

# Home Is Security — Do You Want Big Mortgage On It?

By BERNARD C. MELTZER

A whole new philosophy is now arising as to the meaning of mortgage debt. For a long time the ideal was a debt-free home as soon as possible. Now a new school is arising which stresses that paying off the mortgage is unimportant as long as the payments are within the economic means of the family. The following letter vividly sets forth this problem.

**DEAR MR. MELTZER:**

I am having a dispute with my wife as to the meaning of our mortgage. It is paid down to \$2,400 on a house worth \$18,000. We need a new automobile and furniture. I maintain that there is nothing wrong in borrowing the money by increasing our mortgage. The additional monthly payments would be small.

My wife, being a depression baby, says we should try to get our house clear of debt as soon as possible and secure the money some other way, even though it would cost a lot more in interest. What difference does it make from which pocket you owe the money?

**A STUDENT OF THE NEW ECONOMICS**

**ANSWER:** There is a lot of merit in your argument. More and more people are thinking

like you. Bankers tell me that an increasing number of people are using the equity in their home as the basis on which to borrow. The interest rate under these conditions is low when compared to those prevailing on consumer loans—and the monthly repayment charges are also low (because they are spread out over long periods of time).

However, one's home has a special meaning—it is the basis for the family's security. Nothing gives one such a feeling of security as a mortgage-free home. Having discussed the subject over the years with many people who were blessed with a mortgage-free home and observing the comfortable state of mind that goes with it, new economics or not, I must agree with your wife. Readers viewpoints would be welcome.

**DEAR MR. MELTZER:**

I am a widow, aged 52, keeping company with a builder who is 58. He is a very generous man and in the past year he has practically rebuilt my house. Every weekend he brings his tools and spends his time working.

I now have a new kitchen, new shutters, all kinds of built-in furniture, and even new French doors. I am a bit embarrassed by it all for the neighbors are starting to talk. As an expert in real estate what can I do to stop him from doing so much work around the house?

**Mrs. E. L. M.**

**ANSWER:** I know of one sure action that will put a quick stop to all the work of which you complain—marry your builder friend. My wife and thousands of other wives can attest to the truthfulness of this statement.

**DEAR MR. MELTZER:**

I have a very delicate problem and in confidence must turn to you. I sold my house for \$20,000 and my brother, who is an attorney, is preparing the papers for settlement. Last night he brought a deed to the house for me to sign.

After he left I read it and

was shocked to find that the recited consideration was only \$1.

It's shocking to believe that one's own brother would cheat and only leave you with \$1 and take the rest for himself. What do I do?

**"HEART BROKEN"**

**ANSWER:** By jumping to hasty conclusions you have caused yourself unwarranted grief and have impugned the honesty of your brother. I can definitely state that you will get your \$20,000 at settlement and not \$1.

Attorneys or realtors often will insert a nominal consideration (\$1) in a deed because they are trying to accomplish a specific objective or they think it will be to the seller's benefit. The nominal consideration in the deed does not in any way determine the amount that you will receive for your house.

Why don't you ask your brother why he used \$1 consideration? I am sure he will be both anxious and glad to tell you.

**DEAR MR. MELTZER:**

I'm no starry-eyed innocent when it comes to handling men, as you can tell from the following story. I was dating a boy friend and before he got serious, I insisted that he give me a tangible expression of his intentions. He gave me his deed to 10 acres of land to hold. After three months I threw him out. How do I go about getting the ownership of the land?

**"MAN-HATER"**

**ANSWER:** When you threw out your boy friend you also tossed out all chances of your getting the property. You should have kept him on the hook a little longer until he executed a deed transferring ownership to you.

The deed you have is a worthless piece of paper as far as you are concerned. It gives you no rights of ownership. Your ex-boy friend can get a certified copy from the Recorder's office in your County for a nominal fee any time he needs one. I hope this information will be helpful to you before you get

"serious" again with your next boy friend.

Mr. Meltzer welcomes your letters and comments. Unfortunately he is unable to enter into personal correspondence with readers, but will attempt to answer as many letters as possible through his column.