

How To Borrow Money



Hermant Building

PIONEERS OF INDUSTRIAL
BANKING IN CANADA

CHARACTER LOANS



CHARACTER is indisputably the ultimate asset on which banking credit, in all the ages, has rested, but the small borrower, despite his good character, has almost invariably encountered difficulties in approaching sources of financial credit. The CENTRAL BANKING PLAN extends to the small borrower with no assets except his character the privilege extended by commercial banks to the more fortunate possessor of ample collateral.

Industrial Banking is based upon the realization that banking credit extended to the industrial worker, upon sound lines, expands his productive capacity in the same proportion that it multiplies the output of industry itself.

Even under the relatively high wages now prevailing in this country, the margin of surplus between the weekly or monthly income of the wage-earner or salaried employee and his actual expenses is too small to encourage or enable him to use it in a constructive way, and in consequence it is dissipated for some non-essential purpose.

The CENTRAL BANKING PLAN of Industrial Banking makes it possible for the worker to mobilize his small weekly or monthly margin or surplus over a period of a year into one sum, which is large enough to accomplish some substantial economic result, such as a payment on a home, the purchase of necessary furnishings, the meeting of a life insurance premium, a payment on tuition to some educational institution, or the discharge of some debt which reduces productive efficiency through worry, or any other sound economical purpose.

The world has risen during the past generation to the realization that human efficiency is not possible where men are discontented and debt ridden. A workman who, for lack of financial method, is spending more than he makes and who is persistently nagged by creditors, cannot in the nature of things be efficient. He cannot labor with the joyous heart and the mental uplift that underlie all efficiency. He becomes a victim of chronic discouragement which substitutes the belief in failure for the faith in effort—a slovenly and spiritless ne'er-do-well forever sliding down hill. The shiftlessness of wage-earners is reflected in the costly turn-over of labor and a corresponding lack of manufacturers' dividends and in the backwardness of communities, and shiftlessness comes from lack of incentive and from despair.

THE CENTRAL BANKING PLAN SYSTEM OF INDUSTRIAL BANKING BUILDS UP THE SELF-RESPECT, THE MANHOOD AND THE PRODUCTIVE CAPACITY AND STIMULATES THE AMBITION OF THE INDUSTRIAL WORKER, NOT ONLY BY RELIEVING HIM OF FINANCIAL HARASSMENT AND DISCOURAGEMENT, BUT BY REVEALING TO HIM THE FACT THAT HIS CAPACITY TO PRODUCE HAS A CAPITAL VALUE AND THAT A GOOD CHARACTER MAKES IT NEGOTIABLE.

WHAT IS INDUSTRIAL BANKING?

Basis—Purpose

The Central Finance Corporation is an Industrial Banking Institution operating under the Supervision of the Dominion Government. Our business is that of making loans for sound economic purposes to people who establish with us a credit basis of character and earning power. If you require money to pay debts, to furnish your home, to pay insurance premiums, to help a needy relative, to meet expenses caused by illness, death or birth, to buy furniture, to pay taxes, to pay for dental work, to use for educational purposes, to buy necessary clothing, to extend your business, to discount your bills or if you need money for any other purpose, the Central Finance Corporation is at your service. The Central Banking Plan is a system of Industrial Banking designed to lend money to that great majority of people in every city who have no other means of borrowing, when money is needed for some useful purpose. These people include the working man and clerk as well as the merchant and manufacturer. In other words our Company is prepared to serve any honest person, in whatever rank or position in life, who needs money for an honest purpose.

Security Required

Loans are made on notes signed by two or more persons of good character and established earning capacity. The persons signing the note with the borrower are called Co-Makers, as they become joint makers of the note and equally responsible for its payment. Use good judgment and obtain Co-Makers who are likely to be satisfactory;

otherwise you will be asked to secure some other person to sign the note. Co-Makers should be residents of Toronto or in business in Toronto. A person who has been in his present business or employment for more than a year is more acceptable than one so engaged for a shorter period. Persons who are not working regularly are not desirable as Co-Makers. Your fellow employee, foreman, employer, merchant, friend, relative or other person of good character and satisfactory earning power may serve as Co-Maker. It is not necessary that a Co-Maker be a property owner if he is otherwise sufficiently responsible.

Collateral Loans

Loans may be made on negotiable collateral securities such as Government and Municipal Bonds, or stocks and bonds listed on the Toronto, Montreal or New York exchanges.

Amount—Needs—Income

We loan any amount necessary to meet your personal or business requirements ranging from \$50.00 to \$2,000.00. The amount of your loan should be in keeping with your needs and your income.

How the Loan Is Made

Application for Loan: If you desire to borrow money, you must first call at the Application Department where you are interviewed by courteous and sympathetic officers of the Company who explain the plan in detail. You and your Co-Makers are asked to give certain necessary information on the application blank. This information is strictly confidential. All of the questions in the application should be answered. This is necessary in order that we may determine whether applicant and Co-Maker are acceptable. Your Co-Makers do not have to come to our office.

Cost of Loan

All discounts and service charges made by the Company are regulated by special Act of the Dominion Parliament. Interest is paid in advance. A service fee is also charged to cover the cost of investigating and making the loan. This fee, together with the interest is deducted when the loan is made. Discunt rate, 7% per annum; service charge 2% regardless of the duration of the loan. Where a chattel mortgage is taken as security, an additional charge of \$10.00 is made to cover legal expenses and valuator's fees.

**EXAMPLE OF
CO-MAKER LOAN**

Loan	- - - - -		\$300.00
Interest	- - - - -	\$21.00	
Service Charge	- - - - -	6.00	27.00
You Receive	- - - - -		\$273.00

Payable \$6.00 per week for 50 weeks
or \$25.00 per month for 12 months

Loans for smaller or larger amounts are made on the same basis.

How to Pay

When the note is discounted we issue a coupon book which is used in making payments. Each coupon has a stub, which when stamped paid by us is the borrower's receipt for payments made. This coupon book must always be presented when making a payment; because of the large number of payments received daily we cannot accept a payment unless accompanied by the coupon.

Payments By Mail

If it is more convenient, payments may be made by cheque, or Money Order. Cash should not be sent through the mails unless registered. The coupon book itself should not be mailed, but coupons relative to the particular payment or payments should be detached therefrom and must accompany each remittance. The cancelled cheque or Money Order stub will serve as a receipt for you. A self-addressed stamped envelope should be enclosed if a customer desires receipt by mail. Payments should be mailed a day or two in advance of the date due so as to avoid delinquency. The Company assumes no responsibility for the receipt of payments.

Protect Your Loan With Life Insurance

"A Man's debts should not live after him." Would you guarantee your best friend to be alive and in good health one year from to-day? Your two friends who sign your note must do this for you unless you protect your loan with life insurance. They are willing to guarantee your character, for they know you will pay if you live, but can you also ask them to guarantee that you will live one year? Our arrangements with the Confederation Life Association enable you to protect your loan with one year term group life insurance at a cost of less than one cent a day for every \$100.00 borrowed. This cancels the liability of the Co-Makers, or the borrower's family in the event of death of the borrower. If, however, you feel that you have sufficient insurance, and wish to assign one of your present policies, this will be quite acceptable.

The CENTRAL BANKING PLAN will Help You to Save

Why not budget your income for the next twelve months and plan to save? We will assist you in purchasing a good bond and you can pay for same in twelve equal monthly instalments.

CHARTERED BY ACT
OF PARLIAMENT



OF THE DOMINION
OF CANADA

OFFICE HOURS

Daily except Saturday 9 a.m. to 8 p.m.

Saturday - - - - - 9 a.m. to 12 noon

TELEPHONES

General Office - - -	WA. 1761
New Loans Department -	WA. 1763
Collection Department -	WA. 1762
Credit Department - -	WA. 1763

CENTRAL FINANCE CORPORATION

The only Industrial Banking Institution in Canada
operating under Government supervision

Head Office—Dundas Square and Victoria Street
TORONTO - 2