

NATIONAL NOTES ON REAL ESTATE

BY HERBERT U. NELSON (Secretary, National Association of Real Estate Boards)

Not to be confused with the long-sought opening of discount facilities for mortgages, but nevertheless a step toward creation of reserve banking protection for long term real estate loans, is action just taken by the Federal Reserve Board in regard to the holdings of its member banks.

In its broad function of tightening or loosening the national credit flow, the Reserve Board, in the much talked of recent broadening of its discount and loan rules, for the first time puts mortgages on real estate among bank assets acceptable as collateral for "advances," a new type of loan which a bank may get from the Reserve Bank. On the preferred list of acceptable collateral placed mortgages insured through F.I.A., and other obligations issued for the purpose of financing, or refinancing, or carrying real estate if they meet certain standards.

Its new regulations the Reserve Board sets forth recommendations as to minimum standards to be observed by member banks in making loans upon real estate. These constitute the first regulations so far issued to implement the Banking law amendments of 1935. These amendments of two years ago decidedly liberalized the mortgage loan power of banks in the Federal system.

The Board recognizes the fact that in making real estate loans individual banks will vary in their

Sell Attractive English Cottage



The attractive English cottage, pictured above, was recently sold to Mrs. S. H. Dold, of Detroit, by Max Broek, Inc., local real estate concern.

requirements according to the circumstances of the particular transaction, but the Federal body advances certain standards in addition to those specifically required by law, which it holds as important a matter of sound banking practice. Most notable is the emphasis the Board places upon the value of competent and independent appraisal as the basis for loan action.

Central Provision Liberal To be eligible as preferred collateral under the new "Regulation A," mortgage loans other than those insured under F.I.A. must meet these standards:

- (1) The obligation should be secured by a first lien, evidenced by mortgage, trust deed, or other such instrument, upon improved real estate. This includes improved farm land and improved business and residential properties.
- (2) The amount of the loan should not exceed 50% of the appraised value of the real estate.
- (3) Documents, or certified photostatic copies, must be on file with the member bank to show that a competent appraisal of the real estate was made within a reasonable time before the obligation was acquired by the member bank.

has taken possession of her new home, located at 1017 Pilgrim street, which has four bedrooms, three bathrooms and library.

praised value of the real estate, and loan should be for a term not longer than five years, except that any such loan may be in an amount not exceeding 60% of the appraised value of the real estate securing such loan and for a term not longer than ten years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which 40% or more of the principal of the loan will be amortized within a period of not more than ten years.

This provision is as liberal as is permitted by the present banking law.

(3) Documents, or certified photostatic copies, must be on file with the member bank to show that a competent appraisal of the real estate was made within a reasonable time before the obligation was acquired by the member bank.

Happenings of Long Ago

Bits of News Gleaned From Old Files Of The Eccentric—The Items That Make Up The Historical Background Of The Birmingham Of Today.

Fifty Years Ago—An ear of red corn will be sold at auction at the harvest social. Fun ahead, boys and girls.

Gone at last but not forgotten—we refer to the battle alley fence.

A new shed is being built at the Baptist church for the protection of equines whose owners attend this church. And a good idea, too.

Messrs. "Skinny Davis" and "John Chinaman," the young rascals who took Mrs. Smith's bakery and cake, also, in company with mother of our promising young men, killed and cooked a duck that belonged to C. M. Thoms, near Thoms mill. This was a week ago.

Their acts of lawlessness have at last been rewarded, and should be a warning to others in our midst. On Saturday night a crowd of vagabonds and roughs promanaded our streets, making the night hideous with their ribald singing, obscenity and oaths. They met their

match in the person of M. K. Taber, who appeared suddenly in their midst with a six-foot hickory club, and the whole gang sneaked away.

Twenty-five Years Ago—That fine and large picture of Martha Baldwin hanging in the Baldwin Library is a gift from the Literary Club, and a surprise to the good lady who is the recipient—Miss Martha Baldwin.

Fred "Fritz" Blanding is home for a short time. Mr. Blanding has won glory and renown on the baseball field, and soon he will be as much talked of on the diamond for a pitcher as Cobb is for a fielder. Fred is with the Cleveland club and draws big money for his services.

Miss Lucy Ward, after five years of faithful work in this office, finishes this week. She will go to Washington, D. C., and grow up with the District. She has been a most faithful and com-

petent employee and we hate to see her go. However, we wish her the very best of luck. She deserves it. We worry. That big potato in Shin's was raised by M. A. Rowe. He had a fine yield and they went to 220 bushels per acre. Can you beat it? Enough money went up in tobacco smoke this year to pay the entire cost of the Panama canal.

Five Years Ago—Grand Trunk contract to enter suit on land deal. Hearing in action against state will be resumed Friday. Purchases defended.

Two grid tills clear Saturday. Baldwin will journey to Ferndale; Cranbrook plays Nichols of Buffalo. Nation's greatest highway completed after nine years. Last Woodward stretch from Birmingham to Bloomfield Hills open to traffic.

Closing date of Y. M. C. A. drive is deferred. Slow returns move the committee to prolong campaign for four days. Deadline is Tuesday.

Mail receipts show first jump in 18 months. Birmingham postoffice believed out of danger of lower rating. Crisis is past, belief. Amendments given hearing. County women's council hears

eight proposals explained, debated. Candidates will appear at rally. All parties to be represented at meeting sponsored by A. C. League. Hunters plentiful as season opens. One shot near Crooks road.

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The BOOK SHELF

Late Book Reviews and Literary Criticism by Doris Flint

EDITH WHARTON—1862-1937

Edith Newbold Jones was born into a New York home where she had all the advantages of the day. Private tutors, travel and a natural and absorbing love for cosmopolitan life gave her a background for her writing. She was married in 1885 to Edward Wharton and went to Boston to live. Her later years were spent in Italy and France.

One of her greatest attributes was her keen understanding of the mental processes. Her stories were always excellently written yet they were lifeless with but few exceptions. We feel the pulse beat in only two or three of her stories: "Ethan Frome," "The Age of Innocence" and perhaps "The House of Mirth."

Mrs. Wharton loved to write of the old aristocracy, now extinct, and New York society forms the background for many of her stories. Her stories, like those of two other great women writers of this century, Willa Cather and Edith Glasgow, are concerned with the results of all the evolutionary and revolutionary forces at work on classes and individuals rather than on the forces themselves.

The novel is a psychological dealing with the individuals mental reactions to the problems of life. While today, we are interested in the study of the problems that make life so difficult for the folk living along Tobacco Road, back of the Stock Yards, the Bowery and the Ghetto. In other words we are more interested in causes than in effects. Today's fiction is chiefly sociological.

Perhaps psychological novels are more difficult to write. With the slightest contemplation we can see that it would require intuition, a skilful analysis of character and the knack of accurate description.

If Mrs. Wharton had died in 1930, at the height of her work it would have been much easier to justly evaluate her writing. She wrote of a class of people and of problems neither of which exist today.

Yet, if she had never written

more than "Ethan Frome" her name would go down with posterity. It is a great short novel comparable only to Hawthorne in the greatness of its tragedy of New England love and frustration.

In "The Age of Innocence" she employs the material which she ordinarily uses for background, the social life of old New York. The story concerns a man whose life is held in check by the strict conventions of the early 70's and marries a girl whose cousin he loves.

It was published in 1920 and won the Pulitzer Prize for its author. Of the many stories written by Mrs. Wharton only a few will be remembered. The mediocrity of so much of her writing can be explained perhaps, by the lure of the sensational "woman's magazine." Her cleverly written stories found ready market among the editors of these periodicals.

A DIFFERENCE New York—It took Sheldon P. Taylor and Geoffrey Pope 18 months to go from New York to Nome, Alaska, and two weeks to return. They went via canoe and returned by airplane.

CITY OF BIRMINGHAM ORDINANCE No. 136 Amending Ordinance No. 136

Regulating Moving Picture Shows The City of Birmingham ordains that Ordinance Number 136, entitled "An Ordinance to License and Regulate Moving Picture Shows" be amended by amending Sections Six (6) and Nine (9) of said ordinance, and by the addition of Section Sixteen (16) to be known as Section Six (6) to read as follows:

Section 6. No person, firm, or corporation receiving a license under this Ordinance shall permit any disorderly conduct, or the use of any profane, obscene or indecent language, or to permit such place of amusement or exhibition to become a place of resort of thieves, prostitutes or other disorderly persons, or allow any intoxicated person to be or remain in such place of amusement or exhibition. Such place of amusement or exhibition shall not be kept open after the hour of twelve-thirty o'clock in the morning of any day. PROVIDED, HOWEVER, that said place may be kept open later hours, for special shows or exhibits, when permission therefor is written, in obtained from the Chief of Police. The licensee is hereby made responsible for the carrying out of the above provisions, and any member of the police department or other properly constituted authority shall have the right and power to enter such place and shut off exhibition to determine that the above provisions are being fully carried out.

Section 9. It shall be unlawful for any ordinance or any parent or guardian to have in his charge or under his control, or under, unaccompanied by a parent or guardian, or in the care or custody of any child, to remain in any public place, or to remain in any moving picture show, after the hour of 7 o'clock p. m. It shall be unlawful for any person to sell a license under this ordinance or any parent or guardian of 16 years unaccompanied by a parent or guardian or person of the age of 21 years or over, or guardian in whose care such child, to remain in any public place, or to remain in any moving picture show, after the hour of 10:30 p. m.

Section 16. Any person who violates the provisions of this Ordinance shall be guilty of a misdemeanor, and shall upon conviction thereof, be punished by imprisonment in the Birmingham City or Oakland County Jail for a term of not to exceed 90 days, or by both such imprisonment and fine, in the discretion of the Court. If a Corporation, or other artificial person, violates the terms of this Ordinance, then such corporation or artificial person shall be subject to civil action for the penalty provided in this Ordinance, in any court of jurisdiction. Each day such violation continues shall constitute a separate offense. This ordinance shall take effect immediately upon its publication.

Made and passed by the Commission of the City of Birmingham, Michigan, on the 11th day of October, 1937.

JOHN E. MARTE, Mayor. IRVING E. HANLEY, Clerk.

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