWNERS' LOAN CORPORATION for  
5. financing in such amount as may be approved for the purpose of reconditioning the  
6. applicant's home property pursuant to the provisions of the Home Owners' Loan Act  
7. of 1933 and amendments thereof.

7. Give location and address of property \_\_\_\_\_

8. City \_\_\_\_\_ State \_\_\_\_\_

9. Give brief statement of the reconditioning work you expect to have done to your home.

10. \_\_\_\_\_

11. \_\_\_\_\_

12. \_\_\_\_\_

13. \_\_\_\_\_

14. \_\_\_\_\_

15. \_\_\_\_\_

16. \_\_\_\_\_

17. \_\_\_\_\_

18. \_\_\_\_\_

19. \_\_\_\_\_

20. \_\_\_\_\_

21. \_\_\_\_\_

22. \_\_\_\_\_

23. \_\_\_\_\_

24. \_\_\_\_\_

25. \_\_\_\_\_

26. \_\_\_\_\_

27. \_\_\_\_\_

28. State briefly why you think such expenditure will be of benefit to your home,  
29. and how you expect to meet the larger monthly payments on account of the cost  
thereof.

30. \_\_\_\_\_

31. \_\_\_\_\_

32. \_\_\_\_\_

33. \_\_\_\_\_

34. \_\_\_\_\_

35. \_\_\_\_\_

36. State amount of money you think required to recondition your home \$ \_\_\_\_\_

37. Is there now a HOLC loan on your home? \_\_\_\_\_. If so, give Loan No. \_\_\_\_\_

38. It is understood that this is a preliminary application only, and that the  
39. Corporation is in no sense obligated on account hereof.

40. Date \_\_\_\_\_

Signature of Applicant and Wife \_\_\_\_\_

41. Preliminary Appraiser's remarks. \_\_\_\_\_

42. \_\_\_\_\_

43. \_\_\_\_\_

44. \_\_\_\_\_

45. \_\_\_\_\_

46. \_\_\_\_\_

47. \_\_\_\_\_

48. \_\_\_\_\_

49. \_\_\_\_\_

50. \_\_\_\_\_

\_\_\_\_\_  
Preliminary Appraiser

51. Fee Appraiser's remarks. \_\_\_\_\_

52. \_\_\_\_\_

53. \_\_\_\_\_

54. \_\_\_\_\_

55. \_\_\_\_\_

56. \_\_\_\_\_

57. \_\_\_\_\_

58. \_\_\_\_\_

59. \_\_\_\_\_

60. \_\_\_\_\_

\_\_\_\_\_  
Fee Appraiser



HOME OWNERS' LOAN CORPORATION

J. R. McQuillan  
State Manager

Wisconsin Agency

Home Owner Applicant:

This is to acknowledge your application for a loan on your home.

For your information, there is enclosed herewith a pamphlet GUIDE TO HOME RECONDITIONING and FORM R-1 application to finance reconditioning. After a diligent study of the "Guide", you will learn about the essential facts that are necessary to determine your eligibility for a reconditioning loan. It is brought to your attention that if you are eligible for a loan, the essential repairs must be made before a loan on your home can be completed. If, however, remodeling or modernizing is desired, then the proposed work must be judged justifiable. This means that the remodeling and modernizing proposed must be sound and free from any criticism. The Home Owners' Loan Corporation through the Reconditioning Division offers additional service to advise you on the need, desirability, and probable cost of the reconditioning you desire. In case extensive reconditioning is required, the services of a fee architect are required. The additional expense and other incidental expense may become part of the loan.

The home owner must be able to make the larger repayments due to this additional expenditure for remodeling, and modernizing.

Before completing the application R-1, and in order that you may participate in the reconditioning of your home, you are requested to inspect and check the entire HOME INSPECTION LIST pages 4-8 of the "Guide".

You are required to complete three applications R-1 and retain the applications until requested by the Preliminary Appraiser, who will, at the time, consult and advise you regarding the necessity of the repairs, and the desirability of remodeling and modernizing. In case you have not received any copies of R-1, the Preliminary Appraiser will supply you with the necessary forms and will assist you to complete same. The three copies must be signed by the home owner applicant.

In the event you desire to remodel or modernize, it is required that you secure two kodak pictures of the home and add same to one of the applications R-1. One picture must show front and side view of the home, and the other view must portray that portion of the home which is to be affected by the remodeling or modernization.

Your prompt attention and cooperation is requested.

Yours very truly,

HOME OWNERS' LOAN CORPORATION  
Reconditioning Division

File No. \_\_\_\_\_  
HOLC Apln. No. \_\_\_\_\_  
HOLC Loan No. \_\_\_\_\_

HOME OWNERS' LOAN CORPORATION

Reconditioning Division

FINANCING REFUSAL AFFIDAVIT

The undersigned on oath deposes and says that he knows of no private lending agency from which he can obtain a loan for the purpose of reconditioning his home property:

That on \_\_\_\_\_ 193\_\_, he applied to \_\_\_\_\_  
(name)

\_\_\_\_\_, and  
(address)

that on \_\_\_\_\_ 193\_\_, he applied to \_\_\_\_\_  
(name)

\_\_\_\_\_, and  
(address)

that on \_\_\_\_\_ 193\_\_, he applied to \_\_\_\_\_  
(name)

\_\_\_\_\_  
(address)

for such a loan, but that such applications were denied; that this affidavit is made to induce the Home Owners' Loan Corporation to favorably consider an application of this affiant for funds to recondition his home property.

\_\_\_\_\_  
(name of applicant)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 193\_\_.

\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_

RECONDITIONING SUPERVISOR CERTIFICATE

The undersigned hereby certifies that he believes the above applicant cannot receive a loan from private lending agencies for the purpose of reconditioning his home property.

\_\_\_\_\_  
Reconditioning Supervisor

Located at \_\_\_\_\_  
City State

\_\_\_\_\_  
(date)

HOME OWNERS' LOAN CORPORATION  
WASHINGTON

—  
WISCONSIN AGENCY

McQUILLAN  
DATE MANAGER

96  
MADISON, WISCONSIN

We are enclosing herewith Form #71, on which we request that you fill in a complete detailed answer to each question. Kindly sign and return this form to this office immediately. This information must be available before your application can receive further attention.

Yours very truly,

HOME OWNERS' LOAN CORPORATION

Please address reply  
to the writer.





Reconditioning Division

\_\_\_\_\_  
(City and State)

\_\_\_\_\_  
(Date)

Accounting Department,  
Home Owners' Loan Corporation

\_\_\_\_\_, \_\_\_\_\_

Gentlemen:

\_\_\_\_\_  
(Loan No.)      \_\_\_\_\_  
(Name of Borrower)      \_\_\_\_\_  
(Address)

The above borrower is applying for funds to finance reconditioning, and it is requested that the following information be furnished this office:

Appraised Value by Corporation on Original Loan - - - - \$ \_\_\_\_\_

Amount of Original Loan - - - - - \$ \_\_\_\_\_

Amount Advanced by HOLC, if any, since closing loan - - \$ \_\_\_\_\_

What were additional advances for? \_\_\_\_\_

Are present payments on basis of (a) Interest only? \_\_\_\_\_  
(b) Int. & Prin? \_\_\_\_\_

If loan is delinquent: How many      Amount      Monthly  
payments? \_\_\_\_\_ Delinquent \_\_\_\_\_ Mat. date \_\_\_\_\_

Amount of Insurance:

	Insurance Company	Amount	Date	Expiration
(a) Fire	1. _____	_____	_____	_____
	2. _____	_____	_____	_____
	3. _____	_____	_____	_____
(b) Tornado	1. _____	_____	_____	_____
	2. _____	_____	_____	_____
Other Ins. (List)				
(c)	1. _____	_____	_____	_____
	2. _____	_____	_____	_____
	3. _____	_____	_____	_____

Yours very truly,

\_\_\_\_\_  
(State Manager)

If records are in Regional Office  
send to Regional Reconditioning  
Department)

or  
\_\_\_\_\_  
(State Reconditioning Supervisor)

## HOME OWNERS' LOAN CORPORATION

WASHINGTON

Wisconsin Agency

99

J. R. McQUILLAN  
State Manager

MADISON, WISCONSIN

Mr. H. L. Fitze  
Disbursing Officer  
Home Owners' Loan Corporation  
Madison, Wisconsin

GUARANTEE DEPOSIT OF APPRAISAL FEE

In Re: Loan Application #

Dear Mr. Fitze:

Enclosed herewith find fee for (appraisal ) advanced in  
(re-appraisal ) connection with the above named application for loan.

Advanced by \_\_\_\_\_

Address \_\_\_\_\_

Holder of \_\_\_\_\_

Issued by \_\_\_\_\_

Address \_\_\_\_\_

Check )  
Draft ) No. \_\_\_\_\_ Date \_\_\_\_\_ Amount \_\_\_\_\_  
Money Order)  
Cash

Will you please acknowledge receipt of this guarantee.

Yours very truly,

Received \_\_\_\_\_

HOME OWNERS' LOAN CORPORATION

Disbursing Officer  
HOME OWNERS' LOAN CORP.  
Madison, Wisconsin

# RECONDITIONED APPRAISAL

## For

# MODERNIZED OR REMODELED BUILDINGS

100

Application No. ....

Loan No. ....

This appraisal is to be prepared on all properties which are to be reconditioned. Where the reconditioning cost, exclusive of essential repairs, does not exceed 5% of the original appraised value, as if repaired, and does not exceed \$400, this form may be completed in the office without field inspection. It is to be made *after* the full reconditioning program has been determined upon. Sketch plans and specifications are to be stapled on the reverse side hereof.

1. Property—No. .... Street ..... City ..... State .....

2. Borrower ..... No. .... Street ..... City ..... State .....

For detailed description, the District, location, land and buildings (except as to the reconditioning) see Appraisal Form 8 Revised 1-30-34 dated ....., 19....., prepared by..... (Fee Appraiser)

giving valuation of \$..... prior to the completion of the reconditioning.

Exceptions if any of this appraiser to statements on the above Form 8 appraisal.....

3. Describe briefly the reconditioning you have contemplated in this appraisal. If more than one building is involved itemize clearly by buildings.

4. Do you consider items shown on plans and specifications and on Form R 1 justified?  
Comment?.....

5. Do you consider that the buildings as reconditioned warrant a 15 year loan? ..... 10 year loan? .....  
Comments.....

6. Monthly rentals: (Estimated) rental value as is \$.....  
(Actual)

7. Estimated rental value (as if reconditioned) (Give details by units on separate sheet) ..... \$.....

8. Depreciated Reproduction Cost of Improvements, after Reconditioning, as of this date:

Reproduction Cost..... Cu. Ft. @ ..... PER Cu. Ft. Sq. Ft. \$.....  
Sq. Ft.

(If several buildings, itemize on reverse side hereof—use totals only here.)

Depreciation.....

Net Value ..... \$.....

9. Value of Improvements (as if reconditioned) based upon Economic Suitability to site ..... \$.....

10. Value of Garage \$.....; Other Outbuildings (itemize) \$.....

11. Land Value ..... \$.....

Total ..... \$.....

12. Comments, difference if any between Lines 8 and 9.....

### CERTIFICATION

13. I, the undersigned, do hereby certify that I have carefully inspected this property; that to the best of my knowledge and belief the statements made in this report are correct; that I have no personal interest, present or prospective, in the property, applicant or mortgage; and that in my opinion the fair value of the property as collateral for a long term first mortgage loan when the reconditioning outlined above has been completed, is \$..... (of which \$..... is allocated to Land).

### SUPPLEMENTARY REPORT

14. List here any additional information concerning property or applicant which might prove of value to Home Owners' Loan Corporation .....

Signature.....

Appraiser

### H. O. L. C. APPRAISAL REVIEW

—Any entries here should be as if reconditioned

	A. Owner	B. Preliminary	C. Fee	D. District App.	E. State App.
15. Name					
16. Date					
17. Land					
18. Building					
19. Total					

20. Review Appraiser Recommendation (as if reconditioned)

Land \$..... Bldg. \$..... Total \$.....

21. Corporation Value (as if reconditioned)

Land \$..... Bldg. \$..... Total \$.....

MANAGER

Form R6

File No.....

H. O. L. C. Application No.....

H. O. L. C. Loan No.....

HOME OWNERS' LOAN CORPORATION

Reconditioning Division

RECONDITIONING RIDER TO H. O. L. C. FORM 8(revised 1-30-34)

(Attach to Reconditioning Department Copy of Fee Appraisal)

FOR H. O. L. C. MANAGER

105. CORPORATION VALUE: (This value will include repairs when repairs have been approved and included in the loan).....\$.....

From Reconditioning Department

106. Approved Necessary Repairs.....\$.....

107. Approved Remodeling.....\$.....

108. Approved Modernizing.....\$.....

109. Estimated margin for contingencies.....\$.....

110. Approved Total Reconditioning.....\$.....  
(Including all incidental expenses)

111. Estimated Value Increase on Account Reconditioning.....\$.....

112. Item 105 plus Item 111.....\$.....

\_\_\_\_\_  
Reconditioning Supervisor

From Corporation Appraiser

113. Value of Property as Reconditioned.....\$.....

114. Repairs waived.....\$.....

115. FINAL CORPORATION VALUE:

Land \$ \_\_\_\_\_ Buildings Reconditioned \$ \_\_\_\_\_ Total \$.....

\_\_\_\_\_  
State Manager

\_\_\_\_\_  
Date





# HOME OWNERS' LOAN CORPORATION

## Reconditioning Division

### WARNING

Section 8 (a). Whoever makes any statement, knowing it to be false, or whoever wilfully overvalues any security, for the purpose of influencing in any way the action of the HOME OWNERS' LOAN CORPORATION or the Board or an association upon any application, advance, discount, purchase or repurchase agreement, or loan, under this Act, or any extension thereof by renewal deferment, or action or otherwise, or by the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both.

### CONTRACTOR'S APPLICATION

1. The undersigned desires to offer bids for the necessary REPAIRING, REMODELING and MODERNIZING upon property upon which the HOME OWNERS' LOAN CORPORATION may advance funds to HOME OWNERS and represents the following to be true.

4. The undersigned is: (check)

5. Individual    Partnership    Corporation

6. If Corporation, give date of incorporation and name of state in which incorporated.

7. Date of Incorporation: .....

8. State of Incorporation: .....

9. How many years have you been in business? .....

10. Are you a General Contractor? .....

11. Check the following classes of work that you do with your own employees:

- |                     |            |                   |                 |
|---------------------|------------|-------------------|-----------------|
| 12. Masonry         | Carpentry  | Painting          | Roofing         |
| 13. Sheetmetal      | Plumbing   | Heating           | Electric Wiring |
| 14. Tile and Marble | Insulating | Weather Stripping | Glazing         |

15. Other work not listed .....

16. ....

17. ....

18. Give below the names and addresses of five owners for whom you have completed contracts for either general contracting, repairing, remodeling or modernizing within the last five years:

20.	Name of Owner	Address	Amount of Contract
-----	---------------	---------	--------------------

21. ....

22. ....

23. ....

24. ....

25. ....

26. Give below the name and address of your local depository or bank:

27. Name .....

28. Address .....

29. Give below the names of five financial references (at least three must be persons from whom you have  
30. purchased materials within the last five years.)

31.	Name	Address	Occupation
32.			
33.			
34.			
35.			
36.			

37. Do you agree to promptly render estimates and bids when so requested?.....

38. Do you agree to comply with the application governing work of this character as approved by the Na-

39. tional Recovery Administration, and rules and regulations of the Home Owners' Loan Corporation?.....

40. Are you willing and able, if required, to give a bond for the faithful performance of the contract and the  
41. payment of all labor and material, authorized and approved, incorporated in the improvement under such

42. contract?.....

43. Date.....  
Contractor

44. Telephone.....  
Street Address

45. ....  
State

46. \* If partnership, all partners must sign application.

47. If corporation, the president or other authorized officer must sign the above and the corporate seal affixed and

48. attested by the Secretary of the Corporation.

HOME OWNERS' LOAN CORPORATION

RECONDITIONING DIVISION

WARNING

Section 8 (a). Whoever makes any statement, knowing it to be false, or who-  
ever wilfully overvalues any security, for the purpose of influencing in any way  
the action of the HOME OWNERS' LOAN CORPORATION or the Board or an association  
upon any application, advance, discount, purchase or repurchase agreement, or loan,  
under this Act, or any extension thereof by renewal deferment, or action or other-  
wise, or by the acceptance, release, or substitution of security therefor, shall  
be punished by a fine of not more than \$5000, or by imprisonment for not more than  
two years, or both.

SUPPLEMENT TO CONTRACTOR'S APPLICATION R-15

The undersigned hereby answers the following questions and represents the  
following to be true.

- 1. What is the highest number of employees that you have ever had at any  
one time? Number \_\_\_\_\_.
- 2. How many employees do you have at the present time? Number \_\_\_\_\_.
- 3. Have you ever carried Workmen's Compensation Insurance? \_\_\_\_\_.
- 4. Do you carry Workmen's Compensation Insurance at the present time? \_\_\_\_\_.

You are hereby notified that if you have ever employed three or more persons  
or have carried Workmen's Insurance at any one time, you remain subject to the  
Workmen's Compensation Act thereafter as long as you employ anyone.

All employers subject to the Workmen's Compensation Act are required to carry  
Workmen's Compensation Insurance.

Give below the name of the Insurance Company, Policy number and the expiration  
date.

Kind of Insurance:	Insurance Company	Policy Number	Expiration Date
Compensation	_____	_____	_____
Public Liability	_____	_____	_____
Property Damage	_____	_____	_____
Date	_____	_____	_____
		Contractor	
Telephone	_____	Street Address	
		State	City or Town

If partnership, all partners must sign application.  
If corporation, the president or other authorized officer must sign the above and  
the corporate seal affixed and attested by the Secretary of the Corporation.



HOME OWNERS' LOAN CORPORATION  
WASHINGTON

105

J. R. McQUILLAN  
State Manager

Wisconsin Agency

Dear Sir:

We have been informed that you desire to furnish the labor to perform the \_\_\_\_\_ on your home.

Before we can authorize this work to be performed, it will be necessary for you to furnish us three quotations for required materials from qualified dealers. These quotations must specify the amount of materials, kind, size, brand, grade and/or any other description required.

Evidence must be given that you are competent to perform the labor. When an owner furnished his labor, we cannot advance any moneys other than the cost of materials.

Enclosed is Form 105-B for you to sign, authorizing us to award the order for the materials. Please send Form 105-B to the District Office when you are prepared to proceed with the work.

Unless we hear from you within five days, we will assume you do not care to perform the work yourself and we will proceed to secure the necessary bids for labor and materials to repair your home.

Yours very truly,

HOME OWNERS' LOAN CORPORATION  
Repair Department

## HOME OWNERS' LOAN CORPORATION

WASHINGTON

186

Wisconsin Agency

R. McQUILLAN  
ate ManagerOne West Main Street  
MADISON, WISCONSINHome Owners' Loan Corporation  
Repair Department

Re:

Dear Sir:

We/I hereby authorize you to award the order for the materials necessary for the repair and maintenance of my home on the above described property. It is agreed the materials are to be furnished by the following dealers for the amounts as specified below.

The Home Owners' Loan Corporation reserves the right to reject any bid which they deem excessive or from a dealer whom the corporation considers unqualified.

It is understood that the cost of this material is to be furnished by the Home Owners' Loan Corporation and added to and included in the loan which you are making on the above described property.

Yours very truly,

---

Home Owner Applicant

HOME OWNERS' LOAN CORPORATION  
WASHINGTON  
WISCONSIN AGENCY

107

MCQUILLAN  
STATE MANAGER

Dear Sir:

In accordance with letter Form 105-B signed by you, we have awarded the order for the materials required for the repair and maintenance of your home to the following:

Upon delivery of this material you are instructed to check same carefully and sign the delivery receipt and Forms 110-B when presented by the dealer. You are to retain one copy of Form 110-B. The original and one copy of Form 110-B are to be returned to the dealer.

It is understood that you are to furnish the labor at your own expense and within thirty days after delivery of materials. When the work has been completed, please notify us so we can make an inspection. We assume no responsibility for the payment of any materials other than those listed above.

Yours very truly,

HOME OWNERS' LOAN CORPORATION  
Repair Department

HOME OWNERS' LOAN CORPORATION  
WASHINGTON

108

WISCONSIN AGENCY

R. MCQUILLAN  
STATE MANAGER

Re:

You are hereby authorized to furnish the following materials to the above address.

We are also enclosing three copies of 110-B. Kindly secure the signature of the home owner on the three copies, returning the original and one copy to the district office with other necessary papers as requested. The home owner is to retain one copy of Form 110-B.

In your request for payment, send to the district office your Certified Invoice, the itemized delivery receipt signed by the home owner, Form 110-B original and one copy, Form 117 Waivers of lien, Form 13-A Certificate of Compliance, Form 119 Affidavit and Form 21 Voucher. All forms are to be properly signed and witnessed.

We assume no responsibility for any material unless ordered by us.

Yours very truly,

HOME OWNERS' LOAN CORPORATION  
Repair Department



HOME OWNERS' LOAN CORPORATION  
WASHINGTON

109

Wisconsin Agency

R. McQUILLAN  
ate Manager

One West Main Street  
MADISON, WISCONSIN

Home Owners' Loan Corporation  
Repair Department

Re:

Dear Sir:

This acknowledges receipt of the material listed below and authorizes you to pay the amounts as indicated:

In consideration of the Home Owners' Loan Corporation paying for the above materials and making said payment a part of my mortgage indebtedness, I hereby agree to use all of said materials on my homestead and perform the work in a workmanlike manner within thirty days after delivery of the materials and to the full and complete satisfaction of the Home Owners' Loan Corporation. If labor is engaged by me to perform any of the necessary work, I agree to pay said labor and furnish the Home Owners' Loan Corporation with required waivers of lien.

(Signed) \_\_\_\_\_

Dated: \_\_\_\_\_

9/12/33

DOMESTIC MATERIALS - NRA CODE - TAXES

DOMESTIC MATERIALS, ETC.: It is hereby guaranteed that in the event award is made to the undersigned, the unmanufactured articles or materials furnished the United States will have been mined or produced in the United States and the manufactured articles, materials, and supplies will have been manufactured in the United States from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, except as noted below or otherwise indicated in this bid.

NATIONAL INDUSTRIAL RECOVERY: It is further guaranteed that all provisions of the applicable approved code of fair competition for the trade or industry or subdivision thereof concerned, or, if there be no approved code of fair competition for the trade or industry or subdivision thereof concerned, then with the provisions of the President's Reemployment Agreement promulgated under authority of Section 4 (a) of the Act of Congress approved June 16, 1933, (Public No. 67, 73rd Congress), or any amendment thereof, without regard to whether the bidder is himself a party to such code or agreement, will be complied with. Provided, that where supplies are not mined, produced, or manufactured in the United States the special or general code of fair practice will apply to that portion of the contract executed within the United States.

TAXES, ETC.: Prices bid herein include any Federal Tax heretofore imposed by the Congress which is applicable to the material on this bid. If any sales tax, processing tax, adjustment charge, or other taxes or charges are imposed or changed by the Congress after the date set for the opening of this bid and made applicable directly upon the production, manufacture or sale of the supplies covered by this bid, and are paid by the contractor on the articles or supplies herein contracted for, then the prices named in this bid will be increased or decreased accordingly, and any amount due the contractor as a result of such change will be charged to the Government and entered on vouchers (or invoices) as separate items.



# STATE OF WISCONSIN Standard Form of Bid

///

## GENERAL DIRECTIONS TO BIDDERS

1. All bids must be made out on this "Standard Form of Bid." without any modification whatsoever as to time, terms, conditions, and other requirements stated herein. Additional copies of this Bid Form may be obtained from the office of the State Appraiser.
2. The Home Owners' Loan Corporation reserves the right to award a contract under this bid at any time within 60 days after the date of such proposal.
3. In the making up of proposals the bidder is to quote only on such labor or materials as may be specifically mentioned in the request for such bid or bids, and in accordance with specifications attached thereto. No alternate bid, or change in specifications, will be permitted on this Form of Bid.
4. Should the bidder determine, after careful inspection of the property on which bids are to be submitted, that other labor or materials may be necessary, he may submit an alternate bid, and in so doing specify fully the work proposed, itemizing the materials required together with prices thereon. In making such alternate bids note carefully General Conditions of Specifications, for Repairs permitted.
5. All bids must be in the hands of the Department requesting estimates within the time as specifically called for in request for bids. Bids sent by telegraph or telephone will not be accepted.
6. Read carefully attached Specifications and Instructions, and note plans, if any, before submitting estimates. All bids, in order to be considered, must comply exactly therewith.
7. Should the bidder be uncertain as to the intent of specifications, instructions, or plans, he should communicate with office issuing Bid Request, and ask for further information.
8. The right is reserved by the Home Owners' Loan Corporation to reject any or all bids, or to accept such bid or bids, as this Department may consider the most advantageous to the home owner.
9. No work to be started, or materials furnished, until bidder has received proper authorization from the Office of the State Appraiser, or the Department in charge of such repairs.
10. Note carefully Form letter No. 102 or 103, outlining labor or materials to be bid upon, and specifications attached thereto.

## FORM OF BID TO BE FOLLOWED

APPLICATION NUMBER \_\_\_\_\_ DATE \_\_\_\_\_

NAME OF OWNER \_\_\_\_\_ ADDRESS OF OWNER \_\_\_\_\_

NAME OF BIDDER \_\_\_\_\_ ADDRESS OF BIDDER \_\_\_\_\_

### MEMO:

(Should you make any alternate and separate bid as provided for in Paragraph 4 make notation hereon to that effect.)

In submitting the above bid, a carefully and complete consideration has been given the General Conditions set forth in Form 103-A, the Request for Bids and Specifications attached thereto, and this proposal recognizes as binding all of these conditions and specifications.

CONTRACTOR'S SIGNATURE \_\_\_\_\_ CONTRACTOR'S ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ COUNTY \_\_\_\_\_ PHONE NO. \_\_\_\_\_

DATE OF BID \_\_\_\_\_

PLASTERING SPECIFICATIONS "G"

THE GENERAL CONDITIONS SPECIFIED UNDER "CONTRACT PROVISIONS"  
FORM R4A ARE PART OF THE SPECIFICATIONS

Furnish all labor and material to repair plaster wherever necessary. Specify in your bid number of square yards of plaster necessary; also kind of work, brand of material, etc., you plan to furnish and other information that may be necessary.

Plaster to be two coat work and in accordance with best trade practices for the work required. Contractor to use best judgment in bidding only the necessary work.



STANDARD SHEET METAL SPECIFICATIONS "E"

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THE GENERAL CONDITIONS AS SPECIFIED  
UNDER "CONTRACT PROVISIONS" FORM R-4-A FORM A PART  
OF THESE SPECIFICATIONS

---

Furnish all labor and material for repairing or replacing all defective sheet metal work, including gutters, conductors, flashings, decks and other metal work on the outside of buildings. Use 26 gauge galvanized iron, except on decks, which are to be replaced with 40 lbs. coated tin, unless otherwise specifically ordered. All tin must be painted on one side before delivery to the job.

If painting is not required under separate contract, then all sheet metal under this bid must include one coat red lead and oil paint and the second coat best grade of lead and oil paint to match house.

Note itemized list of work to be estimated and submit your bid on attached Form R-4A within 5 days to the District Reconditioning Division, Home Owners' Loan Corporation.

STANDARD ROOFING SPECIFICATIONS "B"

---

THE GENERAL CONDITIONS AS SPECIFIED  
UNDER "CONTRACT PROVISIONS" FORM R-4-A FORM A PART  
OF THESE SPECIFICATIONS

---

Where roofing is to be placed over present roof, nail all warped or loose shingles, boards, etc., and prepare for firm even base on which new roofing is to be applied. Where necessary, cut back old shingles along eaves and gables and nail to roof boards a strip of 1 x 4 Soft Pine S4S. or according to other well known trade practices, subject to the owners approval.

Plain roll roofing is to be laid vertical and must start and end at edge of roof with  $\frac{1}{2}$  strip of material.

All valleys to be lined, at least 16" wide, with 110 lb. slate surfaced roll roofing. Standing gutters to be properly lined with 16" wide, 75 lb. smooth surfaced gutter lining, and new conductor tubes to be installed where necessary. If gutter boards are defective, same are to be replaced and painted. If gutters are of box or hanging type, same will be replaced by others. All flashings, hips and ridges are to be properly taken care of so that the work when completed will meet with the approval of the home owner and inspector.

Submit separate bids for the garage and all other buildings not attached to the house. Specify in your bid what work you plan on doing, brand of material you will use, etc.

See itemized list of work to be estimated and submit your bid on attached form R-4A to the District Reconditioning Division, Home Owners' Loan Corporation.

**STANDARD PAINTING SPECIFICATIONS "A"**

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**THE GENERAL CONDITIONS AS SPECIFIED  
UNDER "CONTRACT PROVISIONS" FORM R-4-A FORM A PART  
OF THESE SPECIFICATIONS**

---

Furnish all labor and materials to paint all exterior woodwork and metal on house, porches, extensions, and garage, including floors and ceilings of porches (not including roofs, unless called for), two coats of the best white lead and oil paint, (except stained portions which are to be stained one or two coats of the best grade of stain). Those portions previously varnished are to receive two coats of best grade varnish, unless home owner desires two coats of paint.

Paint must be mixed and used according to the best standards prescribed by the Craft for the particular district.

Ready mixed paints may be used if delivered to the site in sealed and labelled containers and if equal to the best standard specifications and approved by the Home Owners' Loan Corporation.

Scraping or burning, and sanding must be performed wherever necessary to provide a satisfactory base. Before any paint is applied all surfaces shall be sound, clean, smooth, and free from dust, dirt and scaling. Putty all knots, holes, dents, cracks, joints or other defects.

Where separate bids are not requested for carpentry repairs, the painter must nail all loose members and replace any deteriorated sections necessary for the proper execution of his work.

Priming coat on all new or unpainted metal work is to be best grade of red lead paint; second coat, lead and oil paint to match appropriate color of the home.

All defective putty and window glass in both windows and storm sash, including doors, are to be properly repaired and replaced. When screens or storm sash can be properly protected by one coat of paint, this will be satisfactory but must be so specified. If the wire screen is to be painted, specify so in the bid. Itemize all glass replacements in the proposal submitted.

Specify in your bid the brands of materials you propose to apply. Give separate proposals on the buildings if more than one building is called for, such as: house, garage, and any other detached buildings.

No painting shall be performed on outside work in extremely cold, frosty, foggy or damp weather. Painting done during winter weather shall be applied only when the temperature is above 50° F. and the humidity satisfactory, and all surfaces are dry.

Note itemized list of work to be estimated and submit your bid on attached Form R4A within 5 days to the District Reconditioning Division, Home Owners' Loan Corporation.

# HOME OWNERS' LOAN CORPORATION

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## Reconditioning Division

File No. \_\_\_\_\_

HOLC Appln. No. \_\_\_\_\_

HOLC Loan No. \_\_\_\_\_

### RECONDITIONING AGREEMENT

#### Contractor's Bid

To \_\_\_\_\_  
Owner's Name Street Address City and State

The undersigned Contractor hereby offers to furnish the material and perform all the labor for the necessary maintenance or repairing, and the rehabilitating, modernizing, rebuilding, or enlargement of your home property, as per the ITEMIZED SPECIFICATION OF THE WORK hereinafter mentioned, and such other plans and specifications as may be attached hereto as Exhibit A, and hereby made a part hereof, for the sum of \_\_\_\_\_ dollars.

The undersigned understands that you have applied to the Home Owners' Loan Corporation for financing to pay the obligation to be incurred under this agreement, and the undersigned represents that, in order to induce said Corporation to approve the financing and to approve this agreement, he has become duly bound to the said Corporation as per the Contractor-Corporation Agreement, a copy of which is on file in the office of the Corporation.

The undersigned expressly agrees that the Contract Provisions hereinafter found, constitute an integral part of this offer, such Contract Provisions being part of the terms, conditions, and provisions hereof to the same extent as if immediately set forth here and following.

IN WITNESS WHEREOF the undersigned Contractor sets forth his or its hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 193\_\_\_\_\_

\_\_\_\_\_  
(Signature of Contractor)

#### Owner's Acceptance

I/we approve and accept the above offer this \_\_\_\_\_ day of \_\_\_\_\_, 193\_\_\_\_\_

\_\_\_\_\_  
(Signature of Owner)

\_\_\_\_\_  
(Signature of Owner's Wife)

### CONTRACT PROVISIONS

ARTICLE 1. The word Corporation wherever found herein means the Home Owners' Loan Corporation.

ARTICLE 2. Work is to commence within \_\_\_\_\_ days after notice in writing by the Corporation of its approval, and of the Owner's written acceptance of this Reconditioning Agreement, such work to be completed within \_\_\_\_\_ days after date of such notice. It is understood that no work is to commence until such notice has been given.

ARTICLE 3. No payment shall be due under this contract until the work called for has been completed and this contract fully performed in a substantial and workman-like manner, and until the same has met the approval of the Corporation, and until there has been deposited with the Corporation satisfactory releases of liens and claims for liens of contractors, sub-contractors, laborers, both skilled and unskilled, material men, and all other persons in any way rendering, supplying, delivering, or furnishing any labor or materials whatsoever to the Contractor on account of this contract, or for the premises in question.

ARTICLE 4. The Contractor, in the event of partial performance of this agreement on his part, hereby expressly waives, without prejudice to any other remedy the Owner may have, all right to compensation hereunder to such amount as may be required to enable the Owner to finish the work hereby contracted for in a manner meeting the approval of the Corporation.

ARTICLE 5. All work shall be done in strict accordance with all local building regulations and ordinances.

ARTICLE 6. The Contractor agrees to obtain the full release of all liens and claims for liens whatsoever, in connection with the subject matter of this agreement, such releases to be in form approved by the Corporation before any payment is to be made hereunder.

ARTICLE 7. The Contractor agrees that all materials used, and those furnishing same, shall be from those conforming to, and all labor employed shall be in conformity with, all provisions of the applicable approved codes of fair competition for the trade or industry or subdivision thereof concerned, or, if there be no approved code of fair competition for the trade or industry or subdivision thereof concerned, then such other governing regulation of the NRA; provided, however, that where supplies are not mined, produced, or manufactured in the United States, the special or general code of fair practice will apply to that portion of the contract executed within the United States.

ARTICLE 8. The Contractor agrees to obtain and pay for permits, surveys and licenses required under this contract.

ARTICLE 9. All time limits stated in this contract are of the essence of the contract.

ARTICLE 10. The construction of this contract shall be governed by the law of the State in which the property is located.



	Unit	Unit Price	Extension
71	Painting: (Exterior)		
72	-----		
73	-----		
74	-----		
75	-----		
76	Roofing: (Type)		
77	-----		
78	-----		
79	-----		
80	-----		
81	Sheet Metal and Miscellaneous Steel:		
82	-----		
83	-----		
84	-----		
85	-----		
86	Plumbing and Gas Fitting:		
87	-----		
88	-----		
89	-----		
90	-----		
91	Heating:		
92	-----		
93	-----		
94	-----		
95	-----		
96	Insulation:		
97	-----		
98	-----		
99	-----		
100	-----		
101	Electric Wiring and Fixtures:		
102	-----		
103	-----		
104	-----		
105	-----		
106	Glass and Glazing: (Type)		
107	-----		
108	-----		
109	-----		
110	-----		
111	Hardware: (Rough and Finished)		
112	-----		
113	-----		
114	-----		
115	-----		
116	Miscellaneous:		
117	-----		
118	-----		
119	-----		
120	-----		
121	-----		
122	-----		
123	-----		
124	-----		
125	Public Liability Insurance: Premium		
126	Name of Insurer		
127	Address of Insurer		
128	Workmen's Compensation Insurance: Premium		
129	Name of Insurer		
130	Address of Insurer		
131	Bond: Premium		
132	Name of Surety		
133	Address of Surety		
134	Permits: (Such as Building, Water, Street Opening, Sidewalks, etc.)		
135	-----		
136	-----		
137	-----		
138	Total Contract Price		

\$ -----

**OWNER'S APPROVAL OF WORK**

This is to acknowledge performance of the within agreement to my satisfaction and approval.

-----  
(Signature of Home Owner)

Date -----

-----  
(Signature of Home Owner's Wife)

ARTICLE 11. The Contractor agrees that (a) wherever any drawings and specifications which are a part of this agreement have been prepared by a Fee Architect, the interpretation of the Fee Architect as to their intent shall be final, excepting, however, that the work shall at all times be subject to the approval of the Corporation; and (b) wherever such drawings and specifications have not been prepared by a Fee Architect, but have been prepared by the Reconditioning Division of the Corporation, the interpretation of the Reconditioning Division Supervisor as to their intent shall be final, provided, however, that this Article 11 shall not deprive the Contractor of his right to arbitration as hereafter set forth in Article 27.

ARTICLE 12. Unless otherwise provided in accordance with this Reconditioning Agreement, the Contractor shall provide and pay for all materials, labor, water, tools, equipment, light, power, transportation, and other facilities necessary for the execution and completion of the work, and agrees to clean up the premises upon completion of the work.

ARTICLE 13. The Contractor agrees to protect the Owner's and adjacent property from injury and save the Home Owner harmless on account of any loss or damage arising in connection with this contract, shall be responsible to the Owner for any damage to buildings on the property or their contents resulting from the performance of this contract and agrees to protect trees, shrubbery and lawns from damage.

ARTICLE 14. The Contractor agrees to permit the Owner and his representatives access, at all times, to the work for the purpose of inspection or re-examination, and to provide proper facilities for such inspection and re-examination.

ARTICLE 15. If the Contractor be delayed by strikes, walkouts, fire, or other unavoidable causes beyond the Contractor's control, then the date of completion shall be extended for a reasonable period.

ARTICLE 16. The Contractor agrees to remove properly from the premises, without expense to the Owner, all materials condemned by the Corporation or the architect as failing to conform to the contract.

ARTICLE 17. The Contractor agrees to remedy any defect in the workmanship or materials used; in the event of the Contractor's failure to do so, the Owner is hereby authorized, provided he shall have the written approval of the Corporation, to take the approved steps to remedy such defects, and to pay for the same from the funds contemplated to be received from the Corporation, without prejudice to any other remedy the Owner and the Corporation may have.

ARTICLE 18. Provided he has the written approval of the Corporation, the Owner may terminate this contract in the event the Contractor should be adjudged a bankrupt, or if the Contractor should make a general assignment for the benefit of creditors, or if a receivership should be appointed on account of insolvency, or if the Contractor should fail or neglect to perform hereunder; upon the happening of any of the foregoing events, if the cost to complete shall exceed the amount of this contract, the Contractor hereby agrees to pay the Owner the amount of such excess. The Contractor agrees that the unit price hereinafter indicated for the respective items hereinafter listed of the work to be performed and of the material used for each of such items shall be conclusive of the highest price to be due the Contractor for each of such particular unit items.

ARTICLE 19. The Contractor agrees that no use or occupancy, whether entire or partial, of the premises by the Owner shall be deemed to be an acceptance of any work performed hereunder, it being understood that unless otherwise provided the Owner may occupy the premises during the period of this agreement.

ARTICLE 20. The Contractor shall maintain such insurance as will protect the Contractor and the Owner from claims arising under workmen's compensation acts, or other public liability acts, or claims arising by damages for personal injury, including death, which may arise under this agreement; and the Contractor shall file proper evidence of such insurance with, and as may meet the approval of, the Corporation.

ARTICLE 21. The Owner shall maintain such additional fire insurance upon the property and all materials intended for use thereon, in such amount and form as meet the approval of the Corporation, the Owner shall file proper evidence thereof with the Corporation, and agrees that any proceeds received on account of any loss sustained shall be for the mutual benefit and protection of all parties concerned as their interests may equitably appear.

ARTICLE 22. If, prior to the acceptance hereof by the Home Owner the Contractor is requested by such Home Owner or the Corporation to do so, the Contractor agrees to furnish, in a form meeting the approval of the Home Owner and the Corporation, a completion or other bond providing for the payment of all wages and materials in connection with this agreement.

ARTICLE 23. In the event the Contractor causes damage to any other person or property on account of disagreement or otherwise hereunder, the Contractor agrees to settle therefor, and to save the Owner harmless on account of such damage alleged to have been so sustained; and the Contractor further agrees to notify the Owner of all such claims, to defend him, and to pay all costs of any legal or equitable proceedings commenced against the Owner on account thereof.

ARTICLE 24. The Contractor agrees that, before the commencement of work, he will submit in writing to the Corporation and the Home Owner, the names and addresses of all sub-contractors and material men, and the amount which may be due them in connection with any work to be performed by them hereunder; and that he will keep the Corporation and the Owner informed of any changes in the status of said sub-contractors and material men.

ARTICLE 25. The Contractor agrees to give such required statutory or other notice of completion, as meets the approval of the Corporation, and, whenever necessary, hereby authorizes the Corporation to hold a portion of the money after completion for the period of time and for the purposes required by, and in compliance with, such statutes or other governing law.

ARTICLE 26. The Contractor specifically agrees not to perform any extras, unless the same shall first have been approved in writing by the Owner and by the Corporation.

ARTICLE 27. All questions in dispute in connection with the Contract shall be referred to arbitration at the request of either the Owner or the Contractor. The arbitrators may assess the costs of arbitration between the Owner and the Contractor.

No one shall be nominated or act as an arbitrator who is in any way financially interested in this contract or in the business affairs of either the Owner, the Contractor or the Fee Architect (if a Fee Architect has been employed). No employee of the Corporation shall act as an arbitrator.

The parties may agree upon one arbitrator; otherwise, there shall be three, one named in writing by each party to this contract, and the third chosen by these two arbitrators, if the two arbitrators cannot agree, then, the presiding officer of the local or nearest Bar Association within the same State shall appoint such third arbitrator. Should either party fail to name an arbitrator within ten days, the presiding officer of the local or nearest Bar Association shall appoint such arbitrator.

If there be one arbitrator, his decision shall be binding, provided the same meets the approval of the Corporation; if three, the decision of any two shall be binding, provided the same meets the approval of the Corporation. The award of the arbitrators shall be in writing, and it shall not be open to objection on account of the form of the proceedings or the award.

Wherever a statutory method of arbitration exists, it is agreed that such method shall be followed in lieu of the above provisions of this Article 27, and in such case the parties agree to proceed with arbitration in conformity with such statute.

ARTICLE 28. Both parties hereto mutually agree, in the event any of the articles or provisions of this contract are invalid, that such invalidity shall be limited in effect to the particular article or provision so deemed to be invalid, and shall not otherwise affect the validity of the remaining portions of this contract.



## ITEMIZED SPECIFICATION OF THE WORK

NOTE: If clear and complete specifications of work cannot be included here, attach additional sheets containing proper specifications.

		Unit	Unit Price	Extension
1	Wrecking and Clearing:			
2	-----			
3	-----			
4	-----			
5	-----			
6	Excavating and Grading:			
7	-----			
8	-----			
9	-----			
10	-----			
11	Foundation:			
12	-----			
13	-----			
14	-----			
15	-----			
16	Basement Floor:			
17	-----			
18	-----			
19	-----			
20	-----			
21	Cement Walks:			
22	-----			
23	-----			
24	-----			
25	-----			
26	Walls:			
27	-----			
28	-----			
29	-----			
30	-----			
31	Chimney:			
32	-----			
33	-----			
34	-----			
35	-----			
36	Interior Tile and Marble:			
37	-----			
38	-----			
39	-----			
40	-----			
41	Lathing and Plastering:			
42	-----			
43	-----			
44	-----			
45	-----			
46	Stucco:			
47	-----			
48	-----			
49	-----			
50	-----			
51	Other Masonry:			
52	-----			
53	-----			
54	-----			
55	-----			
56	Lumber and Rough Carpentry:			
57	-----			
58	-----			
59	-----			
60	-----			
61	Millwork and Finished Carpentry:			
62	-----			
63	-----			
64	-----			
65	-----			
66	Painting: (Interior)			
67	-----			
68	-----			
69	-----			
70	-----			

Carried Forward

\$

117

HOME OWNERS' LOAN CORPORATION  
WASHINGTON  

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WISCONSIN AGENCY

R. McQUILLAN  
te Manager

Dear Sir:

We enclose blank Form 105 for you to sign authorizing us to award contracts for repair work on your home. Please select the contractor or contractors you prefer and indicate same as provided.

All bids received are on file in this office. If you wish to inspect them before signing the enclosed Form 105 please communicate with the office of the Repair Department.

Unless we hear from you within five days, we will accept the bids which we consider best.

Yours very truly,

HOME OWNERS' LOAN CORPORATION  
Repair Department



118

Date.....

RE:

HOME OWNERS' LOAN CORPORATION,  
Repair Department,  
1 West Main Street,  
Madison, Wisconsin.

Gentlemen:

We/I hereby authorize you to proceed with repair work on the above described property. It is understood that the work is to be done by the firms I have indicated by a check mark below.

The Home Owners' Loan Corporation reserves the right to reject any bid which they deem excessive or from a bidder whom the corporation does not consider reliable, or financially responsible.

It is understood that the cost of this work is to be advanced by the Home Owners' Loan Corporation, and added to and included in the loan which you are making on the above described property.

Yours very truly,

.....  
Home Owner Applicant.

Owner's Name \_\_\_\_\_ Property Location \_\_\_\_\_  
 Street Address \_\_\_\_\_ Street Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

ITEMIZED SPECIFICATION OF THE WORK

Note: If clear and complete specifications of work cannot be included here, attach additional sheets containing proper specifications. Cross out items not applicable.

119

	Unit	Unit Price	Extension
1 Wrecking and Clearing: _____			
2 _____			
3 _____			
4 _____			
5 _____			
6 Excavating and Grading: _____			
7 _____			
8 _____			
9 _____			
10 _____			
11 Foundation: _____			
12 _____			
13 _____			
14 _____			
15 _____			
16 Basement Floor: _____			
17 _____			
18 _____			
19 _____			
20 _____			
21 Cement Walks: _____			
22 _____			
23 _____			
24 _____			
25 _____			
26 Walls: _____			
27 _____			
28 _____			
29 _____			
30 _____			
31 Chimney: _____			
32 _____			
33 _____			
34 _____			
35 _____			
36 Interior Tile and Marble: _____			
37 _____			
38 _____			
39 _____			
40 _____			
41 Lathing and Plastering: _____			
42 _____			
43 _____			
44 _____			
45 _____			
46 Stucco: _____			
47 _____			
48 _____			
49 _____			
50 _____			
51 Other Masonry: _____			
52 _____			
53 _____			
54 _____			
55 _____			
56 Lumber and Rough Carpentry: _____			
57 _____			
58 _____			
59 _____			
60 _____			
61 Millwork and Finished Carpentry: _____			
62 _____			
63 _____			
64 _____			
65 _____			
66 Painting: (Interior) _____			
67 _____			
68 _____			
69 _____			
70 _____			

(Over)

Carried Forward \_\_\_\_\_ \$

	Unit	Unit Price	Extension
71 Painting: (Exterior)			
72			
73			
74			
75			
76 Roofing:			
77			
78			
79			
80			
81 Sheet Metal and Miscellaneous Steel:			
82			
83			
84			
85			
86 Plumbing and Gas Fitting:			
87			
88			
89			
90			
91 Heating:			
92			
93			
94			
95			
96 Insulation:			
97			
98			
99			
100			
101 Electric Wiring and Fixtures:			
102			
103			
104			
105			
106 Glass and Glazing:			
107			
108			
109			
110			
111 Hardware: (Rough and Finished)			
112			
113			
114			
115			
116 Miscellaneous:			
117			
118			
119			
120			
121 Public Liability Insurance: Premium			
122 Name of Insurer			
123 Address of Insurer			
124 Workmen's Compensation Insurance: Premium			
125 Name of Insurer			
126 Address of Insurer			
127 Bond: Premium			
128 Name of Surety			
129 Address of Surety			
130 Permits: (Such as Building, Water, Street opening,			
131 Sidewalks, etc.)			
132			
133			
134			
135			
136			
137 Total Contract Price - - - - -			\$
138 For HOLC Reconditioning Department (Include all other expenses to be paid by the owner)			
139 Itemize:			
140			
141			
142			
143			\$
144			
145 Total estimated cost of Reconditioning: (Item 137 plus			
146 Item 144) - - - - -			\$



Form R9

File No.....

H. O. L. C. Application No.....

H. O. L. C. Loan No.....

# HOME OWNERS' LOAN CORPORATION

## Reconditioning Division

### RECONDITIONING LOAN COMMITMENT

Office..... Date.....

1. .... Owner Property Location

2. Street and Address..... Street and Address.....

3. City..... State..... City..... State.....

4. Your application for a loan for purpose of reconditioning your property in accordance with the provisions of

5. the Repairing, Remodeling and Modernizing Specifications and Contract dated..... day.....

6. month..... year..... has been approved in the amount of..... \$.....

These funds are for the following items:

1. Repairing..... \$.....

2. Remodeling..... \$.....

3. Modernizing..... \$.....

4. Miscellaneous expenses

\$.....

5. Margin for Contingencies..... \$.....

Total..... \$.....

7.

8. Authorized:

9. .... State Manager

10. Date.....

State Reconditioning Supervisor



HOME OWNERS' LOAN CORPORATION  
WASHINGTON

121

Wisconsin Agency

R. McQUILLAN  
State Manager

MADISON

This is to notify you that your bid for work on the above described property has been accepted. Please proceed at once, or as soon as weather conditions permit, and other contractors whose work must be done first are ready for your branch of the work.

Contracts for the various branches of work have been awarded to the following. Kindly cooperate with them in the execution of this work.

We are enclosing your copies of forms R-4A and R-4B, also Waiver of Lien form covering all labor and materials furnished at the above described, and Affidavit Form 119 which must be completely filled out.

At the completion of your work and at receipt of Certified Invoice and Waiver of Lien and of any other forms required, all properly signed and witnessed, the Home Owners' Loan Corporation will make final inspection and immediately thereafter payment will be made as provided.

Yours very truly,

District Reconditioning Division  
HOME OWNERS' LOAN CORPORATION

## HOME OWNERS' LOAN CORPORATION

Reconditioning Division

## CONTRACTOR---CORPORATION AGREEMENT

122

AGREEMENT this day entered into by and between \_\_\_\_\_  
(Name of Contractor)

(hereinafter called "Contractor") and the Home Owners' Loan Corporation, (hereinafter called the "Corporation").

WHEREAS, the Contractor desires to enter into an agreement, (hereinafter called "Reconditioning Agreement") with \_\_\_\_\_ (hereinafter called "Home Owner"),

to perform certain work in connection with the home property of such Home Owner; and,

WHEREAS, the Contractor has been informed that such Home Owner has applied to the Corporation for financing, and desires that such financing be approved in order that he may obtain the benefits to be derived by him under the aforesaid "Reconditioning Agreement"; and,

WHEREAS, the Contractor understands that the Corporation has either acquired a first mortgage against said premises or has or may become obligated to make a loan to be secured by said premises (or if it has heretofore acquired a lien to make an additional loan) to said Home Owner and desire that said property shall not be otherwise encumbered or its lien security or contemplated lien security impaired or diminished or that the capacity of the Home Owner to pay and discharge said existing loan or contemplated loans be in no wise affected on account of said "Reconditioning Agreement" without its approval first had and obtained, and will not, therefore, approve the Reconditioning intended by such "Reconditioning Agreement", nor consent to finance the same unless the Contractor and the aforesaid "Reconditioning Agreement" meets its approval;

NOW, THEREFORE, in consideration of the premises and covenants hereinafter contained, the respective parties hereto agree as follows:

## THE CONTRACTOR AGREES:

1. To comply with such pertinent rules and regulations prescribed, and to cause to be executed all instruments required, by the Corporation;
2. To permit, at all times, representatives of the Corporation to inspect said work and to provide access and facilities for such inspection;
3. To perform no extras unless approved in writing by the Corporation and the Home Owner and to make no other agreements with said Home Owner unless the same first have the written approval of the Corporation;
4. To commence work when notified (and not before) by the Corporation of its approval and the acceptance of said "Reconditioning Agreement" by the Home Owner and agrees to diligently prosecute such work to completion and in the event of failure so to do or failure or neglect to perform any provisions of such agreement, agrees that the Corporation is hereby fully authorized, and, if in its sole discretion it elects so to do, to finish such work and complete said "Reconditioning Agreement", deducting the cost thereof, without harm to it and without prejudice to any other remedy it may have, from any funds it holds for such purposes;
5. To see that all materials used and furnished, and all labor employed, both skilled and unskilled, shall be from those conforming to the respective applicable codes, or other governing and effective regulations approved by the NRA;
6. To remedy, upon written notice by the Corporation (and not otherwise), all defects of workmanship and materials to the satisfaction of the Home Owner and the approval of the Corporation, said remedies to be so made before continuing under said "Reconditioning Agreement";
7. To carry for the benefit of the Corporation, and to pay for and file proper evidences thereof, such insurance as the Corporation may require;
8. To discharge all liens and claims of every character against said property on account of anything done, or arising out of said "Reconditioning Agreement", and agrees that the premises shall be free and clear of any liens, or claim for lien, of any sub-contractor, laborer, both skilled and unskilled,

and material man, or other person, in any way rendering, supplying, delivering, or furnishing any labor or materials whatsoever to the Contractor on account of said "Reconditioning Agreement", or to the premises or improvements in question and, in the event of failure so to do, agrees to subordinate and hereby does subordinate, without prejudice to any other remedy the Corporation may have, all the claims, liens and claims for liens, which the Contractor has or may have against said property arising out of or in connection with the aforesaid Reconditioning Agreements, and such other agreements as may be entered into with the Home Owner, to any existing rights, or mortgage lien of, or liens now in contemplation by, the Corporation against said premises.

9. That the Corporation, at its option (but without any duty to do so and without prejudice to any other remedy the Corporation may have) may pay and discharge in whole or in part the claims, liens, or claim for lien, of any person in privy with the Contractor on account of such Reconditioning Agreement, and all other agreements between the Contractor and said Owner, and in that event said Corporation shall be subrogated to any and all of the Contractor's rights, claims, liens, or claim for lien, with full right and power to enforce the same and give full credit and effect thereto.

10. To save the Corporation free of litigation and harmless from all claims of any person arising out of said "Reconditioning Agreement", it being expressly understood that the Corporation is in no sense the principal in such transaction, its sole liability being to pay over the proceeds of the aforementioned financing when the matters herein and hereby contemplated have been complied with and said "Reconditioning Agreement" and other agreements has been completed to the satisfaction of the Home Owner and the approval of the Corporation.

11. The Contractor expressly agrees that in event of suit, adverse claim, dispute or question on account of alleged non-performance, incomplete performance or otherwise, between the Contractor and the Home Owner respecting the aforesaid "Reconditioning Agreement" (and other agreements that may be entered into between them respecting improvements on said property) or, in the event of suit, adverse claim, dispute or question between the Contractor and any person furnishing labor or material on account of any such agreements to accept the financing proceeds held by the Corporation, in full satisfaction for, and in full release of, all liens, claims and demands of every nature and kind which the Contractor may have against the Home Owner, the premises in question, and the Corporation, and to execute satisfactory evidences thereof, it being thoroughly understood, however, that nothing herein contained shall be deemed to make it obligatory upon or the duty of the Corporation to pay or offer to pay said financing proceeds and that such payment and offer rests in the voluntary and sole discretion of the Corporation.

THE CORPORATION AGREES:

1. To approve and does hereby approve the contractor herein designated as a Contractor for the improvement of the premises of the Home Owner herein referred to and does hereby approve the Reconditioning Agreement entered into between said Home Owner and Contractor.

2. To enter into an agreement with the said Home Owner, for the execution and delivery of a note or bond and mortgage or other instrument securing the same to the Corporation for a sum of money in the amount of \$ \_\_\_\_\_ and agrees that it will advance the same to said Home Owner or his order, provided all the conditions of this agreement and all the conditions of the Reconditioning Agreement and all the conditions of the agreement between the Home Owner and the Corporation have been complied with in full to the satisfaction of the Corporation.

THE PARTIES MUTUALLY AGREE:

1. That this is the only, and constitutes the entire, agreement between them regarding the subject matter in question and that no previous negotiations or matters not herein provided for affect this agreement and that the same is not to be modified except in writing, signed by both the parties hereto

IN WITNESS WHEREOF the respective parties hereto execute this agreement this \_\_\_\_\_ day of \_\_\_\_\_, 193 \_\_\_\_\_.

\_\_\_\_\_  
(Signature of Contractor)

HOME OWNERS' LOAN CORPORATION

By \_\_\_\_\_



**HOME OWNERS' LOAN CORPORATION**  
**RECONDITIONING DIVISION**  
**OWNER-CORPORATION AGREEMENT**

123

AGREEMENT this day entered into by and between.....

.....First Party (hereinafter called Home Owner), and the Home  
Owners' Loan Corporation Second Party (hereinafter called Corporation):

WHEREAS, the Home Owner has applied to the Corporation for financing to pay for certain reconditioning work on  
home property as provided for in a certain agreement (hereinafter called Reconditioning Agreement) between the Home  
Owner and.....as Contractor; and,

WHEREAS, the Home Owner concurrently herewith and pursuant hereto is executing a note or bond to said Cor-  
poration in the sum of.....dollars,  
secured by a mortgage or other instrument for the benefit of the Corporation; and,

WHEREAS, the Corporation is willing to advance such sum upon the conditions hereinafter mentioned, and pro-  
vide the reconditioning contemplated by the aforesaid Reconditioning Agreement and any other agreement respecting the  
reconditioning of said property, are completed in a manner satisfactory to said Corporation, and all liens arising therefrom  
cleared and released;

NOW, THEREFORE, for and in consideration of these premises and the covenants hereinafter contained, the  
pective parties hereto agree as follows:

1. That the Corporation shall not be bound in any manner to pay the aforesaid sum, or any portion thereof,  
until the Reconditioning Agreement and any other agreement entered into respecting the reconditioning of said  
property, are fully performed, and all liens and claims arising therefrom are released in a manner meeting the approval  
of said Corporation; at which time, (provided the aforesaid Reconditioning Agreement and any other agreements as  
aforesaid are completed to the satisfaction of the Home Owner), the Corporation shall be authorized to advance the  
funds for the account of the Home Owner to the aforesaid Contractor or persons entitled thereto.

2. That, if the said work is not completed and said Reconditioning Agreement and any other agreement  
respecting the reconditioning of said property are not performed, or if all liens arising on account thereof or any other  
intervening liens are not released, in a manner satisfactory to the Corporation; or if the Home Owner has not approved  
the completion of the work within a period of 60 days from the date thereof; then, in any of the foregoing events, the  
Corporation shall not be obligated hereunder, or otherwise, to pay the sum aforementioned or any portion thereof, and  
the Home Owner specifically agrees to save said Corporation harmless and free from litigation on account thereof and  
hereof, and hereby fully releases said Corporation on account of this transaction and without prejudice to any remedy  
said Corporation may have against said Home Owner.

3. The Home Owner agrees that the aforesaid Reconditioning Agreement with the Contractor has been  
negotiated between the Home Owner and the said Contractor, and upon the sole responsibility of the Home Owner  
and the said Contractor; and the Home Owner specifically agrees that the Corporation has no connection with said  
Reconditioning Agreement and any other agreement respecting the reconditioning of said property, and is not  
responsible in any manner for the performance of the same, and is not to be charged on account thereof.

4. That, after all persons have been fully paid on account of such Reconditioning Agreement and any other  
agreement respecting the reconditioning of said property, and all liens and claims for liens satisfied as hereby com-  
templated, if there is remaining any balance of the funds agreed hereby to be advanced by the Corporation, the said  
Corporation is hereby authorized to credit the amount of such balance so held upon any obligation of the Home Owner  
to the Corporation.

5. That, if called upon to do so, the Home Owner will execute all necessary papers on the usual form used by  
the Corporation for such purposes in transactions of this kind; and if requested by the Corporation the Home Owner  
agrees to execute a new note or bond, and mortgage or other instrument securing the same; provided, however, that  
the terms and conditions of such new instruments are of like tenor and effect as the note or bond, and mortgage or  
other security instruments, this date executed; and, provided further, that the Home Owner is saved from all expense  
in connection therewith, and that all such substituted instruments are properly cancelled, released and discharged.

6. The Home Owner specifically agrees that the Corporation, when authorized in writing by the Home  
Owner to do so, may, at its discretion, advance portions of the aforesaid sum in payment for parts of the work men-  
tioned in said Reconditioning Agreement and any other agreements respecting the reconditioning of said property.

7. The Corporation specifically agrees that it will pay the funds hereby contemplated upon the terms and  
conditions set forth herein; and the Owner specifically agrees that the obligation of the Corporation to pay such funds  
is fixed by, and limited to, the terms of this subject agreement.

8. The Home Owner specifically agrees that he will not enter into any agreements for extras or incur any  
additional indebtedness on account of any improvements of his home property, unless he first obtains consent in  
writing of the Corporation to do so.

9. The Home Owner acknowledges that he has read the agreement between the Corporation and the Con-  
tractor; that he understands the purpose and necessity thereof; and that he consents that this subject agreement  
shall, whenever necessary, be construed in the light of the terms and intent thereof.

10. In the event he violates this agreement, the Home Owner agrees that the Corporation may, at its election  
and without notice, declare as due and owing any and all indebtedness, whether then due or not, of the Home Owner  
to the Corporation.

11. The Home Owner agrees that the Corporation may advance such portion of the funds hereby agreed to  
be advanced as is necessary to pay the cost actually incurred for appraisal, examination, perfecting of title, recording,  
surveying and other necessary expense in connection with the transaction, including any fees due Architects engaged  
by the Home Owner.

12. The respective parties agree that this is the only, and constitutes the entire, agreement between them  
respecting the subject matter hereof; and that no previous negotiations or matters not herein provided for affect this  
agreement; and that the same is not to be modified except in writing signed by both the parties hereto.

IN WITNESS WHEREOF the respective parties hereto execute this agreement this.....day of

....., 193.....

.....  
(Signature of Home Owner)

.....  
(Signature of Home Owner's Wife)

HOME OWNERS' LOAN CORPORATION,

By.....



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# HOME OWNERS' LOAN CORPORATION FORM OF CONTRACT

## WISCONSIN AGENCY

THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, between \_\_\_\_\_

of \_\_\_\_\_, a Corporation

organized and existing under the State of \_\_\_\_\_, a partnership consisting of \_\_\_\_\_

\_\_\_\_\_ , an individual trading as \_\_\_\_\_

\_\_\_\_\_ , hereinafter called the Contractor, party of the first part,

and \_\_\_\_\_ of \_\_\_\_\_

hereinafter called the Owner, party of the second part:

WITNESSETH that the Contractor, for and in consideration of the payment to be made by the Owner as hereinafter provided, does hereby covenant and agree to do the following: At \_\_\_\_\_, \_\_\_\_\_, Wisconsin. Furnish all labor and materials and perform all work required for:

in substantial and workmanlike manner to the satisfaction of and under the direction of the said owner, and the said Contractor also does agree to find, provide, and furnish such materials of such kinds and qualities and description as shall be fit, proper, and sufficient for completing and finishing the work as stated above.

And the Owner, for and in consideration of the Contractor completely and faithfully executing the aforesaid work and furnishing all the materials therefor, so as to fully carry out this contract to the full and complete satisfaction of said Owner and of the Home Owners' Loan Corporation, the mortgagee, said Owner through the Home Owners' Loan Corporation does hereby agree to pay to the said Contractor within thirty (30) days after full and satisfactory completion, the sum of \$ \_\_\_\_\_

It is further agreed that the Contractor shall save and keep the building referred to in this contract and the lands on which it is situated free from any and all mechanics' liens and other liens by reason of his work or of any materials or other things used therein, and if the Contractor fails so to do, the Owner may retain sufficient of the contract price to pay the same and all costs by reason of, or in consequence thereof, and may pay said lien or liens, if any, and costs and deduct the amount thereof from the contract price.

The contractor further agrees to indemnify and save harmless the Owner from all casualties or accidents resulting from employees engaged in the work contemplated under this contract or to any third persons who may be, in any manner, injured by the Contractor, his servants, or agents in the performance of this contract.

The specifications, plans, or diagrams furnished herewith shall constitute part of this agreement, the same as if hereto attached.

The parties for themselves, their heirs, successors, executors, administrators, and assigns hereby agree to the covenants herein contained.

IN WITNESS WHEREOF, the said parties have hereunto set their hands and seals the day and year first written above.

In presence of:

\_\_\_\_\_  
\_\_\_\_\_ (SEAL)

\_\_\_\_\_  
\_\_\_\_\_ (SEAL)

\_\_\_\_\_  
\_\_\_\_\_ (SEAL)

\_\_\_\_\_  
\_\_\_\_\_ (SEAL)



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HOME OWNERS' LOAN CORPORATION

WASHINGTON

R. McQuillan  
State Manager

Wisconsin Agency

First Bank of Wisconsin  
MADISON, WISCONSIN

Dear Home Owner:

We are enclosing copy of our Settlement Report for your information. It will enable you to know how the amount of your loan was arrived at, and the monthly installments required to repay your loan.

In due course, you will receive notice of payments due, and your remittance can be made in the form of Money Order, Cashier Check, or in Bonds of the Corporation, payable to Regional Treasurer, Home Owners' Loan Corporation, 13th Floor Civic Opera Bldg., Chicago, Illinois.

In the event you do not receive your notice from Washington before your first payment is due, it is important that you send in your remittance when due to the above address. Be sure to mention your loan number when making payments, or in correspondence regarding your loan. Payments should not be offered at your district or state office.

On the upper left-hand corner of Settlement Report enclosed, you will find your mailing address which is on file in Washington. If this address is incorrect or in the event you move to another address, kindly notify the Regional office, Chicago, Illinois of this change in order that your notices of payments due and other correspondence regarding your loan will reach you promptly.

**IMPORTANT:** Notify Home Owners' Loan Corporation, Madison, Wisconsin, immediately of any loss resulting from fire or windstorm to the property covered by our loan, to facilitate adjustment. The Corporation is depending upon you to keep the insurance in force on your home, also pay whatever future taxes are assessed, in order that your mortgage will not be in default.

We assure you it has been our pleasure to have served you.

Yours very truly,



J. R. McQuillan  
State Manager  
HOME OWNERS' LOAN CORPORATION

HLF  
Enc.

Date

Re:

Dear Sir:-

It is required by the Washington office that the \_\_\_\_\_ work done on your home be inspected and certified.

Kindly return this letter with a notation advising whether this work has now been completed, and if not, just when the work will be finished so that our inspector may call.

Respectfully yours,



HOME OWNERS' LOAN CORPORATION

WASHINGTON

—  
Wisconsin Agency

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R. McQUILLAN  
State Manager

Dear Sir:

Contracts for repair work on your home have been awarded  
to the following:

Up to this date we have received no notice that this work  
has been completed. We would suggest that you call the con-  
tractors and find out why they have not done so.

Very truly yours,

District Reconditioning Supervisor  
HOME OWNERS' LOAN CORPORATION

HT:GM

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# HOME OWNERS' LOAN CORPORATION

## RECONDITIONING DIVISION

### WARNING

Section 8 (a). Whoever makes any statement, knowing it to be false, or whoever wilfully overvalues any security, for the purpose of influencing in any way the action of the HOME OWNERS' LOAN CORPORATION or the Board or an association upon any application, advance, discount, purchase, or repurchase agreement, or loan, under this Act, or any extension thereof by renewal deferment, or action or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both.

### CONSTRUCTION INSPECTION REPORT

1. Owner's Name .....	Property Location .....		
2. Street Address .....	Street Address .....		
3. City .....	State .....	City .....	State .....
4. Reconditioning Supervisor .....			
5. Architect .....	Street Address .....		
6. ....	City .....	State .....	
7. Contractors and Dealers*	Address	Class of Work	
8. ....			
9. ....			
10. ....			
11. ....			
12. ....			
13. ....			
14. ....			
15. ....			
16. ....			
17. ....			
18. ....			
19. ....			
20. ....			
21. ....			
22. ....			
23. ....			
24. ....			

\* General Contractor Must File Name, Address and Amount of Bid of Subcontractors and Material at the Time of Submitting Estimates.

Items	DATE OF INSPECTION AND PER CENT COMPLETION										Grade of Work*	Remarks	
	Date	%	Date	%	Date	%	Date	%	Date	%			
25. Foundation.....													
26. Basement Floor.....													
27. Cement Walls.....													
28. Brick Walls.....													
29. Chimney.....													
30. Interior Tile and Marble.....													
31. Plastering.....													
32. Stucco.....													
33. Carpentry (Interior).....													
34. Carpentry (Exterior).....													
35. Painting (Interior).....													
36. Painting (Exterior).....													
37. Roofing.....													
38. Sheet Metal.....													
39. Plumbing.....													
40. Heating.....													
41. Electric Wiring.....													
42. Glazing.....													
43. Hardware.....													
44. Miscellaneous (a).....													
45.....													
46.....													
47.....													
48.....													
49.....													

50. I certify that I have carefully examined the building herein designated prior to the performance of any  
51. work by the CONTRACTOR or CONTRACTORS and have inspected the quality and progress of the work  
52. upon the dates set forth in the accompanying schedule and that I do approve such work with the following  
53. exceptions:

- 54. ....
- 55. ....
- 56. ....

57. Date.....

Inspector Reconditioning Division

\* Where grade of work is not satisfactory owner, architect and contractor must be notified of objection by mail. Under remarks indicate date of mailing of letters.  
(a) Items not included in itemization as listed above.

HOME OWNERS' LOAN CORPORATION  
WISCONSIN AGENCY

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RECONDITIONING DIVISION  
Record of Memo on Complaints

ate \_\_\_\_\_

o: District Manager

Attention: District Reconditioning Supervisor \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

In re: Loan No. \_\_\_\_\_

Owner's Name \_\_\_\_\_

Property Location  
Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

Date of Complaint \_\_\_\_\_

Brief of Complaint: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Report on Complaint \_\_\_\_\_

\_\_\_\_\_

Review the attached correspondence. Advise State Reconditioning Office what action is being taken and when case is closed.

District Reconditioning Supervisor  
State Reconditioning Supervisor  
Regional Reconditioning Supervisor

\_\_\_\_\_  
State Reconditioning Supervisor

Case Closed \_\_\_\_\_  
Date

\_\_\_\_\_  
District Reconditioning Supr.



Form R11A

File No. ....

H. O. L. C. Application No. ....

H. O. L. C. Loan No. ....

# HOME OWNERS' LOAN CORPORATION

## Reconditioning Division

### UNSATISFACTORY WORK NOTICE

1. .... Contractor. .... Owner.

2. Street Address ..... Street Address .....

3. City ..... State ..... City ..... State .....

4. .... Architect.

5. Street Address .....

6. City ..... State .....

7. An inspection made on ..... day ..... month ..... year, of the Reconditioning Work

8. of the property located at:

Street Address .....

City ..... State .....

9. reveals that the following items are not being completed according to plans and specifications:

10. Items	Reasons of non-acceptance
11. ....	.....
12. ....	.....
13. ....	.....
14. ....	.....
15. ....	.....
16. ....	.....
17. ....	.....
18. ....	.....
19. ....	.....
20. ....	.....
21. ....	.....
22. ....	.....

- 10. Items
- Reasons of non-acceptance
- 11. ....
- 12. ....
- 13. ....
- 14. ....
- 15. ....
- 16. ....
- 17. ....
- 18. ....
- 19. ....
- 20. ....
- 21. ....
- 22. ....

HOME OWNERS' LOAN CORPORATION

Wisconsin Agency

AFFIDAVIT

STATE OF WISCONSIN )
) ss.
County )

I, \_\_\_\_\_ being first duly sworn on oath depose and say

that I am the \_\_\_\_\_ of the \_\_\_\_\_
(Official Title) (Name of Company)

hereinafter called the Contractor, and that the said Contractor has been employed

by \_\_\_\_\_, the Owner of the following described property,

located at \_\_\_\_\_

to do \_\_\_\_\_ work and that the said Contractor has employed

the following on the contract for labor and/or materials:

Table with 5 columns: Name, Kind of Labor or Materials, Amount Paid, Amount to be Paid, Total Due. Multiple rows for data entry.

Further; Deponent states there was no one employed except those listed above, and that this affidavit is made for the purpose of procuring from the home owner, through the Home Owners' Loan Corporation, payment in the sum of \_\_\_\_\_

\_\_\_\_\_ Dollars, as described under the terms of the Contract.

Subscribed and sworn to before me

this \_\_\_\_\_ day of \_\_\_\_\_ 193\_\_\_\_.
(Name of Corporation, Firm or Individual)

Notary Public, \_\_\_\_\_ Co., Wisconsin (Signature of Official)

My Commission expires \_\_\_\_\_ 193\_\_\_\_.

n R-17A

File No. \_\_\_\_\_  
HOLC Application No. \_\_\_\_\_  
HOLC Loan No. \_\_\_\_\_

HOME OWNERS' LOAN CORPORATION  
RECONDITIONING DIVISION

OWNERS' NOTICE TO CONTRACTOR TO COMMENCE WORK

Owner's Name \_\_\_\_\_ Property Location \_\_\_\_\_  
Street Address \_\_\_\_\_ Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_  
Date \_\_\_\_\_  
\_\_\_\_\_  
(Contractor)  
Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

You have been awarded the contract for reconditioning on the above property in accordance with your proposal dated \_\_\_\_\_ in the sum of \$ \_\_\_\_\_, and accepted on \_\_\_\_\_, a copy of which is enclosed.  
(date)

\_\_\_\_\_  
Signature of Owner

n R-17B

File No. \_\_\_\_\_  
HOLC Application No. \_\_\_\_\_  
HOLC Loan No. \_\_\_\_\_

HOME OWNERS' LOAN CORPORATION  
RECONDITIONING DIVISION

OWNER'S ACCEPTANCE OF RECONDITIONING WORK

Upon satisfactory performance of the Reconditioning Agreement, the contractor will obtain the acceptance of the owner and forward the executed acceptance to the Home Owners' Loan Corporation office located at:

Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_  
\_\_\_\_\_  
This is to acknowledge satisfactory performance of the Reconditioning Agreement, (date of proposal), \_\_\_\_\_ (date of Owners' acceptance of proposal) \_\_\_\_\_, (amount of contract) \$ \_\_\_\_\_, and to recommend payment in accordance with the provisions thereof:  
Contractor \_\_\_\_\_ Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

\_\_\_\_\_  
Signature of Owner

Business:

\_\_\_\_\_  
This is to certify that the above contract has been completed and that payment has been received.

\_\_\_\_\_  
Signature of Contractor

HOME OWNERS' LOAN CORPORATION  
WASHINGTON

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WISCONSIN AGENCY

MCQUILLAN  
STATE MANAGER

Date:

Re:

Home Owners' Loan Corporation

Please pay to the order of \_\_\_\_\_

\_\_\_\_\_ in full  
payment for labor and material furnished by them on  
my home.

I hereby certify that the work has been com-  
pleted in a satisfactory manner.

Signed \_\_\_\_\_

Date \_\_\_\_\_

FORM 110a

Home Owners' Loan Corporation  
Madison, Wisconsin

Re:

We--I hereby acknowledge receipt of the sum  
of \_\_\_\_\_ in full  
payment for labor and/or material furnished at the above  
address and certify that all bills for labor and/or  
material used on said work have been paid.

Signed \_\_\_\_\_

Date \_\_\_\_\_



HOME OWNERS' LOAN CORPORATION

WASHINGTON

Wisconsin Agency

R. McQUILLAN  
State Manager

Madison, Wisconsin

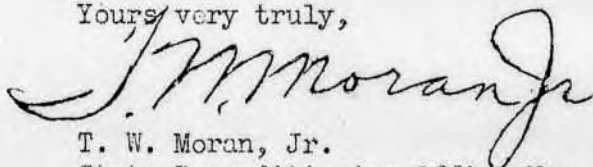
Re:

The enclosed draft # \_\_\_\_\_ in the amount of \$ \_\_\_\_\_ is in payment of labor and/or materials furnished by you on the above described property.

We are also enclosing a receipt, with the request that you sign and date, returning same to this office as promptly as possible. In case your firm is a partnership or a corporation, it will be necessary that this receipt be signed by your firm name and by a member of your firm who is qualified to sign a receipt.

For your convenience in mailing this receipt, we are enclosing an addressed, franked envelope to be used for that purpose.

Yours very truly,



T. W. Moran, Jr.  
State Reconditioning Office Mgr.  
HOME OWNERS' LOAN CORPORATION

TWM:  
Enclosures  
Draft

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Form 110 A

HOME OWNERS' LOAN CORPORATION,  
Madison, Wisconsin:

Re:

We/I hereby acknowledge receipt of the sum of.....

.....  
in full payment for labor and material furnished on the above work and certify that all bills for labor and material used on said work have been paid.

Signed.....

Date.....

HOME OWNERS' LOAN CORPORATION  
RECONDITIONING DIVISION

H.O.L.C. MANAGER:

TRANSMITTAL REPORT - COMPLETED RECONDITIONING CASE DOCUMENTS

\_\_\_\_\_  
r's Name \_\_\_\_\_ Property Location \_\_\_\_\_  
\_\_\_\_\_  
et Address \_\_\_\_\_ Street Address \_\_\_\_\_  
\_\_\_\_\_  
State \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

The following list of documents has been examined, found in order, and are enclosed with. (Mark "X" opposite each document enclosed; leave column "✓" blank. Use blank spaces indicate any additional special forms enclosed.)

Enumeration of Documents

	(X)	(✓)	
R-1	___	___	One
R-2	___	___	One
R-3	___	___	One
R-4A	___	___	One for each contract to be the accepted and completed contract.
R-4A*	___	___	One for each contract to be the proposal of one unsuccessful bidder.
R-4A*	___	___	One for each contract to be the proposal of one unsuccessful bidder.
R-4B	___	___	One for each contractor
R-4C	___	___	One
R-4D	___	___	One for "Necessary Repairs Only"
R-4D	___	___	One for "Other Reconditioning Including Necessary Repairs".
R-5	___	___	One
R-10	___	___	One
R-11	___	___	One
R-11A	___	___	One copy of every notice to each contractor.
R12	___	___	One
R-17B	___	___	One from each contractor.
R-19	___	___	One
	___	___	
	___	___	
	___	___	
	___	___	
	___	___	
	___	___	
	___	___	

\* Where "Necessary Repairs Only" are involved, the proposal of one unsuccessful bidder should be enclosed. Where "Other Reconditioning Including Necessary Repairs" is involved, proposals of two unsuccessful bidders should be enclosed.

ification is hereby made that the work has been completed in good and workmanlike manner he satisfaction of this Department.

\_\_\_\_\_  
Reconditioning Department

The enclosed receipts, affidavits, releases or waivers have been examined and are lly sufficient to protect the property against liens for labor or materials.

\_\_\_\_\_  
Legal Department

APPLICATION FOR EXTENSION

..... 19  
(Date)

Address.....  
(Number) (Street)

.....  
(City) (State)

HOME OWNERS' LOAN CORPORATION

.....  
.....

Loan No.....

Gentlemen:

Whereas the undersigned is indebted to Home Owners' Loan Corporation in the sum of \$.....,  
constituting a first lien on the home of the undersigned, and requiring payments of \$..... per month,  
and is temporarily unable to make full payments as required by the contract, therefore

The undersigned hereby requests an extension as is provided in Home Owners' Loan Act of 1933, and specifically  
requests, if possible, that applicant be allowed to pay only \$..... per month for ..... months,  
after which regular contract payments will be made. Applicant represents that the reasons for this application for  
extension are as follows:

Signatures.....  
of  
Borrowers.....

TO BE FILLED IN BY STATE MANAGER.

Date of closing Loan: .....

Corporation's appraisal of property: \$.....

Amount of Loan: \$.....

Date first payment due: .....

Amount of payments: .....

RECOMMENDATION OF STATE MANAGER

I have carefully examined the foregoing application for an extension and investigated the facts, and make the  
following recommendation:

.....  
.....  
.....

.....  
State Manager

APPROVED BY THE BOARD:

.....  
(Date)



PROGRESS REPORT REPAIR DEPARTMENT

WISCONSIN

139

Application No. \_\_\_\_\_

Loan No. \_\_\_\_\_

Home Owner

Address

City

- 1. (101A) Repair File Report Date Rec'd \_\_\_\_\_
- 2. (102) Request to owner for bids Date Mailed \_\_\_\_\_ Reply \_\_\_\_\_
- 3. (103) Request to contractors for bids Date Mailed \_\_\_\_\_ Reply \_\_\_\_\_
- 3A. (103) 2nd Request to contractors for bids Date Mailed \_\_\_\_\_ Reply \_\_\_\_\_
- 4. (104) To owner enclosing Form No. 105 Date Mailed \_\_\_\_\_
- 5. (105) Returned by owner Date Rec'd \_\_\_\_\_
- \*6. (101) Report of Repair Bids, three copies Date Filed \_\_\_\_\_
- 6A. (101) Instructions to proceed with repairs Date Rec'd \_\_\_\_\_
- 7. (107) Notice to contractors to proceed with repairs enclosing contract, No. 115 and Waivers.
  - 1. \_\_\_\_\_ Date Mailed \_\_\_\_\_ Reply \_\_\_\_\_
  - 2. \_\_\_\_\_ Date Mailed \_\_\_\_\_ Reply \_\_\_\_\_
  - 3. \_\_\_\_\_ Date Mailed \_\_\_\_\_ Reply \_\_\_\_\_
  - 4. \_\_\_\_\_ Date Mailed \_\_\_\_\_ Reply \_\_\_\_\_
- 7A. Notice from contractor, contract completed enclosing Waivers.
  - 1. \_\_\_\_\_ Date Mailed \_\_\_\_\_ Reply \_\_\_\_\_
  - 2. \_\_\_\_\_ Date Mailed \_\_\_\_\_ Reply \_\_\_\_\_
  - 3. \_\_\_\_\_ Date Mailed \_\_\_\_\_ Reply \_\_\_\_\_
  - 4. \_\_\_\_\_ Date Mailed \_\_\_\_\_ Reply \_\_\_\_\_
- 8. (108) Inspection Report Date Rec'd \_\_\_\_\_
- (108A) Partial Inspection Date Rec'd \_\_\_\_\_
- 9. (109) Partial payment authorized by home owner Date Rec'd \_\_\_\_\_
- (109A) Receipt of partial payment by contractor Date Rec'd \_\_\_\_\_
- 10. (110) Owner's authority to make payment to contractors Date Rec'd \_\_\_\_\_
- 11. (111) Receipt of Contract Date Mailed \_\_\_\_\_
- 12. (112) Invoice from Dealer Date Rec'd \_\_\_\_\_

\*Note: — Progress held pending notification from closing department.

Note: — Indicate loan number given by closing department in upper right hand corner.

HOME OWNERS' LOAN CORPORATION  
Wisconsin Agency

Mr. J. R. McQuillan,  
State Manager,  
Home Owners' Loan Corporation,  
Madison, Wisconsin.

Re: Abandoned Properties

Dear Mr. McQuillan:

In compliance with Washington Bulletin #144 and State Reconditioning Bulletin #14 the following report is submitted:

1. Name of owner:
2. Address of property:
3. Loan Number:
4. Present address of owner:
5. Date vacancy discovered:
6. Date of inspection:
7. Report of inspection, comply with Washington Bulletin #144 and complete an R-4D if necessary:
8. Status of vacancy - abandoned, vacated on account of reconditioning, vacated for rental, or sale, etc;
9. Name of renter:
10. Name and address of party who collects rent:
11. Amount of monthly rental:
12. If property is vacant has insurance company been notified?
13. Name of insurance agent:
14. Has vacancy permit been secured?
15. Should custodian be appointed?
16. Name of party or neighbor who would qualify as a competent custodian:
17. Have local police authorities been notified?
18. Other pertinent remarks:

Date

Yours very truly,

District Reconditioning Supervisor  
Inspector

141

File No. \_\_\_\_\_  
 HOLC Application No. \_\_\_\_\_  
 HOLC Loan No. \_\_\_\_\_

**HOME OWNERS' LOAN CORPORATION**  
**RECONDITIONING DIVISION**

To: H. O. L. C. MANAGER:

**TRANSMITTAL REPORT—COMPLETED RECONDITIONING CASE DOCUMENTS**

Owner's Name \_\_\_\_\_ *Property Location*  
 Street Address \_\_\_\_\_ Street Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

The following list of documents has been examined, found in order, and are enclosed herewith. (Mark "X" opposite each document enclosed; leave "✓" column blank. Use blank spaces to indicate any additional special forms enclosed.)

**Enumeration of Documents**

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R-5			One.
R-10			One.
R-11			One.
R-11A			One copy of every notice to each contractor.
R-12			One.
R-17B			One from each contractor.
R-19			One.

\* Where "Necessary Repairs Only" are involved, the proposal of one unsuccessful bidder should be enclosed. Where "Other reconditioning Including Necessary Repairs" is involved, proposals of two unsuccessful bidders should be enclosed.

Certification is hereby made that the work has been completed in a good and workmanlike manner to the satisfaction of this Department.

\_\_\_\_\_  
 (Reconditioning Department)

The enclosed receipts, affidavits, releases or waivers have been examined and are legally sufficient to protect the property against liens for labor or materials.

\_\_\_\_\_  
 (Legal Department)

# HOME OWNERS' LOAN CORPORATION

## REPORT ON EMPLOYMENT OF FEE ARCHITECTS

### Reconditioning Division

.....  
City and State

Date....., 1934.

This report is to be sent every week, in duplicate, to the State Architect Adviser, who will forward one copy to the HOME OWNERS' LOAN CORPORATION, Reconditioning Division, Washington, and retain one copy for his files.

For Period Ending 12 M., Friday                      day                      month                      year

Items	No. of Cases	Amount in Dollars	Fees Authorized in Dollars	Total No. of Cases	Total Amount in Dollars	Total Fees Authorized in Dollars	Contracts Completed to Date
. Applications assigned for supervision.....							
. Applications assigned for complete architectural service....							
. No. of contracts completed to date.....							
. No. of fee architects engaged for supervisory services.....		Remarks					
. No. of fee architects engaged for architectural service.....							

### RECONDITIONING DIVISION HOME OWNERS' LOAN CORPORATION

District Office No.....

District or Branch Manager.....  
Reconditioning Division

State Architect Adviser.....

.....  
Reconditioning Division













146

Form 359 R

This is to certify that premium has been paid for Policy No. \_\_\_\_\_

Of \_\_\_\_\_  
Insurance Company

Issued to \_\_\_\_\_  
Assured

by \_\_\_\_\_  
Agent

and that this policy will not be cancelled by this company for non-payment of premium.

Dated \_\_\_\_\_  
Agent

Form 359 R

This is to certify that premium has been paid for Policy No. \_\_\_\_\_

Of \_\_\_\_\_  
Insurance Company

Issued to \_\_\_\_\_  
Assured

by \_\_\_\_\_  
Agent

and that this policy will not be cancelled by this company for non-payment of premium.

Dated \_\_\_\_\_  
Agent

Form R-69 - Reconditioning Division

File No. \_\_\_\_\_

STATEMENT OF EXPERIENCE

FEE EMPLOYEE

HOME OWNERS' LOAN CORPORATION

Reconditioning Division

1. Classification: Inspector \_\_\_\_\_ Architect \_\_\_\_\_

Date \_\_\_\_\_

2. Name (Print) \_\_\_\_\_ Age \_\_\_\_\_

Business Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Phone \_\_\_\_\_

Residence Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Phone \_\_\_\_\_

3. I hereby apply for employment to inspect and/or furnish plans, specifications and supervision on construction work upon property where the HOME OWNER has been granted a loan by the HOME OWNERS' LOAN CORPORATION, for reconditioning purposes.

4. Summary of Education \_\_\_\_\_

5. Summary of Practical Experience \_\_\_\_\_

I hereby certify that I have read the foregoing carefully and that it is true and correct to the best of my knowledge and belief.

Signature of Applicant \_\_\_\_\_

6. INSTRUCTIONS: This form is to be completed in triplicate. The original and duplicate are to be returned to Home Owners' Loan Corporation, Reconditioning Division, Washington, D.C. The triplicate is to be retained for record by the State Reconditioning Supervisor.

Each question in this form must be completely answered, in order to give full information as to the applicant's qualifications.

Additional qualifications may be submitted by letter in triplicate and attached hereto.

(Following to be filled in by officers of the Home Owners' Loan Corporation.)

7. Applicant has been interviewed by \_\_\_\_\_ of the Home Owners' Loan Corporation, who reports \_\_\_\_\_ and approves the selection.

Date \_\_\_\_\_ 19 \_\_\_\_\_ State Manager

Date \_\_\_\_\_ 19 \_\_\_\_\_ State Reconditioning Supervisor

Date \_\_\_\_\_ 19 \_\_\_\_\_ Regional Reconditioning Supervisor

8. It is understood that this application is approved, subject to subsequent action of the Housing Adviser to the Board.

9. Remarks: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Weekly Report on Operations

This report shall be mailed in triplicate every FRIDAY MORNING to the State Reconditioning Supervisor. Report figures for all items showing operations during the week ending Thursday, and also cumulative totals covering all operations from the date of opening the Reconditioning Division (June 1st, 1934) to and including the date of the report, including cases taken over from the former repair department and also cases originating after the opening of the Reconditioning Department. Report amounts in dollars where required. Report the number of cases for all items.

ITEMS	OPERATIONS DURING WEEK		CUMULATIVE TOTALS	
	Amount in dollars	Number of cases	Amount in dollars	Number of cases
1. Cases for Reconditioning Loans Received				1
(a) Closed Loans (Reopened for Reconditioning)				
(b) Refinancing Loan Cases				
(c) On Unencumbered Properties				
2. Preliminary Inspections Requested				2
3. Preliminary Inspections Made				3
4. Cases submitted to Loan Committee	\$ _____		\$ _____	4
(a) On Estimate of Costs	\$ _____		\$ _____	
(b) On which bids have been obtained				
5. Cases approved by Loan Committee	\$ _____		\$ _____	5
6. Cases in item #4(a) on which bids have been obtained	\$ _____		\$ _____	6
7. Cases withdrawn or rejected				7
8. Total Contracts Executed	\$ _____		\$ _____	8
(a) Closed Loans (Reopened for Reconditioning)	\$ _____		\$ _____	
(b) Refinancing Loan Cases				
(c) On Unencumbered Properties				
9. Reconditioning Distributions:				9
(a) Necessary Repairs	\$ _____		\$ _____	
(b) All Other Reconditioning				
10. Total Jobs Completed and Approved	\$ _____		\$ _____	10
11. Jobs Paid For	\$ _____		\$ _____	11
<u>SPECIAL AND INSURANCE RECONDITIONING CASES</u> (Not included in above tabulation)				
12. Special Cases (Except Insurance Cases)				
(a) Cases received	\$ _____		\$ _____	12
1. Necessary Repairs Required	\$ _____		\$ _____	
2. Abandoned Properties				
3. Immediate repairs due to damage by elements				
4. Acquired Properties				
(b) Completed and Approved	\$ _____		\$ _____	
(c) Jobs Paid For				
13. Insurance Loss Cases:				
(a) Cases received	\$ _____		\$ _____	13
1. Covered Wholly	\$ _____		\$ _____	
(b) Completed and Approved	\$ _____		\$ _____	
(c) Jobs Paid For				
2. Paid out by Insurance Company	\$ _____		\$ _____	

District Office No. \_\_\_\_\_

HOME OWNERS' LOAN CORPORATION

District Reconditioning Supervisor

By \_\_\_\_\_  
State Reconditioning Supervisor



## Weekly Report on Operations

This report shall be sent to Washington by State Reconditioning Supervisors every Saturday enclosed with the District office reports. Report figures for all items showing operations during the week ending Thursday, and also cumulative total figures covering all operations from the date of opening the Reconditioning Division (June 1st, 1934) to and including the date of the report, including cases taken over from the former repair department and also cases originating after the opening of the Reconditioning Department. Report amounts in dollars where required. Report the number of cases for all items.

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(c) Jobs Paid For				
2. Paid out by Insurance Company	\$ _____		\$ _____	

HOME OWNERS' LOAN CORPORATION

By \_\_\_\_\_  
State Reconditioning Supervisor.





Office No.	Voucher No.	Payee	Period	Amount	For Preaudit Only

(State Manager)



HOME OWNERS' LOAN CORPORATION  
 MONTHLY PAYMENTS TABLE  
 2 and 5 Years

	5% Pr. & Int. 2 yrs.	5% Int. Only 2 or 5 yrs.	5% Pr. & Int. 5 yrs.
\$14,000.00	\$614.20	\$ 58.32	\$264.20
13,000.00	570.33	54.16	245.33
12,000.00	526.46	49.99	226.45
11,000.00	482.59	45.83	207.58
10,000.00	438.71	41.66	188.71
9,000.00	394.84	37.49	169.84
8,000.00	350.97	33.33	150.97
7,000.00	307.10	29.16	132.10
6,000.00	263.23	25.00	113.23
5,000.00	219.36	20.83	94.36
4,000.00	175.49	16.66	75.48
3,000.00	131.61	12.50	56.61
2,000.00	87.74	8.33	37.74
1,000.00	43.87	4.17	18.87
900.00	39.48	3.75	16.98
800.00	35.10	3.33	15.10
700.00	30.71	2.92	13.21
600.00	26.32	2.50	11.32
500.00	21.94	2.08	9.44
400.00	17.55	1.67	7.55
300.00	13.16	1.25	5.66
200.00	8.77	.83	3.77
100.00	4.39	.42	1.89
90.00	3.95	.37	1.70
80.00	3.51	.33	1.51
70.00	3.07	.29	1.32
60.00	2.63	.25	1.13
50.00	2.19	.21	.94
40.00	1.75	.17	.75
30.00	1.32	.12	.57
20.00	.88	.08	.38
10.00	.44	.04	.19
9.00	.39	.04	.17
8.00	.35	.03	.15
7.00	.31	.03	.13
6.00	.26	.02	.11
5.00	.22	.02	.09
4.00	.18	.02	.08
3.00	.13	.01	.06
2.00	.09	.01	.04
1.00	.04	.004	.02