

Operations of F.H.A. Mortgage System Told

Questions and Answers Tell All Functions

The following questions and answers explain how prospective home buyers and home builders may obtain loans under the Federal Housing Administration's insured mortgage system.

Q. Who may borrow under the insured mortgage system?

A. Any person who has a credit standing satisfactory to the Administrator, so long as the property securing the loan meets certain neighborhood requirements and construction standards.

Q. What is the source of mortgage funds?

A. The 10,000 private lending agencies, such as commercial banks, mortgage companies, life insurance companies, etc., which have been approved by the F.H.A. as lenders.

Q. What is the function of the F.H.A.?

A. The F.H.A. insures advances of funds made by private lending agencies and enforces certain basic requirements in regard to the mortgage, the property, and the borrower.

Q. What is the maximum loan obtainable?

A. \$16,000.

Q. What down payment is required?

A. Amounts ranging from 10 percent to 20 percent of the appraised value depending upon the size of the mortgage loan.

Q. What down payment would be required for a house valued

at \$6,000; at \$10,000; at \$20,000?

A. \$600; \$1,400; \$4,000.

Q. What form must the down payment take?

A. Cash or its equivalent.

Q. How is the loan repaid?

A. In equal monthly installments, in a large number of cases, closely approximate amounts formerly paid in rent.

Q. How long may the borrower take to repay his loan?

A. Up to 20 years for all loans except for those of \$5,400 or less, on single family, newly constructed, owner-occupied houses. For these loans, the maximum period may be for as long as 25 years under certain circumstances.

Q. What do the monthly payments include?

A. Payments include a share of the principal, interest, mortgage insurance premium, taxes, special assessments, fire and hazard insurance.

Q. What is the interest rate?

A. The mortgage insurance premium amounts to 1/2 percent of the decreasing balances of the mortgage, except for mortgages amounting to \$5,400 or less, on which a 1/4 percent premium on decreasing balances is charged.

Q. To whom does the borrower apply for a loan?

A. This will depend on certain conditions. The possible sources of primary information are lending institutions, real estate dealers, building supply dealers, architects, contractors or builders, subdivision developers. In some instances, the borrower may wish to make pre-

Old Homes May Be Modernized To Suit Needs

When a large family buys another home, it might be wise to consider buying an old house offering more space for less money than a small new house. Necessary repairs or modernization may be financed under the terms of the Modernization Credit Plan of the F.H.A.

Large dining rooms were a feature of these houses, these rooms often being of an equal size with the "parlor." If this arrangement does not suit the new owner's habits, these rooms can be made into one large living room. Partitions can be removed and a corner of the new room set aside for dining purposes.

If desired, low bookcases can be built out into the room to separate the dining section from the rest of the room.

A preliminary inquiry at the office of the F.H.A. nearest his home. The F.H.A. is always willing to give advice and any other assistance within its power.

Q. How does the prospective home owner benefit from financing his home under the insured mortgage system?

A. (1) The convenient and all-inclusive monthly payments; (2) the small down payment; (3) the longer term of the mortgage; (4) the careful appraisal, inspection of construction of properties and neighborhood by field inspecting offices; and (5) the freedom from hidden charges, fore-knowledge of charges, payment of principal, etc.; the knowledge that the mortgage will be handled by an able and substantial financial institution, etc.

Modern Garage Can Be Built with Loan Insured by FHA

A modern garage is a distinct asset to a property. Such a structure may be built under the Property Improvement Credit plan of the Federal Housing Administration.

The garage may be used for other purposes than storing the family's car. Shelves can be built in to hold tools and extra parts for the car. Provision may be made for putting away screens, ladders, children's outdoor playthings, etc. Garden tools can be kept in a cabinet.

A flat-roofed garage may be converted into a very attractive roof terrace. A stairway leading up from the garden, a rail-

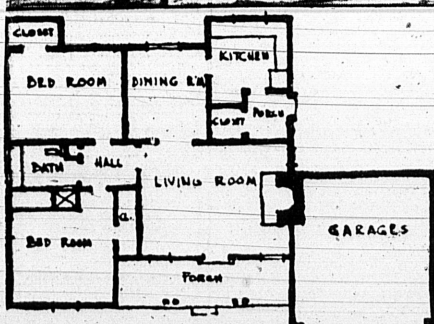
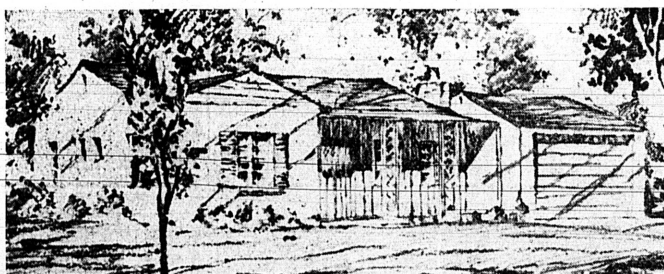
MANTELS MAY BE MODERNIZED

Beautiful fireplaces are found in many old houses, but the old-fashioned mantels that accompany them spoil their beauty. Scroll work or grotesque columns are the despair of the modern decorator.

The Property Improvement Credit plan of the F.H.A. provides funds for the repair, alteration, or modernization of funds. Mantels can be removed completely, if the housewife desired, and replaced by others of modern design.

City Wants Pled Piper
TWIN FALLS, Ida. (U.P.)—This city is looking for a Pled Piper who operates in the rat line. Rats here are declared to be a menace to the city.

This Home Design Offers Many Attractive Features



FLOOR PLAN

Area: 1,165 square feet
Cost: \$4,000.

Combining a decorative exterior design with the maximum home comfort, the accompanying sketch offers a two-bedroom, cottage-type structure which has been planned for a 60-foot lot but which could easily be adapted to the average 50-foot lot by reducing the size of the garage. It is the work of Saul H. Brown, architect.

The materials suggested for its construction are frame and plaster, with wood siding used as a finish for a portion of the exterior. Ornamental trellis pillars support the roof and add interest to the entrance design. Color can be incorporated into the exterior treatment in the

wasted in driveway, is left clear for gardens and play yard for the children.

Has Built-In Features

In the floor plan, the rooms are arranged compactly. The service rooms are separated from the sleeping quarters by a small hall, part of which is utilized as a linen closet.

The living room has windows at either side of the front entrance and at one side of the fireplace. Built-in bookcases are suggested for this area. The dining room and kitchen are conveniently planned with the working equipment within easy reach in the kitchen. The service porch is large enough to house the necessary laundry equipment, and adjoining it is a roomy closet for the storage of brooms and other cleaning supplies.

The bedrooms occupy corner positions which make cross-ventilation possible. Both are equipped with large closets. Separating the bedrooms, and opening off the central hall is the bathroom in which is found a built-in compartment as well as an enclosed tub.

Select Your LOT Now!
\$150 \$350 \$500 \$1000

Buxton

1960 TORRANCE BLVD.

PHONE 172

ELECTRICAL CONTRACTING

TORRANCE ELECTRIC SHOP

1421 MARCELINA AVENUE

PHONE 567

Torrance Herald
And The Lomita News
Published Every Thursday
Grover C. Whyte
Editor-Publisher
1338 El Prado, Phone 444
Torrance, Calif.

Entered as second class matter January 30, 1914, at post office, Torrance, Calif., under Act of March 3, 1897.

Official Newspaper of City of Torrance

Adjudicated a Legal Newspaper By Superior Court, Los Angeles County.

For Less Money Per Month You Can Build a Better Home Than You Can Rent!

IT SEEMS INCREDIBLE BUT IT'S TRUE!

The newly amended FHA . . . sponsored by the U. S. Government . . . offers the Greatest HOME OWNING opportunity in the History of the World!

Let's take a typical example . . .

Appraised Value of Average New 2-Bedroom House and Lot	\$3500
Average Monthly Rental on This Type of Property	\$30
Monthly Payments To Buy Under FHA, Including Principal, Interest, Taxes and Insurance, 25-Year Plan	\$24
(20-Year Plan)	\$26 Month)

Saving Each Month \$4⁰⁰ to \$6⁰⁰

AND BESIDES . . . You're Gradually Building Up a Valuable Equity in the Property . . . You're BUYING A HOME OF YOUR OWN!

Apply these New FHA Figures To the House You Want To Build:

Appraised Value of House and Lot!	Cash Required or Value of Lot Owned!	Amount of Loan Obtainable!	MONTHLY PAYMENTS Including Principal Payments, Interest, Taxes and Insurance.	
			20-Year Plan!	25-Year Plan
\$2000	\$200*	\$1800	\$16 ⁰⁰	\$15 ⁰⁰
\$2500	\$250*	\$2250	\$19 ⁰⁰	\$17 ⁰⁰
\$3000	\$300*	\$2700	\$23 ⁰⁰	\$21 ⁰⁰
\$3500	\$350*	\$3150	\$26 ⁰⁰	\$24 ⁰⁰
\$4000	\$400*	\$3600	\$30 ⁰⁰	\$27 ⁵⁰
\$5000	\$500*	\$4500	\$38 ⁰⁰	\$35 ⁵⁰
\$6000	\$600*	\$5400	\$45 ⁰⁰	\$41 ⁰⁰

*Plus usual Service Charges, Escrow Fee and Title Search. Above Figures Apply ONLY to Owner-Occupied Single Family Dwellings. Other Attractive FHA Terms Are Offered on Multiple Family Dwellings and Modernization of Existing Structures!

HOW TO PROCEED: Inquire at the FREE SERICE BUREAU of the Better Housing Committee at the Torrance Chamber of Commerce, next to the Civic Auditorium. You will be given full details of the newly amended FHA and we will assist you in taking advantage of it. A group of attractive House Plans will soon be available for your inspection without obligation.

Building Lots are Cheap in Torrance NOW—and Building Material Costs are LOW—much lower than a year ago. But with the impetus which the FHA is sure to bring to building, it is wise to take advantage of these favorable conditions NOW.

Better Housing Committee, - Torrance Chamber of Commerce
1345 El Prado - Phone 881

BUILDING LOTS FOR FHA HOMES!

STREET ASSESSMENTS ALL PAID

2—40x140 ft. Lots on Beech North of Blvd. East Fronts	each \$500
1—40x140 ft. Lot on Beech South of Blvd.	\$500
2—75x89 ft. Corner Lots, Manuel and El Prado	
Ideal for 4-Family Flats	each \$1500
4—50x125 ft. Lots on El Prado	each \$1000
40x133 ft. Lot on Cedar	\$350
35x140 ft. Lot on Acacia, North of Blvd.	\$425
50x133 ft. Corner Lot on Cedar	\$750
45x120 ft. Lot on Torrance Blvd.	\$500
105 ft. Triangle Lot on Arlington South of Blvd.	\$500
40x140 ft. Lot on Acacia North of Blvd.	\$525
50 ft. Lot on Arlington South of Blvd.	\$600

Torrance Investment Co.

1409 SARTORI AVENUE

PHONE 476

FIGURE IT OUT FOR YOURSELF

