
· HOUSING · LEGAL DIGEST

FALL 1940

Supplement To 1939 Summary
of
STATE AND FEDERAL LAWS
relating to
Public...HOUSING...Private

DECISIONS : OPINIONS : LEGISLATION
RELATING TO HOUSING CONSTRUCTION AND FINANCE
ISSUED MONTHLY BY THE
CENTRAL HOUSING COMMITTEE WASHINGTON, D. C.

Fall 1940 Supplement to 1939 Summary of

STATE AND FEDERAL LAWS

relating to

Public....HOUSING....Private

Issued by the

SUB-COMMITTEE ON LEGAL DIGEST

Central Housing Committee on Law and Legislation

H. A. Hockley, Chairman - - - Department of Agriculture
Lawrence E. Mullally - - - - Farm Credit Administration
Albert H. Cotton - - - - - Farm Security Administration
John N. Benney - - - - - Federal Housing Administration
Julius Gordin - - - - - Federal Home Loan Bank Board
William H. Webber - - - - - Office of Government Reports
B. B. Jones - - - - - Department of Justice
Wilbur A. Schmidt - - - - - RFC Mortgage Company
Bernard B. Bailey - - - - - CHC Legal Research

Blanche Lamar Gardner, Secretary.

with acknowledgments to

William H. Webber and Staff Members,
Office of Government Reports;
George N. Thompson, National Bureau of Standards; and
Staff Members of National Resources Planning Board.

FOREWORD

This material has been prepared for the purpose of summarizing the current status of housing legislation in the United States in those eight States having regular legislative sessions in 1940 and is a revision of the 1939 summary of State and Federal laws relating to public and private housing. New sections on Mechanics' Lien Laws have been added, sections on home financing rewritten, and the section on Federal Legislation expanded. It is suggested that these revised sheets be inserted in the 1939 supplement in substitution for the obsolete pages.

With 43 States having regular sessions of the State Legislatures in 1941, a complete revision will be issued when information on State laws enacted is received.

Explanatory Statement

With regard to Public Low-Rent Housing and Slum Clearance:

The United States Housing Act of 1937, as amended in 1938, authorizes the United States Housing Authority to provide financial assistance for the construction and administration of public low-rent housing and slum clearance projects by municipal, county and state public housing agencies for families of low income. Thirty-eight states have enacted enabling legislation to authorize such public agencies to undertake low-rent housing and slum clearance projects. Such state legislation usually (1) authorizes public housing agencies to issue bonds and to acquire property by eminent domain, (2) provides that the property and bonds of such public housing agencies are exempt from taxation, (3) authorizes public bodies and private persons to invest in the bonds of such public housing agencies and (4) authorizes state public bodies to cooperate with public housing agencies or the Federal Government with regard to housing and slum clearance projects. Slum clearance legislation is also often enacted to authorize municipalities to exercise the police power for the repair, closing or demolition of dwellings unfit for human habitation.

With regard to Limited Dividend Housing:

Fifteen states have enacted legislation to authorize limited dividend housing corporations to provide safe and sanitary housing for families of low income and for the elimination of congested and insanitary housing conditions under the supervision, regulation and control of a state housing board or commission. The profits of such corporations are limited by statute. Such corporations are usually authorized to acquire property by eminent domain with the approval of the state board or commission. State boards generally have the following powers with regard to limited dividend housing corporations: to conduct hearings and to study housing conditions to determine the need for housing projects; to approve housing projects prior to their initiation; to approve the area in which projects will be located; to approve the financing of projects; to fix the rents charged; to investigate the business affairs of the corporations; to make rules and regulations with respect to the operation of projects; and in general to supervise all the activities of limited dividend corporations undertaking housing projects.

With Regard to Home Financing:

Inclusion of laws affecting home financing has been limited to those which tend to make or to restrict expeditious and economic availability of mortgage loans to home owners. This information has been broken down to indicate types of instrument used, method and time of foreclosure, redemption period, moratorium, expenses, homestead exemptions, and the existence of laws affecting deficiency judgments. No attempt has been made to distinguish between laws which may be favorable or unfavorable to home financing. Such citations as were thought might facilitate use of this section have been inserted.

With Regard to Mechanics' Lien Laws:

Mechanics' Lien Laws of the various States are concerned with affording to contractors, whatever their class may be, a practical method by which they may obtain the money benefits of their labor. There is no Federal legislation on the subject. Although the method of securing the contractor is substantially the same in every State--by giving to the contractor a lien upon the subject matter of his labors--the procedural details differ in many respects. The right to claim a mechanic's lien being statutory, a contractor must follow the requirements of the statute under which he claims. An attempt has been made to show, in skeleton outline,

the processes by which the advantages of a mechanic's lien may be realized in those States wherein regular sessions of the State legislatures were held in 1940.

Experience has shown a great need for standardization in the field of mechanics' liens and the necessity of the enactment by all the States of a uniform Mechanics' Lien law.

With regard to Building Regulations:

Building codes are concerned with the safety, health and welfare of those in and about buildings. They contain provisions for construction and maintenance intended to minimize danger from fire, from collapse, and from insanitary conditions. They are based on the police power, and except in those places where the Federal Government has direct jurisdiction, represent an exercise of state authority. This authority is generally passed on to the municipalities through enabling acts, powers granted in cities' charters or otherwise. As a result the more than 1,800 building codes in effect are mostly in the form of municipal ordinances. There are a limited number of state codes which are themselves further limited to specific classes of occupancy or specific areas within the state. State building codes are usually in the form of rules and regulations promulgated by boards acting under authority granted by law. Regulation of building construction and equipment is also exercised through housing codes, plumbing codes, elevator codes, electrical codes, and other forms of state and municipal legislation.

With regard to Planning, Platting and Zoning:

The city planning and housing movement has for its objective the more orderly and efficient development of our urban areas for the provision of improved and more economical working and living conditions. The comprehensive city plan which best serves the present and probable future needs of the citizens of a community for their homes, their places of work, their recreation and travel about the community, provides for the appropriate location and development of streets, parks, public utilities and public, private and residential buildings, thus insuring the greatest possible stability of use values in residential as well as other areas. Through enabling legislation most of the states have authorized cities and counties to create an official planning commission and to proceed with the development of city and county planning procedures. Through appropriate land subdivision regulations many cities, townships and counties may exercise control of land development.

The continuing studies by city planning commissions constitute a comprehensive and sound basis of fact for determining housing, recreation, transportation and other needs and properly guiding future development.

Zoning is one of our most important instruments for insuring the orderly development of cities and the preservation of human and economic values. Through zoning, a city regulates the use of buildings, structures, and land by segregating them to their appropriate locations and places limitations upon the height of buildings and space about them, by the establishment of specific zones or districts. Zoning is an exercise of the police power of the state for the protection of health, safety and general welfare of the public. Immediately following adoption of the original comprehensive zoning ordinance in New York City in 1916, the reasoning of the United States Supreme Court in *Welch vs. Swasey* (214 U. S. 91) and *Hadacheck vs. Sebastian* (239 U. S. 394) established the validity of zoning and assured its success. The constitutionality of zoning was firmly established by the decisions of the Supreme Court in the cases of *Euclid Village vs. Ambler Realty Co.* (272 U. S. 365) in 1926 and *Gorrie vs. Fox* (274 U. S. 603) in 1927.

The material on planning, platting and zoning legislation presented herein has been made available by the National Resources Planning Board from its Circular XII (revised Sept. 10, 1939) which also contains citations on State Planning and Recreation.

The following publications, to which reference is made in this summary were prepared by the former Advisory Committee on City Planning and Zoning of the U. S. Department of Commerce:

A Standard City Planning Enabling Act, 1928, 54 p. Government Printing Office, Washington, D. C. 15 cents.

A Standard State Zoning Enabling Act, 1926, 13 p. Government Printing Office, Washington, D. C. 5 cents.

Public Law-Rent Housing and Slum Clearance

Municipal Housing Commission Act, Acts of 1934, Chapter 113, as amended by Acts of 1936-1937, Fourth Special Session, Chapter 11 (Baldwin's 1936 Revision of Carroll's Kentucky Statutes, Sections 2741x-1 to 2741x-15), and as further amended by S. B. 210 and S. B. 214, Acts of 1940, provides for the creation of housing commissions for cities of the first, second, third, fourth, fifth and sixth classes. The area of operation of a commission consists of the city for which it is created. A commission has the power to issue bonds and other obligations and to acquire property by eminent domain. The property and obligations of a commission are exempt from taxation. Rural Housing Commission Act, Acts of 1940, S. B. 211, provides for the creation of housing commissions for counties or groups of counties. The area of operation of such a commission includes all of the county or counties except the area within any city of the first, second, third, fourth or fifth class. Such a commission has the power of eminent domain and the power to borrow money and exercise its other powers to provide housing for persons of low income in rural areas. The property of such a commission is exempt from taxation (See Section 10 as to tax exemption of bonds of commission). Housing Cooperation Act, Acts of 1940, S. B. 212, authorizes any public body to cooperate with a housing commission or the Federal Government with regard to housing projects. Legal Investments Act, Acts of 1940, S. B. 209, provides that the bonds and other obligations of any housing commission or any public housing agency in the United States are legal investments for public and private funds. Validating Act, Acts of 1940, S. B. 213, validated the creation and organization of housing commissions and all agreements, obligations, undertakings and proceedings of such commissions.

In *Spahn et al. v. Stewart et al.*, 268 Ky. 97, 103 S. W. (2d) 651 (1937), the Court of Appeals of Kentucky sustained the constitutionality of the Municipal Housing Commission Act.

In *Jones v. City of Paducah et al.*, 142 S. W. (2d) 365, the Court of Appeals of Kentucky held that where an ordinance establishes tax exemption of a slum clearance project it will be presumed that this will be the equivalent of 20% of any proposed Federal annual contribution and could not of itself be objectionable under statute requiring ordinances for expenditure of more than \$1,000 to lie over one week before adoption.

KENTUCKY (Cont'd.)

Home Financing

Type of instrument used: Mortgage or deed of trust. Method of Foreclosure: Court action. Length of time to foreclose: An average time of six months and three days. Redemption period: One year, provided that the sale of the property does not bring two-thirds of the appraised value. Defendant may remain in possession during the year. (Carroll's Ky. Stat. 1936, sec. 2364) Moratorium: None. Expenses: Exclusive of attorney fees, expenses average as follows: commissioner's fees, \$54.93; revenue stamps, \$2.87; court costs, \$16.05; recording fees, \$1.70; premium on bond, \$16.98. Homestead Exemptions: Exemption from execution not exceeding \$1,000 in value of land and home of debtor, but no exemption from taxation. (Carroll's Ky. Stat. 1936, sect. 1702). Deficiency judgments: No law limiting or prohibiting. Miscellaneous: Laws permitting mortgage loans up to 90 percent of appraised value when insured by Federal Housing Administrator. (Carroll's Ky. Stat. 1936, sec. 4706, 4706-1, 4706-2).

Mechanics' Lien Laws

Persons entitled: Any one performing labor or furnishing materials in the erection, altering or repairing of a house, building or other structure, or for any fixture or machinery therein, or for the excavation of cellars, sisterns, vaults, wells, or for the improvement in any manner of real estate by contract with, or by the written consent of, the owner, contractor, subcontractor, architect or authorized agent. (Sec. 2463)

How claimed: By filing a statement of lien in the office of the Clerk of the County Court of the County in which such building is situated within 6 months after date of last item of labor or materials furnished. This statement, subscribed and sworn to by claimant, or authorized agent, must specify (1) amount due, with all just credits, (2) description of property, (3) name of owner and (4) whether materials or labor were furnished by contract with the owner. (Sec. 2468). Requirements as to filing: County Clerk indorses upon statement of lien date of filing and enters abstract thereof in a book kept for that purpose (Sec. 2469). Filing fees: \$1.00 fee for each statement (Sec. 2469).

KENTUCKY (Con'd.)

Extent of lien: Lien attaches to the house, building or other structure and upon the land on which they are situated to the extent of owner's interest. Duration of lien: Foreclosure must be brought within 12 months of filing statement. If owner dies before expiration of 12 months, claimant is given additional time of 6 months after qualification of personal representative.

Venue: Liens are enforced by equitable proceedings (Sec. 2471). Foreclosure brought in Circuit Court of County where the property, against which lien is asserted, is situated. Discharge of lien: (1) By entry acknowledging satisfaction of lien opposite record thereof in County Clerk's office, signed by claimant, or authorized agent, and attested to by County Clerk. (2) By Court order in proceeding to enforce lien. (3) By execution by owner of the property of bond in double the amount of the lien (Sec. 2478). (Source: Carroll's Kentucky Statutes of 1936, Supplement of 1937, and Session Laws to date.)

Building Regulations

The National Board of Fire Underwriters Building Code is included by reference in Standards of Safety, the regulations of the State Fire Marshal. There is a state tenement house act regulating construction of tenements and apartment houses and a state plumbing code. There are laws requiring the registration of engineers, architects, and plumbers. Municipalities are authorized to adopt building regulations. There are miscellaneous laws regarding fire escapes and other construction details. Twenty-four municipalities of 2500 population and over are reported to have local building codes. Others have fire limit ordinances and miscellaneous regulations concerning construction.

Planning, Platting and Zoning

Local Planning: Laws of 1938, Ch. 18, enables cities of third to sixth classes to plan; includes area five miles beyond municipal boundaries. (Follows Standard City Planning Act.)

Laws of 1930, Ch. 86, (Baldwin Code of 1936, Sec. 3037), creates city and regional planning commissions with jurisdiction five miles beyond corporate limits of cities of first class. (Follows Standard City Planning Act.)

KENTUCKY (Cont'd.)

Laws of 1928, Ch. 80, Baldwin Code of 1936, Sec. 3235f-1), provides for creation of a city planning and zoning commission for cities of second class and surrounding territory. (Substantially follows Standard Act.)

Platting: Laws of 1928, Ch. 89, (Baldwin Code of 1935, Sec. 3562a-1), regulates filing of plats and maps for dedication of streets, ways and easements in corporate limits of cities of the 4th class. See also Code Sections 4017, 3037h-127. Laws of 1938, Ch. 18, provides for subdivision control in third to sixth class cities by plan commission, and five miles beyond city limits.

Zoning: Laws of 1938, H.B. 86, approved March 7, creates the Capital Planning and Zoning Commission and authorizes the adoption of zoning ordinances.

Laws of 1938, Ch. 17, enables cities of third, fourth, fifth and sixth classes to zone. (Follows Standard Act.)

Laws of 1930, Ch. 86, (Baldwin Code, Art. 36A, Sec. 3037h-111), follows the Standard City Planning Act--Title I is "Municipal Planning and Zoning Commissions" - Title II is "Zoning"--but in place of Section on zoning, there is inserted the Standard Zoning Enabling Act for cities of the first class. Laws of 1928, Ch. 80, (Baldwin Code, Art. 15, Sec. 3255f-1), confers zoning authority upon second class cities and adjoining counties. (Follows Standard Act.)

Public Low-Rent Housing and Slum Clearance

Housing Authorities Law, Acts of 1936, No. 275, as amended by Acts of 1938, Nos. 101 and 276 (1939 Gen. Stats., Sec. 6280.1 to 6280.26), and as further amended by Acts of 1940, No. 208, provides for the organization of housing authorities for cities having a population of more than 5,000, and for parishes having a population of more than 55,000. All parishes, regardless of population, may join in establishing regional housing authorities. The area of operation of a city authority consists of the city and the area within one mile from its boundaries, provided no other city of more than 5,000 or parish shall be wholly or partly included therein; the area of operation of a parish authority shall include the parish except that portion within a city of more than 5,000; and the area of operation of a regional authority includes all of the parishes for which it is created except that portion within a city of more than 5,000. The governing body of a city of more than 5,000 may by resolution include such city in the area of operation of a parish or regional authority and the authority of such city shall cease to exist; provided that this may be done only if the city authority has no obligations outstanding. An authority has the power to issue bonds and to acquire property by eminent domain. The property and bonds of an authority are exempt from taxation. Housing Cooperation Law, Acts of 1938, No. 277 (1939 Gen. Stats., Sec. 6280.29 to 6280.37), and as further amended by Acts of 1940, Act No. 210, authorizes any state public body to cooperate with an authority or the Federal Government with regard to housing projects. Legal Investments Law, Acts of 1940, Act No. 209, provides that the bonds of any housing authority or agency in the United States are legal investments for public and private funds and security for public deposits (see also Acts of 1938, Act No. 81, Sec. 62) (1939 Gen. Stat., Sec. 9850.62); and Acts of 1940, Act No. 211). Slum Clearance Law, Acts of 1938, No. 275 (1939 Gen. Stats. Sec. 6280.38 to 6280.48), authorizes cities to adopt ordinances providing for the repair, closing or demolition of dwellings unfit for human habitation. Validating Law, Acts of 1938, No. 278 (1939 Gen. Stats. Sec. 6280.27 and 6280.28), validated the creation of housing authorities.

In State ex rel. Porterie v. Housing Authority of New Orleans et al. 190 La. 710, 182 So. 725 (1938), the Supreme Court of Louisiana sustained the constitutionality of the Housing Authorities and Housing Cooperation Laws.

LOUISIANA (Cont'd.)

Home Financing

Type of instrument used: Mortgage. Method of foreclosure: Court action. Length of time to foreclose: An average time of four months, eleven days. Redemption period: None. Moratorium: None. Expenses: Exclusive of attorney's fees, expenses average as follows: sheriff's fees, \$23.26; advertising cost, \$36.21; curator's fees, \$25.00; revenue stamps, \$1.10; court costs, \$22.13; recording fees, \$15.00; cost of survey, \$10.00; Sheriff's miscellaneous charges, \$9.22; cost of certified copies, \$3.17. Homestead exemptions: There is exemption from execution not exceeding 160 acres of land and other items not exceeding \$4,000 in value (La. Constitution, Art. XI, Sec. 1, as amended Acts 1932, No. 142, Sec. 1, adopted Nov. 8, 1932; 1938, No. 42, Sec. 1, adopted Nov. 8, 1938). No exemptions from taxation (La. Constitution, Art. XI, Sec. 2, as amended Acts 1938, No. 42, Sec. 2, adopted Nov. 8, 1938). Deficiency judgments: No laws limiting or prohibiting. Miscellaneous: Laws permitting mortgage loans up to 90 percent of appraised value when insured by Federal Housing Administrator. (La. Gen. Stats., 1939, Sec. 610.11-610.15).

Mechanics' Lien Laws

Persons entitled: Any one performing work or furnishing materials for the improvement of immovable property with the consent or at the request of the owner or his authorized agent. (Sec. 5106). Architects and consulting engineers are entitled to liens of equal rank with the contractor. (Sec. 5118). Right to lien exists also where no contract has been entered into between the owner and contractor. (Sec. 5117).

How claimed: By filing claim within 60 days after the date of registry of acceptance by the owner or registry of notice of default where contract is in writing, and within 60 days after date of last item of labor or materials furnished, where there is no contract. Claim must set forth the amount due, and must be sworn to and recorded in the office of the Clerk of Court or Recorder of parish where property is located. (Sec. 5107). Requirements as to filing: Lien claims must be recorded in the office of the Clerk of Court or Recorder of the parish in which property is located. (Sec. 5107). Filing fees: \$0.25 (Sec. 5120).

LOUISIANA (Con'd.)

Extent of Lien: Attaches to the land the improvements to the amount of the claim and interest and cost of recording the lien. (Sec. 5107). Leaseholds are also subject to liens for labor and materials. (Sec. 5116). Duration of lien: Lien attaches for period of 1 year from date of filing, unless foreclosure proceedings are begun and in such case suit prescription does not run. (Sec. 5111).

Venue: In court of competent jurisdiction in the parish in which the work is done. (Sec. 5109). Discharge of lien: (1) By joint request of owner and contractor. (Sec. 5107). (2) By presentation by owner of full receipt signed by contractor. (Sec. 5107). (3) By proper court order in foreclosure proceeding. (Source: Louisiana General Statutes of 1932 and Session Laws to date).

Building Regulations:

There is a state building code and a plumbing code. Cities of more than 50,000 are authorized to regulate building construction. Other cities are authorized to regulate certain phases of building construction. There are laws requiring the registration of architects, engineers, and surveyors, and licensing general contractors and journeymen plumbers. Twenty-one municipalities of 2500 population and over are reported to have local building codes. Others have fire limit ordinances and miscellaneous regulations concerning construction.

Planning, Platting and Zoning

Local Planning: Laws of 1928, Act No. 98, La. Gen. Stats., Ch. 10, Sec. 5800, p. 2240, authorizes municipal corporations having a population of 100,000 or more to adopt ordinances in order to condemn buildings or structures which endanger public welfare or safety and provides for removal of such at expense of owner. La. Gen. Stats., 1932, Sec. 5506, p. 2164, authorizes cities of commission-manager form to establish a plan commission and adopt municipal plans.

Platting and Subdivision Control: Laws of 1932, Act No. 80, La. Gen. Stats., V. 2, Sec. 5627, p. 2195, prescribes methods of surveying and plotting lands into lots or plots and defines method of preparing plats thereof and recordation. Laws of 1930, Act. No. 51, La. Gen. Stats., 1932, Ch. 1, Sec. 5344-47, 5629, requires all persons owning real estate in this State who desire to plat the same into squares

or town lots to file in office of keeper of notarial records of the parish where the property is situated maps of such proposed towns or tracts of land before selling any part of same.

Zoning: 1921 Constitution, Art. 14, Sec. 29: "All municipalities are authorized to zone their territory; to create residential, commercial, and industrial districts, and to prohibit the establishment of places of business in residential districts."
Laws of 1926, No. 240 (Stats. of 1932, V. 2, Sec. 5478, 5766, 5788.), enables cities, towns and villages to zone. (Follows Standard Act.)

Public Low-Rent Housing and Slum Clearance

Housing Authorities Act, Laws of 1938, Chapter 338 (1938 Supp. to Code of 1930, Ch. 122E, Sec. 1574 to 1601), provides for the organization of housing authorities for cities and counties. The area of operation of a city authority consists of the city and the area within five miles; and the area of operation of a county authority consists of the county for which it is organized. An authority has the power to issue bonds and other obligations and to acquire property by eminent domain. The property and bonds of an authority are exempt from taxation. The obligations of housing authorities of the state are legal investments for public and private funds. Any public body is authorized to cooperate with an authority or the Federal Government with regard to housing projects. Slum Clearance Law, Laws of 1938, Chapter 337 (1938 Supp. to Code of 1930, Ch. 50, Sec. 150 to 158), authorizes cities, towns and villages to adopt ordinances providing for the repair, closing or demolition of dwellings unfit for human habitation. Validating Law, Laws of 1940, S.B. 92, validated the organization of housing authorities and all agreements, obligations, undertakings and proceedings of such authorities. Rural Homestead Exemption Law, Laws of 1940, H.B. 524, allows usual homestead exemption on farm land adjacent to dwelling conveyed to housing authority.

Home Financing

Type of instrument used: Deed of trust. Method of foreclosure: Power of sale. Length of time to foreclose: May be sold after three weeks' advertising. (Miss. Code 1930, Sec. 2167). Redemption Period: None. Moratorium: None. Expenses: Exclusive of attorney fees, expenses average as follows: recording fees, \$1.64; advertising cost, \$19.66; revenue stamps, \$2.51. Homestead exemptions: Land and building owned and occupied as residence and not to exceed \$5,000 in value, and land not over 160 acres outside of city, town or village, exempt from execution. (Laws 1940, H.B. 524, approved May 9). Exempt from all ad valorem taxes. (Laws 1940, H.B. 1082, approved May 9). Deficiency judgments: No law limiting. Miscellaneous: Laws permitting mortgage loans up to 90 percent of appraised value when insured by Federal Housing Administrator. (Supp. of 1938 to Miss. Code of 1930, Ch. 122E, Sec. 1570).

MISSISSIPPI (Cont'd).

Mechanics' Lien Laws

Persons entitled: Any one furnishing labor, materials or architectural services in erection or improvement of property. Lien dates from the time of making the contract for such erection or improvement. (Sec. 2258). Mechanics and material-men have lien upon personal property improved. (Sec. 2255).

How claimed: Lien effective as against bona fide purchasers or encumbrancers only from the time of commencement of foreclosure suit, or from date of filing the contract under which the lien arose in the office of the Clerk of the Chancery Court. (Sec. 2258). Requirements as to filing: Lien is effective from the time of filing in the office of the Clerk of the Chancery Court. (Sec. 2258). When the contract is in writing it may be recorded as deeds and other instruments. If the contract relates to a house, etc., it shall be recorded in the office of the Clerk of the Chancery Court of the county in which the land on which it stands is situated; if contract relates to a railroad embankment or water craft, it shall be recorded in the office of the Clerk of the Chancery Court of the county in which the work is done. (Sec. 2261). Filing fees: For recording the record of deeds and indexing same, for every 100 words, and 4 figures shall be counted as one word - \$0.10.

Extent of lien: If property improved is in a city, town or village, lien shall extend to and cover the entire lot of land on which it stands and the entire curtilage thereto belonging; if property improved is not in a city, town or village, lien extends to and covers 1 acre of land on which the same may stand, if there be so much, to be selected by the holder of the lien. If the structure be a railroad or railroad embankment, lien extends to and covers entire roadway, right of way, depots and other buildings used or connected therewith. (Sec. 2258). If work is done at the instance of a tenant, guardian or other person not the owner of the land, lien covers only the house, or estate of such person in the land, unless the work was done with the written consent of the owner. (Sec. 2260). Duration of lien: If suit be seasonably begun to enforce the lien the same will continue until the debt is extinguished.

MISSISSIPPI (Cont'd.)

Venue: In the circuit court of the county in which the property or some part thereof is situated, if the principal of the demand exceeds \$200, within 12 months next after the money due and claimed by the suit becomes due and payable, and not after (Sec. 2262). Justices of the Peace shall have jurisdiction of the case where the amount does not exceed \$200. (Sec. 2271). Discharge of lien: No statute affirmatively requires the lienor to satisfy the lien of record. The courts, however, would adjudge its satisfaction in a proper proceeding should the lienor wrongfully refuse to cancel the same. (Source: Mississippi Code of 1930 as amended to date.)

Building Regulations

There is no state building or plumbing code. There is a law requiring the registration of architects and engineers. There are laws regulating fire escapes and other exits and delegating certain regulatory powers over building construction to municipalities. Thirteen municipalities of 2,500 population and over are reported to have local building codes. Others have fire limit ordinances and miscellaneous regulations concerning construction.

Planning, Platting and Zoning

Local Planning: No Law.

Platting: Laws of 1930, Code Sec. 7150, regulates recording of plats.

Zoning: Laws of 1924, Ch. 195, as amended by Laws of 1938, H.B. 30, approved February 24, confers zoning authority upon municipalities of 1,500 inhabitants or over. (Follows Standard Act.)

Public Low-Rent Housing and Slum Clearance

Local Housing Authorities Law, Laws of 1938, Ch. 19, as amended by Laws of 1938, Ch. 210 (1938 Supp. to Rev. Stats. of 1937, Sec. 55:14A-1 to 55:14A-26), provides for the creation of housing authorities for municipalities and counties. A regional housing authority may be created for two or more municipalities. The area of operation of an authority consists of the municipality or county or two or more municipalities for which an authority is created. An authority has power to issue bonds and to acquire property by eminent domain. The property and bonds of housing authorities are exempt from taxation. The bonds of housing authorities of the State are legal investments for public and private funds. State Housing Authority Law, Laws of 1933, Ch. 444, (Rev. Stats. of 1937, Sec. 55:14-1 to 55:14-13), establishes the state housing authority and defines its functions and powers. Housing Cooperation Law, Laws of 1938, Ch. 20, as amended by Laws of 1938, Ch. 211 (1938 Supp. to Rev. Stats. of 1937, Sec. 55:14B-1 to 55:14B-8), authorizes any public body to cooperate with an authority of the Federal Government with regard to housing projects. Eminent Domain Law, Laws of 1938, Ch. 21 (1938 Supp. to Rev. Stats. of 1937, Sec. 20:1-30 and 20:1-36), provides for the proceedings to be observed in the exercise of power of eminent domain. Validating Law, Laws of 1939, Ch. 187, validated the creation of housing authorities and all agreements, obligations, undertakings and proceedings of such authorities.

In Roman et al. v. Housing Authority of the City of Newark et al., --- N. J. ---, 12 A. (2d) 384 (1940), the Court of Errors and Appeals sustained the constitutionality of the Housing Authority Law. See also Kantor v. City of Perth Amboy et al., 10 A. (2d) 184 (1939), and Con Realty Company v. Ellenstein et al., 14 A. (2d) --- (1940).

Limited Dividend Housing

Public Housing Law, Laws of 1933, Ch. 78 (Rev. Stats. of 1937, Sec. 55:15-1 to 55:15-31) and Laws of 1933, Ch. 444 (Rev. Stats. of 1937, Sec. 55:14-1 to 55:14-13), authorizes limited dividend housing corporations to provide housing for families of low income or for the reconstruction of slum areas under the regulation and supervision of the State Board of Public Utilities. Such corporations have the power to acquire property by eminent domain only with the approval of the Board. Such corporations are exempt from all State and

NEW JERSEY (Cont'd.)

local taxes except a fee for incorporation and a tax of 10% on their gross income.

Home Financing

Type of instrument used: Mortgage. Method of foreclosure: Court action. Length of time to foreclose: Four months on the average. Redemption Period: If, after foreclosure and sale of mortgaged property, the person entitled to the debt obtains judgment in an action on the bond for any balance of the debt, such recovery opens the foreclosure and sale, and a suit for redemption may be brought within six months after entry of the judgment for balance of the debt. (Rev. Stat. N. J. 1937 Vol. I, Title II, Sec. 2:65-4 and 2:65-5) Moratorium: None. Expenses: Excluding attorney's fees, court costs average \$138. Homestead exemptions: Lot and building to value of \$1,000 are exempt from execution. There is no exemption from taxation. (Rev. Stat. N. J. 1937, Vol. I, Title II, Sec. 2:26-110) Deficiency judgments: Suit on bond may be had for deficiency if instituted within three months after confirmation of sale. (Rev. Stat. N.J. 1937, Vol. I, Title II, Sec. 2:65-1, et seq.) Miscellaneous: Laws permitting mortgage loans up to 90 percent of appraised value when insured by Federal Housing Administrator (Rev. Stat. N.J. 1937, Vol. I, Title 17, Secs. 17:2-5, 17:2-6, as amended by laws 1938, 1938 Cum. Supp. to Rev. Stats. and 17:12-45, as amended by Laws 1939, Ch. 129).

Mechanics' Lien Laws

Persons entitled: Any person performing labor or furnishing materials for the erection, construction, completion, alteration or removal of any building, dock, wharf, pier, etc., or for or about the improvement of land through irrigation or for the repair of fixed machinery or for sinking a well (2:60-107). No lien may attach to the property where the amount of the debt does not exceed \$200.00, or where the materials have been furnished under a contract of conditional sale (2:60-108). Liens for work done on behalf of a tenant, or other person not the owner, who holds an interest in the land, shall attach only to the interest of such person unless work was performed or materials furnished with written consent of the owner (2:60-109).

How claimed: No lien shall be claimed prior to the filing, in the office of the Clerk of the County wherein the property is located, of a mechanic's notice of intention to perform labor or furnish materials. The lien claim must then be filed within two years from the filing of such notice unless the right of lien is extended by the filing of a further notice before the expiration of the two year period. This second notice is to be in the same form as the first and shall recite that it is filed to protect the right of lien based on the former notice. These provisions do not apply where work done or materials furnished is or are to be paid for within two weeks and do not exceed in value \$200.00 (2:60-112). A lien claim shall be filed within four months after the last labor is performed or materials furnished with the Clerk of the County where the land is located (2:60-129). Failure to file the claim as provided or a wilful or fraudulent misstatement in the bill of particulars of the matters required to be stated therein shall free the lands and building from all liens for the matters mentioned in the claim. (2:60-130). Lien claims may be amended (a) upon applications of the claimant in matters of substance as well as form and (b) upon application of the owner, builder or claimant so as to alter the description of the curtilage, both requiring notice to all parties, upon order of a judge of the supreme or a county court, such amendment to be put in writing and filed with the proper clerk, but no amendment shall affect intervening rights of any bona fide purchaser or mortgagee (2:60-132). At any time before judgment on a lien claim a justice of the supreme court or the circuit court judge before whom the action on such lien claim is pending, on application of the lien claimant and on reasonable notice to all parties interested, may order any mechanic's notice of intention filed therein pursuant to Article X of Ch. 60 of Title 2 of the Revised Statutes (2:60-105--2:60-179), to be amended, in matter of substance as well as in matter of form, whenever it shall appear to him that such amendment can be justly made; and whenever such amendment shall be ordered, the same shall be put in writing and signed by said justice or circuit judge, and shall be then filed in the office of the county clerk, but no amendment shall affect the rights acquired by any bona fide purchaser or mortgagee between the time of filing the original notice of intention and the filing of such amendment (A.B. 474, Laws of 1940, effective June 30, 1940). If labor is performed or materials furnished for more than one building, a statement apportioning the amount thereof between the houses shall be filed in

NEW JERSEY (Cont'd)

lieu of the bill of particulars above discussed (2:60-133). Release of one or more buildings from such claim shall not operate to release all (2:60-134).

Requirements as to filing: The filing of a mechanic's notice of intention to perform labor or furnish materials or a written contract signed by the owner of the land with the Clerk of the County wherein the land is located is a prerequisite to the assertion of a claim. (2:60-112,115). It is also necessary to file a lien claim with the same officer (2:60-129).

Filing fees:

Filing and recording claim	\$3.00
Recording, filing and noting on the record discharge, release or satisfaction	3.00
Filing satisfaction, discharge or release50
Filing statement of district court judgment	2.00
Indexing10 per name
Filing, recording and indexing notice of intention25
Filing certificate discharging notice of intention and noting discharge on record25
Filing stop notice (22:2-19)25

Extent of lien: When the lot or curtilage on which a building is erected is not surrounded by an inclosure separating it from adjoining lands of the same owner, then the lot on which the building shall extend shall be such tract as in the place of its location is usually known and designated as a building lot and bounded by lines laid down on any map made for its sale or on file in any public office to lay out such lots. Where there is no map the lot may be designated, but shall not exceed half an acre nor extend to any building not used or occupied in connection with the building on which the lien is claimed. (2:60-111). Where the work requested by or done on behalf of one holding an interest other than that of the owner, the lien shall extend only to such interest in the absence of the owner's written consent to such work or materials (2:60-109). Duration of lien: A mechanic's notice of intention protects the right to claim a lien for two years from the filing thereof and may be renewed (2:60-112). A lien claim must be filed within four months after the labor or material is furnished (2:60-129). No such claim may be enforced unless a summons issues within four months from the last work or materials furnished or within an

extended time not to exceed four months agreed to by the parties in writing (2:60-136). The time of the issuance of the summons must be endorsed on the lien claim and the claimant must prosecute his claim within one year from such date or within further time as the court may direct, otherwise the claim shall be discharged by order of court (2:60-137). By serving a written notice, the owner may require the claimant to commence his action within 30 days from the receipt of the notice and in such case the claim may only be enforced by action so begun (2:60-138).

Venue: In the circuit court of the county, or if the amount does not exceed \$500.00 in any district court in the county where the building is situated. (2:60-135). Discharge of lien: Failure to comply with the provisions as to the indorsement of summons on the lien claim or the prosecution of such claim within the time allowed is grounds for discharge of the claim upon order of court (2:60-137). The buildings and land may be discharged from the claim by the filing of a bond with the proper clerk approved by a judge of the circuit or common pleas court in such county in double the amount claimed with a duly authorized surety conditioned for the payment of any judgment and costs that may be recovered (2:60-169,170). The building or land may also be discharged by (a) payment and receipt therefor by the claimant which when executed in the presence of and attested by an officer entitled to take the acknowledgment of a deed, or when acknowledged and proved before such officer, shall be filed and entered by the clerk on his records; (b) payment of the claim with interest and costs to the proper clerk who shall pay the same to the claimant; (c) by failure to issue a summons within the time provided or to endorse notice of summons on the claim or when a judge of the circuit or supreme court of the proper county is satisfied by affidavit or otherwise that such default exists and the lien is still on record, he may order the clerk to enter a discharge thereof; (d) failure of the claimant to commence suit within 30 days after receipt of a written request from the owner so to do; (e) where a judge of the supreme or circuit court of the proper county is satisfied by affidavit or otherwise that the lien is paid and the claimant or his attorney has died or removed from the state, the claim remaining on record, he may order the clerk to enter a discharge; or (f) when judgment in the action is for the defendant and no appeal is taken within the prescribed time, the judge may order the clerk to cancel and discharge the lien of record (2:60-173). When the claim is paid, satisfied or discharged, the party who filed a mechanic's notice of intention shall file with the proper clerk a

NEW JERSEY (Cont'd.)

certificate duly acknowledged or proved stating (a) the date of filing the notice, (b) the file number thereof, (c) the name of the owner of the land and (d) the name of the person for whom the work was done or material furnished, and directing the clerk to discharge the mechanic's notice of intention of record. If the claimant fails or refuses to discharge the claim, then upon application by a party in interest, the circuit court of the proper county, upon 5 days' written notice to the claimant, or upon satisfactory proof that he has died or is not to be found within the State, may order the notice of intention to be discharged (2:60-174, as amended by Ch. 316, Laws of 1939, effective Aug. 8, 1939.). Satisfaction may also be by warrant or authority of attorney of record of claimant. (2:60-177). Where the claim is contested, a deposit of the amount thereof with the clerk with interest for six months and an additional \$25 shall operate to discharge the land and buildings (2:60-178). (Source: Rev. Stat. of New Jersey, 1938, and Session Laws to date).

Building Regulations

There is a state building code regulating the construction of places of public entertainment. There is also a state building code regulating public school construction. There is a construction safety code. There is no state plumbing code. There is a state tenement house law. There are laws regulating fire escapes and requiring the registration of architects, engineers, and land surveyors. Municipalities are authorized to enact ordinances to regulate building construction. One hundred forty-three municipalities of 2500 population and over are reported to have local building codes. Others have fire limit ordinances and miscellaneous regulations concerning construction.

Planning, Platting and Zoning

Local Planning: Laws of 1935, Ch. 251, Code of 1937, 40:27-1, authorizes creation of county and regional planning boards. (Follows certain provisions of Standard Act.)

Laws of 1930, Ch. 235, Code of 1937, 40:55, enables municipalities other than counties to prepare, adopt and enforce master plans, official maps and subdivision plats for municipal planning purposes. (Follows Standard City Planning Enabling Act.)

Platting: 1937 R. S. 40:27-7, 40:55-12, regulate platting and subdivisions.

Zoning: Laws of 1927, Constitutional Amendment (Art. 4, Sec. 6, par. 6), authorizes the Legislature to enact general laws under which municipalities, other than counties, may adopt zoning ordinances.

Laws of 1928, Ch. 274, enables all municipalities to zone. (Follows Standard Act.) See also Laws of 1930, Ch. 235.

Public Low-Rent Housing and Slum Clearance

Public Housing Law, Laws of 1939, Ch. 808, as amended by Laws of 1940, Ch. 393 and 444, sets forth the powers, duties and privileges of housing authorities for cities, towns and villages. The area of operation of an authority consists of the city, town or village for which it is created, except that an authority created for a town shall not include any village unless its local legislative body consents thereto. An authority may issue bonds and other obligations and acquire property by eminent domain. The property and obligations of an authority are exempt from taxation. Any municipality of the State is authorized to cooperate with an authority, a municipality, the State, or the Federal Government in certain respects with regard to housing projects. The obligations of housing authorities of the State are legal investments for public and private funds. Housing Debt Law, Laws of 1939, Ch. 946, authorizes the incurring of a state debt for housing. Housing Subsidy Law, Laws of 1939, Ch. 953, authorizes the making of contracts for periodic subsidies and appropriates a certain sum for current subsidies. Housing Division Law, Laws of 1939, Ch. 809, relates to the superintendent of the division of housing. Beginning January 1, 1939, the State Constitution (Art. X, Sec. 5), required a special act of the Legislature for the creation of a housing authority. Prior to 1939, housing authorities were created for cities, first-class villages and counties pursuant to the Municipal Housing Authorities Law, Laws of 1934, Ch. 4, as amended by Laws of 1935, Ch. 310 (McKinney's Consolidated Laws of New York, Vol. 65, Sec. 2310 to 2328), as further amended by Laws of 1938, Ch. 218, 395 and 461 (1938 Pocket Part of McKinney's Consolidated Laws of New York, Vol. 65, Sec. 2311 to 2327). The Municipal Housing Authorities Law was repealed and replaced, as of July 1, 1939, by the Public Housing Law of 1939. The State Housing Law was similarly repealed and replaced by the Public Housing Law of 1939. The State Board of Housing was thereby replaced by a State Superintendent of Housing, whose title was changed to State Commissioner of Housing by Laws of 1940, Ch. 444. Article XVIII on Housing was added to the State Constitution effective January 1, 1939. Validating Laws, Laws of 1935, Ch. 311, 312, and 313, validated the creation of housing authorities for New York City, Buffalo and Schenectady, respectively. Public Authorities Law, Laws of 1939, Ch. 870, as amended by Laws of 1940, Ch. 297 and 583, contains in Article 6 thereof provisions similar to those in the Validating Laws and also creates a housing authority for New Rochelle; and Article 8 thereof provides for annual reports by authorities continued or created by such law. Amendment to Real Property Laws,

NEW YORK (Cont'd.)

Laws of 1940, Ch. 446, authorizes fiduciaries, banks and insurance companies to sell property designated by a housing authority or planning commission as substandard.

In *New York City Housing Authority v. Muller et al.*, 270 N.Y. 333, 1 N.E. (2d) 153 (1936), the Court of Appeals of New York sustained the validity of the exercise of the power of eminent domain pursuant to the Municipal Housing Authorities law.

Limited Dividend Housing

Public Housing Law, Laws of 1939, S.B. 936, authorizes limited dividend companies to provide low cost housing under the supervision, regulation and control of the State Superintendent of Housing. Such companies have the power to acquire property by eminent domain. Housing companies are exempt from state taxation. Bonds and dividends of such companies are exempt from all taxation. Municipalities are authorized to exempt such companies from municipal taxation for not more than fifty years. The Public Housing Law of 1939 (effective July 1, 1939) repealed and replaced the State Housing Law, including its provisions on limited dividend corporations (McKinney's Consolidated Laws of New York and 1938 Pocket Part, Vol. 65, Sec. 2251 to 2303 and 2340 to 2343).

Home Financing

Type of instrument used: Mortgage. Method of foreclosure: Court action or by sale after notice and advertisement, if the mortgage contains the customary power of sale. Length of time to foreclose: An average time of three months and seventeen days. Redemption period: None. Moratorium: Extended to July 1, 1941 (Civil Practice Act 1940, Sec. 1077(a)-(g)). Expenses: Exclusive of attorney's fees, expenses average as follows: auctioneer's or trustee's fees, \$27.06; advertising cost, \$54.85; referee's fees, \$90.85; revenue stamps, \$3.94; court costs, \$7.19; recording fees, \$2.28; service fees, \$5.36; title search, \$16.77. Homestead exemptions: Lot of land with one or more buildings not exceeding in value \$1,000 is exempt from execution. No exemption from taxation. (Civil Practice Act 1940, Sec. 671). Deficiency judgments: Motion for deficiency must be made within ninety days after foreclosure sale. (Civil Practice Act 1940, Sec. 1083, 1083(a)-(b)). Miscellaneous: Laws permitting mortgage loans up to 90 percent of

NEW YORK (Cont'd.)

appraised value when insured by Federal Housing Administrator.
(McKinney's Laws of New York, Unconsolidated Laws, Book 65, Sec. 41).

Mechanics' Lien Laws

Persons entitled: Any person who furnishes labor or materials for the improvement of real property. Materials manufactured but not delivered are deemed to be materials furnished. (Sec.)3) Any person who performs any labor for a railroad corporation shall have a lien upon the track, rolling stock and appurtenances and the land upon which they are situated. (Sec.6)

How claimed: By filing a notice of lien. Requirements as to filing: Notice of lien may be filed at any time during progress of work or furnishing materials, or within 4 months after the date of the last item of labor or materials furnished. (Sec. 11) Notice must be filed in clerk's office of county where the property is situated; if it is situated in two or more counties, the notice shall be filed in each. Filing fees: The county clerk is to receive \$0.25 for filing and docketing notice of a mechanic's lien, and for cancelling such a notice \$0.25. (Chap. 11, Sec. 174)

Extent of lien: The lien extends to the owner's right, title and interest in the real property and improvements existing at or after the time of filing the notice. It shall extend also to an interest assigned for the benefit of creditors where the assignment was within 30 days prior to such filing. (Sec. 4) Duration of lien: One year after notice of lien has been filed, unless an action to foreclose is brought within that time and a notice of the pendency of such action is filed; or unless a court order extending such lien (for not longer than a year) be granted, and docketed. Such an order may be regranted each successive year. (Sec. 17)

Venue: If, after the work has been completed or abandoned, there is unused material still on the premises, the materialman furnishing such material may repossess and remove it, and reduce his lien claim for the price thereof (Sec. 39-c, 1935 Cum. Supp.). A contract action may be brought against the person and property liable (Sec. 41). The provisions of the civil practice act in reference to foreclosure of mortgages are applicable. Where several lien

actions are brought they may be consolidated. (Sec. 43) Necessary parties in an action to enforce a lien are: All lienors who have filed notices; all subsequent lienors by judgment, mortgage or otherwise; the record owners, (such parties are required to set forth their liens); and the state, when public funds are liable. (Sec. 44) The court shall determine order of priority of lienors (Sec. 45). The statute also provides for procedure in enforcement of lien in a court not of record (Sec. 46); for substituted service (Sec. 47); for procedure on return of summons; answer, and judgment by default (Sec. 48); for the joining of issue in a court not of record (Sec. 49); for execution of judgment on mechanic's lien in a court not of record (Sec. 50); and for appeals from and transcripts of judgment in courts not of record (Secs. 51-52). The judgment may direct delivery of property in lieu of money. (Sec. 57) If proceeds upon sale of property are not sufficient to cover debt, a deficiency judgment shall be granted (Sec. 58). The statute also provides for the bringing in of new parties by amendment. (Sec. 62)

Discharge of lien: (a) By certificate of lienor stating satisfaction or a release as to a portion of the realty affected thereby, acknowledged or proved by him and filed in the office where notice of lien is filed. The county clerk shall note the filing in the "lien docket." (b) By failure to follow any of the statutory provisions continuing the lien's duration. (c) By court order vacating or cancelling lien for neglect of lienor to prosecute (for procedural provisions, see Sec. 59). (d) By the owner or contractor executing (before or after action commenced) an undertaking with two or more sureties (or by a surety company) in such amount as the court may direct (not less than the amount of the lien) conditioned for payment of any judgment which may be rendered against the property in the enforcement of the lien. A copy shall be served upon the lienor within five days. Upon the court's approval of the undertaking, it shall order the lien discharged. (e) By filing with the county clerk of a transcript of judgment in favor of the owner of the land against which the lien is claimed, with proof of service of notice of entry thereof. (Subsection 1-5 of Sec. 19) (f) Where it is patent that the lien claim is invalid the owner of the property may apply to the county judge of the county in which the lien is filed for an order summarily discharging the lien. (Subsection 6 of Sec. 19) (g) By depositing with the proper clerk the amount claimed under the lien with interest to the time of deposit after notice of lien is filed but before action is commenced,

it may be discharged by payment into court of such sum as the court (after 5 days' notice to the parties) shall direct. Thereupon the clerk shall note the discharge. (Sec. 20) (h) An owner of real property upon which there are mechanic's liens (not laborers' liens) may sell free therefrom if lienors to the extent of 55% of the notices filed prior to the deposit by an acknowledged instrument designate and authorize a person to consent to the deed, which consent is conditioned upon the deposit of a specified sum of money with the proper clerk. The property is thereupon free from such liens. (Sec. 31) (i) Owner or contractor may execute before or after beginning an improvement, a bond in such sum as the court may direct, conditioned on the payment of judgment liens (under this act). Upon the filing of the bond with the proper clerk, the property shall be free from such liens. A lien claimant under such a bond shall file this claim with the same clerk stating facts required by the statute. (Sec. 37(6)). The statute provides for the enforcement of the lien. (Sec. 37)

Miscellaneous: By Act #887, approved April 15, 1940, it is provided that application to New York City municipal court for warrant of seizure in action to foreclose lien on chattel, must fix time and place where application is returnable and must be brought in district court where action will be instituted. (Source: Ch. 34 of Cahill's Consolidated Laws of New York, 1930. Supplements thereto and Session Laws to date.)

Building Regulations

There is no state building code, although a draft of one has been prepared. There are state requirements for the construction of factory buildings and places of public assembly. Laws in effect require the registration of architects and engineers. There are numerous laws regarding safety during construction, exit facilities, and other features of construction. There is a Multiple Dwelling Law, applying to cities of 800,000 population and over, which takes up in detail the items customarily included in housing laws. There is no state plumbing code; there is, however, a standard plumbing code recommended by the State Health Department. There is a law requiring the licensing of plumbers in cities. There are laws granting municipalities the power to limit the height of buildings and deal with building regulation. One hundred twenty-nine municipalities of 2,500 population and over are

reported to have local building codes. Others have fire limit ordinances and miscellaneous regulations concerning construction.

Planning, Platting and Zoning

Local Planning: Consolidated Laws, Ch. 62, provides for planning in towns.

Consolidated Laws, Ch. 64, provides for planning in villages.

Consolidated Laws, Ch. 21, provides for planning in cities.

(See also NRPB Circular XII for list of citations for special planning enabling Acts.)

Platting: Laws of 1939, Ch. 590 (amending Consolidated Laws, Ch. 62, Sec. 277), establishes additional requirements for platting and subdivision control.

Laws of 1936, Ch. 868, regulates platting and subdividing.

Laws of 1938, Ch. 649, amends the real property law (Consolidated Laws, Ch. 50) relative to payment of taxes prior to filing subdivision maps.

Laws of 1938, Ch. 260, amends public health law relative to filing of maps or plats showing subdivisions of land in towns, (For additional laws see NRPB Circular XII.)

Zoning: Laws of 1926, Ch. 714, (Cahill Consolidated Laws, Ch. 61, Sec. 260), as amended by Laws of 1939, Ch. 444, enables towns to zone. (Follows Standard Act.)

Laws of 1923, Ch. 564 (Cahill Consolidated Laws, Ch. 63), enables villages to zone. (Follows Standard Act.)

Laws of 1920, Ch. 743 (Cahill Consolidated Laws, Ch. 2), enables cities to zone.

Public Low-Rent Housing and Slum Clearance

Housing Authorities Law, Public Laws of 1935, Ch. 2255 (Gen. Laws of 1938, Ch. 344), as amended by Public Laws of 1939, Ch. 726 as amended by Public Laws of 1939, Ch. 727, and as further amended by Public Laws of 1940, S. 326, provides for the creation of housing authorities for cities. The area of operation of an authority consists of the city for which it is created. An authority has the power to issue bonds and other obligations but does not have the power to acquire property by eminent domain. The property and obligations of an authority are exempt from taxation. The obligations of any housing authority or agency in the United States are legal investments for public and private funds. Eminent Domain Law, Public Laws of 1935, Ch. 2256, (Gen. Laws of 1938, Ch. 345), authorizes cities to exercise the power of eminent domain to acquire property for housing projects. Validating Law, Public Laws of 1940, S. 320, validated the creation and establishment of housing authorities.

Home Financing

Type of instrument used: Mortgage. Method of foreclosure: Power of sale generally used. (Gen. Laws R. I. 1938, Ch. 442). Length of time to foreclose: Twenty-one days (Gen. Laws R.I. 1938, Ch. 412, Sec. 18). Redemption period: None. Moratorium: None. Expenses: Exclusive of attorney fees, expenses average as follows: auctioneer's fees, \$10.27; advertising cost, \$25.46; revenue stamps, \$6.01; recording fees, \$5.91. Deficiency judgments: No statute limiting. Homestead exemptions: None. Miscellaneous: Laws permitting mortgage loans up to 90 percent of appraised value when insured by Federal Housing Administrator (Gen. Laws R.I. 1938, Ch. 133, Sec. 12).

Mechanics' Lien Laws

Persons entitled: Any one working in the construction, erection or reparation of any building, canal, turnpike or other improvement and for the materials used in work of this character, the lien taking priority over all other liens and encumbrances originating subsequent to the actual commencement of the work; mortgages, attachments, etc., on the property prior to the commencement of the work take priority over the mechanic's lien. (Sec. 4346).

RHODE ISLAND (Cont'd.)

How claimed: Legal process or the phrase "commencement of legal process" as used in the statute and as applicable to all intending to claim a mechanic's lien, means the lodging or filing of an itemized account or demand in the office of the town clerk or the recorder of deeds with the description of the property to which the lien is to attach. (Sec. 4352). A claimant must commence legal process as stated above within 4 months of the time when any payment becomes due if the contract is in writing; if the contract is not in writing, legal process must be commenced within 6 months from the time of the commencement of the work or the delivery of the materials. (Secs. 4349 and 4350). Requirements as to filing: All contractors must file, as stated above, his account or demand known technically as "the commencement of legal process" in the office of the recorder of deeds or in the town clerk's office as stated above. (Sec. 4352). Filing fees: For recording or filing papers, there are no statutory fees. Each clerk charges in accordance with the length of the account or demand. \$5.00 is the typical charge in the city of Providence.

Extent of lien: The entire interest of the person causing the work to be done is subject to the lien. Duration of lien: As stated above, if the work is done under a written contract, the contractor must commence legal process within 4 months from the time that any payments become due and payable; otherwise, the lien is lost. If there is no written contract, legal process must be commenced within 6 months from the time of the commencement of the work or the delivery of the materials. (Secs. 4349 and 4350).

Venue: At any time within 20 days after the commencement of legal process, a petition in equity shall be filed in the office of the Clerk of the Superior Court for the county in which the land is located. (Sec. 4359). Discharge of lien: There is no provision for the discharge of the lien of record; it is the practice, however, for the lienor upon his lien being satisfied by settlement or otherwise to discharge or release his lien on the records in the office of the town clerk or in the office of the recorder of deeds. (Source: General Laws of Rhode Island of 1923 and Session Laws to date.)

Building Regulations

There is no state building or plumbing code. There are miscellaneous laws regulating fire escapes and certain features of building construction. There is a law requiring licensing of professional engineers and land surveyors. The State Fire Marshal is required to enforce the laws relating to fires, including regulation of fire escapes and other exits. There is a law requiring the registration of architects. Eighteen municipalities of 2500 population and over are reported to have local building codes.

Planning, Platting and Zoning

Local Planning: Laws of 1926, Ch. 804, authorizes creation of planning commissions in any city or town.

Platting: No Law.

Zoning: Laws of 1921, Ch. 2069, as amended by Laws of 1923, Ch. 2315; Laws of 1925, Ch. 643; and Laws of 1931, Ch. 1762; enables cities and towns to zone. (Follows Standard Act.) (For additional special Acts applying to certain towns and cities, see NRPB Circular XII.)

Public Low-Rent Housing and Slum Clearance

Housing Authorities Law, Acts of 1934, No. 783, as amended by Acts of 1935, Nos. 301 and 345, as further amended by Acts of 1937, Nos. 183 and 284, and as further amended by Acts of 1938, Nos. 905 and 956 (1938 Supp. to Code of Laws of 1932, Sec. 9151), as further amended by Acts of 1939, Nos. 218 and 280, and as further amended by Acts of 1940, No. 942, provides for the organization of housing authorities for cities and towns, having a population of more than 5,000 and for counties or groups of counties. The area of operation of an authority consists of the city, town, county or group of counties for which it is organized, provided that the area of operation of an authority created for a county or group of counties may not include any city or town having a population of more than 5,000. The State Board of Housing may extend the area of operation of an authority created for a city. An authority has the power to issue bonds and other obligations and to acquire property by eminent domain. The property and bonds of housing authorities are exempt from taxation. Housing authorities created for counties or groups of counties are expressly authorized to undertake housing for persons of low income in rural areas. Housing Cooperation Law, Acts of 1939, No. 210, authorizes any state public body to cooperate with an authority or the Federal Government with regard to housing projects. Legal Investments Law, Acts of 1939, No. 218, provides that the bonds of any housing authority or agency in the United States are legal investments for public and private funds. Slum Clearance Law, Acts of 1939, No. 228, authorizes cities and towns having a population of more than five thousand to adopt ordinances providing for the repair, closing or demolition of dwellings unfit for human habitation. The property and bonds of housing authorities of the State are legal investments for public and private funds. State Housing Law, Acts of 1933, No. 143 (1934 Supp. to Code of Laws of 1932, Sec. 9150) creates a State Board of Housing. Validating Law, Acts of 1937, No. 647, validated the creation of housing authorities. Validating Law, Acts of 1939, No. 361, validated the organization of housing authorities and all agreements, obligations, undertakings and proceedings of such authorities. Charleston Housing Authority Tax Law, Acts of 1939, No. 430, and Acts of 1940, No. 762, authorizes the county treasurer to accept taxes on certain property from the Charleston Housing Authority. Charleston Housing Authority Law Authorizing Disposition of Certain Personal Property, Acts of 1939, No. 275, provides for the

SOUTH CAROLINA (Cont'd.)

disposition of certain materials existing on land acquired by the Charleston Housing Authority by eminent domain.

In *McNulty v. Owens*, 188 S.C. 377, 199 S. E. 425 (1938), the Supreme Court of South Carolina sustained the constitutionality of the Housing Authorities Law.

In *Woodworth, Mayor v. Gallman* (S.C., August 3, 1940), the Supreme Court applied certain provisions of the public housing laws.

Limited Dividend Housing

State Housing Law, Acts of South Carolina 1933, No. 143 (1934 Supp. to Code of Laws of 1932, Sec. 9150), authorizes limited dividend housing companies to provide housing for families of low income and to provide for the elimination of congested and insanitary housing conditions under the supervision and regulation of the State Board of Housing. Such companies have the power to acquire property eminent domain only with the authorization of the Board.

Home Financing

Type of instrument used: Mortgages or deeds of trust. Method of foreclosure: Court action. Must be tried in county where subject matter is situated. (S.C. Code 1932, Vol. I, Sec. 420). Length of time to foreclose: An average time of two months and twenty-eight days. Redemption period: None (S.C. Code 1932, Vol. III, Sec. 8701). Moratorium: None. Expenses: Exclusive of attorney fees, expenses average as follows: auctioneer's fees, \$1.57; advertising cost, \$17.46; commissioner's fees \$24.88; court costs, \$12.31; recording fees, \$1.34; sheriff's cost, \$4.23. Deficiency judgments: No law limiting or prohibiting. Homestead exemptions: Property up to value of \$1,000 is exempt from execution, (State Constitution 1895, Article 3. Sec. 28, 1936 Supp. to S. C. Code 1432, Sec. 9085), but there is no exemption from taxation. (State Constitution 1895, Art. 3, Sec. 28, S. C. Code 1932, Vol. III, Sec. 9092). Miscellaneous: Laws permitting mortgage loans up to 90 percent of appraised value when insured by Federal Housing Administrator (1938 Supp. to S. C. Code of 1932, Sec. 9051-3).

Mechanics' Lien Laws

Persons entitled: Any one to whom a debt is due for labor or material furnished and actually used upon any real estate, the boring and equipping of wells, by virtue of an agreement with the owner or his agent. (Sec. 8727) Every laborer, mechanic, sub-contractor or person furnishing material for the improvement of real estate, where the improvement is authorized by the owner, shall have a lien therefor subject to existing liens of which he has actual or constructive notice, and if he notifies the owner as provided the lien attaches upon the real estate improved as against the owner. (Secs. 8728, 8729)

How claimed: By recording the statement referred to in paragraph 8735 within the time there stated. Requirements as to filing: Within 90 days after the cessation of furnishing of materials or labor there shall be filed in the office of the Register of Deeds of Mesne Conveyances or Clerk of the Court of the county in which the building is situated a sworn statement of the amount due, credits given, a description of the property covered by the lien, with the name of the owner, and shall be recorded in a book kept for that purpose (Sec. 8735) Filing fees: The Clerk of Court (except in specified counties) shall receive for the filing of the lien, which lien is recorded in a special book, the same fees as for recording of mortgages of equal length. (Sec. 8735) The fees for recording mortgages are: 75 cents if it does not exceed 1500 words, but if the instrument exceeds 1500 words an additional fee of 8 cents for each hundred words over 1000 shall be charged (Sec. 4923). Fees of the Register of Mesne Conveyances and of the Clerk of Court vary greatly in the different counties, and the statutory provision for the particular county must be consulted (Secs. 4924-4939.)

Extent of Lien: The lien shall extend to the building or structure and the interest of the owner thereof in the lot of land upon which the same is situated (Sec. 8727). Duration of lien: The lien shall be dissolved unless suit is brought to enforce the same within 6 months after completion of the labor or furnishing of materials (Sec. 8727). Extensions and releases, to be effective against third parties, must be recorded and indexed in the books where chattel mortgages are recorded. The extension shall be in writing, and, if on another paper, shall be probated as required for probating of mortgages. The fee is \$0.25. (Secs. 2, 3, H.B. 1940, Laws of 1934, effective August 1, 1934.)

SOUTH CAROLINA (Cont'd.)

Venue: The lien may be enforced by petition to the Court of Common Pleas for the county where the building or structure is situated. The petition may be filed in the term or in the Clerk's office in vacation (Sec. 8733). When the claim does not exceed \$100.00 the lien may be enforced by a petition to a magistrate (Sec. 8739). Discharge of lien: When a debt secured by a lien is fully paid, the creditor, at the expense of the debtor, shall enter on the margin of the registry, where the statement is recorded, a discharge of his lien, or shall execute a release thereof which may be recorded where the statement is recorded (Sec. 8769). (Source: Code of Laws of 1936 and Session Laws to date).

Building Regulations

There are state building regulations for cities over 5,000 population. Cities whose population exceed 60,000 are empowered to enact building regulations. The Building Council of South Carolina is required to promulgate and recommend a State Building Code for adoption. There are laws requiring the registration of general contractors, architects, engineers, and land surveyors. Cities and towns are required to establish plumbing regulations. Twenty-six municipalities of 2500 population and over are reported to have local building codes. Others have fire limit ordinances and miscellaneous regulations concerning construction.

Planning, Platting and Zoning

Local Planning: Laws of 1939, Gov. No. 509, enables city of North Augusta to plan under direction of a plan commission. Session Laws of 1933, Ch. 195, p. 255, authorizes city councils of cities in counties containing a city whose population exceeds 60,000 to enact ordinances regulating erection of buildings in such cities.

Platting: Laws of 1928, Ch. 668 (1932 Code, Sec. 7389), requires maps and plats of subdivisions of land near large cities to be approved by city engineers.

Zoning: Laws of 1924, Ch. 642, as amended (Code, V. 3, Sec. 7390, Code Supp. of 1934, Sec. 7581-1), enables cities and incorporated villages to zone. (Follows Standard Act.)
Laws of 1920, Ch. 866, as amended by Laws of 1921, Ch. 417, authorizes zoning in Spartanburg.

Public Low-Rent Housing and Slum Clearance

Housing Authorities Law, Laws of 1938, Ch. 310 (1938 Supp. to Code of 1936, Sec. 3145 (1) to 3145 (24)), provides for the organization of housing authorities in cities and counties. The area of operation of a authority consists of the city or county for which it is organized. An authority has the power to issue bonds and to acquire property by eminent domain. Any city, town or county is authorized to cooperate with an authority for such city, town or county or the Federal Government with regard to housing projects. An authority is a political subdivision of the State and therefore pursuant to Sec. 183 of the State Constitution, the property of an authority is exempt from taxation.

Limited Dividend Housing

State Housing Law, Laws of 1933, Extra Session, Ch. 55, authorizes limited dividend housing companies to provide housing for families of low income and to eliminate congested and insanitary housing conditions under the supervision, regulation and control of the State Board of Housing. Such companies have the power to acquire property by eminent domain only with the authorization of the Board.

Home Financing

Type of instrument used: Deed of trust. Method of foreclosure: Power of sale (Va. Code 1936, Sec. 5167, as amended by 1940 Laws; 1940 Cum. Supp. to Va. Code 1936). Length of time to foreclose: Immediately after default upon such terms as deed may prescribe, or if no manner is provided, then in a reasonable manner as the trustee may elect, or after advertisement in a newspaper once a week for four successive weeks. (Va. Code of 1936, Sec. 5167, as amended by 1940 Laws; 1940 Cum. Supp. to Va. Code 1936). Redemption period: None. Moratorium: None. Expenses: Exclusive of attorney's fees, expenses average as follows: trustee's fees, \$10.00; advertising cost, \$31.21; sheriff's fees, \$3.50; revenue stamps, \$4.27; court costs, \$.50; recording fees, \$5.09; cost of hand bills, \$4.00. Homestead exemptions: There is exemption from execution not exceeding \$2,000, but no exemptions from taxation. (Constitution of Va. 1902, as amended, Art. XIV, Sec. 190; Va.

VIRGINIA (Cont'd.)

Code of 1936, Sec. 6531). Deficiency judgments: No law limiting or prohibiting. Miscellaneous: Laws permitting mortgage loans up to 90 percent of appraised value when insured by Federal Housing Administrator. (Va. Code 1936, Sec. 4149 (48a), as amended by laws 1940; Cum Supp. to Va. Code 1936, Sec. 4149(48a)).

Mechanics' Lien Laws

Persons entitled: Any person performing labor, or furnishing materials of the value of \$10.00 or more for the construction, removal, repair, or improvement of any building or structure permanently annexed to the freehold and all persons performing any labor or furnishing materials of like value for the construction of any railroad. (Sec. 6426)

How claimed: The contractor may claim his lien by taking the steps set forth below. Requirements as to filing: A general contractor in order to perfect his lien shall file within 60 days after the improvement is completed, in the office of the clerk in the county or city in which the improvement or any part thereof is, or in the clerk's office of the chancery court of the city of Richmond if the improvement or railroad is within that city, north of James River, or in the clerk's office of the Hustings Court of Richmond, Part II, if the improvement or railroad is south of James River, a verified memorandum. Filing fees: Recording fee is 20 words for 3 cents. (Sec. 3484 (4)).

Extent of lien: The lien shall extend to the building or structure and so much land therewith as shall be necessary for the convenient use and enjoyment thereof, and upon such railroad and franchises for the work done and materials furnished. (Sec. 6426) If the person owning the structure upon which the work was done shall own less than a fee simple estate in such land, then only his interest therein is subject to said liens. (Sec. 6436) Duration of lien: No suit to enforce any lien shall be brought after six months from the time when the whole amount covered by such lien has become payable. (Sec. 6433)

Venue: The lien may be enforced in the court of equity by a bill filed in the county or city wherein the improvement is situated or wherein the owner resides. (Sec. 6437) Discharge of lien: Unless a mechanic's lien claimant has delivered a proper release deed

VIRGINIA (Cont'd.)

(where there has been payment of satisfaction of a debt secured by a mechanic's lien, or where any one or more of the obligations representing at least 25% of the whole amount secured by such lien, but less than the whole number, shall have been fully paid) he shall cause such payment to be entered on the margin of the record and for any failure so to do after five days' notice he shall forfeit \$20.00. Such entry shall be by the creditor or his duly authorized agent or attorney. If the debt be evidenced by a separate obligation, the obligation duly cancelled shall be produced before the clerk or an affidavit shall be filed by the said creditor or his agent or attorney with such clerk to the effect that the debt therein secured and intended to be released or discharged has been paid to such creditor, and that such evidence of debt has been cancelled and delivered to the person by whom it was paid. If such debt is not evidenced by a separate obligation an affidavit shall be filed to the effect that the debt therein secured and intended to be released or discharged has been paid to such creditor. And when so signed and the signature thereto attested by such clerk, with a certificate that the evidence of debt duly cancelled was produced before such a clerk, or that the affidavit has been duly filed with the clerk, the same shall operate as a release of the encumbrance. Any person who owns or has any interest in the personal property on which such encumbrance exists may, after 20 days' notice thereof to the person entitled to such encumbrance, apply to the circuit or corporation court, or to the chancery court of the city of Richmond, to have the same released or discharged, and upon proof that it has been paid or discharged, or upon its appearing to the court that more than 20 years have elapsed, since the maturity of the lien or encumbrance, raising a presumption of payment or, in the case of a mechanic's lien, upon proof that no suit has been brought to enforce the same within the time prescribed, such court shall order the same to be entered by the clerk on the margin, which entry when so made shall operate as a release of such encumbrance. The clerk's fee for a release on the margin shall be 50 cents, which shall be paid by the lien debtor. (Sec. 6456) In any suit brought under the provision of section 6437, of before such suit is brought, the owner of the property to which the lien has attached may, after five days' notice to the lienor, upon permission of the court having jurisdiction of such suit, pay into the court the amount due or post a bond in the penalty of double the amount of the lien or liens and thereby the property affected shall stand released from said encumbrances. (Secs. 6437a and 6437B) (Source: Virginia Code of 1936 and Session Laws to date)

Building Regulations

There is no state building code. The State Board of Education has established minimum requirements for school buildings. There is a state plumbing code. There are laws requiring the registration of engineers, architects, and surveyors, and regulating fire escapes. Cities and towns are authorized to regulate building construction. There are laws regulating fire escapes and exits. Twenty-nine municipalities of 2,500 population and over are reported to have local building codes. Others have fire limit ordinances and miscellaneous regulations concerning construction.

Planning, Platting and Zoning

Local Planning: Laws of 1936, Ch. 427, authorizes all counties to create planning commissions and adopt plans.
For additional Laws pertaining to certain cities, see NRPB Circular XII.

Platting: Acts of 1930, Ch. 269, (see also Acts of 1932, Ch. 321)
--An Act relative to platting. Provides for recordation of plats located in or within not more than two miles of any incorporated town; for vacation thereof; for construction of public improvements therein, and for rights of such incorporated towns in connection therewith.

Zoning: Laws of 1938, S.B. 120, approved March 4, 1938, regulates the size, frontage, depth, and area of lots upon which buildings for human habitation may be constructed.

Laws of 1938, H.B. 189, approved April 1, 1938, enables all counties to enact zoning ordinances.

Laws of 1926, Ch. 197, as amended by Laws of 1930, Ch. 205 (Code Ch. 122A, Sec. 3091 (1)), enables cities and towns to zone.

Laws of 1927, Ex. Session, Ch. 15, as amended by Laws of 1930,

Ch. 317, Laws of 1932, Ch. 190, Laws of 1936, H.B. 504, and

Laws of 1938, H.B. 409 approved March 18, enables communities

having a population of 500 to square mile to zone. (Applies to

Arlington, Chesterfield, Henrico and Norfolk Counties.) For

additional laws applying to certain cities and counties see NRPB Circular XII.

Defense Housing: Defense housing is provided through the established Federal housing agencies. "Federal housing agency" is defined to include all executive departments and independent agencies, including corporations in which the United States owns all or a majority of the stock, either directly or indirectly, which: (a) plan, construct, or operate defense housing facilities, (b) grant loans or subsidies for public housing purposes, (c) encourage or assist the financing or construction of private housing, (d) conduct surveys or analyses of housing conditions and housing markets.

The term "defense housing" includes all housing authorized by:

- (a) United States Housing Act of 1937, approved September 1, 1937 (50 Stat. 888), as amended, so far as projects developed under the authority of this Act relate to national defense activities.
- (b) Title II of the Act of June 28, 1940, 54 Stat. 676, 681.
- (c) Second Supplemental National Defense Appropriation Act, 1941, approved September 9, 1940 (Public No. 781, 76th Congress).
- (d) Act of June 11, 1940, 54 Stat. 265 (including housing authorized by allocations from emergency funds available under such Act).*
- (e) Act of June 13, 1940, 54 Stat. 350 (including housing authorized by allocations from emergency funds available under such Act).*
- (f) Act of October 14, 1940, Public No. 849, 76th Congress.

Division of Defense Housing Coordination (Office for Emergency Management, Executive Office of the President). Established by Executive Order No. 8632, dated January 11, 1941, to meet the need for housing the families of enlisted men, of civilian employees of the Army, Navy, and Maritime Commission, and of industrial defense workers.

Determining and meeting the need for defense housing is the basic objective of the Coordinator's office. Housing shortages or the need for housing for families of enlisted men and civilian employees are reported by the Army, the Navy, and the Maritime Commission. Pertinent information and statistics concerning local defense activities are received from the National Defense Advisory Commission, the Federal housing agencies, local groups, and many other sources. This

*These acts appropriated funds to the President "to provide for emergencies affecting the national security and defense." These appropriations were the original source of funds for the Defense Homes Corporation and advances from them for this purpose were returned by the Lanham Act and its appropriation measure.

Defense Housing (Cont'd.)

Division of Defense Housing Coordination (Cont'd.)

material, supplemented by studies regarding housing conditions, construction activities, and available vacancies in the locality, forms the basis for determination of the net need for additional dwelling units which must be related to the programs of the Army and Navy and the expected industrial activities resulting from actions of the Office of Production Management and the Commission.

Defense Homes Corporation: (Reconstruction Finance Corporation - Federal Loan Agency) Incorporated under the general laws of the State of Maryland pursuant to a letter dated October 18, 1940, from the President of the United States to the Secretary of The Treasury allocating funds to the Federal Loan Administrator for the establishment of the corporation. The total authorized capital is \$10,000,000. The corporation will assist in providing homes in areas of extensive defense building and manufacturing where such homes are necessary and, so far as can be determined, will constitute a permanent part of the community.

Public Low-Rent Housing and Slum Clearance

United States Housing Authority: Created by the United States Housing Act of 1937, 50 Stat. 888, as amended by 52 Stat. 820; and as further amended by the National Defense Housing Amendment, Public No. 671, 76th Congress, Ch. 440, 3rd Session, approved June 28, 1940. Made part of the Federal Works Agency under the President's Reorganization Plan No. I effective July 1, 1939. Gives Financial assistance to legally constituted public housing agencies (usually local housing authorities) to assist in development of low-rent housing and slum clearance projects which local authorities design, construct and operate on a rental basis. Financial assistance provided consists of (1) repayable loans which may equal 90 percent of total development cost; (2) annual grants-in-aid designed to bring rents within reach of families in the lowest income group now living in slums. Exercise supervision to insure that projects will reach low-income families living under substandard conditions; that an equivalent number of substandard dwellings will be demolished; that at least 10 percent of the development cost is raised from sources other than the Government; that the locality contributes in the form of cash, tax remissions, general or special, or tax exemptions, at least 20 percent of the annual Federal contribution; that costs are within statutory limitations of the United States Housing Act; and that all other provisions of the Act are observed. Does not buy land (except for National Defense purposes); exercise right of

Public Low-Rent Housing and Slum Clearance (Cont'd.)

United States Housing Authority (Cont'd.)

eminent domain (except for National Defense purposes); construct projects (except for National Defense purposes); assist private builders. Applications must be submitted directly to USHA in Washington. All contracts for loans or grants are subject to approval by the President.

Home Financing

Farm Credit Administration: Created by Executive Order No. 6084, dated March 27, 1933. Made part of the Department of Agriculture under the President's Reorganization Plan effective April 25, 1939. Provides a cooperative credit system for agriculture, and incidentally makes loans for the construction and improvement of farm houses. Within the system are:

Federal Land Banks: Created by the Federal Farm Loan Act, as amended, 12 U.S.C. 636 et seq. Make long-term farm-mortgage loans up to 50 percent of the value of the land mortgaged plus 20 percent of the value of the permanent insured improvements thereon. Application should be made to the appropriate Federal land bank or through a national farm loan association.

Production Credit Associations: Created by the Farm Credit Act of 1933, as amended, 12 U.S.C. 1131 et seq. Provides short-term credit for all types of farm and ranch operations by discounting loans with or borrowing from the Federal intermediate credit banks. Application should be made to the appropriate local production credit association.

Banks for Cooperatives: Created by the Farm Credit Act of 1933, as amended, 12 U.S.C. 1134, et seq. Makes loans to farmers' business cooperatives for the construction or acquisition by purchase or lease of physical facilities or for refinancing the cost of such construction or acquisition, and for other purposes.

Land Bank Commissioner: Authorized by the Emergency Farm Mortgage Act of 1933, as amended, 12 U.S.C. 1016, et seq. to make loans up to 75 percent of the normal value of farm property but in no case to exceed \$7500 to any one farmer. Application should be made to the appropriate Federal Land Bank or through a national farm loan association.

Home Financing (Cont'd.)

Farm Security Administration: Created by Memorandum No. 732, dated September 1, 1937, of the Secretary of Agriculture. Authorized under Title I of the Bankhead-Jones Farm Tenant Act, 50 Stat. 522, to make loans to farm tenants, farm laborers, share croppers and other eligible individuals to enable them to purchase farms of their own. These loans provide for the repair and construction of buildings, as well as for the purchase of land. Loans are made at three per cent interest for periods not exceeding forty years. Under authority of the Emergency Relief Appropriation Act of 1941, 54 Stat. 611, "to provide assistance through rural rehabilitation and relief to needy farmers", makes loans to individuals and cooperatives for housing purposes. Funds are also available for the construction of migratory labor camps. Substantially similar authorization has been given under previous Emergency Relief Appropriation Acts. Loans are made only to persons who cannot obtain credit on reasonable terms from any Federally incorporated lending institution. Application for assistance from this agency should be made to local County Rural Rehabilitation Supervisors.

Federal Home Loan Bank Board: Created by the Federal Home Loan Bank Act, 47 Stat. 725, as amended by 48 Stat. 128, 129; 48 Stat. 643, 646; 48 Stat. 1246, 1261-1263, 1264; and 49 Stat. 293. Made part of the Federal Loan Agency created under the President's Reorganization Plan effective July 1, 1939. Supervises four separate Governmental agencies operating in the field of home mortgage finance. Major function is to encourage and assist private capital in making available on an economical basis an adequate volume of long-term home-mortgage credit, and in providing at the same time means for sound investment of small earnings. Does not undertake public housing or slum clearance projects. Housing activities are designed primarily to facilitate construction, purchase, refinancing, and improvements of non-farm homes through loans by private thrift and home-lending institutions. Under its supervision are:

Federal Home Loan Bank System: Created by the Federal Home Loan Bank Act, 47 Stat. 725, as amended. Serves as a credit reserve system through which member home-financing institutions (savings, building and loan associations, cooperative banks, homestead associations, insurance companies, and savings banks) may obtain short- or long-term advances as needed, on the security of approved home-mortgage collateral. Does not make direct loans to individuals.

Home Financing (Cont'd.)Federal Home Loan Bank Board (Cont'd.)

Federal Savings and Loan System: Created by Section 5 of the Home Owners' Loan Act of 1933, 48 Stat. 128, 132. Charters and supervises privately managed local mutual thrift and home-financing institutions known as Federal savings and loan associations, and assists in establishing sound mortgage lending practices favorable to home ownership. All Federal savings and loan associations are required to be members of the Federal Home Loan Bank System. Grants Federal charters to such state-chartered institutions as apply and qualify for them. Charters new Federal associations only in communities not adequately served by existing institutions.

Federal Savings and Loan Insurance Corporation: Created by Title IV, section 402, of the National Housing Act, 48 Stat. 1246, 1256-1261, 1265; 49 Stat. 293, 298-300. Insures against loss up to \$5,000 the accounts of individual investors in all Federal savings and loan associations and state-chartered institutions of the savings and loan type which apply and are approved for insurance. Does not guarantee the liquidity of accounts in insured institutions. Insures up to \$5,000 the safety of individual investments in such institutions.

Home Owners' Loan Corporation: Created by the Home Owners' Loan Act of 1933, 48 Stat. 128, as amended by 48 Stat. 643; 48 Stat. 1246, 1263-1264; 49 Stat. 293, 296-298, Public No. 379, approved August 10, 1939, and Public No. 381, approved August 11, 1939. Relieved distress during the emergency by refinancing on long-term basis at moderate interest the home mortgage indebtedness of individuals faced with loss of their homes through foreclosure or tax sale. Now engaged in servicing its loans and management and sale of its acquired properties. Also granting extensions for an additional period of ten years to eligible borrowers applying for same. (Public No. 381, approved August 11, 1939). Does not accept further applications for loans. Lending operations ceased altogether on June 12, 1936.

Home Financing (Cont'd.)

Federal Housing Administration: Created by the National Housing Act of 1934, 48 Stat. 1246, as amended by 49 Stat. 293, 49 Stat. 722, 49 Stat. 1187, 49 Stat. 1233, 50 Stat. 20, 50 Stat. 70, 52 Stat. 8, 53 Stat. 804. Made part of the Federal Loan Agency under the President's Reorganization Plan, effective July 1, 1939. Under Title I: Insures private financial institutions against loss up to 10 percent of their total modernization loans for amounts up to \$2,500 for repairs, alterations or improvement of or in connection with existing structures (Class 1), for erection of a new structure not used for residential purposes (Class 2), or for erection of a new structure used wholly or in part for residential purposes (Class 3). Under Title II: Insures first mortgage amortized loans made by approved financial institutions (a) up to \$5,000,000 to finance the construction of large-scale housing projects that meet FHA standards, mortgage not to exceed estimated cost of physical improvements or 80 percent of the appraised value, whichever is lower (b) up to \$16,000 on home property that meets FHA standards, terms up to 20 years and amounts up to 80 percent of the appraised value (on mortgages of \$5,400 or less on newly constructed, owner-occupied, single family homes, terms may be up to 25 years and amounts up to 90 percent of the appraised value). The Federal Housing Administration does not lend money, clear slums, or build houses. Application should be made to any private financial institution qualified for insurance by FHA against loss on modernization loans, or approved by FHA for making mortgage loans.

RFC Mortgage Company: Created pursuant to authority granted by Section 5 of the Reconstruction Finance Corporation Act as amended, 49 Stat. 3. Aids in the reestablishment of a normal market for sound mortgages on urban income-producing property, such as apartment houses, when credit is not otherwise available at reasonable rates and terms and when the net income from the property, after payment of taxes, insurance, and operating costs, is sufficient to pay interest and the required amortization. Purchases, at par and accrued interest, mortgages insured under Section 203, Title II of the National Housing Act, as amended, provided such mortgages meet the eligibility requirements of the Company. Also purchases, for an amount equal to the unpaid principal thereof, plus accrued interest thereon, loans reported for insurance to the Federal Housing Administration, pursuant to the provisions of Title I of the National Housing Act, as amended, provided the proceeds of such loans were used

Home Financing (Cont'd.)

RFC Mortgage Company (Cont'd.)

to finance the erection of residential structures constructed after January 1, 1940, and provided further, such loans otherwise meet the Company's eligibility requirements.

Building Regulations: The Federal Government, through the National Bureau of Standards, has been engaged in the preparation of building code recommendations for over seventeen years. These incorporate the results of research carried on in the Bureau. This work is being continued under the procedure of the American Standards Association. Recommendations are available to states and municipalities for use in preparation or revision of their building codes.

Planning-Zoning: This field of law is outside the scope of Congress. No legislation of this type has been enacted except for the District of Columbia which is set forth under this classification.