

**MR. APPEL EXPLAINS  
THE HOME LOAN BILL**

(Continued from page 1)  
from all taxes except surtaxes, estate, inheritance and gift taxes.  
In the proposed exchange, the amount of bonds is limited to 80 per cent of the value of the property as determined by the Corporation's appraisal. Market a bill it seems to be assured for these bonds, but there is considerable uncertainty at this time with respect to the price that they will command in the market.

**Direct Cash Loans**  
The Act provides for two direct cash loaning plans besides the plan of exchanging the mortgage note for bonds.

**First:** If you own a home unincumbered and you are in need of funds for payment of taxes and special assessments, or for necessary improvements or additions to the property, the Corporation may advance to you the cash, in return for a first mortgage for the amount of the loan, not to exceed 50 per cent of the appraised value. In such case, the rate of interest will be 6 per cent, and the loan may be repaid in monthly, quarterly, or semi-annual installments.

**Second:** If the mortgage on your home has matured and the holder of the same will neither renew nor accept bonds in exchange, the Corporation is authorized to make to you a direct cash loan which must not exceed 40 per cent of the appraised value. The terms and rate of interest will be the same as in case of number one. Not much can be expected from this latter plan because the average borrower who is afflicted with a defaulted mortgage is not likely to recover through a 40 per cent loan.

**The Exchange**  
The outstanding and interesting feature of this Act is the plan of exchanging bonds for sick and defaulted mortgages. The following requirements must be met by the applicant:

The mortgage must be in first lien and recorded prior to the Act. The building must be adapted for not more than four families.

It must be used by the applicant as a home, or held by him as a homestead.

The property must not exceed a value of \$20,000.00 and the maximum loan is \$14,000.00.

The applicant must indicate his willingness and ability to make monthly payments of \$8.00 per \$1,000.00, including interest at the rate of 5 per cent per annum.

He must render a statement of resources and liabilities.

He must secure the written con-

sent of the mortgagee to accept the bonds. This is important. Without it, the application is of no effect. He must file a written application in the form prescribed by the State Manager.

**How It Works**  
I invite your attention to two simple illustrations showing the practical workings of the plan.

The mortgage loan is \$11,500.00. Interest in default \$500.00. Taxes and assessments paid up. Total amount required, \$12,000.00. New appraised value \$15,000.00. 80 per cent is \$12,000.00, the amount of bonds offered. In an even trade, the mortgagee accepts the bonds in exchange for the mortgage. But, supposing in this case, taxes have accrued in the sum of \$1,000.00. Then, the Corporation would pay that sum in cash and the mortgagee would have to make a sacrifice of \$1,000.00 by accepting \$11,000.00 in bonds. Such a composition in many cases may prove preferable to foreclosing the mortgage.

The Act also contains a special provision for the benefit of the persons whose home has been foreclosed for a period of two years. The property may be redeemed by the exchange method. Distress cases such as this and cases where foreclosure proceedings are pending are to be given the preference.

**The Benefits**  
The owner obtains a new lease, a new deal on his home at a nominal expense. He escapes foreclosure. He pays no commission. His interest rate is reduced to 5 per cent. He has the opportunity of paying for his home during a period of fifteen years. His installment payments may be deferred in case of dire distress.

On the other hand, the mortgagee who accepts the bonds has revived his income, which is guaranteed by the government, and he now holds an investment which is practically tax exempt and which is liquid and marketable as compared with the defaulted mortgage.

**Some Side Lights**  
The Home Owners' Loan Corporation is a temporary agency. Its refinancing and loaning powers cease at the expiration of three years. The plan is functioning. Headquarters have been established all over the country. Mr. William G. Donne, is the State Manager of Illinois, located at 134 N. La Salle Street, Chicago, Illinois.

A number of our bank's customers have filed applications, and you will be interested to learn that in cases where we hold the loan we have agreed to accept the bonds.

It is generally conceded that no Federal Legislation heretofore enacted has aroused public interest as has this Home Owners' Loan Act. On the opening day of the Chi-

cago office, thousands of people, four abreast covering several blocks, stood in line for the purpose of obtaining information and filing application.

While some of the provisions of this Act may need amending, on the whole, it is regarded as a real blessing to the middle classes of this broad land.

You will recall some years ago in a message to Congress touching upon the Volstead Act, President Hoover referred to it as a "Noble Experiment." I predict, fellow members, that when the three year

term of the Home Owners' Loan Act has expired, President Roosevelt will be privileged to pronounce it not an experiment, but a noble accomplishment.

But, here and now comes the taxpayer, the critic, the fault-finder, the pessimist and they want to know how about this institution which you call *the home*? Is it deserving of this unprecedented expenditure? How about this apparent extravagance? Can this colossal financial project on the part of the Government be defended and justified?

Fellow members, when John How-

ard Payne penned the immortal lines of "Home Sweet Home," unconsciously, but indelibly, he planted his foot-prints upon the sands of time.

I venture the assertion, that there is not a man in this audience today who has not at some time or other harbored the ambition to possess, protect and beautify a home.

It is in the home where we set the example and where our children are taught the rudiments of honesty, industry and morality.

It is in the home where the misguided and wayward daughter is

welcomed back and revived with open arms.

It is the old home, his father's house, towards which the penitent and prodigal son wends his weary way.

So, my fellow countrymen, as we on this occasion discuss and analyze this new Home Owners' Loan Law, and as we seek justification for its enactment, let us not overlook the fact that its sole purpose and objective is the promotion, the protection, the preservation of that most worthy and sacred institution, *The American Home*.



WE DO OUR PART

**We Do Our Part**

We deem it not only a patriotic duty but also a distinct privilege to **DO OUR PART** in promoting the spirit of the National Recovery Act.

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**Locals and P**

**Deerfie**

Jack Gibbs is leaving his studies at Junior School near spending the summer of his grandmother, derstadt.

Francis Saeman's home in Cross Plains today, after a seven at the home of George Karch.

Mrs. and Mrs. Ira David left last Wednesday, Missouri, who called because of the Gardner's brother, C ner.

Mrs. Hannah Roe Paul, Minn., is visit with her niece, Mrs. ger.

Mr. A. Potter and ton, Calif., were eve of the E. G. Jacobs fore leaving for Nau other relatives.

Mr. and Mrs. Floy children are in Gr week, visiting Mrs. ter, Mrs. Perle N. B Plagge). Mrs. Sarah turn to Deerfield with after an extended daughter in Gruver.

Miss Irene Koch Wednesday in Lake arrangements for the venton of the Lake ous Education Ass held Tuesday, Sept. Forest M. E. Church.

Mr. and Mrs. Georg who recently sold the McGregor family, are 15 for California. Mr a charter members Club of Deerfield and home that the first held.

Mr. and Mrs. John two sons Roscoe and Harbor, Fla., have b Chicago, the past thr attending the Centur On Tuesday they w of Dr. and Mrs. W. I are leaving this wee ties in Bloomington.

The Ladies' Aid Paul's Evangelical Ch Thursday, Sept. 7, a Mrs. John Ott, Oakley George Ott and Mrs. will be assisting h topic is "Missions— Chandrapur."

Mr. and Mrs. Julia Gurnee, Mr. and Mrs. chison of Waukegan Mrs. Wesley Oliver o were dinner guests T R. D. Reeds home. Hutchisons are movi the Ozarks in Septem a farewell party by relatives.

Mrs. Roy Clavey a bridge luncheon o twelve, at her hom Street.

Mrs. J. Fletcher, Roy Hutchison and da cago visited Saturday Reeds home.

Gordon, son of M Percy McLaughlin, whooping cough.

**ENJOY**

A GLOR AT BEA  
**Wallo**  
Every Ou



**§ FISHING**  
Get the thrill big one. Walloo bass, pickerel, su perch in profusio streams nearby angler.

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**THO**

Lawr  
W.  
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