·HOUSING·
LEGAL DIGEST

Number 87 November 1941

"Housing is one of the most durable of the consumer goods and an addition to the supply is relatively permanent as compared with other types of such goods. In contrast, a large part of each day's or each month's production of bread, shoes, or automobiles must be devoted to replacing the previous day's or previous month's consumption of such goods. On the other hand, as far as housing is concerned, it requires anywhere from 25 to 50 years or more for the economic value of a house to be consumed. And consequently, it is relatively easier to reach a production scale which will permit an accumulation of net additions to the housing inventory.

"Workers enjoying increases in incomes will demand new or better houses and as long as new housing can be provided as fast as effective demand expands, inflation in housing need not be feared. Inflation of the sales prices and of rents may result, however, when the construction of new housing is curtailed."

FHA: A Counter-inflationary Factor
See SELECTED REFERENCES.

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

HOUSING LEGAL DIGEST

Issued monthly by

the Central Housing Committee on
LAW AND LEGISLATION
1601 Eye Street
Washington, D. C.

The Editors of the HOUSING LEGAL DIGEST endeavor to present as completely and impartially as possible material relating to housing legal problems; but they assume no responsibility for opinions expressed herein and no inference may be drawn as to their agreement or disagreement with viewpoints expressed.

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DECISIONS AND OPINIONS

DEEDS - COVENANTS

(Napoleon P. Ingram et al. vs. HOLC, Common Pleas Court, Montgomery County, Ohio. Decided in October 1941.)

A covenant against incumbrances by, from, through or under the grantor is not breached by an incumbrance suffered by predecessor in title of grantor during his ownership, and such incumbrances give rise to no cause of action against grantor.

In March 1934, HOLC made a loan secured by mortgage on real estate to Herman and Dora Teigler. In September 1939, HOLC acquired the real estate by purchase at the foreclosure sale under its mortgage. Thereafter HOLC sold the property to Napoleon P. and Dora Ingram, who shortly thereafter sued HOLC for damages for breach of warranty in the deed from HOLC to them. It was alleged by the Ingrams that they had discovered that the property was subject to the lien of a judgment in favor of a bank against Herman Teigler rendered after he had acquired the property but prior to the time HOLC made its loan and took its mortgage from him; also, that the title was defective in that it was not free and clear of but was subject to an unadministered estate of Bernard Teigler who had owned an interest in the property at the time he died in 1927.

The covenant or warrant in the deed from HOLC to the Teiglers upon which they sued was "that the title so conveyed was free and clear from all incumbrances whatsoever by, from, through, or under the said grantor, except taxes and assessments for the first half of the year 1940, and thereafter, which taxes and assessments the grantees herein assume and agree to pay, and except restrictions, easements, rights, reservations, exceptions, limitations, agreements, covenants, and conditions of record; and except any state of facts which would be disclosed by an accurate survey of the premises herein conveyed." (Emphasis added.)

HOLC filed a demurrer raising the question that the petition showed that the lien and defect, or incumbrances, complained of had been put on the title and been permitted to occur prior to the time it acquired the property, whereas, it had covenanted or warranted against only incumbrances "by, from, through or under," it. The court sustained the demurrer and dismissed the petition, thus

sustaining the validity of the special or limited warranty or covenant used by HOLC in its deeds of conveyance in Ohio.

FIXTURES

(HOLC vs. Chester Hill et ux, Circuit Court, Howard County, Arkansas. Decided in October 1941)

Thirty gallon combination gas water heater and tank attached to three water and gas pipes but removable with stilson wrench without physical injury to building held to be a fixture passing with realty by mortgage and subsequent deed in lieu of foreclosure.

In a replevin action instituted by HOLC the decision of the Circuit Court of Howard County, Arkansas was as follows:

"This is a replevin action by the plaintiff for the recovery of a thirty gallon combination gas water heater and tank which was removed by defendants from residence property in Nashville, Arkansas, on October 4, 1940.

"In 1934 the defendants executed their mortgage to plaintiff corporation upon this residence property. They became delinquent in their payments and, after considerable negotiation between the parties, executed their warranty deed to the mortgaged premises to plaintiff in satisfaction of said indebtedness on April 29, 1940. This deed contained no exception or reservation of the heater. This water heater unit was installed by defendants some time after the execution of the aforesaid mortgage and remained in the residence several months after the execution of the deed by defendants in satisfaction of the mortgage. It was removed by defendants, along with certain household effects which had remained in the building up to that time. The gas heater and water tank were one unit and this unit was attached to three water and gas pipes. It could be removed by the use of a Stilson wrench without physical injury to the building.

"The mortgage executed by the defendants to plaintiff in 1934 was very comprehensive in its terms and unquestionably included the unit in question. Proof was offered by defendants of a special oral agreement or exception with reference to the heater in question, contrary to the provisions of their deed to plaintiff. This parol

agreement was alleged to have been made with the state manager of plaintiff corporation prior to the execution of defendants' deed in satisfaction of the mortgage indebtedness. In their answer, however, defendants did not plead this agreement as a defense, and it would be obviously unfair for them to claim such defense at this time. even though this alleged exception of the property in controversy had been pled as an affirmative defense, under the well established rule, all prior parol agreements became merged in the deed. Apparently, it would have been a simple matter to have included a reservation or exception in the deed of the unit in question, but this was not done.

"The warranty and other provisions of the mortgage which was executed herein, definitely includes the heater in controversy and defendants are not estopped from claiming it. However, aside from the provisions of the mortgage and in the absence of a valid exception from the provisions of the deed, it would appear from the principles laid down in the well considered case of Stone v. Suckle, 145 Ark. 387, that the heating unit became a permanent fixture and a part of the building when attached thereto. In this connection, it must be conceded that the character of equipment involved in this case presents a border line question. However, when the relationship of the parties herein is considered, along with the fact that the water heating unit when attached to the real estate became well adapted, if not essential, to the use of the property as a modern residence, it must be concluded from the holding in the case of Stone v. Suckle, supra, and decisions following it, that the unit in question became a part of the realty and passed to the plaintiff in the deed of April 29, 1940.

"It, therefore, follows that plaintiff is entitled to the possession of the heater tank in controversy or its value in the sum of fifty dollars ($50.00) with six per cent interest from the date of the filing of the complaint herein and all costs. Judgment will be entered accordingly."

HEALTH - HOUSING - WORDS AND PHRASES
(Cummings v. Weinfeld, Supreme Court, Special Term, New York County, 30 N.Y.S. 2d 36)
The word "creed" in section of Public Housing Law, prohibiting discrimination against any person because of race, color, creed or religion, means religious belief only.

(This is a fuller discussion of the case cited in 86 HLD, page 10.)

The petitioners are lessees of an apartment owned by the intervenor Knickerbocker Village, Inc., a public limited dividend housing corporation organized under the New York State Housing Law. The petitioners were refused a renewal of their lease and stated that the landlord has failed to give any reason for this action, but asserts that the refusal is due to their membership in the Knickerbocker Village Tenants Association, in which they are active. They further alleged that the refusal to renew their lease constitutes an unlawful discrimination against them because of their beliefs in that regard and that such action is in violation of section 223 of the Public Housing Law which provides:

> "Prohibition against discrimination.
>
> "For all the purposes of this chapter, no person shall, because of race, color, creed or religion, be subjected to any discrimination."

The petitioners made application to annul the determination of the State Commissioner of Housing that he is without jurisdiction to compel the Knickerbocker Village, Inc., to renew the lease of petitioners, and to direct the respondent to compel renewal of the lease by the intervenor-respondent. A cross-motion to dismiss the petition was made and the court in granting the motion stated:

> "The only question to be determined here is the interpretation of the word 'creed' in section 223 of the Public Housing Law. Upon this question both sides have been unable to discover any specific judicial authority to lend aid to the court. The court has accordingly looked to the history and intent of the statute for guidance.
>
> * * *
>
> "The text of section 223 of the Public Housing Law was taken bodily from section 11 of article 1 of the State Constitution. It is fair to assume that the Legislature intended to give to that section the same meaning as the constitutional provision. Definitions in dictionaries and

in 21 Corpus Juris Secondum, page 1147, define the word 'creed' as 'confession or articles of faith, * * * formal declaration of religious belief'; 'any formula or confession of religious faith; a system of religious belief.'

"In my opinion the Legislature in Section 223 of the Public Housing Law used the words 'creed' and 'religion' interchangeably. I cannot subscribe to the argument of the petitioners that the word 'creed' may refer to any beliefs, be they economic, political or sociological. Viewed in the light of the history of the statute, the evils it intended to cure, and its constitutional forerunner, I hold that 'creed' means religious belief. Petitioners do not allege nor do they show any discrimination with respect to any religious belief. The cross-motions to dismiss the petition must therefore be granted and petitioners' application denied. ***"

HOLC - FRAUDULENT CONVEYANCE

(S. M. Shaheen vs. Mike Corey et al, Court of Appeals of Stork County, Ohio. Decided in October 1941.)

To set aside conveyance from husband to wife, it is not enough to show that wife knew husband was insolvent. Wife must have knowledge of fraudulent intent of husband, particularly where the conveyance to wife was in satisfaction of an indebtedness and the wife assumed payment of a mortgage on the property.

S. M. Shaheen, a judgment creditor of Mike Corey, instituted suit against him and his wife, Mabel Corey, to set aside a conveyance from Mike Corey to Mabel Corey and to subject the property to the payment of the judgment. HOLC was made a party defendant because it held a mortgage on the property but the validity and priority of its mortgage were not questioned. The opinion of the Court of Appeals was as follows:

"MONTGOMERY, J. This cause comes into this Court as an appeal on Law and Fact from a decree of the Court of Common Pleas. The petition seeks the setting aside of a conveyance of real estate from the defendant Mike Corey to the defendant, Mabel Corey, on the ground that this conveyance was made with the intent to hinder, delay and defraud the creditors of Mike Corey, who the evidence shows is an insolvent debtor. He was in default for pleading to the petition, but his wife, Mabel Corey, the grantee, filed an answer, which was in effect a general denial, except that she averred the purchase of the real estate from her husband for a valuable consideration.

"Upon trial in the Court of Common Pleas that Court rendered a decree on behalf of Mabel Corey and dismissed the petition, and from that decree this appeal was perfected.

"We have read the record of the evidence taken in the Court of Common Pleas, and the opinion of that Court, based upon that evidence is justified, and we are in accord with it.

"Upon appeal to this Court, at the suggestion of counsel, a master commissioner was appointed to take additional evidence, and this was taken and the same has been submitted to us, together with a transcript of the evidence taken in the Court of Common Pleas.

"The only issue raised in either court is that of the knowledge of the defendant Mabel Corey of the fraudulent intent on the part of her husband at the time of making this conveyance. It is contended that Section 11104, G. C., upon which this action was based cannot apply to the facts in the instant case because of the provisions of Section 11105 G.C., and that is the only question for our consideration, essentially a question of fact.

"The additional evidence taken before the master commissioner and submitted to us, tends to strengthen the contention of the plaintiff that Mabel Corey had knowledge of the insolvency of her husband and had knowledge of the debt which her husband owed to this plaintiff. In spite of her denial, it seems to us clear that, from a reading of the evidence taken in the Court of Common Pleas and before the master commissioner, she did have knowledge of this indebtedness.

"However, is this sufficient? Had she any knowledge of any fraudulent intent upon his part? The record before us would indicate clearly a valid indebtedness from the husband to the wife, would indicate clearly the paying of a sufficient consideration for this property by reason of this indebtedness and the assumption of the mortgage then existing upon the property, as the result of which indebtedness the equity would not exceed the debt of this husband to his wife.

"As indicated, this new evidence goes no further than to establish her knowledge of the debt. It does not show that she had participated in the fraud, or had any knowledge of a fraudulent intent existing upon the part of her husband.

"We direct attention to the case of Gould vs. Cooper, 15 Ohio Appeals 223, a decision of this Court of Appeals

rendered by our predecessors in office in 1919. The facts in that case, as disclosed by the record, vary but little from the facts in the instant case. The conclusion there is directly in point, and with it we are in accord.

"Counsel for appellee cite the case of Carruthers vs. Kennedy, 121 Ohio State, page 8, and the effect of the decision in that case is to sustain her contention.

"It follows that there may be a decree for the defendant Mabel Corey dismissing plaintiff's petition."

MUNICIPAL CORPORATIONS - ZONING

(Inzerilli v. Pitney, Supreme Court, Saratoga County, 30 N.Y.S.2d 129.)

Where two ordinances are incompatible and repugnant, the later ordinance expresses the legislative intention as to the subject matter, and the earlier ordinance must be deemed to have been impliedly repealed, in so far as it is inconsistent with the later. A building permit by an administrative official could not condone, or afford immunity for, a violation of law. The fact that a Zoning Ordinance has not been enforced does not work its repeal or affect its validity.

The petitioner is the owner of certain improved real property in the city of Saratoga Springs. She made an application to the Commissioner of Accounts for a license to operate a rooming house under the "Housing and Restaurant Code of the City of Saratoga Springs." It appears that the petitioner would be entitled to the relief demanded had there not been a Zoning Ordinance adopted after the above-mentioned code was passed. The Zoning Ordinance prohibits the maintenance of a boarding or rooming house in the area wherein petitioner's property is located. In denying relief to the petitioner, the court said:

" * * * the Zoning Ordinance is incompatible with and repugnant to the Housing and Restaurant Code. The two cannot stand and in such case it must be held that the later ordinance expressed the legislative intention, as to the subject matter, and the earlier ordinance must be deemed to have been impliedly repealed, in so far as it is inconsistent with the later. City of Buffalo v. Lewis, 192 N. Y. 193, 84 N. E. 809; Pratt Institute v. City of New York, 183 N.Y. 151, 75 N.E. 1119, 5 Ann. Cas. 198; Matter of Leach v. Kenyon, 146 Misc. 571, 261 N. Y. S. 676.

"The petitioner's rights will, therefore, have to be determined in accordance with the provisions of the Zoning Ordinance * * * .

* * *

"It is claimed herein that some right was conferred upon the petitioner by reason of the issuance to her of a building permit by the building inspector of the City of Saratoga Springs * * * .

* * *

"In this case the building inspector could not, under the terms of the Zoning Ordinance, vary in any way the provisions contained therein. That privilege was exclusive with the Board of Appeals. Under these circumstances, I fail to see how the issuance of the building permit could in any way confer a property right upon the petitioner. It has been stated by the Court of Appeals in Marcus v. Village of Mamaroneck, 283 N. Y. 325, 330, 28 N.E.2d 856, 859, 'No building permit by an administrative official could condone, or afford immunity for, a violation of law.'

"Some claim has been made here that the premises of the petitioner as well as the premises of other property owners in the immediate vicinity have been used for several years as rooming or boarding houses. The mere fact that the Zoning Ordinance has not been enforced does not work its repeal or effect its validity. Cunningham v. City of Niagara Falls, 242 App. Div. 39, 272 N. Y. S. 720."

TAXATION - REGISTRATION

(HOLC vs. Margaret E. Love et al, Court of Common Pleas, Clearfield County, Pennsylvania. Decided in October 1941.)

Entry of tax lien in name of owner of property held mandatory, so that person searching title may find such lien.

In a suit instituted by HOLC by a bill in equity the opinion of the court was as follows:

"In this Bill in Equity the plaintiff seeks to enjoin the collection of a municipal claim for taxes and to compel the striking off or satisfaction of the municipal lien entered therefor. The situation arises as follows:

"In 1908 Solomon Pittsley died owning the property in question located in the City of DuBois, title to which then passed to his two children, Margaret E. Love and David

Pittsley. The interest of David Pittsley in 1922 was conveyed to N. R. Moore, who in 1934 conveyed it to Margaret E. Love. Margaret E. Love, then the owner of the entire title, with her husband joining, gave a mortgage in 1934 to the Home Owners' Loan Corporation. Later, in 1940, after default the mortgage was foreclosed and the plaintiff became the owner at the foreclosure sale.

"From 1908 and subsequent to 1930 the property was continuously assessed in the name of the Solomon Pittsley Estate. In 1933 a municipal tax lien was entered in the Prothonotary's office for the 1930 taxes, and in 1938 a proceeding to revive these was brought.

"Both at the time the 1930 taxes accrued and in 1933 when the lien for them was entered the owners of the premises were Margaret E. Love and N. R. Moore. In the entry of the lien, however, these owners were not named and the Solomon Pittsley Estate was named as the owner.

"The facts above stated appear from the Bill in Equity. To this the City of DuBois filed answer stating that it had filed no tax lien as averred, and had no tax claim or encumbrance against the property in question. The County Commissioners, however, filed an answer raising preliminary objections, and it is upon these preliminary objections that we are now required to pass.

"The first of the defendant's objections is that the plaintiff has a full, complete and adequate remedy at law. In support of this the defendant points to Section 16 of the Municipal Lien Act of 1923 which provides that any person who may be admitted to the record to defend against a municipal lien may require the issuance of a Scire Facias for the purpose of making defense thereto. We do not think, however, that the remedy so provided in the Act is intended to be exclusive, particularly when the claimant has not seen fit in any way to bring the plaintiff upon the record in the Scire Facias proceeding. In the absence of decisions, of which none are cited to us, we think the remedy by Bill in Equity remains available to the plaintiff.

"The other ground relied upon by the defendant is that the Bill does not aver the registration of the ownership of Margaret E. Love and N. R. Moore with the DuBois City Engineer as required by the Third Class City Law, Act of 1913, P. L. 568, Article XVI, Section 7, and that therefore the case of

Philadelphia v. Peters, 57 Pa. Superior 275, is controlling. Under the case cited it was held that a municipal claim filed against the Estate of Margaret A. Peters, a deceased owner, was valid.

"In addition to the case of Philadelphia v. Peters, supra, there are other cases holding assessments against the heirs of a named person who is deceased, and liens entered pursuant thereto, are valid: Wistar v. City of Philadelphia, 86 Pa. 215; Northern Liberties v. Coates Heirs, 15 Pa. 245; Beltzhoover Borough v. Heirs of Jacob Beltzhoover, 173 Pa. 213; but in our opinion those decisions do not control the instant case where the title continued to be assessed in the name of a deceased owner for a period of twenty-five years, and where the rights of an intervening mortgagee and subsequent purchaser, rather than some or all of the heirs, are involved. In our opinion the case is governed by the reasoning in cases like Blairsville Borough v. Bonatalli, 123 Pa. Superior 51; Spramelli v. Borough of Punxsutawney, 102 Pa. Superior 557 and St. Clair Savings & Trust Company v. Groeschel et ux., 137 Pa. Superior 1. Under these cases it is held to be mandatory that in entering a tax lien under the Act of 1923 the name of the owner must be stated. Here it appears that neither in 1933, when the lien was entered, nor in 1938 when it was revived, was an effort made to comply with this duty. It would not have been difficult for the taxing authorities, before attempting to enter a lien, to have found from the public record in the Recorder's Office or from inquiry about the premises who the owner or reputed owner was, and we think the fact the owners had themselves failed of a duty to register the title in the City Registry Office does not excuse the failure of the officials to fulfill their duty imposed in connection with the entry of liens. It is important that such liens be entered so that persons searching the title may find them, and it seems apparent that no title searcher should have been required to look in 1933 and subsequent years against the name of Solomon Pittsley, an owner who had died twenty-five years previously. In our opinion, therefore, the Bill in Equity contains a good averment of the invalidity of the lien."

USURY

(Howard v. Kirkpatrick et al, Supreme Court, Special Term, Brooms County, 30 N. Y. S. 2d 166.)

Under the General Business Law an usurious contract is void, but the defense of usury is personal and may be waived by the borrower. Acceptance of a conveyance subject to a usurious mortgage constitutes a waiver of defense of usury.

This was an action to foreclose four mortgages given at various times by defendant Kirkpatrick to plaintiff. All but one of the defendants are in default. The one defendant not in default is the present owner of the premises under a conveyance which was given and accepted subject to the mortgages. This defendant's only defense is that one of the mortgages was usurious.

In holding the defendant's defense invalid, the court said:

> "The statute provides that a usurious contract is void. General Business Law, § 373. However, it is well settled that a defense of usury is personal and may be waived by the borrower, and it has been repeatedly held that a conveyance subject to a usurious mortgage constitutes such waiver. Hartley v. Harrison, 24 N. Y. 170, 171; Sands v. Church, 6 N. Y. 347; Sherling v. Gallatin Improvement Co., Inc., 237 App. Div. 535, 538, 261 N. Y. S. 747, appeal dismissed 262 N. Y. 641, 188 N. E. 101; O'Brien v. Ferguson, 37 Hun. 368, 371; Faber v. Siegel, 158 Misc. 722, 725, 286 N. Y. S. 974; Hatch v. Baker, 139 Misc. 717, 249 N. Y. S. 215; Brown v. Jones, 89 Misc. 538, 541, 152 N.Y.S. 571. The rule is different where the grantee does not assume the mortgage or the conveyance is not accepted subject to it, for under such circumstances there is no waiver and the defense is permitted. Yormark v. Waldman, 127 Misc. 748, 217 N. Y. S. 501. * * * "

ORDERS AND REGULATIONS

CONSUMER CREDIT - AMENDMENT TO REGULATION W

"Effective December 1, 1941, the Board of Governors issued Amendment No. 2 to Regulation W dealing with instalment credit, which amends the regulation in several particulars. There follows a nontechnical summary of the changes made by the amendment * * *

* * *

"In addition to first mortgages, which are already exempt, credit extended to finance or refinance the construction or purchase of an entire building is exempt.

* * *

"All these amendments are effective December 1, 1941."

SECTION 6(a)

Section 6(a) is changed to read as follows:

> "(a) Any extension of credit which is secured by a bona fide first lien on improved real estate duly recorded or which is for the purpose of financing or refinancing the construction or purchase of an entire residential building or other entire structure."

The following interpretations of Regulation W have been issued by the Board of Governors of the Federal Reserve Board:-

SECOND MORTGAGE - SALE CREDIT - LOAN CREDIT

Interpretation No. 92 of Regulation W

"A 24-month note for $650 secured by a second mortgage on a house is not subject to Regulation W if it is given by the purchaser to the

seller as part of the purchase price of the house; and the note may be discounted by a bank under section 3(a)(2)(B). This would be true even if plumbing fixtures and other listed articles had been incorporated in the house, because for the purposes of Regulation W the sale would be regarded as the sale of a house and not as the sale of plumbing fixtures.

"Similarly, the fact that a $1500 instalment loan is secured by a second mortgage on a house that was purchased within 45 days and which at the time of purchase contained plumbing fixtures or other listed articles previously installed, would not cause the loan to be subject to section 5(a) as a loan secured by a 'listed article which has been purchased within 45 days.' The recent purchase is considered to be the purchase of a house rather than the purchase of a listed article, and the case would not be altered by the fact that the seller of the house might have purchased and installed the listed article only shortly before he sold the house and within 45 days prior to the loan. On the other hand, section 5(a) would apply if the mortgagor had owned the house for some time and had purchased and installed the listed articles within 45 days prior to the loan, since in such a case the mortgagor's recent purchase would be a purchase of a listed article rather than the purchase of a house."

TWO NOTES COVERING ONE REPAIR JOB

Interpretation No. 94 of Regulation W

"In the case of a home improvement that is carried out as a single job totaling $995, of which $550 is for a furnace and other Group D items while $445 is for Group E items, the question has been asked whether a Registrant financing the entire job may divide the financing into $445 on an instalment basis subject to the requirements of Regulation W and $550 on a single-payment basis not subject to the regulation.

"This is a single transaction and may not be divided by the Registrant in this manner."

REPAIRS AND ALTERATIONS - EFFECT OF DOWN PAYMENT IN SECTION 6(b)

Interpretation No. 97 of Regulation W

"A Registrant makes an extension of instalment sale credit arising out of the sale of materials and services (including certain Group D articles) in connection with repairs, alterations or improvements upon urban, suburban or rural real property in connection with an existing structure. The bona fide cash purchase price of all the materials and services is $1500 and the bona fide cash purchase price of the Group D articles is $700. The purchaser makes a cash payment of $150 and remains indebted to the seller in the amount of $1350. Is the transaction exempt under section 6(b) of the regulation?

"The exemption in 6(b) does not apply since the $700 purchase price of the Group D articles is more than 50 per cent of the over-all deferred balance of $1350."

REPAIRS AND ALTERATIONS - ONE JOB, TWO NOTES

Interpretation No. 98 of Regulation W

"Facts similar to W-97, but the bona fide cash purchase price of all the materials and services is $3000 and the bona fide cash purchase price of the Group D articles is $1400. The purchaser does not make any down-payment and remains indebted in the full amount of $3000. Inasmuch as $2500 is the maximum amount of a loan which may be insured by the Federal Housing Administration under Title I of the National Housing Act, the customer's obligation totaling $3000 is divided into two parts, one in the amount of $2500 which is insured by the Federal Housing Administration, and the other in the amount of $500 which is not insured. The $1400 of Group D items exceeds 50 per cent of the $2500 but is less than 50 per cent of the $3000. Is the transaction exempt under section 6(b)?

"Since the $3000 represents a single transaction and is divided into two parts merely for convenient treatment under the National Housing Act, it is permissible to treat the $3000 as a unit, and hence as an exempt transaction under Section 6(b)."

FARM SECURITY ADMINISTRATION: The Administrator, by notice filed October 14, designated Union County, Arkansas, as an additional county in which loans may be made under Title I of the Bankhead-Jones Farm Tenant Act. See 6 Fed. Reg. 5264.

The Secretary of Agriculture, by document filed November 6, amended the regulations of the Farm Security Administration to provide that no loan shall be made without his approval to any cooperative association or agency which will result in a total indebtedness of such association or agency to the Farm Security Administration exceeding the amount of $25,000. See 6 Fed. Reg. 5687.

FEDERAL HOME LOAN BANK BOARD: The Federal Home Loan Bank Board, by resolution filed October 20, interpreted the terms "active political office", "compensation", as used in the Board's Rules and Regulations. See 6 Fed. Reg. 5329.

The Federal Home Loan Bank Board, by resolution filed October 20, amended its Rules and Regulations to prohibit any person who holds an active political office for which he receives compensation from holding office as a director of a Bank. See 6 Fed. Reg. 5329.

The Federal Savings and Loan Insurance Corporation, by resolution filed October 22, amended its Rules and Regulations relating to the issuance of debentures in payment of insurance. See 6 Fed. Reg. 5425.

Home Owners' Loan Corporation: The Home Owners' Loan Corporation, by orders filed November 4, recodified its loan service regulations both as to Resolutions of the Board and as to Administrative Orders appearing in Title 24, Parts 402 and 409 of the Code of Federal Regulations. See 6 Fed. Reg. 5631-5647.

RURAL ELECTRIFICATION ADMINISTRATION: The Administrator, by order filed October 11, allocated funds for loans for projects in Alabama, Arkansas, Colorado, Idaho, Indiana, Kentucky, Michigan, Minnesota, New Jersey, North Carolina, Ohio, Tennessee, Texas, Vermont, and Wyoming. See 6 Fed. Reg. 5237.

The Administrator, by orders filed October 17, allocated funds for loans for projects in Alaska, Arkansas, Colorado, Georgia, Idaho, Illinois, Kentucky, Minnesota, Missouri, Montana, Nebraska, New

Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Texas, and Wisconsin. See 6 Fed. Reg. 5322-5323.

The Administrator, by orders filed October 23, allocated funds for loans for projects in Colorado, Florida, Indiana, Iowa, Kansas, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, New Mexico, New York, Ohio, Oregon, South Carolina, South Dakota, Tennessee, Texas, Wisconsin, and Wyoming. See 6 Fed. Reg. 5459.

The Administrator, by order filed November 13, allocated funds for loans for projects in Alabama, Georgia, Illinois, Iowa, Kentucky, Michigan, Minnesota, Mississippi, New Hampshire, North Carolina, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, and Wisconsin. See 6 Fed. Reg. 5794.

FEDERAL LEGISLATION

H. R. 5890	Introduced by Mr. Randolph (D., W. Va.) on October 22, 1941. District of Columbia Rent Control Act. Passed House Nov. 3. Passed Senate Nov. 13 with amendments.
H. R. 5990 (Substitute bill for H. R. 5479 & H. R. 5760)	Reported (H. Report No. 1409) by Banking and Currency Committee on November 7, 1941. Price Control Bill.
H. R. 5997	Introduced by Mr. Gore (D., Tenn.) on November 10, 1941. Price Control Bill. Provides for regulation, among other things, of rents. Referred to Committee on Banking and Currency.

PHILIPPINES NATIONAL HOUSING ACT

Commonwealth Act No. 648 enacted by the National Assembly of the Philippines which was approved June 16, 1941, establishes the National Housing Commission for the following purposes:

(a) The acquisition, development, improvement, construction, leasing and selling of lands and buildings or any interest therein in the cities and populous towns of the Philippines, with the object of providing decent housing for those who may be found unable otherwise to provide themselves therewith;

(b) The promotion of the physical, social, and economic betterment of the inhabitants of the cities and populous towns of the Philippines, by eliminating therefrom slums and dwelling places which are unhygienic or unsanitary and by providing homes at low cost to replace those which may be so eliminated; and

(c) The provision of community and institutional housing for destitute individuals and families and for paupers.

The Act authorizes the Commission to acquire personal and real property by lease, purchase, expropriation or otherwise.

The Governing Council of the Commission shall consist of a chairman and four members to be appointed by the President of the Philippines, with the consent of the Commission on Appointments.

The President of the Philippines may authorize the Commission to exercise the right of eminent domain whenever the Commission shall certify to the President that it is to the public interest to expropriate private lands in any city or populous town or adjacent thereto for the purpose of subdividing the same into small lots and leasing and selling the lots to individuals.

The Commission is also empowered to take title to, develop, administer and dispose of by sale or lease any portion of the public domain designated for residential use pursuant to the provisions of the Public Land Act.

When the Commission shall have available a reasonable number of dwelling places under its control, it shall have power from time to time, after due investigation, to declare a specified area a slum area, and to take measures to eliminate or improve unsatisfactory conditions obtaining in such slum area.

The order of the Commission declaring a slum area must be by virtue of a finding of facts that the living conditions prevailing in the specified slum area are unhygienic or unsanitary to a degree which renders same a danger to the health and welfare of the inhabitants of such area and its environs. For a period of thirty days after posting on or adjacent to the slum area and publication in the Official Gazette, any party may object to the order declaring a slum area, and shall be given an opportunity within a period specified in the order to be heard by the Commission.

The Commission may eliminate a portion of the slum area or otherwise modify its order as a result of objections presented, or refuse to reconsider its order. In the latter case, the person objecting may appeal from the order to the President of the Philippines within ten days of the Commission's decision by filing his appeal with the Commission. The Commission shall forthwith transmit the appeal with its views to the President, whose decision thereon shall be final.

When an order declaring a slum area shall have become effective, the Commission shall have concurrent jurisdiction with the government of the city or municipality in which the slum is situated to adopt building and sanitary regulations, but such regulations shall in general follow the existing municipal ordinances if an adequate sanitary and building code or regulations be in force, and shall not be less exacting than those of the city or municipality concerned.

The Commission may appropriate available funds under its control for the use of the city, municipal or municipal district government whenever the local revenues are deemed insufficient to maintain the standards of public services deemed appropriate for the accomplishment of the purposes of this Act within the areas controlled by the Commission.

The Commission shall commence its activities under this Act in the City of Manila and its environs, but shall promptly undertake technical investigations to determine the extent of slum conditions in other cities and populous towns of the Philippines and make an estimate of the cost of extending its activities thereto when funds and personnel are made available therefor.

There is appropriated out of any funds in the Philippine Treasury not otherwise appropriated the sum of five million pesos in order to enable the Commission to accomplish its purposes and objects as set forth in this Act, provided that the sum appropriated shall not be paid to said Commission, except upon order of the President of the Philippines.

(With acknowledgments to Mr. Louis P. Croft, Adviser on National Parks, Office of the President of the Philippines, from whom a copy of the Act was received.)

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