

SAVING AND HOME MAKING

Development of Building and Loan Association in United States.

NEBRASKA NEAR BIG LEADERS

Effect of Tornado on Associations in Omaha and How They Handled the Crisis—Instructive Statistics.

MILWAUKEE, Wis., Aug. 9.—(Special.)—The assets of the building and loan associations of the United States are now growing at the rate of a little over \$100,000,000 annually.

These facts featured the annual report of Secretary E. F. Cellarius, delivered at the twenty-first annual convention of the United States league of local building and loan associations, which closed a two days' session in this city today.

The receipts of all associations for 1912 aggregated \$77,679,500, an increase of 10.6 per cent over the previous year.

Nebraska surpasses all western states in assets, with a total of \$28,946,198. These are the figures for the fiscal year ending June 30, 1912. The total for the fiscal year ending June 30, 1913, now being compiled, will go well over \$30,000,000.

The following table shows, by states, the number of associations, total membership and total assets:

Table with columns: State, No. Assns., Total Assets. Lists states from Pennsylvania to Other states with corresponding numbers.

The Omaha Tornado.

The effect of building and loan associations of the Omaha tornado of March 18 and of the Ohio and Indiana floods of March 25-6 twin links of the same disaster storm, were described and discussed by delegates from the debarred districts.

George F. Gilmore, president of the Conservative association, read an able and informing paper on the Omaha disaster, interesting in descriptive features, statistical details and the manner in which the associations handled a situation critical to their membership.

The outright loss of life by the tornado in and about Omaha, Mr. Gilmore placed at 70; the injured at 35, many of whom died afterward, and the number rendered homeless at 2,178.

Mr. Gilmore described the fears entertained by people generally during the sorrowful hours following the storm as to the effect on associations supplying the money for home building in Omaha and their ability to withstand losses then a matter of guesswork.

"A fact which at once allayed all fears and set all minds at rest was that both the large associations of the city—the Conservative and the Omaha—with assets of \$13,500,000, carried what was termed 'blanket tornado' policies of insurance, the purpose of which was to insure all members of these associations against the losses of those borrowing members who did not or would not carry their own specific tornado policies.

The Nebraska Savings and Loan association, with \$750,000 resources, had adopted the rule a number of years ago that it would make no loans without tornado insurance, and it was, therefore, amply protected.

When these facts became known the public mind was set at rest; the business men at once saw wherein the associations would even a greater tower of strength in the building up of the city than it had been in its building.

Approximately 600 buildings on which the associations had loans were total wrecks, with no specific insurance on same either in favor of the association or the borrowers.

The blanket tornado insurance protection was a new thought in most minds. It was first worked out in Omaha by P. W. Kuhna, secretary of the Conservative Savings and Loan association and K. J. Henderson, state agent of the Insurance Company of North America, shortly prior to what is termed 'Omaha' as the 'Bellevue cyclone' of 1904.

By the terms of this policy, upon payment of an agreed premium the insurance company indemnifies the association against what is termed the 'ultimate loss' to a maximum not exceeding \$200 on any one building.

\$4,000, \$5,000 of which value was represented by the improvements and \$1,000 by the lot, and the improvements were totally destroyed, then it would be necessary for the association to sell the lot through foreclosure proceedings, or by securing a deed from the owner, and to apply the proceeds of the sale of the lot to the balance unpaid on the mortgage.

Plan of Settlement. Under the policies carried by the two Omaha associations referred to, it was not necessary to harass and follow up the debtor by foreclosure proceedings, by securing a deficiency judgment against him and by the issuance of orders of execution against other property owned by him, if any, but only to exhaust the security mortgaged to the association in each particular instance where there was a liability on the part of the insurance company.

At first there was some misunderstanding, and perhaps some ill feeling as to the operation of this plan of protection, particularly on the part of borrowing members whose properties were affected.

But more direct and entirely satisfactory to the unfortunate borrowing members, there was in their favor, that through the liberality of the insurance companies the borrowers of The Conservative and Omaha associations were permitted to redeem their own lots, as it were, and to effect a settlement of their debt at less than face, and even to restore their own homes through funds paid into the associations under the terms of these blanket policies.

For instance, one borrower, having a \$3,000 loan on property appraised at \$4,000, was permitted to redeem his lot for \$3,000 cash. This left a loss of \$1,000, which was paid by the insurance company.

The money thus received by the association from the insurance company was used by this particular borrower, together with money from the public relief fund, for the rebuilding of a new home on the same lot. In many cases just as good a home was built in this way as stood on the ground before.

Operating on this plan, eighty-five of the borrowing members of The Conservative and Omaha associations were enabled to rebuild practically through funds coming from the insurance companies in payment of ultimate losses under their blanket policies; aided, of course, in almost every instance by additional funds from the public relief committee; and these eighty-five could not have been reinstated in homes at all without the assistance coming from these blanket policies.

In a few instances the borrowers paid into the associations cash in an agreed amount and took a release of the association's mortgage; the insurance company paying the difference. In this way the protection virtually amounted to specific or individual tornado insurance to at least eighty-five borrowers, and was of the greatest possible benefit when it was found that there was not enough funds in the hands of the public relief committee to rebuild for those whose homes had been destroyed.

The foresightfulness of association officials greatly aided in the prompt rebuilding of the city.

The losses to the insurance companies, under the terms of their policies, amounted to approximately \$5,000; where many thought that the policies would not be sufficiently large to cover the total losses according to the associations.

While it is true that the associations would not have suffered particularly had they not had this protection, as their reserve funds amounted to practically \$400,000, yet the result was to bring direct and timely aid to sufferers, through the insurance companies, where the reserve fund of the associations would not have been used for that purpose.

Motion pictures of the members of the real estate exchange boosting Omaha at the national convention in Winnipeg and over the 1,100 mile trip through the Canadian wheat belt will be shown at the Empress theater this week.

The delegates made all Canada know they were there with Omaha arm bands and Ak-Sar-Ben hats they went through each city they visited and distributed facts about Omaha in pamphlets, circulars and booklets.

Five of the delegates returned from Canada Tuesday. C. F. Harrison, Fred Creigh, J. F. Miles, W. H. Smalls and John Brandt left the party after the special tour of Canada's wheat fields to come back to work.

Utilizing the Telephone. "I was standing in the lobby of a New York hotel late one night recently," said H. L. Palmer, district agent of the New York Telephone company at Jaxators at the hotel switchboard approached the manager, with whom I was talking, and said: 'What do you think that man in suit 25 asked me to do? He said his wife had gone to the theater with some friends and had left him with the two children who were fast asleep. Could he have the telephone off the hook while he comes downstairs and called about the telephone for a change, and would I call him if the children wake up and cry?'

Home-Builders and Home-Furnishers

New Temple of Scottish Rite Masonry Nearing Completion



BEAUTIFUL STRUCTURE AT TWENTYETH AND DOUGLAS MAY BE DEDICATED DURING THE EARLY WINTER.

Record of Building Operations

Building conditions throughout the country for July were practically the same as for June. The official reports of building permits issued by sixty cities, received by the American Contractor, Chicago, reach a total value of \$65,254,194 for the month, compared with \$65,243,719 for July, 1912, a decrease of 15 per cent.

For the seven months ending July 31 the building permits issued in fifty-seven cities reached a total value of \$35,204,400, compared with \$37,578,231 for the corresponding seven months last year, an increase of 8 per cent.

Table with columns: City, July, July, Per. Gain, Loss, Jan. 1 to Aug. 1, 1912, Jan. 1 to Aug. 1, 1913, Per. Gain, Loss. Lists cities like Albany, Albany, Albany, etc.

exchange, "and we were proud to hear it named after Omaha."

See Ad Makes \$20,000 Deal. The small Bee ad has turned the trick again. Toland & Linnahan advertised exclusively in last Sunday's Bee a Douglas county farm. Early Monday morning a man came to their office to answer the ad. Thursday noon the firm had the deal closed and the cash ready to give to the owner.

Meets Again in September. September 10 is the date the Real Estate exchange will resume business. The members want to get back in time to make a whirlwind finish fight against the gas compromise.

Would Be There. The theater in the small town was the topic being talked of by a merry party of actors and playwrights when Augustus Thomas recalled the experience of a New York manager with the owner of a playhouse over in New Jersey.

Advertisement for HOME BUILDERS' SHARES, featuring a large percentage sign and text about guaranteed money in shares.

PERMANENT EXECUTOR TRUSTEE SAFE INVESTMENTS

Of First Importance

in making your will is the naming of an Executor. Appoint the Peters Trust Company whose Charter is perpetual, and your estate will have the best attention.

PETERS TRUST CO. 1622 FARNAM STREET OMAHA, NEBRASKA.

Outdoors

Outdoors is the place for you this hot weather. Get into the woods off by the lake—that's the real vacation.

Camping Outfits

including tent, cot and chairs, will fix you up for the outing and it won't cost much.

Scott-Rawitz Mfg. Co.

Successor to Omaha Tent & Awning Co. and Scott Tent & Awning Co. Eleventh and Harney. Douglas 338 and 882.

BUILDING LOANS

Money to loan to build houses, to improve business property or to pay existing loans. Borrowers may pay from 10 to 20 per cent on loans on interest dates. Interest ceases on amounts when paid.

W. H. THOMAS & SON 228 State Bank Bldg.

Good Paint is Cheap Always

IT IS ECONOMY TO BUY THE BEST PAINTS. GOOD PAINT ALWAYS LOOKS CLEAN AND BETTER, AND INVARIABLY LASTS LONGER.

The Paint Men You Know Barker Brothers Paint Co. 1609 1/2 Farnam St. Tel. Douglas 4750.

Play Tents, \$3.50 PUT UP ON YOUR LAWN. Couch Hammocks WE HANDLE THE BEST ONLY. PORCH CURTAINS, AWNINGS

E. J. Davis SAFE MOVER Heavy Hauling 1212 Farnam PHONE DOUGLAS 353

GORDON FIREPROOF WAREHOUSE & VAN. CO. Branch Office: 218 E. 17th St. Main Office and Warehouse, 219 E. 11th St.

Why Not Save Money Our second hand lumber is bone dry. \$12 to \$18 per M. Iron Beams, Columns, and Lintels, 1 1/2¢ per lb. good as new. Plumbing and all kinds of machinery. Bargains only.

AMERICAN SECURITY CO. Fiscal Agents for HOME BUILDERS 218 E. 17th & Doug. Sts. (Corporated Capital, \$100,000) Correspondence Solicited.

You will find most interesting reading on the want ad pages. Have you read the want ads yet—today?

TIMELY REAL ESTATE GOSSIP

Small Advertisement in Bee Negotiates \$20,000 Deal.

ARE BACK FROM WINNIPEG Five of the Omaha Delegation Have Returned from National Convention—Many Traveling Through Northwest.

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Returning to Omaha the delegates declare their satisfaction with greater emphasis than before. While there are some good cities in Canada, they say none of them is as good as Omaha in any respect.

1868 HY-TEX BRICK 1913 The Standard Hydraulic Press Brick Co. 1302 3 W. O. W. Bldg., Omaha.