Answer to Question #24 on previous page.

As suggested above, Mr. Weinberger finds keen competition in placing loans. The small mortgage-men, he feels, cannot make an 80% uninsured loan. He has continual applications from private clients to invest in straight or partially amortized loans at 8%. He is unable to find loans for this money. It seems unfortunate to him that it is becoming more and more difficult for the small lender to invest his funds in first mortgages bearing a larger return than can be secured in banks or in first class bonds. Further he sees a tendency, because of the Federal Housing Administration, for mortgage money to be concentrated in large institutions.

He would like to see the Federal Government work out some plan whereby the small mortgage-men could insure loans. Mr. Weinberger thought perhaps some plan might be evolved whereby a charge would be assessed against each loan for Federal Insurance. Perhaps it might be practicable for a mortgage-man to set up a Trust Fund in a responsible institution of groups of mortgages, and issue certificates against them. In that manner he would have provided a safe security for a fair remuneration to the small investor. Mr. Weinberger feels that private guaranteed mortgage companies would not be feasible but thinks the Federal Government could, of course, carry this out notwithstanding depression years.

He is holding his acquired real estate for a definite price. He has raised rents appreciably since 1933, but does not see a further general rise in rents because of the increased building-rate. The rate of new construction is affecting the sale of improved properties as well as rentals. Even a house built in 1929 or 1930 does not now sell easily because the present method of easy financing makes every one demand a new house. People contemplating building are interested in getting as large a house as they feel their income will encompass. The ease with which long-term, amortized loans can be procured leads people to enter into contracts for more expensive homes than they can actually maintain.