

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

To Chairman Eccles

Date April 20, 1945

From Governor Evans

Subject: Farm Real Estate Values

A recent publication by the Bureau of Agricultural Economics on the current development in the farm real estate market contains the following information:

Roughly, 300,000 farms were sold in 1944 and about 50 per cent were sold for cash. Of the remaining 50 per cent, about 60,000 farms had a mortgage for 75 per cent or more of the sale price. Over 100,000 farms had a mortgage of more than 50 per cent of the purchase price.

These data indicate that a substantial proportion of the current credit financed purchases carry a debt greater than the full market value of the property four years ago. The number of farms purchased with a very small payment and a very large mortgage is substantial.

