

FEDERAL HOUSING ADMINISTRATION
MEMORANDUM

DATE Feb. 3, 1936

TO: Honorable Marriner S. Eccles, Chairman
Federal Reserve Board
SUBJECT- Washington, D. C.

••• 16-3401

Dear Mr. Eccles:

I know you will be interested in
the attached.

Stewart McDonald
Administrator

FEDERAL HOUSING ADMINISTRATION
WASHINGTON

STEWART McDONALD
ADMINISTRATOR

February 3, 1936

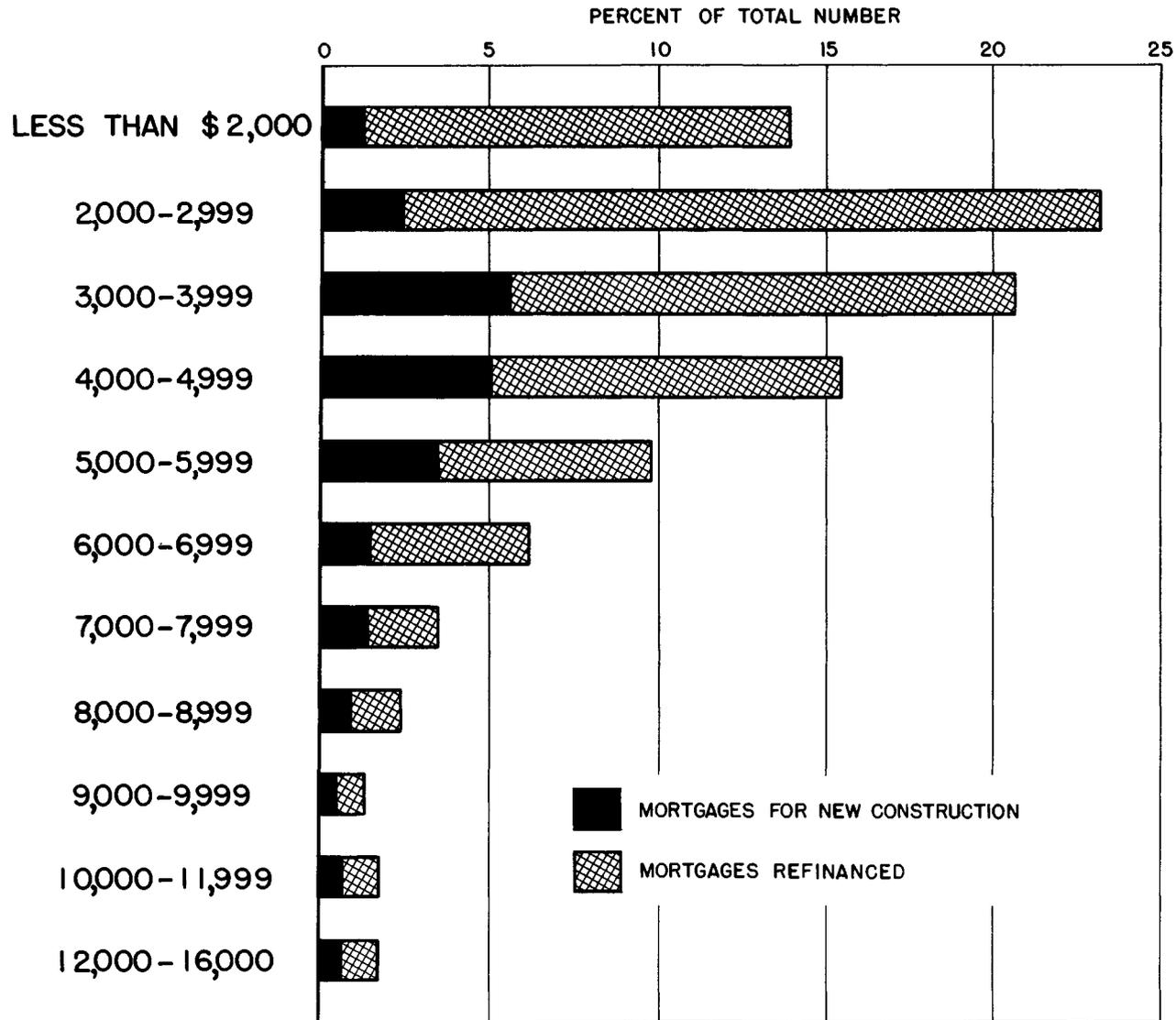
An analysis of the new dwellings constructed during 1935 insured through FHA indicates that over 95% were for single dwelling purposes.

The average appraised value of these new dwellings was \$6,570. The average mortgage amounted to \$4,748, or a ratio of mortgage principal to FHA valuation of 72.3%.

In July, 1935, FHA mortgages accepted for new construction amounted to approximately 30% of the building permits reported to the Bureau of Labor Statistics for one and two family dwellings. By December, this ratio had increased to 37%.

Since the Bureau of Labor Statistics reports cover construction in cities of 10,000 and over only, there is no accurate method of determining the amount of new residential construction in the smaller cities in the United States, nor the percentage of it insured through FHA. The percentage, however, is probably higher than that in the larger cities.

ACCEPTED MORTGAGES CLASSIFIED BY AMOUNT OF PRINCIPAL



FEDERAL HOUSING ADMINISTRATION
 DIVISION OF ECONOMICS & STATISTICS
 DECEMBER, 1935