

BUILDING AND LOAN

Association Is a Nation-Wide Institution for the Investor or the Borrower

(From the Michigan Property Owner)

In the Magazine of Wall Street, building and loan associations have been consistently recommended as an ideal beginning for investors, whenever carefully chosen. It would not be too much to say that this magazine has in a large measure contributed to the growth of their popularity with groups of investors not previously interested.

The merits of such associations are obvious. They enable small home owners to borrow money for home building and thus realize their aims. Mortgage companies on the contrary, look askance at such small loans. The building and loan association will lend on mortgage, say 6 per cent on homes. Home owners would be fortunate to obtain even 45 per cent on such loans from the straight mortgage companies. Usually the latter will not make such a loan at all.

The principal advantage, however, is not so much in being helped to build one's home, as it is in the elimination of heavy second mortgage charges. Where a mortgage company loans less than 50 per cent, the borrower is compelled to seek a second mortgage. On small homes, such accommodation rarely costs less than 12 per cent. Not infrequently it costs fully 20 per cent or over. It is always terminable in three or five years, usually three. It is upon this saving in interest rates, and the burdens at the beginning of home-owning, that the superiority of building and loan associations is founded.

Furthermore, a building and loan association is a specialist in amortization. That is, whereas, on small loans, the borrower is required to pay the principal amount of his mortgage at its maturity, under the amortization plan he pays gradually a fixed sum, part of which is applied to reduction of the mortgage. Every year interest becomes a smaller part of this fixed sum, and the reduction of the mortgage, a larger part.

Hence, almost without feeling it, the mortgage is paid off, and the maturity date is not looked forward to with fear. There is also avoided the great expense of substituting a new mortgage for the maturing mortgage, when funds are not available to retire the old mortgage.

The merit of this method is shown by its almost universal adoption by the larger mortgage companies when dealing with large sums. For some reason, they have not seen fit to use this method in connection with small mortgages.

Considered from the investment angle, building and loan certificates, alone among all pure investments, have the merit of systematic, and in some cases, of compulsory, savings. The rapidly spreading custom among large brokerage houses of selling high-grade securities on a partial payment plan.

These merits of building and loan associations have been noted by all students of the field. They are legitimate, and of the utmost importance to millions of investors. For this reason, the true cost of such investments must be carefully appraised. It must not be forgotten, however, that building and loan methods differ according to various financial plans of the several companies, and are seriously affected by the laws of the different states. A complete study of all of these plans and regulations would involve many articles.

Interest of investors in building and loan associations centers principally on such matter as "How long will it take for me to repay this loan?" "Is the agree-

High School Spotlight

Kindergarten
The children are making valentines for their Valentine party Friday.

Erwin, Teddy and Sammy have built a post office with the large blocks.

Some new valentine songs have been learned.

The Kindergarten has 100 per cent for the bank accounts this week.

Second Grade
Miss Korb's boys and girls have invited us to a valentine party, Friday afternoon.

Lucille Brydon wrote the reply to their invitations as she had the best one.

In number class we have a cafeteria and are learning to make change.

Miss Percy.

Third Grade
The boys won from the girls in a spelling contest and the working hard to retain the honor of being the best spellers.

We have drawn names for Valentine day and are going to have a Lincoln program and Valentine party Friday afternoon.

Each row of seats in the room has a name, and each desk is numbered.

We are mailing our Valentines in our post box and each one will be delivered to the correct street and number of a friend.

Lola Ann Augur has entered our room from Detroit.

Fourth Grade
In geography class we are studying the continent of North America and the very much interested in it. Francis Davis and Carl Uffelman told us some interesting facts about the Detroit river, Monday afternoon.

Honors were awarded the A and B people in arithmetic Monday morning.

Miss McClellan will receive a letter from each boy and girl in our room this week. She has promised to answer all of the "A" letters that she receives.

Our Valentine party will be Friday afternoon. The committee in charge is, Jane Lester, Ray Keller, Francis Davis, and Bruce Kelly.

Fifth Grade
Hooray! for the boys won the good behavior contest. They have chosen a strong committee of

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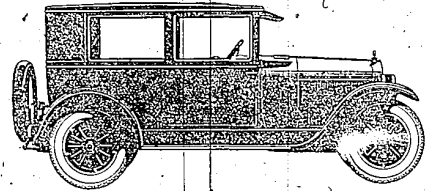
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Valentines, 1926

St. Valentine has thrown away his golden eye. He has bought himself a saxophone and shaved his long whiskers. He has the latest Valentino haircut and it is whispered by the chubby little cupid that ornament his letters that two players have just steps. None of his friends of ten or twenty years ago would recognize him now, for he has turned over the traces and made himself anew in 1926.

Even his little love messages have changed. No more of the slushy, mushy, long-drawn messages for St. Valentine. He says what he wishes

to say now in short, snappy sentences. What used to be "Dearest love, I am waiting and pining for the beneath the rose bush," is now, "Lenuine know quick, kid, can I be your cutie?"

All the newest, jazziest phrases of the age the old saint utilizes for his messages this year and we'll say that he is certainly up to the minute. The stores are filled with kind of valentines, for, after all, what holiday is there so fraught with kid feeling as St. Valentine's day, February 14.

The same old-fashioned, straight-from-the-heart sentiment that characterized the Valentine days of the past still exist, but it is wrapped in new-fangled packages.

All the love and friendship and tenderness is still there, but it is dressed in modern raiment.

The 1925 youth is probably as strong for his girl as was the Beau Brummel of 1800, but he does not send her a valentine saying: "If fate would have thee, fair lady, love, whose raven tresses have captured my heart, say thou wilt be my Valentine and give me joy divine."

Instead he would send her one of 1925 valentines like the dice valentine or another equally new variety.

The dice valentine is a red card bearing a verse and fashioned with little pockets in which repose two dice. The dice are printed on all sides with little scripts such as "you've knocked me cold," "I love you," "say yes," or "you've rapped me sure."

The borders of these valentines abound with modern "jingles" and snappy verses. The cross-word puzzle valentine is making quite a hit. It consists of a huge cross-word puzzle of heart-shaped blank spaces, which when solved reads vertically or horizontally, "I love you, kid," or some message of regard.