

April 13, 1933

[Message to Small Home Mortgage]

FDR Speech File

P.P.F.
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Congress

To the Senate and House of Representatives:

As a further and urgently necessary step in the program to promote economic recovery, I ask the Congress for legislation to protect small home owners from foreclosure and to relieve them of a portion of the burden of excessive interest and principal payments incurred during the period of higher values and higher earning power.

Implicit in the legislation which I am suggesting to you, is a declaration of national policy. This policy is that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guaranty of social and economic stability, and that to protect home owners from inequitable enforced liquidation, in a time of general distress, is a proper concern of the Government.

The legislation I propose follows the general lines of the farm mortgage refinancing bill, ~~which was laid before you last year~~ ^{7/2} ~~the~~ terms are such as to impose the least possible charge upon the National Treasury consistent with the objects sought. It provides machinery through which ~~the~~ existing mortgage debts on small homes may be adjusted to a sound basis of values without injustice to investors, at substantially lower interest rates and with provision for postponing both interest and principal payments ~~in~~ in cases of extreme need. The resources to be made available through a bond issue to be guaranteed as to interest only by the Treasury, will, it is thought, be sufficient to meet the needs of those to whom other methods of financing are not available. At the same time the plan of settlement will provide a standard which should put an end to present uncertain and chaotic conditions that create fear and despair among both home owners and

~~investors, and prevent equitable understandings and normal business transactions.~~

I submit to you ~~that~~ ^{our} legislation of this character is a subject that demands ~~your~~ most earnest, thoughtful and prompt consideration.

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STEPHEN EARLY
Assistant Secretary to the President

TO THE CONGRESS:

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Implicit in the legislation which I am suggesting to you, is a declaration of national policy. This policy is that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guaranty of social and economic stability, and that to protect home owners from inequitable enforced liquidation, in a time of general distress, is a proper concern of the Government.

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Legislation of this character is a subject that demands our most earnest, thoughtful and prompt consideration.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE
April 13, 1933.