

Realtor Discusses Second Trust Deeds

By FRED L. FREDERICKS
I have often been asked the advantages and disadvantages of a second trust deed. The easiest way to explain a second deed of trust is in its value. The majority of second trusts originate through the sale of property whereby the owner finances a part of the purchase price. EG: A seller sells his home for \$20,000, the buyer puts \$2,000 as a down payment and agrees to finance the property with a savings and loan for 80 per cent of the sale. If the buyer can borrow \$16,000 and they have a down payment of \$2,000 they still must account for the balance of the purchase price which is \$2,000. The seller must carry the remaining \$2,000 in a second trust deed is the sale is to be consummated.



FRED L. FREDERICKS
Realtor

Many sellers will require that this second be sold at close of escrow. If the second loan is payable at 1 per cent per month (\$20), 7 per cent interest, all due and payable in five years the Trust Deed should bring \$1,600 cash on the money market. NOTE: This \$400 loss represents a 20 per cent discount which is currently the price being paid by buyers of second trust deeds.

The discount is determined by many factors. I have illustrated a good second trust deed. Of course there are many which are not worth the 80 per cent. If the home was sold with less than 10 per cent down it would affect the security of the second and this in turn would affect the discount.

The following would either increase or decrease the discount of the second trust deed when varying from the example shown: Interest rate, monthly payoff, due date of loan, credit of buyers, location of property, type of property and net worth of buyer.

which are sold, will sell with conventional financing and the seller will carry a second deed of trust. Using our example of a \$20,000 sale, I believe it would be reasonable to say the actual sale in terms of cash value would be \$20,000 minus the \$400 discount or \$19,600, whether the seller decides to retain the second trust deed or sell it. If a buyer would pay cash of \$19,750 where a seller would not be required to carry a second trust deed, the seller would net \$150 more than a sale at \$20,000 carrying a \$2,000 second.

The argument many sellers give is, "I will not sell my trust deed and consequently will not take a loss." However, the informed seller will realize if a second trust deed is worth 80 per cent of face value there is a loss because he in turn could purchase one for a 20 per cent discount with the cash from a sale. EG: \$1,600 cash would purchase a \$2,000 trust deed or as shown a \$19,750 cash sale would be comparable to a \$20,150 sale with the carrying a second trust deed.

If I have confused you don't feel bad as I have discussed this example in



BUILDER PRAISED . . . Frank Torino, left, Francis P. Torio Construction Co., Torrance, was presented four "Concrete Industry Awards of Excellence" recently by Paul Simpson, Pearman & Son, Inc., Gardena ready mix concrete company, for outstanding use of concrete at four luxury apartment buildings in Torrance. Pearman sales manager Simpson made the presentation on behalf of the awards sponsors—the Portland Cement Association and the Southern California Ready Mixed Concrete Association.

person for hours with some of the most sophisticated before a complete understanding was reached.

Sellers should be aware that the sale price of property is not the criterion of an equitable sale as I have shown in the past and will continue to explain in the future.

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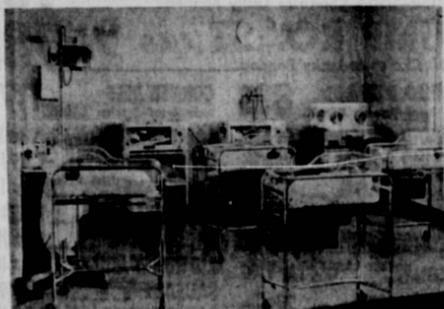
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914 New Babies



Medical Staff

Torrance Memorial Hospital is proud of its outstanding medical staff and its activities during the past year. The staff includes general practitioners and representatives from almost all specialties in the field of medicine, including allergy, anesthesia, dermatology, ear, nose and throat, genito-urinary, gynecology, internal medicine, neurosurgery, obstetrics, ophthalmology, orthopedics, pathology, pediatrics, plastic surgery, proctology, psychiatry, radiology, surgery, thoracic surgery and many others. There are a total of more than 235 doctors and six dentists who are members of the medical staff. During 1965 Richard A. Sullivan, M.D. was Chief of Staff, with John Tippin, M.D. as Vice-Chief of Staff and Joseph Nebolon, M.D., Secretary Treasurer.

10,421 X-Rays



New Facilities

During 1965 a number of new weapons were added for the constant battle against sickness and injury. The John Beeman Memorial Wing was completed and equipped at a total cost of \$60,000. This new facility provides a total of 12 additional beds for acute patients with electrically operated beds for more patient comfort, television for each room and telephones for each patient. In addition extensive additions were made to the x-ray equipment at the hospital with more than \$60,000 invested in the latest diagnostic x-ray equipment. Work began on a new intensive care unit to help provide progressive levels of patient care. This new unit has now been completed and provides three beds with a nurse and nurse aide in constant attendance, eliminating the need for special duty nurses for critically ill patients.

1965

ANNUAL REPORT TORRANCE MEMORIAL HOSPITAL

1425 ENGRACIA AVE.
TORRANCE, CALIF.

REPORT ON PATIENT CARE

- Patient Admissions 5,177
- Total Patient Days 24,157
- Percentage of Occupancy 67.6
- Beds Available 99
- Babies Born 914
- Bassinets Available 24
- Average Length of Stay 4.66 days
- Emergency Cases 2,548
- X-Rays 10,421
- Laboratory Tests 67,201
- Surgical Patients 2,618

REPORT TO THE COMMUNITY

As we mark the 46th Anniversary of the founding of the Torrance Hospital Association and the 41st Anniversary of the opening of Torrance Memorial Hospital, the Board of Directors is proud to present this annual report to the community. When Jared Sidney Torrance founded the Torrance Hospital Association he provided that any individual could become a member of the Association. That is still true. Torrance Memorial Hospital belongs to the people of this community and is dedicated to providing the best possible patient care to those who turn to it in time of need, irrespective of race, creed or financial status. The Board of Directors is also charged with operating the hospital in such a manner that it will be solvent so that it can continue to provide care for the people of this community in the years to come. We are grateful for the outstanding support we have received from the people of this area during the past year.

The Board of Directors has launched a far-reaching program of Master planning and long-range development, studying the hospital needs of the community for the remainder of the century.

To assist in this program a Citizens Committee has been formed to explore the possibility of a new and expanded hospital with a minimum of 250 beds, so constructed as to be able to expand in the future when needed. Such a facility will permit the addition of many much-needed patient diagnostic and treatment facilities which are not now available in the area. It would also be able to function as a teaching hospital, with the resulting high standards of quality medical care.

However, until such time as a new facility becomes a reality, the Board of Directors pledges to the community that they will continue to maintain the present hospital goal of providing the best possible patient care.

REPORT ON FINANCES

- Total Income \$1,708,921.24
- Total Expense \$1,694,809.99
- Charity and Free Service \$28,045.19
- Payroll Expense \$1,076,262.76
- Patient Cost Per Day \$70.16
- Labor Cost Per Day \$49.00

46 YEARS OF COMMUNITY SERVICE



BOARD OF DIRECTORS OFFICERS

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- Howard A. Wood, M.D.
- Leonard A. Ensminger, ADMINISTRATOR

64,441 Meals



Women's Auxilliary

The Torrance Memorial Hospital Women's Auxilliary was founded in 1951 and since that time has given many thousands of hours of service to the patients at Torrance Memorial Hospital. These have been services that would not otherwise been available.

Included are the coffee bar which provides courtesy coffee for all visitors to the hospital, the provision of a daily paper for all patients at no charge, the operation of the baby photos providing first baby pictures, and many other areas. During 1965 they provided 13,000 hours of service. In addition they contributed a total of \$6,000 to the hospital for the benefit of the people of this community. 1965 saw the presentation of a successful Follies which added to funds for hospital equipment. Mrs. James K. Lees was President of the Women's Auxilliary during 1965.

67,201 Lab Tests



Employees

The more than 250 loyal and dedicated employees of Torrance Memorial Hospital have one goal, as do all connected with the hospital — the provision of the best possible patient care. Because of the intermediate size of Torrance Memorial Hospital, we have been able to maintain our program of maximum personal attention to the patient. The employees include 191 full time personnel and 57 part time employees. This means that there are never less than 2.5 employees for each patient in the hospital.

During the past year many of our supervisory employees attended seminars and workshops to maintain their high level of professional competence.