

# Nixon Loan

## Payment Postponed

### Washington

President Nixon has arranged a six-month postponement of his final mortgage payment on his San Clemente estate, officials said yesterday.

Originally, a balloon payment of \$226,660 was due Monday, along with \$17,000 in interest.

Under the new arrangement, the President will pay the interest and only a small amount on the principal on Monday.

The officials, who talked to a reporter as the President was flying to San Clemente for a working vacation, said a similar extension also is being obtained by the B&C Investment Co., which was formed by two of the President's friends to help him buy the property. B&C Investment owes more than \$300,000 on its share of the mortgage.

According to the arrangement worked out by Mr. Nixon's California lawyer and officials of Title Insurance & Trust, the new balloon payment on the mortgage will be due in mid-January, the officials said.

They said Mr. Nixon's mortgage interest rate of 7.5

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per cent will remain unchanged. This is something of a break for the President, because mortgage rates have risen to 9 per cent or more since he bought the property in 1969.

Dean S. Butler, the Los Angeles lawyer who has taken over the bulk of Mr. Nixon's personal legal business worked out the arrangement through the trust company and representatives of the Cotton estate, the sellers of the property to Mr. Nixon and holder of the mortgage, the sources said.

Butler had said earlier that Mr. Nixon probably would need to refinance the mortgage or get an extension because he didn't have the funds to make the final payment.

The President's savings accounts were virtually wiped out earlier this year when the Internal Revenue Service assessed him for \$432,787 in back taxes.

An official familiar with Mr. Nixon's finances said the President will be making the interest payment and partial principal payment from personal funds.

Mr. Nixon purchased the estate in two parts for \$1.5 million in 1969. The next year, he sold the bulk of the acreage to his close friends, Robert Abplanalp and Charles G. (Bebe) Rebozo, for \$1,249,000.

Mr. Nixon originally owed \$1 million on one mortgage and \$80,000 on another. But after the sale to the B&C Investment Co., formed by Abplanalp and Rebozo, his obligation was reduced to \$340,000.

Subsequent payments had since reduced his debt to the present \$226,660, all of which was to be due Monday in a final payment called a balloon because it is much larger than earlier annual payments.

Technically, the ownership of the Spanish-style estate and surrounding acreage is still held in one piece through the medium of a trust, whose beneficial interest is divided between the Nixons and B&C.

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