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John H. Fahey, Chairman
T. D. Webb, Vice Chairman
F. W. Catlett
W. H. Husband
F. W. Hancock, Jr.

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APPROVED BY THE BUREAU OF THE BUDGET.

WAVERLY: A DEMONSTRATION OF NEIGHBORHOOD CONSERVATION

The most comprehensive analysis of a residential neighborhood ever undertaken shows that prevention can halt neighborhood decay. In the Waverly area in Baltimore, where individuals have been powerless to check the spread of blight, a coordinated program has been developed to accomplish an effective cure.

■ **ULTIMATE** social and economic decay, requiring a surgical operation in the form of demolition, is not necessarily the last chapter in the history of every urban residential neighborhood. This is the conclusion drawn by technical experts who have studied the Waverly area in Baltimore, a residential district which shows marked evidence of depreciation in usefulness and property values. Their analysis shows that a coordinated and sustained neighborhood conservation program will usually provide a practical preventive remedy for community corrosion.

The Federal Home Loan Bank Board has been concerned for many years with the national problem of neighborhood disintegration—the process which leads to slums. Its agencies and their member institutions have a direct financial stake approximating seven billions of dollars in the preservation of real estate values in urban communities. It was a paradox that the Nation's slums had aroused the attention of many, but that the blight within residential areas which leads to slums and which may start with the obsolescence or neglect of a single property was spreading without any semblance of control. It was true that diseased spots could be cured by the costly process of demolition and reconstruction under Government sponsorship, but only the cooperation of property owners themselves could preserve their own equities and halt obsolescence of neighborhoods before they reached the slum stage, where all values are lost and total demolition is the only solution.

In seeking a preventive program which would safeguard values continuously, under the leadership of the home owners themselves, the Board authorized active participation in a survey and planning program in the Waverly district of Baltimore, Maryland. A report to the Board¹ on the broad community

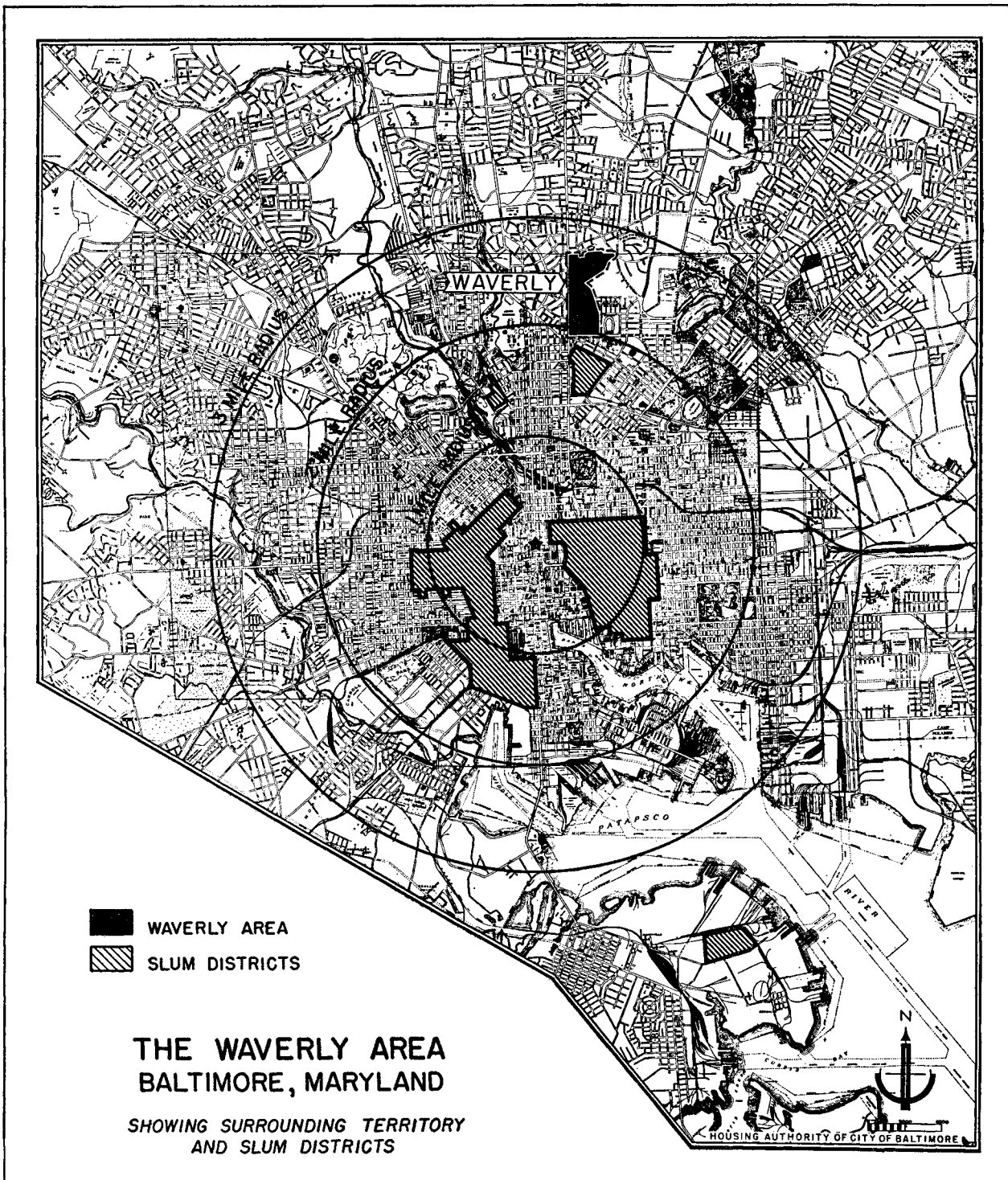
¹ "Waverly—A Study in Neighborhood Conservation" was prepared by Arthur Goodwillie, as Economic Assistant, under the direction of Donald H. McNeal, Deputy General Manager of the Home Owners' Loan Corporation, and may be ordered when published from the Superintendent of Documents, Government Printing Office, Washington, D. C.

conservation plan that has been developed there shows that the major underlying causes of urban blight are the same, its economic and social effect is the same, and its remedial treatment is virtually identical, in all communities. The Waverly area is only one of hundreds of similar districts to be found in the cities throughout our country; it is part of the national problem of urban decay.

In this report, a pattern is laid down by which all communities may guard and stabilize the gigantic investments in residential properties of the type which in years past have vanished through neglect and decay. It is the story of Waverly from the time of settlement to the present day—its development, its true values, its partial disintegration, its problems, and their solution. It is not only a record of the survey and planning phase of the project, but also a guide for urban communities which, aware that prevention can halt neighborhood decay, are seeking a program to adopt and follow. In the files of the Board—gathered through the operations of the HOLC—are studies of more than 200 cities. Compiled through access to confidential information, supplemented by careful investigations and analyses by competent technicians, they show the fate that lies before scores of residential neighborhoods. Yet the residents of these neighborhoods would be the first to reject the suggestion that their equities will be menaced in the immediate future.

It is to awaken communities to such problems as these—as well as to provide a pattern by which to solve them—that the Federal Home Loan Bank Board is publishing this Survey Report.

In this article, we are concerned with the background of the growth and decline of Waverly, for its story is a description of the usual genesis, direction, and result of neighborhood decay in American cities. Then, having clearly isolated the infection, later articles will tell the story of the technical findings, of the Master Plan based on this survey, and of the organization of the local neighborhood machinery



The Waverly District, sketched in solid black in this map of Baltimore, is one of the oldest subdivisions in the city, and is surrounded by newer and more modern developments, except on the south, where its contact with the downtown districts exposes it to the infiltration of sub-standard influences. To the west and northwest lies one of the finest residential districts in the city; to the north and east are new, high-class neighborhoods; at its southwest corner, across the protective barrier of Greenmount Avenue, is a comparatively small dilapidated district which affords an excellent example of that blight and corrosion from which the Conservation Program intends to protect Waverly. To the south is a fully developed, though not congested, slum district, which definitely threatens the Waverly area by its contiguity and by actual infiltration. At one point, the two virtually adjoin, being separated only by a wedge-shaped tract, improved with modern homes in an excellent state of repair. The slum's pressure to cross this sharply defined barrier is steady and definite, and has been successfully resisted only by means of the high neighborhood standards which have been maintained within this triangular section.

that will supply the leadership for the actual execution of the conservation program in coming months.

THE WAVERLY DISTRICT

Waverly is an essentially sound residential district, menaced both from within its own boundary and from without by conditions which demand planned cooperation by property owners and the pooling of their interests to halt the present decline of property values. One of the oldest subdivisions in Baltimore, it is surrounded by newer and more modern developments, except on the south, where its contact with the downtown districts exposes it to the infiltration of substandard influences. The area contains 38 square blocks of residential property, including approximately 1,515 residences and a number of scattered retail, commercial, and industrial establishments.

The Waverly neighborhood started to grow about 1850 without any specific plan. Structures of all types and shapes sprang up as the need for housing increased. New streets followed the lines of old wagon trails. Only a few streets followed through connections to others and most are now too narrow to care for present-day traffic. As the years went by, row-housing developments appeared in the neighborhood. The increase in population called for more shopping facilities, which were often established in the most undesirable places. Lack of schools and playgrounds and the unsatisfactory traffic situation created serious problems.

Most of the residents of Waverly are either original owners or their descendants. The owners and tenants are people of substantial character, with considerable evidence of social and civic pride. Civic and social organizations provide the nucleus for a strong, well-knit neighborhood organization to dedicate itself to a long-range program of conservation.

This is the setting for the careful Survey and Planning Study which has been conducted in Waverly. In this Test Conservation Program, the Baltimore Housing Authority acted as official sponsor; the Works Progress Administration furnished a staff to conduct a survey of conditions and needs; and the United States Housing Authority and the Home Owners' Loan Corporation contributed the essential technical services. Municipal authorities and civic leaders cooperated in every step of the project, in the realization that the Government's part was only one of direction until a Plan could be evolved. The

execution of that Plan would be a task for the community itself.

THE LIFE CYCLE OF A NEIGHBORHOOD

How do these "Waverly districts" arise? We can trace the life cycle of many a residential area in terms of the early history of population growth. In 1800, 211,000 persons—4 percent of the Nation's entire population—dwelt in the six American cities which then had a population of 8,000 or more. By 1920, there were 46,000,000 people—44 percent of the inhabitants of this country—living in the 924 American urban centers having a population greater than 8,000.

Urban development—the remarkable increase in the number of cities and the constantly accelerated rate of their population growth—was often forced, as it strove to meet the equally rapidly expanding requirements of our national economy. This made exceedingly difficult the production of any orderly plan for the extension of the physical and social patterns of our cities. The conservation of existing physical resources was frequently ignored or wholly forgotten in the haste to develop new wealth and novel amenities of life. As wealth increased, standards of living changed rapidly, and swifter and more comfortable forms of urban and interurban transportation and communication were developed. All of these invited increasing migration to the fringe of the urban settlement, and as advancing age and comparative obsolescence began to set their mark on formerly desirable neighborhoods, they were quickly and lightly abandoned to those economically less able to command all that was most desirable in the location and quality of their homes.

Thus began the decline which so frequently produced urban blight—for while America was growing, it was also wasting away.

More recently, another factor—the slackening rate of increase in population growth—has tended to hasten the development of depressed urban areas. For the first time in our national history, net city and suburban population is not increasing rapidly and such growth as exists is at the urban rim.

The capital loss occasioned by community disintegration is apparent to the most casual observer. Once decay sets in, property values gradually decline. Nor does the shrinkage in investment values represent all of the loss. The cost of necessary municipal services, the cost of educational, health and hospital services for slum dwellers and the cost of delinquency,

immorality and crime, are out of all proportion to the contribution of these areas to the general support of government. They therefore entail an enormous net public revenue loss to the community as a whole.

The heavy cost of urban blight, in the form of shrinking taxes, on the one hand, and increased expenditures, on the other, is the channel through which a considerable portion of the income of almost every city in the United States, over 50 years old, is being drained away. (For a blighted Cleveland district, municipal income was \$225,000, but the cost of maintaining that area was \$1,900,000. A square mile in Chicago, during a recent 3-year period, returned \$586,000 in taxes, while the city's outlay for public services was \$3,200,000).

In its life cycle, the neighborhood begins with the need of a growing city for additional homes; thus is developed a new area reflecting all that is modern in construction, sanitation, and mechanical equipment. It then passes through a considerable and often comparatively long period of normal use, marked by reasonable maintenance. It next begins to suffer from advancing age, accelerating obsolescence, and structural neglect. As the process of decay continues, investment and rent values gradually fall. Since these values no longer justify proper maintenance, repairs are progressively scaled down or are wholly neglected. One by one, individual residential units—and presently the district as a whole—show marked evidence of serious deterioration. Finally, the district emerges as a slum area.

Why have we permitted our urban areas to decline in this way, almost unchecked? One reason is that we have always considered the constantly accelerating disintegration of the urban neighborhood to be an inescapable process which more or less superficial repair, at increasing intervals, might momentarily delay but could not long halt. Then, too, sporadic and unrelated individual effort can never stop the gradual decay of an older neighborhood. Once it commences to decline, home owners with growing incomes and increasing families gradually surrender it to those who must live on a relatively lower economic scale. The number of old housing units throughout the country which each year thus crosses the line into the substandard class greatly exceeds the number of new units constructed during the same period. As a result, one sixth of the urban dwelling units in the United States have reached that condition of aggravated obsolescence that puts them beyond any reasonable program of rehabilitation.

A SURGICAL OPERATION OR A PREVENTIVE REMEDY?

Whatever the eventual remedy for the malady of fully developed urban decay, the cure will necessarily be exceedingly slow, involving first, the equivalent of a costly major surgical operation to remove these diseased areas from the body of our urban communities and second, a tremendous rebuilding program. No program would be complete, however, which leaves untouched the preservation of existing standard housing.

The history of our American cities shows little or no effective effort to delay, in its intermediate period, what has too generally been considered the inevitable cycle of growth and decay. First, because property owners have not been aware that neighborhood decay can be definitely arrested and even reversed; second, because funds and technical advice required to produce a pattern for that purpose have not been readily available to them.

The greatest cause for regret is the fact that the costly major surgical operation which must presently be performed on so many urban communities could frequently have been avoided by the earlier application of a comparatively inexpensive preventive remedy. It is not a remedy which will serve to rejuvenate or perpetuate a district where physical structures and equipment are in so advanced a stage of deterioration as to be unfit for normal use. Usually, the only cure for an area of that type is complete demolition and subsequent replanning.

The proposed preventive treatment is designed for those older neighborhoods which have not yet approached slum status, but in which the sinister effects of age and obsolescence are beginning to gain so disruptive a momentum that they will be eventually carried below the limit of normal usefulness and beyond rescue, by either individual or collective effort, unless steps are taken to control these trends. Rarely does a residential district develop into a slum because of factors beyond the control of those who live in it. Decay is usually due to the fatalistic attitude of the whole body of property owners themselves. It begins with one house, and halts if and when all home owners concerned, each for his own best interest, determine that blight shall extend no farther. Coordinated neighborhood action cannot check forever the tendency of neighborhoods to decline in attractiveness and economic value, but trends can be controlled and general disintegration can be almost indefinitely postponed.

(Continued on p. 324)

THE THIRD ANNUAL "HUNT FOR FACTS"

PART 3

Many savings and loan executives and boards of directors will meet this month to determine advertising budgets and promotional programs for the last half of 1940. To furnish auxiliary material for their discussions, the REVIEW presents a detailed analysis of the replies by income groups and by geographic location.

■ HOW much do other savings and loan associations spend for their business promotional programs? How do they use these funds? These are two of the questions which many boards of directors will ask of their managing officers as they gather around conference tables this month to determine and approve advertising budgets and public relations programs for the last half of this year. To furnish answers to these queries, a special analysis has been prepared of the returns to the third annual "Hunt for Facts" questionnaire distributed by the Public Relations Department of the Federal Home Loan Bank Board.

In the following discussion, savings and loan association executives will find reference material which will give them a yardstick to measure the business promotion efforts of their own institutions. A managing officer will be able to compare his institution's promotional activity in 1939 with the record of other associations of similar size in his own District, in neighboring Districts, and in the country as a whole. This article tells how much associations of different sizes spent for business development last year, showing the average amount of business promotion expenditure and its relation to gross operating income, to assets, and to the volume of new business which they obtained.

To permit more accurate local comparisons, a number of tables and charts are shown which indicate first, how the amount of money spent varied in the different Bank Districts and with associations of different gross operating incomes, and second, how the media used were influenced by these same factors of location and size. Finally, basic variations in the business promotion programs of the three classes of associations have been computed revealing the disbursements of Federal, insured State-chartered, and uninsured member associations, also classified by their gross operating income volume.

EXPENDITURE BY SIZE OF ASSOCIATION

To study the importance of the size factor in the volume of savings and loan expenditures for business promotion, the schedules of reporting associations were sorted into nine gross operating income size-brackets as well as by the Federal Home Loan Bank District in which they were located. There were 1,087 institutions which had indicated their gross operating income, year-end assets, total business promotion expenditures, and the amount of new mortgage loans and new private share capital received during 1939. With these basic data, ratios were established to determine the pattern for the different size groups.

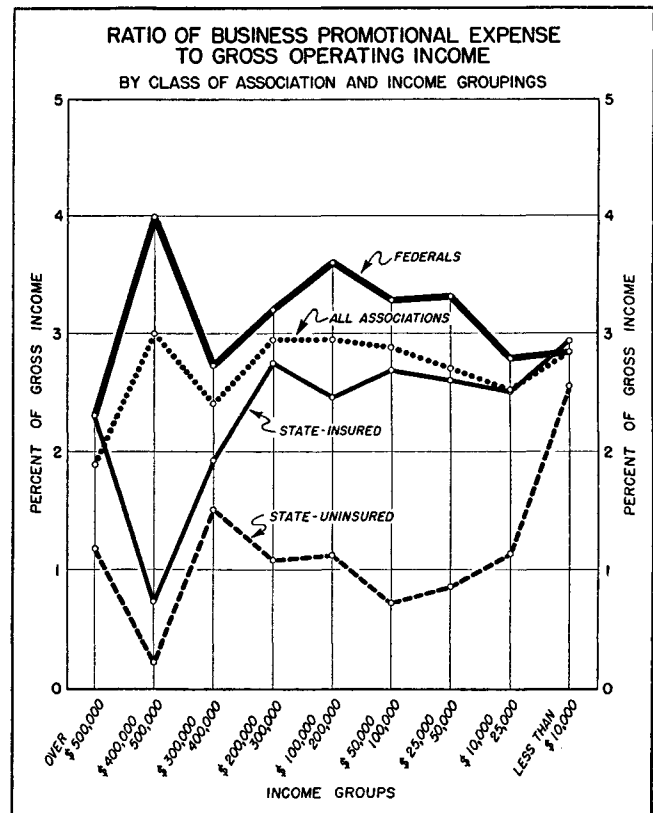
Table 1 shows the national picture for these relationships at each of the gross operating income levels. It is clear that there is no consistent tie-up between the amount of promotional expenditure and association size. For all except the largest institutions, however, the totals fell in the range of 2.4 to 3.0 percent of gross operating income. In examining the relationship of business development spendings to the assets at the end of the year, it was still not possible to establish a regular pattern. If any conclusion can be drawn, it is that associations with average assets ranging from \$702,000 to \$4,658,000 tended to spend a greater proportion for acquiring new customers than did either the smallest or largest organizations.

Relating the amount of "new business" to association promotional expenditures is a relatively recent development in these "Hunt for Facts" analyses. This statistic is derived by adding together the amount of new private share capital reported as received during the year and the volume of new mortgage loans. By dividing this sum into the amount of money spent, it is possible to arrive at an estimate of the cost of obtaining this additional

activity. In terms, then, of new business obtained, the smallest associations were apparently spending the least per dollar of additional private capital and new mortgage loans: about one-fourth of 1 cent.

Although there are no definite trends indicated, it does seem that the higher an association's ratio of business promotion expenditure to gross operating income, the greater is the cost per dollar of new business. There are a number of exceptions to this relationship, however, but it projects one thought which should be uppermost in the minds of savings and loan executives: it is not the actual dollar amount expended which is of prime importance, but rather the effectiveness with which an advertising program is planned and carried through to its conclusion. From Table 1, it is apparent that business promotion expenditures fluctuated from one-quarter of 1 cent to two-fifths of 1 cent per dollar of new business obtained. This may denote a wide variation in the effectiveness and productiveness of the campaigns themselves.

At the conclusion of this article, additional tables similar to Table 1 are presented for each Bank District, enabling a manager to compare his own institution's 1939 business development program with the programs of other associations of the same size in his own section of the country. No attempt is made to interpret these Bank District tables. They are not presented as ideal standards, but simply as promotional programs which were in effect among institutions in that area during the past year. As such, they are worthy of careful study and comparison.



The effect of size and geographic location on association business promotion expenditures are studied in Table 1 and Exhibit A. It is apparent from the above chart that there are also significant differences depending upon the class of association. With the exception of the smallest institutions, Federal associations spent the largest share of their gross operating income for business development purposes. Uninsured State-chartered members which replied to the questionnaire indicated the lowest ratios, with insured State-chartered associations occupying the mid-position.

Table 1.—Business promotion expenditures of 1,087 member associations

[Calendar year 1939]

Gross operating income groups	Reporting associations	Average assets, Dec. 31, 1939	Average gross operating income	Average business promotion expenditure	Ratio of business promotion expenditure to—		
					Gross operating income	Assets	New business
Over \$500,000.....	18	\$17, 581, 279	\$925, 787	\$17, 397	<i>Percent</i> 1. 879	<i>Percent</i> 0. 099	<i>Percent</i> 0. 258
\$400,000—500,000.....	7	9, 335, 384	454, 507	13, 646	3. 002	. 146	. 387
\$300,000—400,000.....	25	6, 980, 878	336, 746	8, 103	2. 406	. 116	. 311
\$200,000—300,000.....	32	4, 658, 077	242, 544	7, 146	2. 946	. 153	. 359
\$100,000—200,000.....	121	2, 589, 819	140, 814	4, 148	2. 946	. 160	. 406
\$50,000—100,000.....	218	1, 360, 543	69, 728	2, 017	2. 893	. 148	. 345
\$25,000—50,000.....	217	701, 587	36, 178	979	2. 706	. 140	. 340
\$10,000—25,000.....	266	341, 863	16, 683	421	2. 524	. 123	. 252
Under \$10,000.....	183	145, 994	6, 380	182	2. 853	. 125	. 250
Total.....	1, 087	1, 458, 376	75, 180	1, 968	2. 618	. 135	. 331

Table 2.—Percentage distribution of the advertising dollar, by income size groups

Media	United States	Over \$500,000	\$400,000-500,000	\$300,000-400,000	\$200,000-300,000	\$100,000-200,000	\$50,000-100,000	\$25,000-50,000	\$10,000-25,000	Under \$10,000
Newspapers.....	47.2	43.0	34.8	48.5	50.1	47.4	49.3	50.4	47.8	53.3
Publications.....	3.0	3.4	2.9	3.1	2.1	2.6	3.4	3.9	3.5	2.6
Printed material.....	19.0	10.9	9.4	7.2	11.5	8.8	7.6	9.3	8.9	12.7
Radio.....	10.5	12.6	10.5	11.1	8.9	15.8	6.9	7.7	4.3	0.5
Outdoor bulletins.....	5.0	10.6	10.6	4.8	5.2	3.2	3.4	1.9	1.3	0.9
Illuminated outdoor signs.....	1.8	1.7	0.2	0.8	1.0	1.3	2.3	2.8	3.6	5.0
House organs.....	3.6	5.2	5.3	3.2	4.4	3.5	2.9	2.2	2.4	0.5
Office displays.....	4.3	2.6	6.3	3.5	2.7	3.4	5.4	6.0	7.7	5.3
Car and bus cards.....	1.1	0.2	4.1	2.0	2.1	0.7	1.4	0.4	0.5	0.0
Motion pictures.....	0.3	0.0	0.1	0.2	0.1	0.2	0.4	0.7	1.3	0.9
Coin banks.....	6.3	2.2	1.4	9.0	3.5	4.9	9.1	7.8	11.7	10.4
Miscellaneous advertising.....	7.9	7.6	14.4	6.6	8.4	8.2	7.9	6.9	7.0	7.9
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

VARIATION BY CLASS OF ASSOCIATION

That there were sharp variations in the expenditures of the three different classes of member associations is evident from the line chart on page 295 which shows the ratio of business promotion expense to gross operating income in each of the nine size groups of Federal, insured State-chartered, and uninsured associations. With the exception of a fractional margin in the smallest institutions, the Federals consistently spent a greater proportion of their total income for promotional purposes than did either of the other two classes. Insured State members held a position close to the combined averages, with uninsured State-chartered associations ranking lowest.

DISTRIBUTION OF THE ADVERTISING DOLLAR

The second question which our boards of directors wanted to know was, "How do other associations use their business promotional funds?" The answer to this question may be found in Tables 2 and 3 which show the distribution of the advertising dollar for associations of different sizes and for all associations in each Bank District.

In Table 2, the distribution of the advertising dollar by size of association shows no apparent correlation and no uniform pattern for the use of newspapers, publications, printed material, car and bus cards, motion picture theaters, and miscellaneous. Certain definite tendencies were displayed, however, by the remaining six media. First, it was evident that the larger associations laid greater emphasis upon the use of radio, outdoor bulletins, and house

organs. Second, illuminated outdoor signs, office displays, and coin banks took a relatively greater portion of the business promotion expenditure of the smaller associations than of the larger institutions. Some of these trends are charted in the bars shown on the opposite page.

It is a little more difficult to discern pronounced variations in the pattern of expenditure when we compare the distribution of the advertising dollar on the basis of Bank Districts. For six of the 12 media, including publications, illuminated outdoor signs, house organs, car and bus cards, motion picture theaters, and the miscellaneous classification, there was no pronounced variation in the relative proportion of the advertising dollar taken.

The use of newspapers showed wide fluctuation, although they continued to absorb the major portion of association advertising funds. In the Boston Bank District, associations spent only 37 cents out of every dollar for this medium, but in the Winston-Salem area, 58 cents out of every dollar was used for newspaper advertising. Expenditures for printed material were above the national average in Boston, New York, Pittsburgh, Chicago, and Portland, and were the lowest in Little Rock and Winston-Salem.

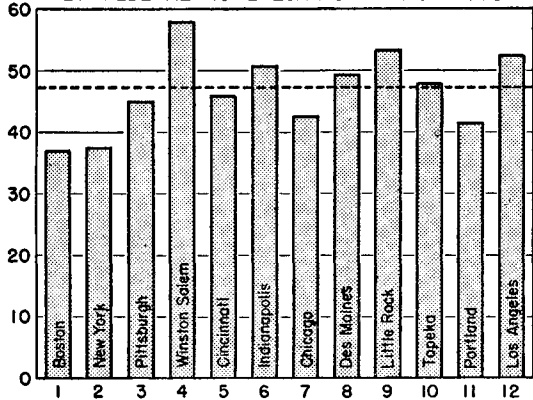
Radio was most strongly used in the Midwest and Southeast (Cincinnati, Little Rock, Topeka, Winston-Salem, Chicago, and Des Moines). Pronounced use of outdoor bulletins was evident in the Portland District, while associations in the New York District showed extensive use of office displays. Coin banks received the greatest emphasis in the Pittsburgh and Indianapolis areas, and were used least in Little Rock.

(Continued on p. 322)

PERCENT OF TOTAL ADVERTISING EXPENDITURES USED FOR EACH OF FIVE SELECTED MEDIA

----- U.S. AVERAGE

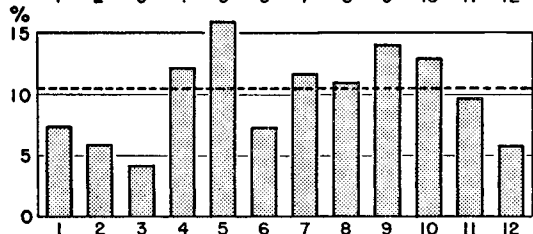
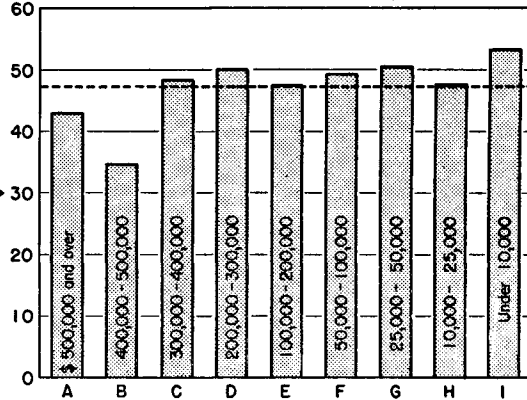
BY FEDERAL HOME LOAN BANK DISTRICTS



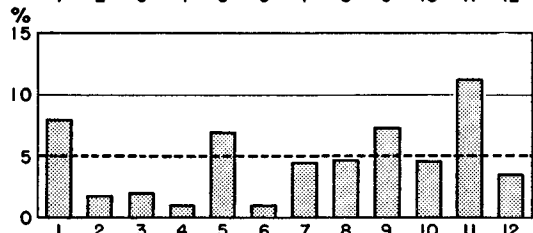
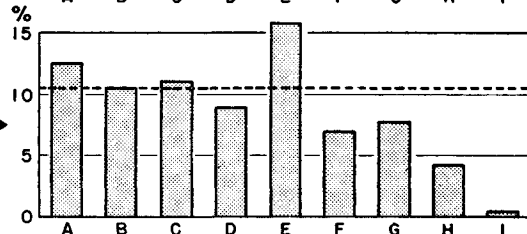
NEWSPAPERS



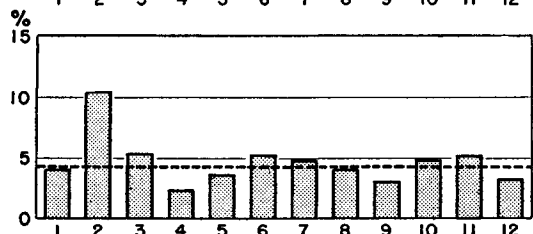
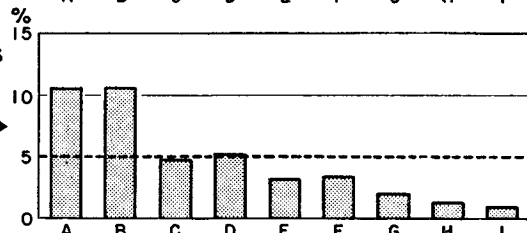
BY INCOME GROUPS



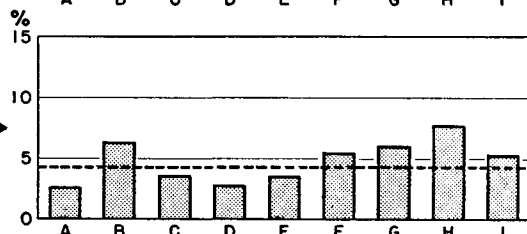
RADIO



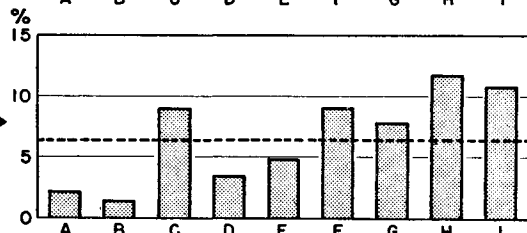
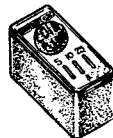
OUTDOOR BULLETINS



OFFICE DISPLAYS



COIN BANKS



To illustrate graphically the effect of size and geographic location on the expenditure pattern of savings and loan advertising programs, the above chart has been drawn from figures in Tables 2 and 3. From this it is apparent that the influence of size is more important than Bank District Identification.

Newspapers attract the major portion of most associations' expenditures, for it should be noted that the scale on their bars is double that of the other four media. There does not seem to be any geographic trend, but there is a slight tendency for the smaller associations to spend slightly greater amounts for this type of advertising. Radio, on the other hand, receives its greatest emphasis from the larger institutions. This is also true of the use of outdoor bulletins, but here we note a geographic preference in the Southwestern and Far-western areas. Office displays and coin banks become increasingly important in the total picture of the advertising programs of the smaller associations.

EVILS: "It is not too much to say that half the evils which cause discontent in the political world, which cause disease in the world of health, and which cause disaster in the world of morals, come from bad housing."

Viscount Sankey, President, British Building Societies Association. *The Building Societies Gazette*, March 1940.

RECONDITIONING: "I question very much whether there is a city in the United States today which does not offer a great field for the wide-awake person who has the energy, ability, and fortitude to go into the reconditioning of obsolete properties . . . The greatest market of all is for single-family homes in the low-price brackets . . ."

David L. Montonna, release of National Association of Real Estate Boards, Apr. 19, 1940.

BACK TO THE LAND: "The greatest boom back to the land is coming in no time. That's our frontier. It has hardly been scratched. There lie our greatest, our most thrilling potentialities."

Henry Ford, *Forbes*, Mar. 1, 1940.

THE WAR AND PRICES: The price level in this country remains about 5 percent above the pre-war figure. The wholesale price level in Great Britain has risen steadily and is 32 percent higher than last August. The advance in Canada has amounted to 15 percent; in the Netherlands, 24 percent; in Switzerland, 20 percent; and in Japan, 17 percent.

The Guaranty Survey, Apr. 29, 1940.

POPULATION: "In 1880, three-fourths of the population of the United States was rural. In 1939, three-fourths of the population is urban."

Release of National Association of Real Estate Boards, Apr. 14, 1940.

CUSHION: "My plea to you is that as a matter of executive policy you create a surplus in your institution to provide a safeguard cushion against unforeseen and unexpected events. Remember, your institution can always declare a higher dividend at a later date if you desire to distribute a part of your earned surplus, but it cannot reach out in the thin air and provide a surplus when you need it."

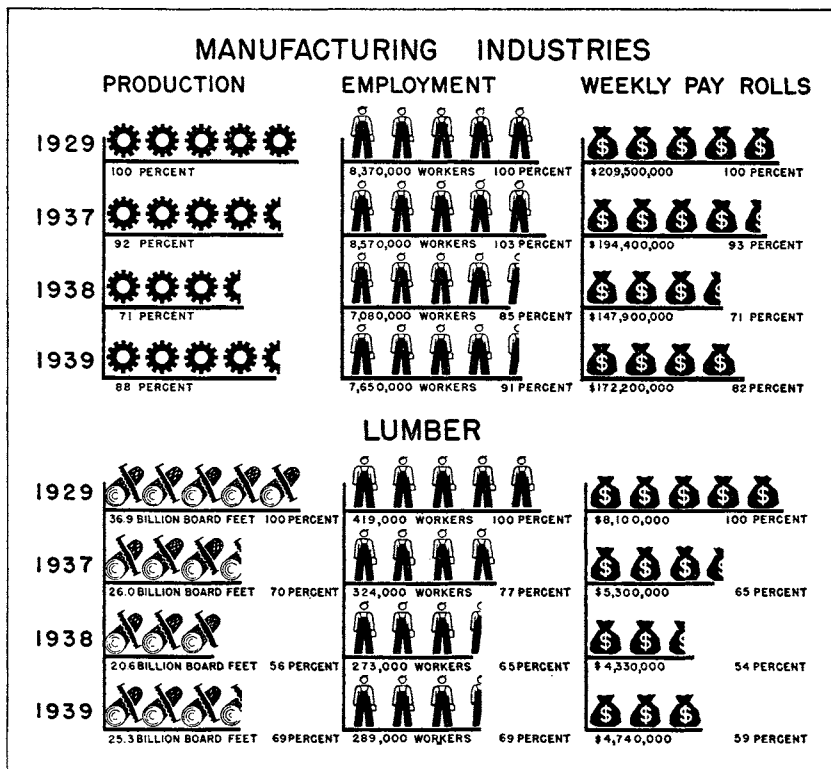
Louis W. Grant, *Fifth District Quarterly*, April 1940.

City planning

"In the past, city planning for a time was thought of largely as beautification through parks and playgrounds. In some communities it meant the creation of civic centers. A little later the principal emphasis was on zoning. Subsequently came planning for vehicular traffic. More recently city planning has come to be thought of by many as one phase of the housing problem. . . . Sound city planning must make provision for good residential neighborhoods, where family life can be encouraged in decent and pleasant surroundings, and for the protection of these neighborhoods from the intrusion and consequent dangers of commercialism. It must also make adequate provision for industry and for business. It must care for the pedestrian as well as for the automobile. It must include provision for a system of municipal finance and taxation under which owners will be encouraged to rebuild and rehabilitate their properties as such action is needed."

Release of Urban Land Institute, Apr. 28, 1940.

Trends in industrial activity



At the 1939 peak reached in November, manufacturing output was only slightly lower than the busiest months of 1937 and 1929. For the year as a whole, the output of manufacturing industries was 24 percent higher than in 1938, but 4 percent lower than in 1937 and 12 percent lower than in 1929.

The quantity of lumber cut in the United States increased substantially in 1939 and almost reached as high a level as in 1937. In both years, however, the total production of lumber was nearly one-third smaller than in 1929.

Labor Information Bulletin, March 1940.

MORTGAGE RECORDINGS DURING THE FIRST QUARTERS OF 1939 AND 1940

Year-to-year comparisons of home-financing activity by type of lender are available for the first time as a result of the Division of Research and Statistics' study of nonfarm mortgage recordings. Data in this article reveal not only the changes in the total activity, but also shifts in the distribution of this business.

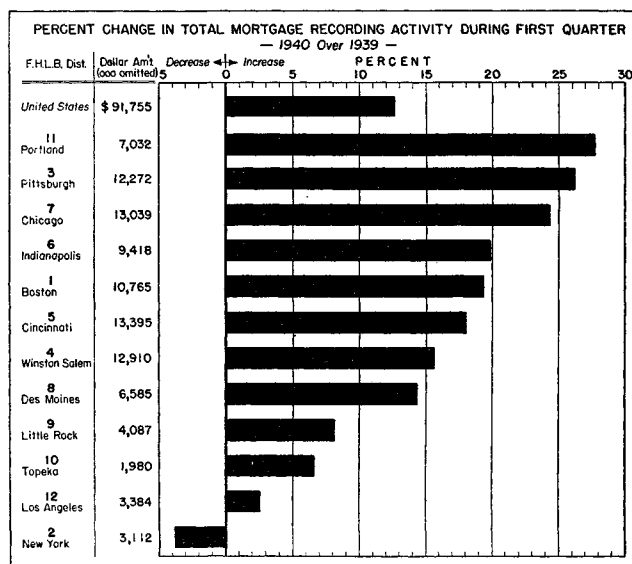
■ INCREASING more than \$90,000,000 over 1939 totals, the dollar volume of nonfarm mortgage recordings of \$20,000 or less during the first quarter of this year amounted to \$818,700,000—almost \$11,000,000 for every business day during the period. With an average mortgage of \$2,700, this means that there were almost 600 mortgages recorded during every hour the local county offices were open.

This year, for the first time, executives in the field of home-mortgage finance are able to study comparable year-to-year figures and to analyze changes in the total volume, as well as the increase or decrease in the activity of every type of lender, with breakdowns by States, by Federal Home Loan Bank Districts, and for the country as a whole. The analysis in this article has been prepared from the regular mortgage-recording tables which appear in the REVIEW each month, and although space limitations prevent a detailed State-by-State presentation, managing officers and boards of directors will undoubtedly be interested in making similar studies for their own States, and even their own and neighboring counties.

CHANGES IN THE TOTAL VOLUME OF ACTIVITY

Each of the first three months of 1940 was substantially above the corresponding month of last year, with the total recordings for the period exceeding the 1939 levels by 12.6 percent. A consistent pattern describes the activity of both years: January, the midpoint, was followed by a decline to a February low, and then a sharp rise to the relatively high levels of March. This suggests definite seasonal trends which may be confirmed by future reports. The largest year-to-year increase was registered during February with a gain of almost 20 percent.

Every Federal Home Loan Bank District, with the single exception of the New York region, reported a higher quarterly volume of mortgage recordings than



in the same months of 1939. Five of the Bank Districts (Boston, Pittsburgh, Winston-Salem, Cincinnati, and Chicago) indicated gains of more than \$10,000,000 each. The percentage increase or decrease for each District and for the United States as a whole is illustrated in the accompanying bar chart which also shows the dollar changes in the total volume of recordings.

ANALYSIS BY TYPE OF MORTGAGEE

Savings and loan associations: Mortgage recordings by these mutual home-financing institutions were the largest single factor in the improvement over last year, and indicated that the savings and loan share of the total mortgage activity was increasing. Their \$44,000,000 gain was equal to almost half of the aggregate expansion registered by all mortgagees, and raised their proportion of the recording volume from 28.1 percent during the first quarter of 1939, to 30.3 percent in 1940.

On a Bank District basis, associations in the Cincinnati and Chicago regions reported the most substantial amounts of new business, with both Districts indicating increases of more than 40 percent. Although there were no areas which reported a lower volume of recordings than during the same period of last year, the gains in the New York and Los Angeles Districts were slight.

Banks and trust companies: Activity by this classification of lender claims second place in the volume of recordings again this year, but their proportionate share of the total decreased from 26.5 percent during the first three months of last year, to 24.9 percent for the first quarter of 1940. The \$11,600,000 increase of bank and trust company recordings indicated a 6-percent improvement over a year ago.

Geographically, institutions of this type in the Pittsburgh and Indianapolis Federal Home Loan Bank Districts ran considerably ahead of the national average with gains of 29 percent and 25 percent, respectively. There were three regions,

however, in which this year's volume of nonfarm mortgages of \$20,000 or less fell behind that of a year ago (New York, Little Rock, and Los Angeles).

Individuals: Ranking third in a percentage distribution of the recording volume, individuals continue to furnish an important source of funds for home-financing in this country. Of the dollar volume of mortgages tabulated during the first quarter of this year, individual lenders accounted for 17.7 percent of the total as compared with 18.6 percent in 1939.

With a \$10,000,000 increase over last year, these lenders raised their recording volume to almost \$145,000,000 (up 7.5 percent). All but two Federal Home Loan Bank Districts (New York and Cincinnati) reported a greater volume of mortgages by individual mortgagees, with the rise in the Portland region amounting to as much as 42 percent.

Other mortgagees: The \$14,400,000 rise in the recordings by this miscellaneous classification of mortgage lenders was the second largest dollar increase reported, and was equivalent to a gain of 13 percent over last year. Their proportionate share of the total recordings showed a fractional improvement and amounted to slightly more than 15 percent in both years.

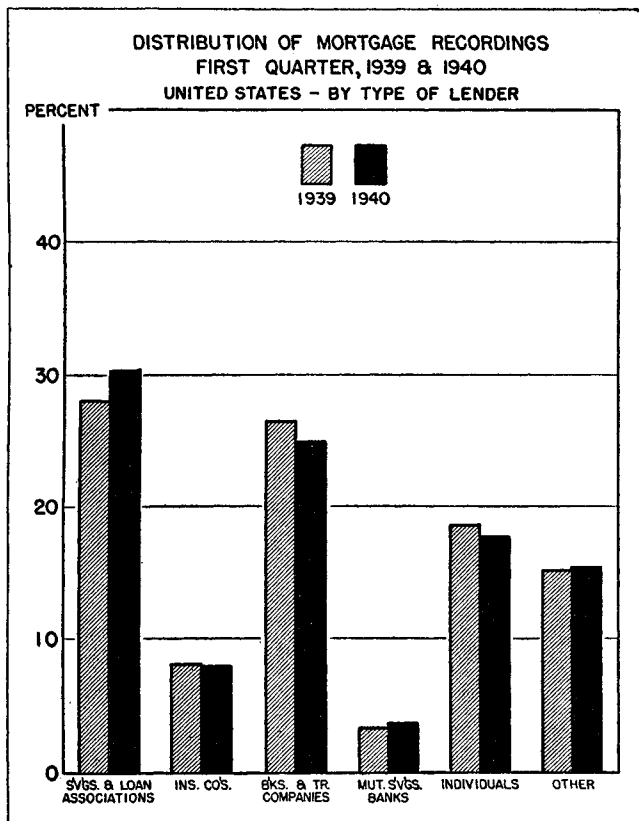
In the Portland region, mortgage registrations by these lenders were more than half again as large as during the first quarter of 1939, while the dollar volume in Pittsburgh and Los Angeles was about one-third greater than a year ago. A 2-percent decrease was reported in the Boston District, and a 10-percent drop was noted in the Cincinnati area.

Insurance companies: Slightly less than one-twelfth of the total volume of mortgage recordings is accounted for by the activity of insurance companies which this year reported a total of more than \$66,000,000 during the first quarter—an increase of about 10 percent over the same 1939 period. The fact that their portion of the business remained relatively unchanged indicates that these institutions are keeping pace with the expansion of activity.

Insurance companies appear to have made greatest gains in the Midwestern and Southwestern sections of the country, for the Indianapolis, Chicago, Des Moines, and Little Rock regions each reported advances of more than 20 percent above last year. Declines were shown in two Districts: New York and Cincinnati.

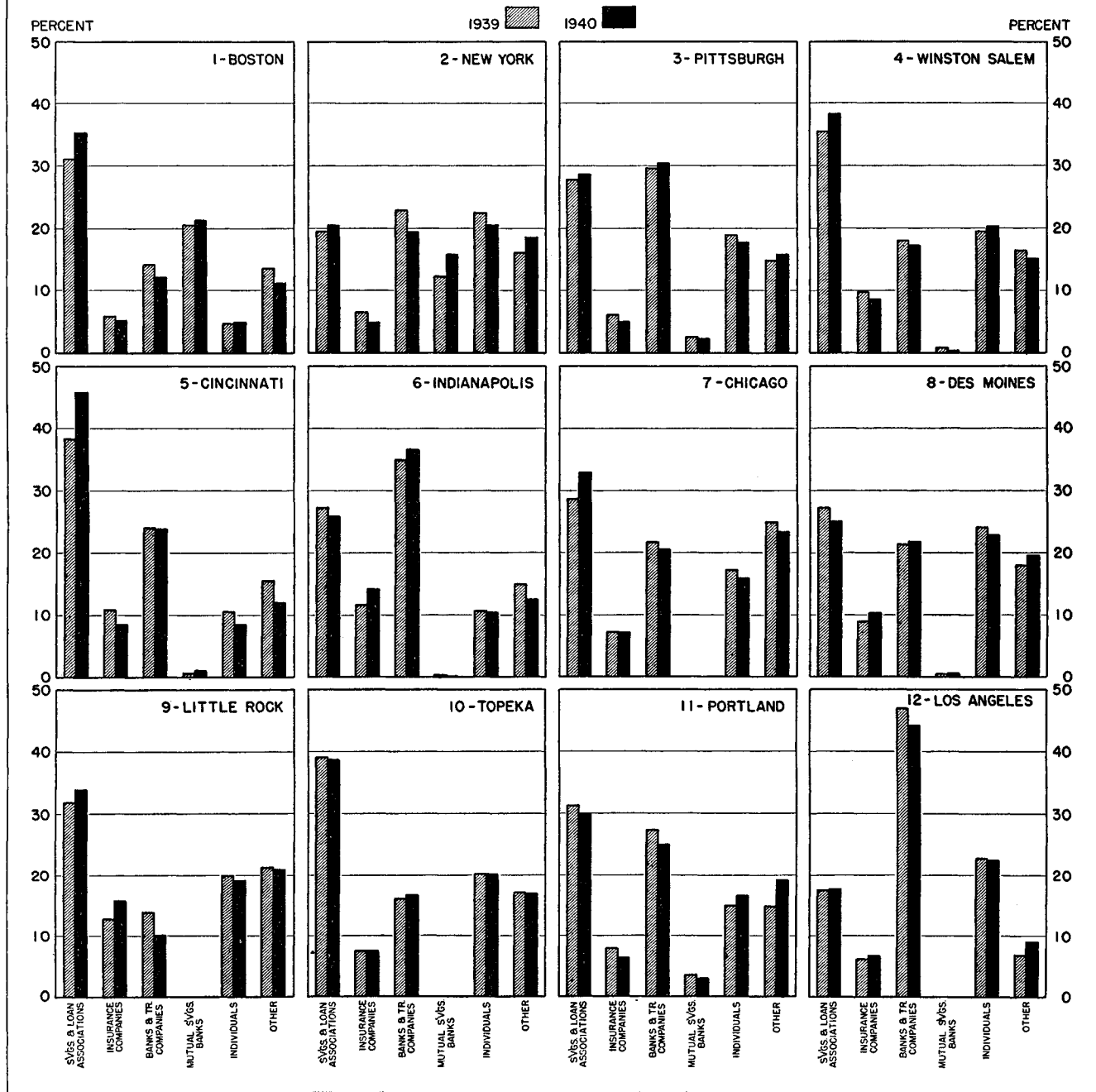
Mutual savings banks: The largest percentage gains over 1939 were registered by mutual savings banks (up 22.4 percent). Although the contribution

(Continued on p. 324)



Savings and loan associations, mutual savings banks, and the "other" mortgage classification indicated a larger share of the total mortgage recording volume during the first quarter of this year than in the same 1939 period. Banks and trust companies dropped 1.6 percentage points, while the decreases of insurance companies and individual lenders were fractional.

DISTRIBUTION OF MORTGAGE RECORDINGS DURING FIRST QUARTER OF 1939 AND 1940 BY F. H. L. B. DISTRICTS AND TYPE OF LENDER



ANALYSIS OF CHART

To facilitate a study of shifts in the sources of home-mortgage financing funds, this chart indicates the proportion of the total volume of recordings accounted for by each type of mortgage lender in all of the 12 Federal Home Loan Bank Districts, during the first quarters of 1939 and 1940

From this it may be seen that *savings and loan associations* have increased their participation in eight of the 12 Bank Districts, with the most substantial gains being shown in the Cincinnati, Boston, and Chicago regions. Decreases were registered in the Indianapolis, Des Moines, Topeka, and Portland areas. *Insurance companies* posted smaller percentages during the first quarter of 1940 in seven Districts, with a larger proportion of the total business in four others, and no change in the Topeka District. *Banks and trust companies* reflected almost this same pattern also having increased percentages in four areas, but showing a smaller representation in the remaining eight. The percentage of the total mortgage recordings in the New York Bank District attributable to *mutual savings banks* rose 3.5 percentage points, but all other District movements were fractional. The *individual lenders'* shares of the total recordings exhibited eight declines and three increases, while changes in the proportion of the total business done by *other mortgagees* were evenly divided.

REGISTERED HOMES—A STIMULUS TO BUILDING

Cooperation between home-financing institutions and representatives of the building trades in a program of supervised construction provides incentive to building in Fargo and Moorhead.

■ WITH the stimulus of a trial program of supervised construction, the adjoining cities of Fargo, North Dakota, and Moorhead, Minnesota, made 1939 the best residential building year since 1927. More than twice as many dwellings were constructed last year in these two cities as were constructed in 1938 and nearly four times as many as in 1937. It is agreed generally that this stimulus to building was created by the Federal Home Building Service Plan's "registered home" campaign, co-sponsored by the Federal Home Loan Bank Board, the Producers' Council and the American Institute of Architects, and inaugurated locally last spring. Prior to the adoption of this program, no method of arousing interest in the low-cost field—the field in which the Plan is designed to operate—had proved successful although the need had long been felt.

The first step in establishing the program of supervised construction in this locality was taken early in 1939. Support and cooperation were obtained from businesses devoted to the financing, construction, and equipment of homes, including savings and loan associations, lumber companies, contractors, decorators, etc. This group united to form the Fargo-Moorhead Better Homes Association, a nonprofit organization designed to assist the small-home buyer and to promote the building of better homes in these two communities. The executive vice president of the First Federal Savings and Loan Association of Fargo was elected chairman.

The next step was the selection of a capable architect to make recommendations as to approval of designs, and to render a modified advisory and construction supervisory service. Thus, there was made available to the local small-home seeker the "registered home" benefits of the Federal Home Building Service Plan.

Next came the development of an advertising campaign. A 3-month schedule was worked out with the Fargo newspaper at a cost of \$500 which was raised by the savings and loan group. After three weeks of advertising, the chairman of the Better

Homes Association reported that 25 persons had called on him expressing a definite interest in building and asking for further details about the Plan. So successful was this 3-month campaign that it was extended for an additional six weeks.

The first home built under the Home Building Service Plan in Fargo was completed in October 1939. By the first of May of this year, 10 houses had received certificates of registration and five more which will receive registration certificates upon completion were practically finished.

Despite the normal slackening of building activity during the winter and early spring months, permits for the construction of 31 dwellings to cost \$87,325 and 15 to cost \$60,500 had been issued in Fargo and Moorhead, respectively, during the first four months of 1940. Comparing these statistics with the 1939 figures for the same period—six residences costing \$17,200 in Fargo and nine costing \$20,300 in Moorhead—it is evident that even greater gains will be shown during the present year.

The high level of building activity since the inauguration of the "registered home" program of the Better Homes Association is shown in the following comparative figures. During 1939, 87 dwellings were constructed in the North Dakota city for a total building permit valuation of \$475,000—almost three times the number and cost of those constructed during 1937 and 1938. In the small city of Moorhead, 98 dwellings costing \$311,950 were erected last year compared with only 16 (\$61,000) in 1937 and 45 (\$129,000) in 1938.

1940 ADVERTISING PROGRAM

Starting out as a small cooperative project, the value to the communities of this increased home building activity has been generally recognized. The advertising program in 1940 is being supported not only by the savings and loan associations but by lumber dealers, contractors, plumbers, electricians, and other members of the building trades. More than \$1,000 is expected to be raised for the campaign.

For the coming summer, the advertising program will be focused around a demonstration registered home which is now under construction, sponsored by the Fargo Builders' and Traders' Exchange. The plans for this house were designed by a Fargo architect and construction is being supervised and inspected regularly. When it has been completed, a sign will be erected on the site stating that the house will be duplicated by any contractor who is a member of the Builders' and Traders' Exchange for the same cost as the demonstration house—\$3,870 not including the lot.

The public is invited to inspect the construction of the model home which will contain a large living

room, two bedrooms, kitchen, dining alcove, bath, and full basement. The basement not only makes for a better home but is consistent with the Fargo building code which requires foundations to go below the frost line. Walls of the basement will be of poured concrete re-enforced with steel rods.

Both the Fargo and Moorhead newspapers are participating in the advertising program by publishing a news story and picture of house plans approved for registration each week.

The communities' response has been expressed in a recent editorial in the Fargo newspaper in which it said:

"Fargo is one of about 25 cities in America where an intensified campaign for the construction of small homes under a 'trade-mark' plan is to be carried on. . . ."

"The man with ample funds can afford to employ an architect to plan his home, to advise him about the contractor, the types of material to be used and the various details of construction which insure that his home is well and properly built. But the man who constructs a low-cost home can ill afford to pay the fees which a competent architect must have if he designs a home, and supervises its construction.

"Planning and building a modern home—especially in this northern clime where it must be insulated and well-built to withstand the rigors of winter—is a job for an expert. There are many intricate and perplexing problems to be decided. . . ."


The editorial pointed out that the Federal Home Building Service Plan, however, affords small-home seekers the essentials of an adequate architectural advisory and construction supervisory service at a fee well within their limited budgets, and ended by saying: "It is a commendable program, and as cost of financing is now at a record low figure in Fargo, may be expected to give a great stimulus to the home construction business here this year."

The methods adopted by local construction and home-financing factors in Fargo and Moorhead to organize and promote the use of better planning, design and materials, and the construction of "registered homes" are, in many respects, unique. The Fargo-Moorhead approach to successful operation of the Plan is through the participation of all elements of the local construction industry, since it is recognized that the only lasting basis for an ever-increasing volume of home building is that the home buyer be given good design and layout, good quality of materials and sound construction.

You can BUILD AND OWN *this*
TRADE-MARK REGISTERED
HOME



Under The Fargo-Moorhead Better Homes Ass'n. Plan



ARCHITECTURAL ADVISORY & CONSTRUCTION SERVICE Was Formerly Available Only to Those Building Costly Homes.

- Few individuals are experienced to cope with the complexities of home building.
- The Fargo-Moorhead Better Homes Association in co-operation with local Architects and Contractors and Building and Loan Associations in Fargo are ready and willing to offer help and guidance to those intending to build this year.
- By means of this service, builders of small homes are afforded the building safeguards usually restricted to large homes costing \$10,000 or more.



REGISTERED HOME
 No. []
 Built to the Standards of the FEDERAL HOME BUILDING SERVICE PLAN
 Construction Supervised
 Accredited Architectural Inspection.

1. Economical-to-build home plans, designed by registered Architects.
2. Guidance in selecting the plan best suited to your family and your pocketbook.
3. Competent supervision to assure that plans and materials specifications will be translated into a well built structure.
4. Low first cost, lasting satisfaction and economy in maintenance.
5. A one mortgage, pay-out-of-income financing plan suited to your individual requirements.

FARGO-MOORHEAD
Better Homes Association

Local newspaper advertising has been one of the principal means of keeping the drive for "registered homes" before the populace of these two communities. Ads, similar to the one above, have been run each week by the Fargo-Moorhead Better Homes Association accompanied by illustrated news stories recounting the progress of the model home being constructed.

THE EFFECT OF THE WAR ON BRITISH BUILDING SOCIETIES—PART 2

What changes have been necessary in the operating policies of these societies? The answers to this question are found in this second and concluding article discussing the significant aspects of nine months of operations under war conditions.

■ WITH the cost of prosecuting the war running into the millions of dollars each day, it is inevitable that an increasing burden of taxation is the motivating force behind many changes in the operating policies of all business organizations in Great Britain. Higher taxes have a direct effect upon building societies for they pay the income tax which is levied on dividends credited to the savings accounts in their institutions. While providing an attractive inducement to new members in the form of tax-free investments, this extra charge upon the societies' income presents a definite challenge to the ability of management to cope with its effect upon dividend rates, interest rates, and reserves and undivided profits.

In the 5-year period from 1935-1940, the tax load rose approximately 67 percent, the rate ranging from about 8 percent of the total dividends paid on shares and deposits to nearly 14 percent at the start of this year. Moreover, the agreement covering certain exemptions which were in force during that period came to an end during the first week in April. Although there is no information available as yet on the current negotiations for new arrangements, the proposed flat rate for the new tax is not only higher, but the allowable deductions are likely to be reduced and other changes are contemplated which will make this source of Government revenue more productive of funds for war purposes.

In addition to this levy on the dividends paid to shareholders and depositors, the societies also contribute to the National Defence Fund through a tax on their gross incomes. A study of the profit and loss statements of a number of institutions reveals that as a general rule the combined total of these taxes exceeds the amount spent for management expenses. In many organizations, from 12 to 16 percent of the gross operating income must be appropriated for tax payments. To assimilate these taxes and further increases which may be ahead, it is essential that management maintain a sufficient spread between interest and dividend rates.

INTEREST RATES

Several years ago, when the average interest rate on mortgages in England ranged from 5 to 6 percent, many building societies agreed to lower their rates to 4½ percent in line with the trend toward lower money rates. In some instances this was accomplished by rewriting the old instrument and setting up the new interest charges in the contract. Many institutions, feeling that the downward movement of investment yields was only temporary, met the competition by accepting payments at the old rate and then granting rebates at the end of the year.

Now that the country is at war and the societies are required to carry this heavier tax-load, it is natural that they should begin to look about for ways to offset these new charges. The restoration of interest rates to their former level appeared to many to be one solution to this problem. In those cases where rebates were extended, it was a comparatively simple procedure to withhold these refunds. It has not been as easy, however, to raise rates on mortgages with lower interest written in the contract.

Although the only legislation passed thus far which specifically forbids the raising of rates applies only to *other than owner-occupied* dwellings, laws have been put into effect which place a definite bar to such action on the part of the mortgagees. The Court (Emergency Powers) Act, 1939 provides that if a borrower refuses to submit to an increase in his interest charges, he has a right to a hearing in court before the holder of the mortgage can complete foreclosure. The courts, it has been shown, are extremely hesitant to allow such an increase especially if the borrower can demonstrate that his inability to meet the added obligation is a result of the war through increased cost of living or reduced income.

There are no restrictions on the rate which can be charged on mortgages made after September 1, 1939, and according to individual building society reports most new contracts are being made at 5 per-

cent. The volume of new mortgages is so slight, however, that the added funds available from these loans is negligible.

DIVIDEND RATES

A second approach to the problem of increasing the operating margin of these societies lies in a reduction of the dividends paid on the share accounts and deposits. This would have a double effect: widening the spread between interest and dividend rates and decreasing the liability for income taxes levied on these payments.

Dividend distributions of the building societies would appear to be quite liberal in view of the tax-exempt features which they offer investors. Generally speaking, these institutions have been paying from 3 to 3½ percent to their shareholders and 2½ to 3 percent to their depositors. When allowance is made for the payment of the income tax, these rates are equivalent to approximately a 5-percent return to those who are liable for the full amount of the tax on any portion of their income.

Those opposed to this method of raising the societies' revenue point to the fact that these shares and deposits are withdrawable on notice and that if his dividend is decreased, the investor might take his funds elsewhere—thus imposing a further drain upon liquidity. Proponents of the plan, on the other hand, contend that the building societies would continue to attract funds in spite of a reduction in yield. They argue that there are few investment outlets which offer an equal protection of principal, a comparable degree of availability, and a similar rate of return.

RESERVES AND LIQUIDITY

There is scarcely a published report of these institutions which has not emphasized the necessity for maintaining a reasonable degree of liquidity and adequate backlogs of reserves. The importance of these factors is never more significant than when business or financial organizations are operating under extraordinary conditions. With the increase of withdrawals during the last few months, many societies have an even keener appreciation of these requirements. Although there is no central reserve credit system similar to the Federal Home Loan Bank System, borrowings from banks to obtain cash have been rare, but management is concentrating now on retaining new savings investments and loan repayments to improve the liquidity position.

The annual reports which have been released re-

cently indicate that the accumulation of reserves has been accelerated greatly since the outbreak of the war. This is logical in view of the increased opportunities for losses either through loan defaults or damage resulting from air raids. As pointed out previously, this is another reason behind the efforts of these institutions to widen their operating margins.

THE EFFECT OF THE WAR ON OFFICE ROUTINE

Aside from the direct effect of the war upon the financial operations of these societies, their normal everyday office routines have been completely changed. Because of the danger of air raids, most of the establishments with headquarters in the heart of the larger cities, or near military objectives, have initiated mass decentralization plans. While maintaining skeleton forces in the cities to handle loan repayments, withdrawals, and new investments, the records together with the bulk of the personnel have been moved to the country.

When war came, the entire accounting staff (approximately 150) of one of the larger societies was transferred from London to a country estate which had been purchased previously for just such an emergency. It had been completely remodeled, redecorated, and camouflaged for use as an office. Fourteen dormitory huts were built for sleeping accommodations; a large kitchen and dining room were equipped; and now the entire staff is living as well as working on the premises.

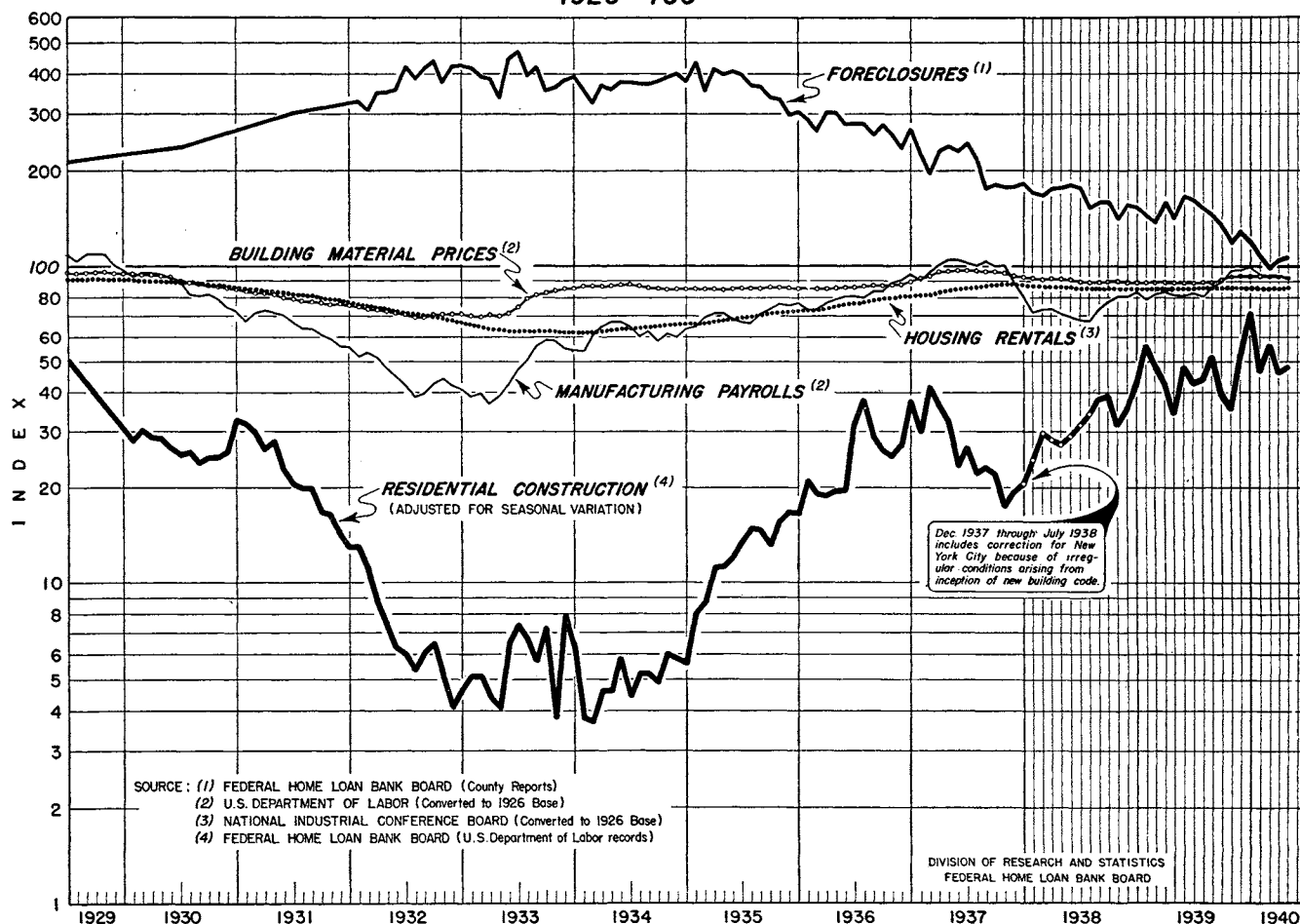
Air-raid precautions, of course, played a prominent part in the reconditioning, and a bombproof shelter was constructed approximately 100 feet below the ground level, and 300 yards in size. This is primarily for the safe storage of deeds, securities, and duplicate accounting records, but it is also available for staff protection in event of air attack.

Air-raid precautions, bombproof shelters, duplicate records, blackout measures, and sand-bag protection have added tremendously to the operating expenses of all British societies. In addition, a substantial portion of the regular personnel have been called for military and national service, and experienced replacements are difficult to obtain. Efforts are being made to obtain a "reserved occupation" rating for employees of building societies above a certain age limit similar to that which has been granted to insurance company, commercial bank, and Friendly Society personnel. This, it is believed, would help temporarily to solve the problem of further reductions in office staffs.

SUMMARY OF RESIDENTIAL CONSTRUCTION AND HOME-FINANCING ACTIVITY

- I. With new loans of \$108,000,000 during April, savings and loan mortgage-financing activity reached the highest monthly volume in more than 10 years.
 - A. All purpose classifications reflected this improvement, but construction and refinancing loans showed the greatest gains over the same month of last year.
 - B. Federal and State-chartered members established new monthly lending peaks.
- II. Cumulative nonfarm mortgage recordings: January–April, 1940: \$1,159,000,000. January–April, 1939: \$1,007,000,000.
 - A. Of this \$150,000,000 gain in 1940, savings and loan associations accounted for almost \$70,000,000.
- III. April residential construction showed a 40-percent improvement over the same month of last year, and an 18-percent gain over March of this year.
 - A. The net increase for the year-to-date (four months) of 12 percent would have been even larger if the USHA program had maintained its anticipated pace.
- IV. Building costs continued a gradual downward movement, with declines in both material and labor costs in some areas. Total costs remain above August 1939 levels in most communities reporting for May.
- V. Two successive monthly increases have brought the index of metropolitan foreclosures back to the levels at the beginning of the year. Cumulative activity for the first four months of 1940, however, is 28 percent below the same 1939 period.
- VI. General business showed signs of improvement, but no immediate reversal of recent trends is indicated, nor any marked change in rate of industrial production.

RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
1926 = 100



RESIDENTIAL CONSTRUCTION and HOME-FINANCING ACTIVITY

■ ALL types of lenders shared in an acceleration in home-mortgage financing volume during April. This upswing resulted in a total volume of mortgages recorded in the first four months of this year 15 percent higher than in the comparable period of 1939.

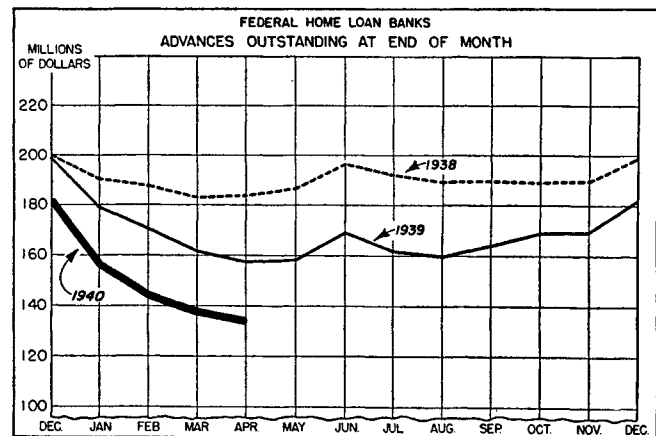
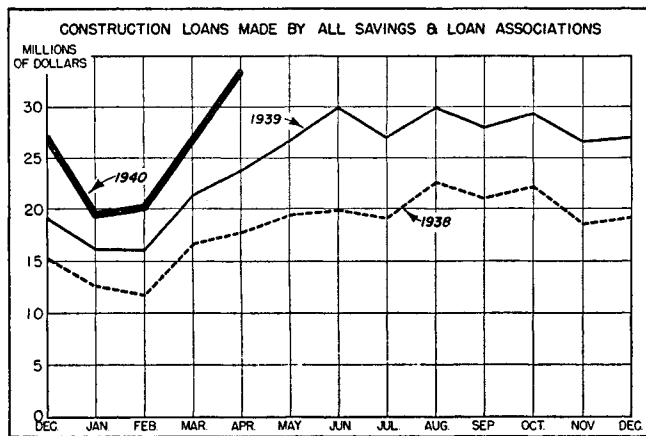
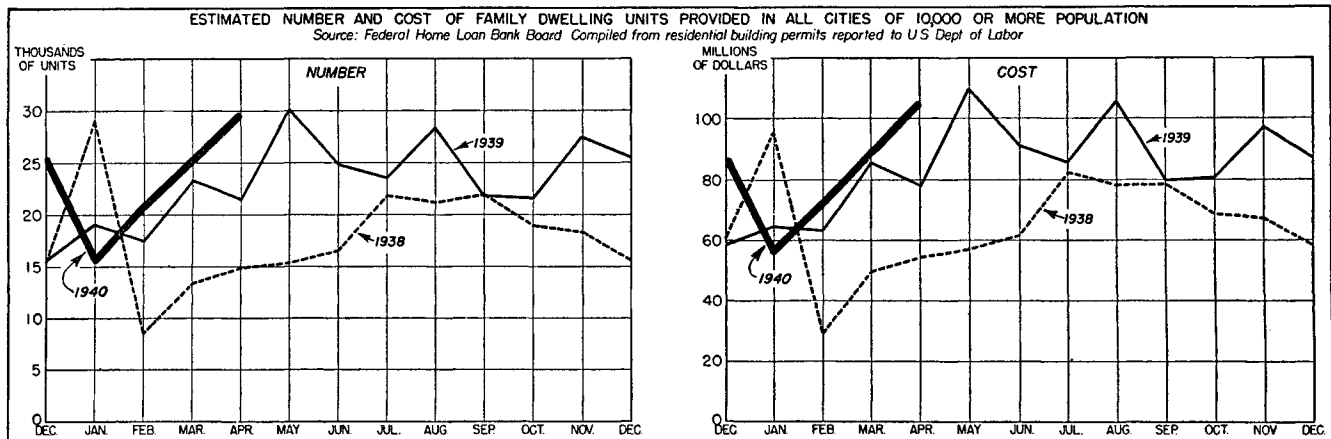
Mutual savings banks together with savings and loan associations have been the leaders in the rise in the volume of mortgages recorded in nonfarm areas during the first four months of 1940, as compared with the corresponding months of last year. The article, "Mortgage Recordings during the First Quarters of 1939 and 1940," appearing on page 299 of this issue, reveals in detail the extent to which various mortgagees are sharing in the total mortgage-lending transactions, according to quarterly totals.

Improvement in new mortgage-lending activity was general throughout the savings and loan indus-

try, bringing the April total to the highest level for any month since the early 1930's. Among the various classes of associations, new record levels were attained by Federal and State-chartered members of the Federal Home Loan Bank System.

Construction loans made by savings and loans rose in the month of April by over 26 percent, in line with the increase registered in the estimated dollar volume of new homes built during this period. Loans for new home construction, as well as most other classes, reached new heights in April. Savings and loan associations in all sections of the country reported greater total lending activity than in March.

Total residential construction during the January-April period was 12 percent above the corresponding 1939 months. Hence, up to the present time in 1940, the record is more favorable than was previously forecast for the year as a whole. Conser-



[1926=100]

Type of index	Apr. 1940	Mar. 1940	Percent change	Apr. 1939	Percent change
Residential construction ¹	47.8	45.8	+4.4	34.3	+39.4
Foreclosures (metro. cities).....	108.0	104.0	+3.8	141.0	-23.4
Rental index (NICB).....	85.6	85.5	+0.1	85.1	+0.6
Building material prices.....	92.5	93.3	-0.9	89.6	+3.2
Industrial production ¹	94.5	96.4	-2.0	85.3	+10.8
Manufacturing employment.....	98.3	99.2	-0.9	92.6	+6.2
Manufacturing pay rolls.....	92.5	94.2	-1.8	82.0	+12.8
Average wage per employee.....	94.1	95.0	-0.9	88.6	+6.2

¹ Corrected for normal seasonal variation.

vative opinions advanced at the turn of the year indicated little change in volume in 1940 from 1939, and were largely toned by the anticipated depressing effect of the European conflict on home building through the diversion of labor and materials to the war industries with possible accompanying inflation of building costs.

Such increases in costs have not yet occurred. In fact, current indicators show declines in both material and labor costs in many areas. Since the housing rental index has shown relatively little change in recent months, there is some additional incentive provided for new construction in these areas of price decline. The possibilities that subsequent developments in our foreign or domestic situation may still cancel this advantage before the close of the year must not be ruled out, however.

General Business Conditions

■ **ALTHOUGH** the expansion of manufacturers' inventories, which has been a major factor in the domestic business situation since the outbreak of war, was definitely halted in March, according to Department of Commerce reports, no immediate reversal of recent business trends was indicated on the basis of April and early May activity. The decline in business during April was slight in comparison with the 20-percent drop during the first three months of 1940, but the trend of the month as a whole was definitely downward. Best available evidence indicated that monthly income payments, which receded sharply during the first three months of the year, probably continued to decline.

There were some indications in early May "that the general decline in business activity may have come to an end, although a broad upturn is not yet in evidence", according to the *Survey of Current Business*, and for May as a whole the rate of industrial production rose slightly. Signs of improvement had been increases in new orders to manufacturers, strengthening commodity prices, and an upturn in commercial borrowing.

Exports, which were strong in the opening months of 1940, declined in April, reflecting the closing of Scandinavian markets and the extension of the area of combat in Europe. Although exports to Allied belligerents, to the British Dominions, and to France, increased in April, exports to virtually all European neutrals declined, the Department of Commerce reported.

Salient event of the month of May was the sharp break in stock and bond prices with the expansion of war in Europe. Yields on long-term U. S. bonds, which had ranged mainly from 2.2 to 2.3 percent since the beginning of 1940, rose sharply from 2.28 percent on May 11 to 2.47 percent on May 25.

Foreclosures

■ **REAL** estate foreclosure activity in metropolitan communities was 4 percent greater in April than in the preceding month, counter to a customary seasonal March-April decline of 1 percent. This current rise is probably largely due to unusual declines earlier in the year. The April index of 108 (1926=100) brings this series to the level of January 1940 following two successive monthly increases. The April volume of foreclosures was 23 percent less than in the corresponding month of last year. Cumulative activity in these communities during the first four months of this year was 28 percent below the same period of 1939.

Of the 86 communities reporting for both March and April, 45 showed increases and 35 decreases, while six indicated no change from the earlier month.

Residential Construction

[Tables 1 and 2]

■ **NEARLY** 30,000 family dwelling units were constructed during April in cities of 10,000 population or over, representing the highest level in terms of actual units since May of last year. The rise of 18 percent over the number of units placed under construction in March was chiefly due to seasonal influences; hence, the seasonally adjusted index of residential construction activity rose only 4 percent during the month.

Building activity in the multifamily group rose less from March to April than did homes of the 1- and 2-family types. The Government-sponsored slum-clearance program has not yet expanded to the high levels anticipated by officials of the United

States Housing Authority; however, during the first four months of this year over 13,000 dwelling units have been built to replace demolished substandard units—nearly double the volume of the same period of 1939.

April construction volume was nearly 40 percent higher than in the corresponding month of last year; this rise was shared by all Federal Home Loan Bank Districts with the exception of Little Rock where a decline in multifamily units in the State of Louisiana effected a reduction in the residential building volume for the District as a whole.

Small House Building Costs

[Tables 3 and 6]

■ COSTS involved in the construction of a standard 6-room frame house showed reductions of over \$100 during the preceding quarter-year in five widely scattered cities of the total of 25 communities reporting as of May 1940. On the whole, the remaining cities also showed downward trends (Table 3, page 314). Total costs in most of the reporting communities, however, were still above the August 1939 levels.

Material prices charged by dealers receded fractionally during April for the country as a whole to a level still 2 percent above the index for August 1939.

The index of wholesale price of building materials, which is based upon costs of materials used in all classes of buildings, non-residential as well as residential, fell nearly 1 percent during the month of April. After reaching the lowest level of the year on April 13, when the index stood at 92.8 percent of the 1926 base, the index of wholesale price of building materials fell further during the last two weeks of April and the first two weeks of May, then turned upward to 92.6 percent for the week ending May 25. Lumber and cement products accounted for the greatest part of the decrease in the building material price level.

Construction costs for the standard house

[Average month of 1936=100]

Element of cost	April 1940	March 1940	Percent change	April 1939	Percent change
Material.....	104.3	104.4	-0.1	102.9	+1.4
Labor.....	110.0	110.3	-0.3	111.9	-1.7
Total.....	106.2	106.4	-0.2	105.9	+0.3

By degrees the cost of labor used in constructing the standard house has been receding since the first quarter of last year. In April this slow but steady sagging continued, but the cumulative effect of this trend has not offset the greatest part of the rise from the 1936-1938 period. Whereas the material element of the cost of building the standard house stood in April 4 percent above the average month of 1936, the labor element stood 10 percent higher than the 1936 level.

Mortgage Recordings

[Tables 13 and 14]

■ TOTAL nonfarm mortgages of \$20,000 or less recorded in April exceeded by \$60,000,000 (21 percent) the volume of mortgage-financing activity in the corresponding month of 1939. Excluding individuals, it is significant that savings and loan associations accounted for almost 50 percent of the

Mortgage recordings by type of mortgagee

[Amounts are shown in thousands of dollars]

Type of lender	Percent change from March 1940	Percent of April 1940 amount	Cumulative recordings (four months)	Percent of total recordings
Savings and loan associations.....	+15.1	32.5	\$358,686	30.9
Insurance companies.....	+17.4	8.0	93,514	8.1
Banks, trust companies.....	+9.1	24.3	286,626	24.7
Mutual savings banks.....	+24.5	3.9	43,670	3.8
Individuals.....	+9.6	16.6	201,516	17.4
Others.....	+15.9	14.7	175,052	15.1
Total.....	+13.3	100.0	1,159,064	100.0

increase in the volume of mortgages recorded by all institutional lenders. Between April 1939 and 1940 some interesting shifts have occurred in the relative share of the total mortgage business accounted for by the various types of lenders. Insurance companies, mutual savings banks, and miscellaneous lenders accounted for about the same proportion of total mortgage financing in April of this year as in April 1939. Individuals, as well as banks and trust companies, suffered a reduction in their share of the mortgage business, while savings and loan associations accounted for 32 percent of all nonfarm mortgages recorded in April 1940 as compared with 30 percent in April 1939.

Almost 125,000 nonfarm mortgages amounting to \$340,333,000 were recorded during April 1940, an increase of 13 percent over mortgage financing in the previous month. This expansion in recording activity prevailed generally throughout the country with all types of mortgage lenders participating in the April gain. The increases from March to April among various types of lenders ranged from 9 percent for banks and trust companies to 24 percent for mutual savings banks. Savings and loan association recordings increased 15 percent, accounting for \$14,500,000 (36 percent) of the March to April rise. The cumulative total of nonfarm mortgage recordings amounted to more than \$1,159,000,000 during the first four months of this year—a gain of more than \$150,000,000 over mortgage activity in the corresponding period of 1939. All types of lenders participated in this increase with savings and loan associations accounting for almost \$70,000,000 out of the total gain reported by all lenders.

New Mortgage-Lending Activity of Savings and Loan Associations

[Tables 4 and 5]

■ SAVINGS and loan association lending activity during April reached the highest monthly volume in more than 10 years. Loans of \$108,000,000 were made in that month, or nearly \$13,000,000 more than at the preceding high point of August 1939.

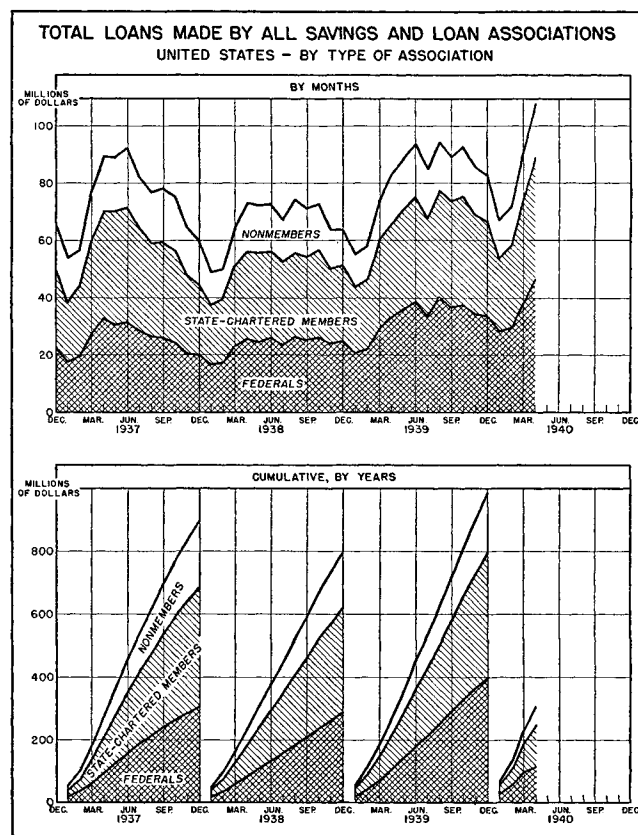
All classes of loans other than the miscellaneous classification swelled in volume to new record levels, while the \$9,500,000 in the "other" loan group was exceeded only by those made in the preceding month. As shown in the following table, construction and refinancing loans led all other classes in the increase over April 1939.

Federal and State-chartered member savings and

New mortgage loans distributed by purpose

[Amounts are shown in thousands of dollars]

Purpose	Apr. 1940	Mar. 1940	Percent change	Apr. 1939	Percent change
Construction	\$33,764	\$26,711	+26.4	\$23,727	+42.3
Home purchase	37,821	32,168	+17.6	29,903	+26.5
Refinancing	20,859	16,769	+24.4	15,384	+35.6
Reconditioning	6,097	4,657	+30.9	4,974	+22.6
Other purposes	9,460	10,063	-6.0	9,437	+0.2
Total	108,001	90,368	+19.5	83,425	+29.5



loan associations participated in this rise to new monthly peaks; nonmembers approached their total for the June 1939 high, but as these associations become members of the Federal Home Loan Bank System, the opportunity for setting new nonmember peaks is lessened.

The April increase in lending operations throughout all areas of the country represented a continuation of the trend shown in the first quarter of this year; totals for the first four months were above the same period of last year in each of the 12 Federal Home Loan Bank Districts. The Chicago and Portland Districts led in the rise during the first four months of this year over last.

Federal Savings and Loan System

[Table 7]

■ MORTGAGE portfolios of Federal savings and loan associations grew in April at a rate greatly in excess of the current receipt of new share capital less repurchases. However, the reports of a comparable group of 1,368 Federals, which displayed an excess of effective demand for loans over inflow of funds amounting to nearly \$5,100,000 during April,

also showed a curtailment of borrowings by \$3,500,000 during that month (Table 7, page 318).

A total of 1,418 Federals were operating at the end of April, holding assets of \$1,657,000,000. A net increase of eight associations occurred during the month. The assets of newly converted associations, plus growth in the remaining institutions, caused a total rise of nearly \$33,000,000 in assets during April.

Progress in number and assets of Federal savings and loan associations

[Amounts are shown in thousands of dollars]

Type of association	Number		Approximate assets	
	Apr. 30, 1940	Mar. 31, 1940	Apr. 30, 1940	Mar. 31, 1940
New.....	632	632	\$478,647	\$465,319
Converted.....	786	778	1,178,574	1,158,934
Total.....	1,418	1,410	1,657,221	1,624,253

Federal Home Loan Bank System

[Table 9]

■ AT the end of April 1940, the balance of advances outstanding of the 12 Federal Home Loan Banks again reflected a decrease. However, the decrease during April was approximately only half of that reported in the previous month. Advances during the month amounted to \$5,000,000, repayments to \$8,800,000, resulting in a decrease of \$3,800,000, which brought the balance of advances outstanding at the end of the month to \$133,800,000. Although this is considerably below the balance of advances outstanding reported at the end of April 1939, the current dollar volumes of lending operations are higher this year. Advances during the first four months of 1940 totaled \$15,700,000—\$3,000,000 greater than those made during the same period of 1939. Repayments during this 4-month period totaled \$63,200,000 this year as compared with \$54,400,000 in the previous year.

The amount of advances made during April was nearly \$1,500,000 greater than the volume made in April of last year. Seven of the Banks reported larger advances in April than in March and eight Banks reported a smaller volume of repayments. Portland and Los Angeles were the only Banks to

report advances greater than repayments, while the Chicago Bank reported no substantial change. New York and Winston-Salem were the only Banks to have advances outstanding greater on April 30, 1940, than on the same date last year. On April 30, long-term advances amounted to \$106,000,000, or 79.2 percent of the advances outstanding.

Advances outstanding of the Federal Home Loan Banks at the end of April 1940 constituted 79.2 percent of the average of monthly advances outstanding for the year 1939. The New York Bank again is the only Bank to have advances outstanding greater than its 1939 average, although the balance has been steadily decreasing since February of this year. However, advances to members in the States of Rhode Island, New York, Mississippi, Wyoming, and Arizona at the end of April exceeded the 1939 averages.

A net increase of four members during the month brought the total membership of the Federal Home Loan Bank System up to 3,916 at the end of April. Ten associations [9 State-chartered and 1 Federal] were admitted to membership during the month, while five State-chartered associations and one insurance company withdrew.

Federal Savings and Loan Insurance Corporation

[Tables 7 and 8]

■ OPERATIONS of State-chartered savings and loan associations followed in April a pattern similar to that of Federals. The increase in the mortgage-loan account was substantially greater than the increase in private repurchasable capital on the books. Net repayments of borrowed money were reported. Total assets of these institutions aggregated \$2,615,000,000 at the end of April.

Applications were received during the month from 28 associations, 25 from State-chartered applicants with assets at the time of their applications of \$10,615,000, and three from Federal savings and loan associations with assets at the time of their applications of \$483,000.

Over \$1,958,000,000 in private repurchasable capital was invested in the accounts of 2,547,000 shareholders in insured savings and loan associations at the end of April. The insured group of institutions has grown in number to 2,225 since the inception of the Insurance Corporation nearly six years ago.

Table 1.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over in the United States ¹

[Source: Federal Home Loan Bank Board. Compiled from residential building permits reported to U. S. Department of Labor]

[Amounts are shown in thousands of dollars]

Type of dwelling	Number of family units provided					Total cost of units				
	Monthly totals			Jan.-Apr. totals		Monthly totals			Jan.-Apr. totals	
	Apr. 1940	Mar. 1940	Apr. 1939	1940	1939	Apr. 1940	Mar. 1940	Apr. 1939	1940	1939
1-family dwellings.....	19,749	16,283	14,272	55,083	47,756	\$76,531.6	\$61,500.3	\$55,487.3	\$211,644.3	\$186,383.7
2-family dwellings.....	1,508	1,154	1,082	4,428	3,544	3,687.9	2,720.1	2,619.3	10,497.5	8,869.2
Joint home and business ²	66	42	61	213	249	250.0	215.4	293.3	914.8	1,012.8
3-and-more family dwellings.....	8,500	7,780	6,027	31,819	29,951	24,082.6	24,082.6	19,374.6	99,182.7	94,603.3
Total residential.....	29,823	25,259	21,442	91,543	81,500	105,128.7	88,518.4	77,774.5	322,239.3	290,869.0

¹ Estimate is based on reports from communities having approximately 95 percent of the population of all cities with population of 10,000 or over.

² Includes 1- and 2-family dwellings with business property attached.

Table 2.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in April 1940, by Federal Home Loan Bank District and by State

[Source: Federal Home Loan Bank Board. Compiled from residential building permits reported to U. S. Department of Labor]

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and State	All residential dwellings				All 1- and 2-family dwellings			
	Number of family dwelling units		Estimated cost		Number of family dwelling units		Estimated cost	
	Apr. 1940	Apr. 1939	Apr. 1940	Apr. 1939	Apr. 1940	Apr. 1939	Apr. 1940	Apr. 1939
UNITED STATES.....	29,823	21,442	\$105,128.7	\$77,774.5	21,323	15,415	\$80,469.5	\$58,399.9
No. 1—Boston.....	1,251	961	5,410.8	3,804.4	1,130	792	5,117.5	3,493.8
Connecticut.....	380	292	1,542.8	994.7	298	176	1,347.8	814.7
Maine.....	45	63	169.2	178.0	38	63	151.0	178.0
Massachusetts.....	533	434	2,384.7	1,917.3	506	381	2,316.1	1,786.7
New Hampshire.....	73	31	233.4	94.9	73	31	233.4	94.9
Rhode Island.....	209	125	1,043.3	524.3	204	125	1,031.8	524.3
Vermont.....	11	16	37.4	95.2	11	16	37.4	95.2
No. 2—New York.....	5,457	4,069	20,104.8	16,213.7	1,934	1,519	8,604.0	6,730.9
New Jersey.....	860	762	3,204.9	3,016.1	431	342	1,968.2	1,590.3
New York.....	4,597	3,307	16,899.9	13,197.6	1,503	1,177	6,635.8	5,140.6
No. 3—Pittsburgh.....	1,144	833	5,134.9	3,438.8	982	714	4,522.1	3,103.4
Delaware.....	152	5	626.5	20.5	20	5	104.5	20.5
Pennsylvania.....	841	697	3,764.4	2,999.7	819	606	3,705.6	2,750.3
West Virginia.....	151	131	744.0	418.6	143	103	712.0	332.6
No. 4—Winston-Salem.....	5,502	2,878	16,302.4	8,931.6	2,572	1,960	8,214.5	6,618.9
Alabama.....	147	143	319.4	309.9	147	139	319.4	297.4
District of Columbia.....	906	378	3,126.3	1,642.4	145	193	1,000.3	1,194.6
Florida.....	1,144	916	3,418.0	3,002.9	649	556	2,219.6	1,975.9

Table 2.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in April 1940, by Federal Home Loan Bank District and by State—Contd.

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and State	All residential dwellings				All 1- and 2-family dwellings			
	Number of family dwelling units		Estimated cost		Number of family dwelling units		Estimated cost	
	Apr. 1940	Apr. 1939	Apr. 1940	Apr. 1939	Apr. 1940	Apr. 1939	Apr. 1940	Apr. 1939
No. 4—Winston-Salem—Contd.								
Georgia.....	932	210	\$2,167.5	\$559.0	312	199	\$590.0	\$535.9
Maryland.....	1,226	270	3,914.9	793.3	349	263	1,138.4	780.5
North Carolina.....	566	361	1,611.5	868.7	435	309	1,298.9	746.8
South Carolina.....	174	114	387.2	269.5	157	114	361.2	269.5
Virginia.....	407	486	1,357.6	1,485.9	378	187	1,286.7	818.3
No. 5—Cincinnati.....	1,768	919	6,920.1	3,983.3	1,369	844	5,720.0	3,731.1
Kentucky.....	465	110	1,248.9	330.8	162	110	361.5	330.8
Ohio.....	1,047	637	5,001.2	3,185.2	951	562	4,688.5	2,933.0
Tennessee.....	256	172	670.0	467.3	256	172	670.0	467.3
No. 6—Indianapolis.....	2,562	1,434	10,960.2	6,344.8	2,485	1,434	10,752.3	6,344.8
Indiana.....	604	329	2,216.2	1,153.4	575	329	2,172.3	1,153.4
Michigan.....	1,958	1,105	8,744.0	5,191.4	1,910	1,105	8,580.0	5,191.4
No. 7—Chicago.....	1,329	785	6,090.2	3,855.5	1,261	770	5,939.9	3,828.5
Illinois.....	838	477	4,256.8	2,610.7	834	474	4,248.8	2,604.7
Wisconsin.....	491	308	1,833.4	1,244.8	427	296	1,691.1	1,223.8
No. 8—Des Moines.....	1,387	1,234	5,176.0	4,527.7	1,272	936	4,942.4	3,488.9
Iowa.....	395	307	1,522.0	1,107.9	381	288	1,479.0	1,052.3
Minnesota.....	432	573	1,854.6	2,245.9	421	337	1,824.3	1,365.9
Missouri.....	434	282	1,465.0	1,002.5	356	250	1,320.5	914.5
North Dakota.....	49	30	120.4	70.6	41	19	114.4	55.4
South Dakota.....	77	42	214.0	100.8	73	42	204.2	100.8
No. 9—Little Rock.....	2,469	2,754	6,305.5	8,539.3	2,347	1,817	6,052.9	4,939.9
Arkansas.....	93	84	202.4	200.0	93	84	202.4	200.0
Louisiana.....	311	938	751.6	3,034.7	304	208	736.1	545.8
Mississippi.....	284	171	451.3	303.8	277	171	436.1	303.8
New Mexico.....	92	51	233.4	140.6	60	39	153.1	115.8
Texas.....	1,689	1,510	4,666.8	4,860.2	1,613	1,315	4,525.2	3,774.5
No. 10—Topeka.....	959	838	3,098.6	2,599.0	906	718	3,035.0	2,414.5
Colorado.....	273	289	899.2	761.6	265	178	894.2	591.1
Kansas.....	214	146	560.5	420.8	181	141	525.5	416.8
Nebraska.....	129	95	482.2	355.2	122	91	467.2	345.2
Oklahoma.....	343	308	1,156.7	1,061.4	338	308	1,148.1	1,061.4
No. 11—Portland.....	1,182	737	4,107.1	2,523.6	1,124	695	3,969.5	2,430.1
Idaho.....	45	14	141.1	42.0	41	10	131.5	32.5
Montana.....	112	54	266.3	146.9	104	54	243.3	146.9
Oregon.....	245	170	846.8	605.5	218	145	778.8	541.0
Utah.....	211	135	779.6	548.8	211	126	779.6	532.8
Washington.....	547	337	1,967.8	1,058.5	528	333	1,930.8	1,055.0
Wyoming.....	22	27	105.5	121.9	22	27	105.5	121.9
No. 12—Los Angeles.....	4,813	4,000	15,518.1	13,012.8	3,941	3,216	13,599.4	11,275.1
Arizona.....	102	74	294.2	212.0	95	64	284.9	200.5
California.....	4,684	3,906	15,031.9	12,717.0	3,819	3,132	13,122.5	10,990.8
Nevada.....	27	20	192.0	83.8	27	20	192.0	83.8

Table 3.—Cost of building the same standard house in representative cities in specific months¹

NOTE.—These figures are subject to correction

[Source: Federal Home Loan Bank Board]

Federal Home Loan Bank District and city	Cubic-foot cost		Total cost							
	1940 May	1939 May	1940		1939			1938 May	1937 May	1936 May
			May	Feb.	Nov.	Aug.	May			
No. 3—Pittsburgh:										
Wilmington, Del.....	\$0. 218	\$0. 233	\$5, 231	\$5, 389	\$5, 389	\$5, 416	\$5, 593	\$5, 914	\$5, 782	\$5, 340
Harrisburg, Pa.....	. 243	. 238	5, 839	5, 882	6, 105	5, 724	5, 724	5, 839	5, 995	5, 421
Philadelphia, Pa.....	. 236	. 226	5, 676	5, 595	5, 583	5, 485	5, 422	5, 560	5, 972	4, 886
Pittsburgh, Pa.....	. 256	. 267	6, 134	6, 254	6, 398	6, 440	6, 415	6, 718	6, 745	5, 787
Charleston, W. Va.....	. 244	. 244	5, 855	5, 843	5, 843	5, 813	5, 848	5, 951	5, 875	5, 370
Wheeling, W. Va.....	. 264	. 262	6, 343	6, 323	6, 346	6, 314	6, 299	6, 287	-----	-----
No. 5—Cincinnati:										
Lexington, Ky.....	. 238	. 235	5, 715	5, 905	5, 912	5, 715	5, 650	5, 322	5, 597	5, 103
Louisville, Ky.....	. 227	. 219	5, 447	5, 408	5, 402	5, 230	5, 250	5, 133	5, 599	5, 024
Cincinnati, Ohio.....	. 229	. 230	5, 507	5, 525	5, 564	5, 500	5, 520	-----	5, 949	5, 562
Cleveland, Ohio.....	. 279	. 270	6, 693	6, 794	6, 836	6, 492	6, 477	-----	6, 756	6, 147
Columbus, Ohio.....	. 242	. 235	5, 800	5, 799	5, 774	5, 618	5, 645	5, 688	6, 237	5, 433
Memphis, Tenn.....	. 225	. 222	5, 394	5, 400	5, 415	5, 269	5, 339	5, 330	5, 531	5, 032
Nashville, Tenn.....	. 206	. 208	4, 946	4, 980	5, 022	4, 956	4, 995	5, 024	5, 421	5, 098
No. 9—Little Rock:										
Little Rock, Ark.....	. 215	. 218	5, 169	5, 180	5, 183	5, 225	5, 236	5, 164	5, 285	5, 184
New Orleans, La.....	. 240	. 235	5, 763	5, 829	5, 860	5, 641	5, 631	5, 962	5, 738	5, 004
Jackson, Miss.....	. 254	. 246	6, 084	6, 033	6, 015	5, 894	5, 911	6, 111	5, 881	5, 339
Albuquerque, N. Mex.....	. 259	. 267	6, 212	6, 260	6, 316	6, 398	6, 407	6, 611	6, 659	6, 016
Dallas, Tex.....	. 226	. 228	5, 412	5, 414	5, 335	5, 431	5, 464	5, 801	6, 070	5, 578
Houston, Tex.....	. 246	. 246	5, 902	5, 927	5, 866	5, 882	5, 910	5, 888	6, 204	5, 693
San Antonio, Tex.....	. 229	. 245	5, 497	5, 590	5, 688	5, 867	5, 878	6, 058	6, 231	5, 535
No. 12—Los Angeles:										
Phoenix, Ariz.....	. 258	. 252	6, 199	6, 199	6, 223	6, 129	6, 043	6, 567	6, 737	6, 065
Los Angeles, Calif.....	. 219	. 220	5, 250	5, 256	5, 303	5, 231	5, 287	5, 723	6, 002	5, 223
San Diego, Calif.....	. 221	. 238	5, 311	5, 419	5, 471	5, 605	5, 721	5, 855	6, 097	5, 381
San Francisco, Calif.....	. 262	. 265	6, 289	6, 308	6, 301	6, 314	6, 352	6, 345	6, 407	5, 875
Reno, Nev.....	. 282	. 273	6, 777	6, 745	6, 701	6, 574	6, 563	6, 550	6, 629	6, 324

¹ The house on which costs are reported is a detached 6-room home of 24,000 cubic feet volume. Living room, dining room, kitchen, and lavatory on first floor; three bedrooms and bath on second floor. Exterior is wide-board siding with brick and stucco as features of design. Best quality materials and workmanship are used throughout.

The house is *not* completed ready for occupancy. It includes all fundamental structural elements, an attached 1-car garage, an unfinished cellar, an unfinished attic, a fireplace, essential heating, plumbing, and electric wiring equipment, and complete insulation. It does *not* include wall-paper nor other wall nor ceiling finish on interior plastered surface, lighting fixtures, refrigerators, water heaters, ranges, screens, weather stripping, nor window shades.

Reported costs include, in addition to material and labor costs, compensation insurance, and allowance for contractor's overhead and transportation of materials, plus 10 percent for builder's profit.

Reported costs do *not* include the cost of land nor of surveying the land, the cost of planting the lot, nor of providing walks and driveways; they do not include architect's fee, cost of building permit, financing charges, nor sales costs.

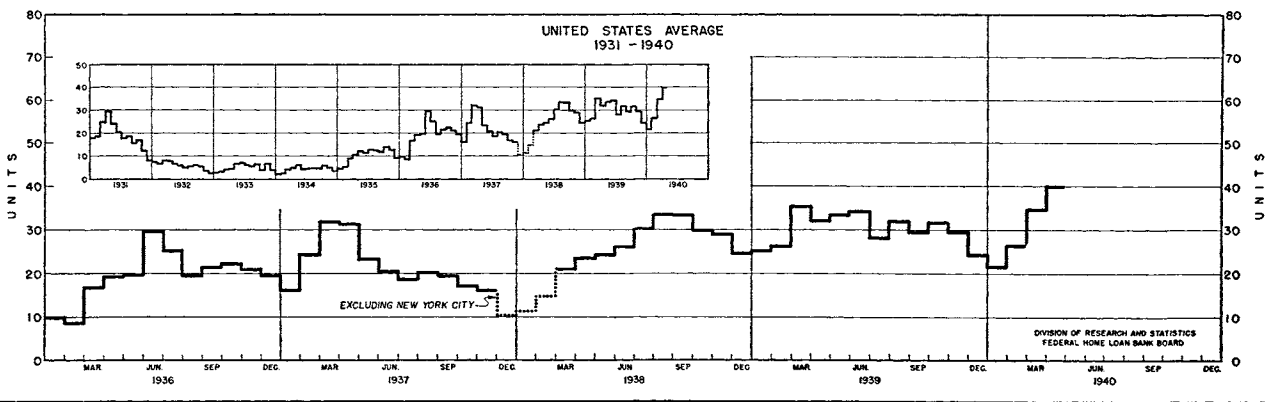
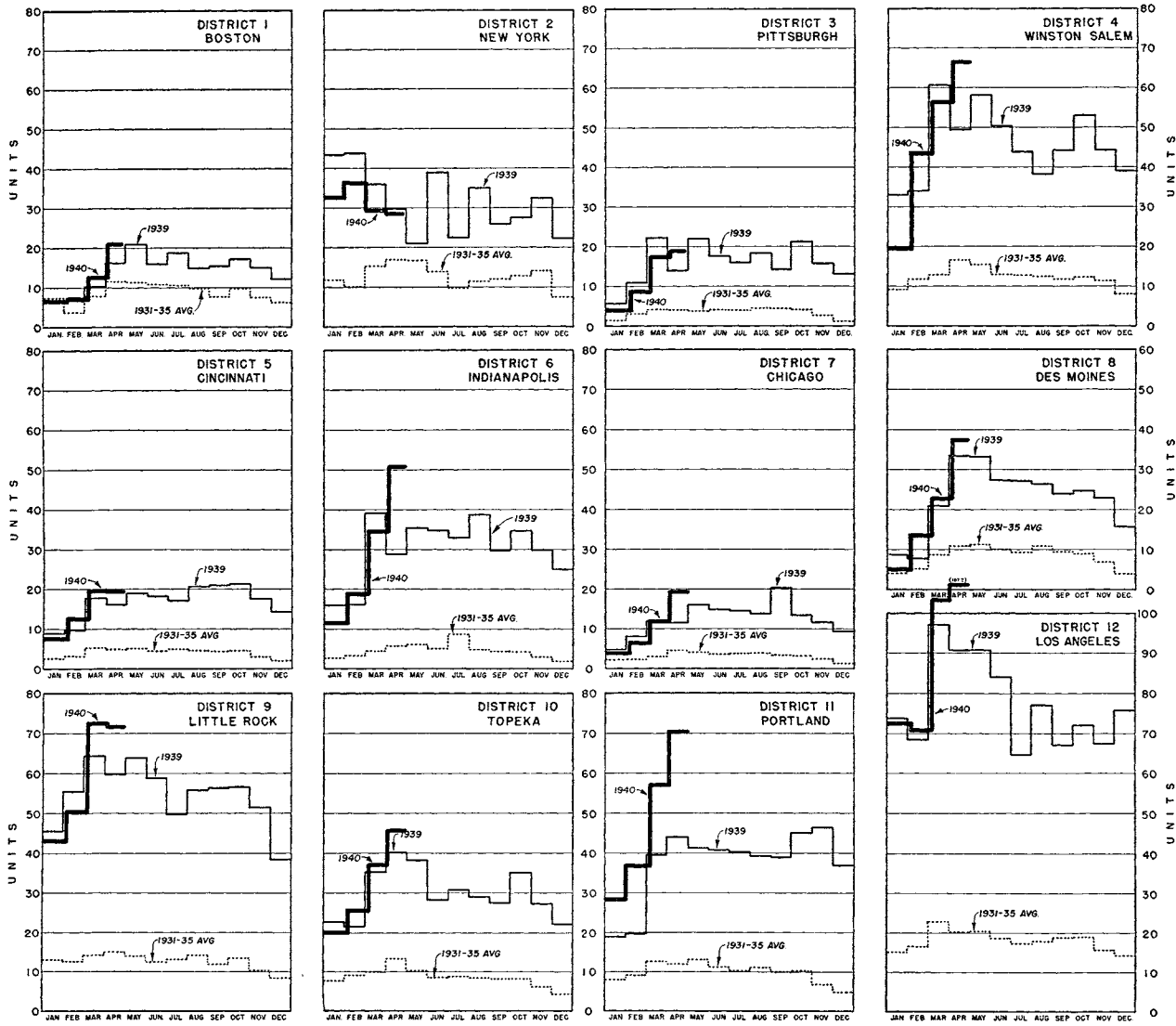
In figuring costs, current prices on the same building materials list are obtained every three months from the same dealers, and current wage rates are obtained from the same reputable contractors and operative builders.

RATE OF RESIDENTIAL BUILDING IN ALL CITIES OF 10,000 OR MORE POPULATION

REPRESENTS THE ESTIMATED NUMBER OF PRIVATELY FINANCED FAMILY DWELLING UNITS PROVIDED PER 100,000 POPULATION

Source: Federal Home Loan Bank Board. Compiled from Building Permits reported to U S Department of Labor.

FEDERAL HOME LOAN BANK DISTRICTS



DIVISION OF RESEARCH AND STATISTICS
FEDERAL HOME LOAN BANK BOARD

Table 4.—Estimated volume of new mortgage lending activity of savings and loan associations classified by District and type of association

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and type of association	New loans		Percent change, Mar. 1940 to Apr. 1940	New loans, Apr. 1939	Percent change, Apr. 1939 to Apr. 1940	Cumulative new loans (four months)		
	April 1940	March 1940				1940	1939	Percent change
United States: Total.....	\$108,001	\$90,368	+19.5	\$83,425	+29.5	\$336,835	\$270,679	+24.4
Federal.....	46,577	38,241	+21.8	33,400	+39.5	142,612	106,403	+34.0
State member.....	43,015	36,484	+17.9	32,562	+32.1	134,177	109,948	+22.0
Nonmember.....	18,409	15,643	+17.7	17,463	+5.4	60,046	54,328	+10.5
District No. 1: Total.....	8,474	6,063	+39.8	6,404	+32.3	26,554	20,980	+26.6
Federal.....	2,812	2,062	+36.4	1,970	+42.7	9,159	6,118	+49.7
State member.....	3,882	2,945	+31.8	3,194	+21.5	12,312	10,105	+21.8
Nonmember.....	1,780	1,056	+68.6	1,240	+43.5	5,083	4,757	+6.9
District No. 2: Total.....	8,668	6,491	+33.5	8,829	-1.8	27,832	25,129	+10.8
Federal.....	2,913	1,859	+56.7	3,474	-16.1	8,977	8,823	+1.7
State member.....	2,595	2,001	+29.7	1,852	+40.1	7,936	5,998	+32.3
Nonmember.....	3,160	2,631	+20.1	3,503	-9.8	10,919	10,308	+5.9
District No. 3: Total.....	8,047	7,231	+11.3	8,243	-2.4	26,952	22,726	+18.6
Federal.....	2,674	2,916	-8.3	1,701	+57.2	9,387	5,128	+83.1
State member.....	2,323	1,767	+31.5	1,969	+18.0	6,780	6,099	+11.2
Nonmember.....	3,050	2,548	+19.7	4,573	-33.3	10,785	11,499	-6.2
District No. 4: Total.....	15,134	13,643	+10.9	10,630	+42.4	49,122	36,844	+33.3
Federal.....	6,923	6,374	+8.6	4,102	+68.8	22,873	14,252	+60.5
State member.....	5,985	5,421	+10.4	4,989	+20.0	19,387	16,160	+20.0
Nonmember.....	2,226	1,848	+20.5	1,539	+44.6	6,862	6,432	+6.7
District No. 5: Total.....	18,192	15,627	+16.4	13,054	+39.4	54,983	44,001	+25.0
Federal.....	6,976	5,647	+23.5	5,185	+34.5	20,516	17,217	+19.2
State member.....	8,711	7,824	+11.3	6,166	+41.3	26,569	20,933	+26.9
Nonmember.....	2,505	2,156	+16.2	1,703	+47.1	7,898	5,851	+35.0
District No. 6: Total.....	5,407	4,227	+27.9	3,903	+38.5	16,850	12,868	+30.9
Federal.....	2,476	1,836	+34.9	1,920	+29.0	7,725	6,134	+25.9
State member.....	2,525	2,179	+15.9	1,722	+46.6	7,975	5,943	+34.2
Nonmember.....	406	212	+91.5	261	+55.6	1,150	791	+45.4
District No. 7: Total.....	11,841	10,096	+17.3	8,505	+39.2	35,971	25,903	+38.9
Federal.....	5,246	3,695	+42.0	2,869	+82.9	14,049	8,739	+60.8
State member.....	4,784	4,165	+14.9	3,743	+27.8	15,169	11,404	+33.0
Nonmember.....	1,811	2,236	-19.0	1,893	-4.3	6,753	5,760	+17.2
District No. 8: Total.....	7,768	5,232	+48.5	5,116	+51.8	20,561	15,345	+34.0
Federal.....	3,297	2,444	+34.9	2,383	+38.4	9,072	6,981	+30.0
State member.....	2,854	1,508	+89.3	1,522	+87.5	6,753	4,965	+36.0
Nonmember.....	1,617	1,280	+26.3	1,211	+33.5	4,736	3,399	+39.3
District No. 9: Total.....	5,711	5,300	+7.8	5,180	+10.3	19,068	18,357	+3.9
Federal.....	2,413	2,276	+6.0	2,555	-5.6	7,871	8,009	-1.7
State member.....	3,070	2,812	+9.2	2,467	+24.4	10,383	9,523	+9.0
Nonmember.....	228	212	+7.5	158	+44.3	814	825	-1.3
District No. 10: Total.....	5,035	4,526	+11.2	3,699	+36.1	15,792	13,797	+14.5
Federal.....	2,764	2,505	+10.3	1,830	+51.0	8,454	6,647	+27.2
State member.....	1,120	973	+15.1	885	+26.6	3,572	3,709	-3.7
Nonmember.....	1,151	1,048	+9.8	984	+17.0	3,766	3,441	+9.4
District No. 11: Total.....	4,154	3,604	+15.3	2,909	+42.8	12,606	9,265	+36.1
Federal.....	2,523	2,234	+12.9	1,835	+37.5	7,822	5,590	+39.9
State member.....	1,409	1,182	+19.2	969	+45.4	4,236	3,232	+31.1
Nonmember.....	222	188	+18.1	105	+111.4	548	443	+23.7
District No. 12: Total.....	9,570	8,328	+14.9	6,953	+37.6	30,544	25,464	+19.9
Federal.....	5,560	4,393	+26.6	3,576	+55.5	16,707	12,765	+30.9
State member.....	3,757	3,707	+1.3	3,084	+21.8	13,105	11,877	+10.3
Nonmember.....	253	228	+11.0	293	-13.7	732	822	-10.9

Table 5.—Estimated volume of new loans by all savings and loan associations, classified according to purpose and type of association ¹

[Thousands of dollars]

Period	Purpose of loans					Total loans	Type of association		
	Mortgage loans on homes				Loans for all other purposes		Federals	State members	Nonmembers
	Construction	Home purchase	Refinancing	Reconditioning					
1938.....	\$220, 458	\$265, 485	\$160, 167	\$58, 623	\$93, 263	\$797, 996	\$286, 899	\$333, 470	\$177, 627
Jan.-April.....	58, 599	77, 563	52, 790	17, 707	31, 061	237, 720	83, 764	101, 025	52, 931
April.....	17, 710	25, 494	15, 772	5, 683	8, 648	73, 307	26, 107	30, 238	16, 962
1939.....	301, 039	339, 629	182, 025	59, 463	104, 227	986, 383	400, 337	396, 041	190, 005
Jan.-April.....	77, 107	91, 229	54, 555	16, 167	31, 621	270, 679	106, 403	109, 948	54, 328
April.....	23, 727	29, 903	15, 384	4, 974	9, 437	83, 425	33, 400	32, 562	17, 463
May.....	26, 646	31, 289	15, 687	6, 069	9, 432	89, 123	36, 358	35, 426	17, 339
June.....	29, 919	32, 228	17, 123	5, 802	9, 082	94, 154	39, 094	36, 465	18, 595
July.....	26, 865	29, 638	15, 353	5, 133	8, 183	85, 172	34, 055	34, 146	16, 971
August.....	29, 863	32, 282	17, 005	5, 909	9, 979	95, 038	40, 645	37, 340	17, 053
September.....	27, 854	31, 367	16, 021	5, 544	8, 946	89, 732	37, 090	36, 989	15, 653
October.....	29, 255	33, 383	15, 835	5, 784	9, 040	93, 297	37, 854	37, 847	17, 596
November.....	26, 607	30, 434	15, 445	4, 720	8, 870	86, 076	34, 785	34, 671	16, 620
December.....	26, 923	27, 779	15, 001	4, 335	9, 074	83, 112	34, 053	33, 209	15, 850
1940									
Jan.-April.....	100, 115	117, 417	66, 217	17, 646	35, 440	336, 835	142, 612	134, 177	60, 046
January.....	19, 488	22, 039	13, 999	3, 455	7, 963	66, 944	28, 008	25, 737	13, 199
February.....	20, 152	25, 389	14, 590	3, 437	7, 954	71, 522	29, 786	28, 941	12, 795
March.....	26, 711	32, 168	16, 769	4, 657	10, 063	90, 368	38, 241	36, 484	15, 643
April.....	33, 764	37, 821	20, 859	6, 097	9, 460	108, 001	46, 577	43, 015	18, 409

¹ Revised figures for 1936, 1937, and for the first 10 months of 1938 appear on p. 93 of the December 1938 issue.

Table 6.—Index of wholesale price of building materials in the United States

[1926=100]

[Source: U. S. Department of Labor]

Period	All building materials	Brick and tile	Cement ¹	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
1938: April.....	91. 2	90. 4	89. 9	91. 1	81. 4	77. 2	114. 9	94. 8
1939: April.....	89. 6	93. 0	91. 5	91. 5	81. 3	79. 3	107. 3	89. 7
May.....	89. 5	91. 7	91. 5	91. 2	81. 6	79. 3	107. 3	89. 6
June.....	89. 5	91. 1	91. 5	90. 7	82. 4	79. 3	107. 3	89. 5
July.....	89. 7	90. 6	91. 5	91. 8	82. 2	79. 3	107. 3	89. 6
August.....	89. 6	90. 5	91. 3	91. 8	82. 1	79. 3	107. 3	89. 5
September.....	90. 9	91. 0	91. 3	93. 7	84. 7	79. 3	107. 3	90. 3
October.....	92. 8	91. 5	91. 3	98. 0	85. 7	79. 3	107. 3	91. 9
November.....	93. 0	91. 6	91. 3	98. 3	84. 9	79. 3	107. 3	92. 9
December.....	93. 0	91. 6	91. 3	97. 8	85. 5	79. 3	107. 3	92. 7
1940: January.....	93. 4	91. 6	91. 4	97. 6	87. 2	79. 3	107. 3	93. 2
February.....	93. 2	91. 2	91. 4	97. 6	86. 8	79. 1	107. 3	92. 9
March.....	93. 3	90. 4	91. 2	97. 8	87. 2	81. 0	107. 3	92. 7
April.....	92. 5	90. 2	90. 3	96. 1	86. 7	80. 9	107. 3	92. 3
Change:								
Apr. 1940-Mar. 1940.....	-0. 9%	-0. 2%	-1. 0%	-1. 7%	-0. 6%	-0. 1%	0. 0%	-0. 4%
Apr. 1940-Apr. 1939.....	+3. 2%	-3. 0%	-1. 3%	+5. 0%	+6. 6%	+2. 0%	0. 0%	+2. 9%

¹ Based on delivered prices at 48 cities and introduced into the calculation of the Bureau's general indexes of wholesale prices beginning with March 1939.

Table 7.—Monthly operations of 1,368 identical Federal and 732 identical insured State-chartered savings and loan associations reporting during March and April 1940¹

[Amounts are shown in thousands of dollars]

Type of operation	1,368 Federals			732 insured State members		
	April	March	Change March to April	April	March	Change March to April
Share liability at end of month:			<i>Percent</i>			<i>Percent</i>
Private share accounts (number).....	1, 507, 928	1, 495, 184	+0. 9	967, 989	963, 534	+0. 5
Paid on private subscriptions.....	\$1, 201, 479. 9	\$1, 178, 962. 1	+1. 9	\$704, 560. 7	\$699, 557. 9	+0. 7
Treasury and HOLC subscriptions.....	193, 847. 8	193, 847. 8	0. 0	² 37, 819. 0	² 37, 819. 0	0. 0
Total.....	1, 395, 327. 7	1, 372, 809. 9	+1. 6	742, 379. 7	737, 376. 9	+0. 7
Private share investments during month.....	38, 831. 7	35, 077. 8	+10. 7	15, 673. 0	14, 940. 0	+4. 9
Repurchases during month.....	16, 291. 0	15, 958. 5	+2. 1	10, 916. 5	10, 337. 0	+5. 6
Mortgage loans made during month:						
a. New construction.....	18, 035. 2	14, 339. 3	+25. 8	6, 150. 3	5, 196. 1	+18. 4
b. Purchase of homes.....	14, 211. 8	11, 267. 8	+26. 1	6, 788. 3	5, 974. 3	+13. 6
c. Refinancing.....	8, 852. 1	7, 529. 4	+17. 6	4, 449. 3	3, 376. 9	+31. 8
d. Reconditioning.....	1, 837. 3	1, 472. 3	+24. 8	1, 129. 1	850. 7	+32. 7
e. Other purposes.....	2, 999. 7	2, 998. 2	+0. 1	1, 874. 3	1, 925. 3	-2. 6
Total.....	45, 936. 1	37, 607. 0	+22. 1	20, 391. 3	17, 323. 3	+17. 7
Mortgage loans outstanding end of month.....	1, 324, 457. 3	1, 296, 846. 8	+2. 1	671, 152. 3	661, 236. 9	+1. 5
Borrowed money as of end of month:						
From Federal Home Loan Banks.....	70, 278. 6	73, 513. 3	-4. 4	28, 426. 2	29, 500. 6	-3. 6
From other sources.....	3, 060. 4	3, 336. 8	-8. 3	2, 966. 8	2, 705. 6	+9. 7
Total.....	73, 339. 0	76, 850. 1	-4. 6	31, 393. 0	32, 206. 2	-2. 5
Total assets, end of month.....	1, 627, 068. 8	1, 597, 970. 7	+1. 8	913, 683. 7	906, 921. 2	+0. 7

¹ The total of 2,100 associations represents 95 percent of all insured institutions operating during March.

² Includes only HOLC subscriptions.

Table 8.—Institutions insured by the Federal Savings and Loan Insurance Corporation

[Amounts are shown in thousands of dollars]

Type of association	Cumulative number at specified dates						Number of private investors in repurchasable shares ¹	Assets	Private repurchasable capital
	Dec. 31, 1936	Dec. 31, 1937	Dec. 31, 1938	Dec. 31, 1939	Mar. 31, 1940	Apr. 30, 1940			
State-chartered associations.....	382	566	737	799	808	814	1, 017, 300	\$960, 011	\$736, 392
Converted Federals.....	560	672	723	763	² 777	³ 779	1, 105, 500	1, 176, 532	901, 552
New Federals.....	634	641	637	634	632	632	424, 000	478, 647	320, 473
Total.....	1, 576	1, 879	2, 097	2, 196	2, 217	2, 225	2, 546, 800	2, 615, 190	1, 958, 417

¹ This series revised to agree with schedules submitted each month by insured institutions. Private investors in repurchasable shares in insured State-chartered members numbered 931,600 in June 1939; no other association type revised.

² In addition, 1 Federal with assets of \$259,000 had been approved for conversion but had not been insured as of Mar. 31.

³ In addition, 7 Federals with assets of \$2,042,000 had been approved for conversion but had not been insured as of Apr. 30.

Table 9.—Lending operations of the Federal Home Loan Banks

[Thousands of dollars]

Federal Home Loan Bank	April 1940		March 1940		Advances outstanding, Apr. 30, 1940
	Advances	Repayments	Advances	Repayments	
Boston.....	\$247	\$379	\$64	\$539	\$4,705
New York.....	639	1,376	553	1,102	17,864
Pittsburgh.....	477	617	336	781	13,690
Winston-Salem.....	597	1,093	633	1,381	11,639
Cincinnati.....	352	862	213	1,471	13,397
Indianapolis.....	220	918	686	980	8,057
Chicago.....	604	602	239	1,417	21,396
Des Moines.....	199	1,199	232	1,195	11,681
Little Rock.....	120	874	210	451	6,292
Topeka.....	237	263	116	662	8,449
Portland.....	539	233	335	149	4,609
Los Angeles.....	742	389	758	1,120	12,032
Total.....	4,973	8,805	4,375	11,248	133,811
Jan.—Apr. 1940.....	15,745	63,248	-----	-----	-----
April 1939.....	3,581	8,018	-----	-----	157,176
Jan.—Apr. 1939.....	12,736	54,402	-----	-----	-----
April 1938.....	6,089	5,465	-----	-----	183,750
Jan.—Apr. 1938.....	18,783	35,128	-----	-----	-----

Table 11.—Summary of operations of HOLC Reconditioning Division through Apr. 30, 1940¹

Type of operation	June 1, 1934 through Mar. 31, 1940	Apr. 1, 1940 through Apr. 30, 1940	Cumulative through Apr. 30, 1940
Cases received ²	1,192,156	6,154	1,198,310
Contracts awarded:			
Number.....	787,906	4,328	792,234
Amount.....	\$155,632,027	\$1,120,084	\$156,752,111
Contracts completed:			
Number.....	782,939	4,341	787,280
Amount.....	\$153,451,862	\$1,194,975	\$154,646,837

¹ All figures are subject to adjustment. Figures do not include 52,269 reconditioning cases, amounting to approximately \$6,800,000, completed by the Corporation prior to the organization of the Reconditioning Division on June 1, 1934.

² Includes all property management, advance, insurance, and loan cases referred to the Reconditioning Division which were not withdrawn prior to preliminary inspection or cost estimate prior to Apr. 15, 1937.

Table 10.—Government investments in savings and loan associations¹

[Amounts are shown in thousands of dollars]

Type of operation	Treas-ury	Home Owners' Loan Cor-poration		
	Feder-als ²	Feder-als	State mem-bers	Total
Oct. 1935—Apr. 1940:				
Applications:				
Number.....	1,862	6,614	965	5,579
Amount.....	\$50,401	\$200,992	\$62,719	\$263,711
Investments:				
Number.....	1,831	4,196	719	4,915
Amount.....	\$49,300	\$175,835	\$44,348	\$220,183
Repurchases.....	\$15,163	\$13,159	\$4,396	\$17,555
Net outstanding in-vestments.....	\$34,137	\$162,676	\$39,952	\$202,628
April 1940:				
Applications:				
Number.....	0	0	2	2
Amount.....	0	0	\$80	\$80
Investments:				
Number.....	0	0	1	1
Amount.....	0	0	\$100	\$100
Repurchases.....	\$5	\$1	\$325	\$326

¹ Refers to number of separate investments, not to number of associations in which investments are made.

² Investments in Federals by the Treasury were made between December 1933 and November 1935.

Table 12.—Properties acquired by HOLC through foreclosure and voluntary deed¹

Period	Number
Prior to 1935.....	9
1935: Jan. 1 through Dec. 31.....	1,097
1936: Jan. 1 through Dec. 31.....	20,324
1937: Jan. 1 through Dec. 31.....	50,206
1938: Jan. 1 through Dec. 31.....	50,919
1939: Jan. 1 through June 30.....	19,509
July.....	2,773
August.....	2,857
September.....	2,590
October.....	2,445
November.....	2,356
December.....	1,800
1940: January.....	1,567
February.....	1,311
March.....	1,657
April.....	1,323
Grand total to Apr. 30, 1940.....	162,743

¹ Does not include 9,073 properties bought in by HOLC at foreclosure sale but awaiting expiration of the redemption period before title in absolute fee can be obtained.

In addition to the 162,743 completed cases 946 properties were sold at foreclosure sale to parties other than the HOLC and 25,171 cases have been withdrawn due to payment of delinquencies by borrowers after foreclosure proceedings were authorized.

Table 13.—Summary of estimated nonfarm mortgage recordings,¹ \$20,000 and under, during April 1940

Federal Home Loan Bank District and State	(Amounts shown are in thousands of dollars)														Amount per capita (nonfarm)
	Savings & loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgages		Total		
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
UNITED STATES	44,188	\$10,787	5,484	\$27,091	26,711	\$82,569	3,465	\$13,122	29,532	\$56,561	15,341	\$50,203	124,721	\$340,333	\$ 3.69
No. 1--Boston	3,149	9,645	241	1,304	836	3,122	1,809	6,156	1,646	3,595	1,018	2,808	8,699	26,630	
Connecticut	262	999	46	351	297	1,229	385	1,454	455	1,047	290	896	1,735	5,976	3.93
Maine	307	602	16	55	139	358	221	347	149	304	66	106	898	1,772	2.83
Massachusetts	2,089	6,508	147	742	277	1,113	958	3,561	809	1,796	514	1,366	4,794	15,086	3.66
New Hampshire	191	572	13	63	36	125	94	311	79	169	48	127	461	1,367	3.40
Rhode Island	183	613	11	54	65	220	93	292	106	175	70	235	528	1,589	2.37
Vermont	117	351	8	39	22	77	58	191	48	104	30	78	283	840	3.40
No. 2--New York	2,354	7,157	259	1,639	1,679	6,442	1,172	5,377	2,845	6,972	1,518	6,467	9,827	34,054	
New Jersey	893	2,736	129	701	874	3,686	55	258	1,053	2,759	610	2,349	3,614	12,485	3.19
New York	1,461	4,421	130	938	805	2,756	1,117	5,119	1,792	4,213	908	4,122	6,213	21,569	1.82
No. 3--Pittsburgh	2,771	7,044	328	1,552	2,250	7,305	165	544	1,875	4,285	1,012	3,663	8,401	24,393	
Delaware	69	183	37	204	68	320	30	114	124	236	28	137	356	1,194	6.22
Pennsylvania	2,280	5,998	250	1,176	1,691	6,061	125	425	1,471	3,577	863	3,299	6,680	20,536	2.34
West Virginia	422	863	41	172	491	924	10	5	280	472	121	227	1,365	2,663	2.08
No. 4--Winston-Salem	6,740	15,595	792	3,714	2,474	6,490	31	96	4,650	8,191	2,318	5,931	17,005	40,017	
Alabama	392	548	102	425	250	598			610	824	263	642	1,617	3,037	2.33
District of Columbia	446	2,168	53	323	81	460			281	712	289	1,349	1,130	5,012	10.30
Florida	830	2,729	236	1,004	325	832			972	2,370	453	1,281	2,816	8,216	6.91
Georgia	816	1,292	71	357	401	1,038			524	770	188	347	2,000	3,804	2.55
Maryland	1,259	2,969	53	243	285	923	31	96	363	933	145	412	2,136	5,576	4.00
North Carolina	1,576	3,023	153	735	334	739			702	692	386	753	3,151	5,942	3.78
South Carolina	412	741	40	264	229	338			477	641	168	191	1,326	2,175	2.65
Virginia	1,009	2,125	84	363	569	1,562			741	1,249	426	956	2,829	6,255	4.25
No. 5--Cincinnati	7,189	19,602	717	3,583	2,931	8,947	71	335	1,996	3,405	1,707	4,757	14,611	40,629	
Kentucky	1,156	2,524	138	587	472	1,073			251	381	157	338	2,174	4,903	3.41
Ohio	5,729	16,397	383	2,337	2,040	6,450	71	335	1,486	2,690	779	2,902	10,488	31,111	5.52
Tennessee	304	681	196	659	419	1,424			259	334	771	1,517	1,949	4,615	3.29
No. 6--Indianapolis	3,232	6,388	625	2,868	2,994	7,635	29	42	1,164	1,972	751	2,633	8,795	21,538	
Indiana	2,355	4,108	261	1,074	1,057	2,568	29	42	461	686	290	843	4,453	9,321	3.84
Michigan	877	2,280	364	1,794	1,937	5,067			703	1,286	461	1,790	4,342	12,217	3.01
No. 7--Chicago	3,508	9,921	325	1,814	1,521	5,617	11	25	1,676	3,672	1,170	5,537	8,211	26,586	
Illinois	2,653	7,654	251	1,419	921	3,807			760	1,967	982	4,951	5,567	19,798	2.99
Wisconsin	855	2,267	74	395	600	1,810	11	25	916	1,705	188	586	2,644	6,788	3.30
No. 8--Des Moines	3,297	7,179	513	2,106	2,166	4,588	31	80	2,753	4,832	1,359	4,144	10,119	22,929	
Iowa	866	1,695	95	370	650	1,369			401	719	180	413	2,192	4,566	3.06
Minnesota	1,168	3,054	236	968	519	879	31	80	752	1,305	229	852	2,935	7,138	4.28
Missouri	1,005	1,911	122	576	808	2,020			1,475	2,609	887	2,759	4,297	9,875	3.93
North Dakota	163	374	18	67	48	92			54	97	52	110	335	740	2.61
South Dakota	95	145	42	125	141	228			71	102	11	10	360	610	2.02
No. 9--Little Rock	3,126	7,188	715	3,319	918	2,363			2,102	3,958	1,669	5,023	8,530	21,851	
Arkansas	357	633	41	183	131	233			214	248	148	268	891	1,565	2.13
Louisiana	858	2,373	30	162	119	345			355	665	439	1,159	1,801	4,704	3.70
Mississippi	238	374	45	193	121	264			261	340	130	288	795	1,459	2.26
New Mexico	142	284	6	24	64	216			144	240	39	120	395	884	3.34
Texas	1,531	3,524	593	2,757	483	1,305			1,128	2,465	913	3,188	4,648	13,239	3.81
No. 10--Topeka	2,785	6,025	219	928	869	2,135			1,882	2,844	881	2,428	6,636	14,360	
Colorado	386	883	19	126	162	425			764	1,397	243	832	1,574	3,663	4.86
Kansas	715	1,307	46	183	323	725			273	312	170	429	1,527	2,956	2.52
Nebraska	729	1,561	77	348	74	172			251	388	96	268	1,227	2,737	3.45
Oklahoma	955	2,274	77	271	310	813			594	747	372	899	2,308	5,004	3.65
No. 11--Portland	2,003	4,352	241	876	1,485	3,466	146	467	1,309	1,973	796	2,644	5,980	13,778	
Idaho	159	345	6	11	113	320			194	247	56	165	528	1,088	4.24
Montana	146	329	11	42	65	179			120	209	20	46	362	805	2.42
Oregon	403	855	72	267	180	334	28	86	458	695	226	835	1,367	3,072	4.21
Utah	242	566	29	98	266	691			89	105	30	41	656	1,501	3.83
Washington	975	2,054	122	453	802	1,827	118	381	353	540	438	1,453	2,808	6,708	5.33
Wyoming	78	203	1	5	59	115			95	177	26	104	259	604	3.96
No. 12--Los Angeles	4,034	10,691	509	3,388	6,588	24,459			5,634	10,862	1,142	4,168	17,907	53,588	
Arizona	110	309	7	24	187	558			312	733	39	79	655	1,703	5.06
California	3,900	10,313	500	3,359	6,359	23,777			5,253	9,966	1,094	4,071	17,106	51,486	10.18
Nevada	24	69	2	5	42	124			69	163	9	18	146	379	5.08

¹Based upon county reports submitted through the cooperation of savings and loan associations, the U. S. Savings and Loan League, the Mortgage Bankers Association, and the American Title Association.

Table 14.—Estimated volume of nonfarm mortgages recorded, by type of mortgagee

[Amounts are shown in thousands of dollars]

Period	Savings and loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgagees		All mortgagees	
	Total	Per-cent	Total	Per-cent	Total	Per-cent	Total	Per-cent	Total	Per-cent	Total	Per-cent	Com-bined total	Per-cent
Number:														
1939: April ¹ -----	35,098	33.8	4,375	4.2	22,412	21.6	2,727	2.6	26,282	25.3	13,012	12.5	103,906	100.0
May-----	43,648	34.8	6,009	4.8	25,658	20.4	3,825	3.0	30,904	24.6	15,560	12.4	125,604	100.0
June-----	43,655	34.1	6,335	4.9	26,779	20.9	3,524	2.8	30,710	24.0	17,002	13.3	128,005	100.0
July-----	41,048	34.6	5,946	5.0	22,860	19.3	3,909	3.3	30,209	25.4	14,693	12.4	118,665	100.0
August-----	44,224	35.3	6,014	4.8	24,750	19.7	3,908	3.1	31,174	24.9	15,339	12.2	125,409	100.0
September-----	41,946	35.6	5,352	4.5	23,627	20.0	3,924	3.3	29,055	24.7	14,009	11.9	117,913	100.0
October-----	42,091	34.6	5,636	4.6	25,589	21.0	3,718	3.0	29,577	24.3	15,195	12.5	121,806	100.0
November-----	38,671	33.3	5,443	4.7	24,594	21.2	3,994	3.5	27,955	24.1	15,336	13.2	115,993	100.0
December-----	38,018	33.6	5,694	5.0	24,433	21.6	3,692	3.2	27,034	23.9	14,370	12.7	113,241	100.0
1940: January ¹ -----	30,005	31.3	4,392	4.6	21,061	22.0	2,675	2.8	24,884	25.9	12,844	13.4	95,861	100.0
February ¹ -----	31,015	32.8	4,240	4.5	20,110	21.2	2,548	2.7	24,193	25.6	12,548	13.2	94,654	100.0
March-----	38,734	34.7	4,631	4.2	24,288	21.7	2,823	2.5	27,658	24.7	13,655	12.2	111,789	100.0
April-----	44,188	35.4	5,484	4.4	26,711	21.4	3,465	2.8	29,532	23.7	15,341	12.3	124,721	100.0
Amount:														
1939: April ¹ -----	\$84,565	30.2	\$22,228	7.9	\$70,980	25.3	\$9,954	3.5	\$49,598	17.7	\$43,161	15.4	\$280,486	100.0
May-----	109,652	31.4	29,922	8.6	85,417	24.4	12,195	3.5	59,453	17.0	52,815	15.1	349,454	100.0
June-----	113,479	31.5	30,017	8.3	89,563	24.8	12,048	3.3	58,967	16.4	56,794	15.7	360,868	100.0
July-----	105,890	32.1	29,777	9.0	74,960	22.7	13,679	4.2	58,056	17.6	47,621	14.4	329,983	100.0
August-----	112,516	32.6	30,796	8.9	80,049	23.2	13,844	4.0	58,826	17.0	49,549	14.3	345,580	100.0
September-----	104,548	33.0	28,086	8.9	74,577	23.5	13,470	4.2	53,018	16.7	43,457	13.7	317,156	100.0
October-----	105,229	31.6	28,503	8.6	84,678	25.4	12,966	3.9	53,909	16.2	47,794	14.3	333,079	100.0
November-----	98,889	30.4	28,286	8.7	80,484	24.7	14,571	4.5	52,183	16.1	50,699	15.6	325,112	100.0
December-----	95,724	30.2	28,990	9.2	80,971	25.6	13,550	4.3	49,677	15.7	47,629	15.0	316,541	100.0
1940: January ¹ -----	74,711	28.4	21,989	8.4	66,342	25.3	10,520	4.0	48,026	18.3	41,095	15.6	262,683	100.0
February ¹ -----	76,944	30.1	21,350	8.4	62,065	24.3	9,485	3.7	45,333	17.7	40,451	15.8	255,628	100.0
March-----	96,244	32.0	23,084	7.7	75,650	25.2	10,543	3.5	51,596	17.2	43,303	14.4	300,420	100.0
April-----	110,787	32.5	27,091	8.0	82,569	24.3	13,122	3.9	56,561	16.6	50,203	14.7	340,333	100.0

¹Revised.

Directory of Member, Federal, and Insured Institutions

I. INSTITUTIONS ADMITTED TO MEMBERSHIP IN THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN APRIL 16 AND MAY 15, 1940¹

(Listed by Federal Home Loan Bank Districts, States, and cities)

DISTRICT NO. 3

PENNSYLVANIA:
Altoona:
Reliance Building & Loan Association of Altoona, Pennsylvania.

DISTRICT NO. 4

SOUTH CAROLINA:
Seneca:
The Seneca Building & Loan Association, 203 Main Street.

DISTRICT NO. 5

KENTUCKY:
Campbellsville:
Taylor County Building & Loan Association.

OHIO:
Massillon:
The Peoples Building & Loan Company, Lincoln Way & Erie Street.

¹ During this period 2 Federal savings and loan associations were admitted to membership in the System.

DISTRICT NO. 7

ILLINOIS:
Chicago:
Twenty-Sixth Street Savings & Loan Association, 4048 West 26th Street.
Highland Park:
The Highland Park Building, Loan & Homestead Association, 21 North Sheridan Road.

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN APRIL 16 AND MAY 15, 1940

MARYLAND:
Baltimore:
Title Permanent Building & Loan Association, Inc., 447 East 25th Street (voluntary withdrawal).

MISSISSIPPI:
Jackson:
Standard Life Insurance Company of the South, North Congress Street (voluntary withdrawal).

MISSOURI:
St. Joseph:
Buchanan Building & Loan Association, 213 North 7th Street (voluntary withdrawal).

NEW JERSEY:
Passaic:
Greater Passaic Building & Loan Association, 663 Main Avenue (sale of assets and transfer of 15 shares of Bank stock to North Jersey Building & Loan Association).

NORTH CAROLINA:
Mooreville:
The Mooreville Building & Loan Association (voluntary withdrawal).

PENNSYLVANIA:
Philadelphia:
Orinoka Building & Loan Association, 2510 East Allegheny Avenue (voluntary withdrawal).

II. FEDERAL SAVINGS AND LOAN ASSOCIATIONS
CHARTERED BETWEEN APRIL 16 AND MAY 15,
1940

DISTRICT NO. 2

NEW JERSEY:
Paterson:
First Federal Savings & Loan Association of Paterson, 7 Colt Street
(converted from Financial-Regent Building & Loan Association).

DISTRICT NO. 3

PENNSYLVANIA:
Philadelphia:
Cayuga Federal Savings & Loan Association of Philadelphia, 1816
Girard Trust Building (converted from Cayuga Building & Loan
Association of Philadelphia).

DISTRICT NO. 5

KENTUCKY:
Elizabethtown:
First Federal Savings & Loan Association of Elizabethtown, 102 West
Dixie Street (converted from Elizabethtown Building & Loan
Association).

DISTRICT NO. 7

WISCONSIN:
Milwaukee:
Kinnickinnic Federal Savings & Loan Association, 2252 South Kinnick-
innic Avenue (converted from Kinnickinnic Mutual Loan & Building
Association).

III. INSTITUTIONS INSURED BY THE FEDERAL
SAVINGS AND LOAN INSURANCE CORPORATION
BETWEEN APRIL 16 AND MAY 15, 1940

DISTRICT NO. 2

NEW JERSEY:
Glen Ridge:
Glen Ridge Building & Loan Association, 227 Ridgewood Avenue.

DISTRICT NO. 3

PENNSYLVANIA:
Philadelphia:
First Philadelphia Savings & Loan Association, 1700 Samson Street.
WEST VIRGINIA:
Beckley:
Beckley Federal Savings & Loan Association, 58 Main Street.

DISTRICT NO. 4

NORTH CAROLINA:
Charlotte:
First Federal Savings & Loan Association of Charlotte, 119 West 4th
Street.

DISTRICT NO. 5

OHIO:
Blue Ash:
The Blue Ash Building & Loan Company, Cooper Avenue.
Hamilton:
The Butler Building & Loan Company, 11 South Front Street.

DISTRICT NO. 7

ILLINOIS:
Chicago:
First Savings & Loan Association of Hegewisch, 3150 East 133rd Street.

Third Annual "Hunt For Facts"

(Continued from p. 296)

THE PRODUCTIVE APPROACH

The widely varying pattern which characterized not only the study of the amount of money devoted to, and the results obtained from, association development programs, but also the analysis of the media for which the funds were used, indicates clearly that there is a substantial need throughout the entire savings and loan industry for a careful and rational approach to the problems of business pro-

motion and advertising. In many instances, it is apparent that the benefits of using established techniques of predetermining objectives, of planning programs in advance, of testing media, and of measuring results are being reaped in the form of lower costs per dollar of new business obtained. For these institutions, the productive approach to advertising has a real and significant practical value—saving money, or at least getting a greater value for the same expenditure.

Table 3.—Percentage distribution of the advertising dollar, by Bank Districts

Media	United States	Federal Home Loan Bank Districts											
		1	2	3	4	5	6	7	8	9	10	11	12
Newspapers.....	47.2	37.0	37.5	44.9	57.9	45.9	50.7	42.6	49.4	53.3	47.9	41.5	52.4
Publications.....	3.0	3.7	3.1	4.6	2.8	2.3	2.1	3.2	3.0	2.3	2.7	3.5	3.8
Printed material.....	9.0	11.0	14.9	11.7	4.5	8.3	5.9	14.1	5.9	3.8	6.9	5.4	13.8
Radio.....	10.5	7.3	5.8	4.2	12.4	16.0	7.3	11.7	11.0	14.1	12.9	9.8	5.8
Outdoor bulletins.....	5.0	7.9	1.7	2.0	1.0	6.9	1.1	4.6	4.7	7.3	4.7	11.2	3.5
Illuminated outdoor signs.....	1.8	0.2	0.5	3.4	0.4	1.7	1.6	2.3	0.7	2.6	1.6	2.9	3.3
House organs.....	3.6	5.6	3.0	1.8	4.4	1.1	2.6	3.3	2.9	4.6	4.6	5.4	4.7
Office displays.....	4.3	4.1	10.4	5.3	2.3	3.6	5.2	4.9	4.2	3.0	4.8	5.2	3.2
Car and bus cards.....	1.1	1.4	1.0	0.0	1.9	0.5	2.0	0.6	2.9	0.5	0.6	1.3	0.9
Motion pictures.....	0.3	(¹)	0.1	0.5	0.4	0.1	0.8	0.1	0.3	0.5	1.4	0.2	0.1
Coin banks.....	6.3	8.0	9.0	16.8	6.4	4.4	14.2	3.4	5.9	1.2	5.6	8.1	3.9
Miscellaneous advertising.....	7.9	13.8	13.0	4.8	5.6	9.2	6.5	9.2	9.1	6.8	6.3	5.5	4.6
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ Less than 0.05 percent.

June 1940

Exhibit A.- Business promotion expenditures of member associations, by Federal Home Loan Bank Districts

District No. 1 - Boston

Gross operating income groups	Reporting associations	Average assets	Average gross operating income	Average business promotion expenditure	Ratio of business promotion expenditure to:		
					Gross operating income	Assets	New business
Over \$200,000 - - - - -	10	\$9,493,068	\$4,54,937	\$13,310	2.926	.140	.345
\$100,000-200,000 - - - - -	9	2,890,256	136,376	2,541	1.863	.088	.447
\$50,000-100,000 - - - - -	9	1,693,954	73,091	1,588	2.173	.094	.209
\$25,000-50,000 - - - - -	6	809,684	36,480	817	2.240	.101	.270
\$10,000-25,000 - - - - -	5	405,907	14,817	311	2.099	.077	.190
Under \$10,000 - - - - -	6	168,013	8,226	66	.802	.039	.073
All reporting assns. -	45	3,201,873	150,598	3,936	2.614	.122	.329

District No. 7 - Chicago

Gross operating income groups	Reporting associations	Average assets	Average gross operating income	Average business promotion expenditure	Ratio of business promotion expenditure to:		
					Gross operating income	Assets	New business
Over \$200,000 - - - - -	8	\$6,549,759	\$328,823	\$12,213	3.744	.186	.319
\$100,000-200,000 - - - - -	6	2,240,529	131,952	5,287	4.007	.236	.657
\$50,000-100,000 - - - - -	27	1,296,386	68,753	2,042	2.970	.158	.376
\$25,000-50,000 - - - - -	23	694,755	36,077	921	2.553	.133	.363
\$10,000-25,000 - - - - -	33	360,593	16,533	422	2.552	.117	.251
Under \$10,000 - - - - -	24	174,337	6,655	293	4.403	.168	.354
All reporting assns. -	121	1,098,403	56,313	1,874	3.328	.171	.357

District No. 2 - New York

Gross operating income groups	Reporting associations	Average assets	Average gross operating income	Average business promotion expenditure	Ratio of business promotion expenditure to:		
					Gross operating income	Assets	New business
Over \$200,000 - - - - -	8	\$12,509,719	\$537,698	\$9,297	1.729	.074	.239
\$100,000-200,000 - - - - -	3	2,571,813	123,793	3,185	2.573	.124	.607
\$50,000-100,000 - - - - -	17	1,711,710	70,663	1,445	2.045	.084	.230
\$25,000-50,000 - - - - -	14	1,111,949	34,219	1,257	3.673	.113	.392
\$10,000-25,000 - - - - -	19	387,612	17,091	418	2.446	.108	.309
Under \$10,000 - - - - -	12	223,113	6,549	198	3.023	.089	.254
All reporting assns. -	73	2,226,048	92,556	1,869	2.019	.084	.266

District No. 8 - Des Moines

Gross operating income groups	Reporting associations	Average assets	Average gross operating income	Average business promotion expenditure	Ratio of business promotion expenditure to:		
					Gross operating income	Assets	New business
Over \$200,000 - - - - -	3	\$8,417,745	\$347,233	\$15,716	4.526	.187	.465
\$100,000-200,000 - - - - -	5	2,841,864	127,395	4,507	3.538	.159	.373
\$50,000-100,000 - - - - -	13	1,178,460	64,434	2,063	3.202	.175	.502
\$25,000-50,000 - - - - -	15	736,304	38,813	1,197	3.084	.163	.345
\$10,000-25,000 - - - - -	26	386,491	17,170	431	2.510	.112	.249
Under \$10,000 - - - - -	23	123,220	5,791	146	2.521	.118	.201
All reporting assns. -	85	925,999	43,272	1,518	3.508	.164	.392

District No. 3 - Pittsburgh

Gross operating income groups	Reporting associations	Average assets	Average gross operating income	Average business promotion expenditure	Ratio of business promotion expenditure to:		
					Gross operating income	Assets	New business
Over \$200,000 - - - - -	0	0	0	0	0	0	0
\$100,000-200,000 - - - - -	8	\$2,102,730	\$132,259	\$1,417	1.071	.067	.286
\$50,000-100,000 - - - - -	14	1,211,423	68,640	2,589	3.772	.214	.504
\$25,000-50,000 - - - - -	17	633,608	37,271	657	1.763	.104	.319
\$10,000-25,000 - - - - -	37	319,322	16,727	436	2.607	.137	.259
Under \$10,000 - - - - -	23	148,410	6,273	148	2.359	.100	.338
All reporting assns. -	99	603,853	33,950	791	2.330	.131	.358

District No. 9 - Little Rock

Gross operating income groups	Reporting associations	Average assets	Average gross operating income	Average business promotion expenditure	Ratio of business promotion expenditure to:		
					Gross operating income	Assets	New business
Over \$200,000 - - - - -	2	\$7,768,574	\$210,812	\$18,043	8.559	.232	.867
\$100,000-200,000 - - - - -	11	2,848,446	141,559	4,147	2.930	.146	.284
\$50,000-100,000 - - - - -	17	1,338,391	67,360	2,034	3.020	.152	.331
\$25,000-50,000 - - - - -	14	605,485	37,447	1,059	2.828	.175	.296
\$10,000-25,000 - - - - -	20	279,789	15,847	380	2.398	.136	.238
Under \$10,000 - - - - -	22	115,948	6,404	127	1.983	.110	.177
All reporting assns. -	86	1,002,862	52,628	1,645	3.126	.164	.350

District No. 4 - Winston-Salem

Gross operating income groups	Reporting associations	Average assets	Average gross operating income	Average business promotion expenditure	Ratio of business promotion expenditure to:		
					Gross operating income	Assets	New business
Over \$200,000 - - - - -	10	\$11,520,445	\$672,632	\$7,980	1.186	.069	.153
\$100,000-200,000 - - - - -	12	2,537,018	139,910	5,963	4.262	.235	.423
\$50,000-100,000 - - - - -	13	1,274,057	70,261	2,454	3.493	.193	.306
\$25,000-50,000 - - - - -	22	673,376	34,644	809	2.335	.120	.239
\$10,000-25,000 - - - - -	25	375,934	17,709	477	2.694	.127	.217
Under \$10,000 - - - - -	24	131,474	5,964	97	1.626	.074	.113
All reporting assns. -	106	1,788,485	100,629	2,031	2.018	.114	.228

District No. 10 - Topeka

Gross operating income groups	Reporting associations	Average assets	Average gross operating income	Average business promotion expenditure	Ratio of business promotion expenditure to:		
					Gross operating income	Assets	New business
Over \$200,000 - - - - -	5	\$6,677,451	\$374,052	\$9,200	2.460	.138	.465
\$100,000-200,000 - - - - -	4	2,094,133	122,941	3,592	2.922	.172	.461
\$50,000-100,000 - - - - -	17	1,356,994	69,072	1,797	2.602	.132	.320
\$25,000-50,000 - - - - -	13	589,639	35,541	683	1.922	.116	.316
\$10,000-25,000 - - - - -	20	272,894	16,067	396	2.465	.145	.432
Under \$10,000 - - - - -	23	123,848	6,234	116	1.861	.094	.217
All reporting assns. -	82	985,419	54,427	1,346	2.473	.137	.389

District No. 5 - Cincinnati

Gross operating income groups	Reporting associations	Average assets	Average gross operating income	Average business promotion expenditure	Ratio of business promotion expenditure to:		
					Gross operating income	Assets	New business
Over \$200,000 - - - - -	19	\$8,525,969	\$433,673	\$7,578	1.747	.089	.262
\$100,000-200,000 - - - - -	26	2,488,673	141,430	4,002	2.830	.161	.381
\$50,000-100,000 - - - - -	34	1,374,942	70,575	1,488	2.108	.108	.263
\$25,000-50,000 - - - - -	30	665,938	35,511	567	1.597	.085	.237
\$10,000-25,000 - - - - -	32	339,918	16,920	289	1.708	.085	.200
Under \$10,000 - - - - -	4	286,508	6,406	546	8.523	.191	.500
All reporting assns. -	145	2,105,838	109,993	2,255	2.050	.107	.287

District No. 11 - Portland

Gross operating income groups	Reporting associations	Average assets	Average gross operating income	Average business promotion expenditure	Ratio of business promotion expenditure to:		
					Gross operating income	Assets	New business
Over \$200,000 - - - - -	1	*	*	*	7.742	.369	.616
\$100,000-200,000 - - - - -	10	\$2,770,520	\$146,317	\$5,328	2.641	.192	.501
\$50,000-100,000 - - - - -	13	1,457,521	78,131	4,050	5.184	.278	.683
\$25,000-50,000 - - - - -	14	658,514	34,952	1,191	3.408	.181	.366
\$10,000-25,000 - - - - -	20	332,550	16,179	494	3.053	.149	.239
Under \$10,000 - - - - -	9	135,524	7,516	146	1.943	.108	.185
All reporting assns. -	67	1,139,705	59,127	2,693	4.555	.236	.516

District No. 6 - Indianapolis

Gross operating income groups	Reporting associations	Average assets	Average gross operating income	Average business promotion expenditure	Ratio of business promotion expenditure to:		
					Gross operating income	Assets	New business
Over \$200,000 - - - - -	5	\$6,312,217	\$318,553	\$4,998	1.569	.079	.326
\$100,000-200,000 - - - - -	7	2,960,943	158,470	4,027	2.541	.126	.504
\$50,000-100,000 - - - - -	20	1,390,515	68,575	2,283	3.329	.164	.425
\$25,000-50,000 - - - - -	18	742,080	39,746	1,214	3.054	.164	.465
\$10,000-25,000 - - - - -	19	323,257	16,809	485	2.885	.150	.284
Under \$10,000 - - - - -	11	126,801	6,096	372	6.102	.293	.455
All reporting assns. -	80	1,256,777	64,693	1,675	2.589	.133	.408

District No. 12 - Los Angeles

Gross operating income groups	Reporting associations	Average assets	Average gross operating income	Average business promotion expenditure	Ratio of business promotion expenditure to:		
					Gross operating income	Assets	New business
Over \$200,000 - - - - -	11	\$5,675,518	\$329,974	\$10,011	3.034	.176	.386
\$100,000-200,000 - - - - -	20	2,616,250	148,778	4,343	2.919	.166	.385
\$50,000-100,000 - - - - -	24	1,215,958	69,464	1,526	2.197	.125	.248
\$25,000-50,000 - - - - -	31	661,696	36,884	1,373	3.722	.207	.430
\$10,000-25,000 - - - - -	10	365,584	16,266	544	3.344	.149	.250
Under \$10,000 - - - - -	2	142,289	7,221	654	9.057	.460	.651
All reporting assns. -	98	1,718,282	97,387	2,887	2.949	.168	.362

* To preserve anonymity, it is necessary to omit the dollar amounts reported by this association.

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Mortgage Recordings

(Continued from p. 300)

of these institutions to the mortgage-recording grand totals is relatively small, they are of significant importance in the Boston and New York Districts where their activities are largely concentrated. In both of these regions, the mutual savings bank share of the total home-financing business showed an increase over the 1939 figures.

Three Districts (Winston-Salem, Indianapolis, and Chicago) reported a lower volume of mortgages recorded by these institutions. In spite of the fact that the dollar amounts were low, the Cincinnati and Des Moines areas indicated substantial gains over the 1939 levels.

INCREASE IN COVERAGE

Evidence of the growth of this study during the past year is found in the increasing number of counties from which monthly mortgage-recording reports are received. In March of this year, tabulations were sent to the Division of Research and Statistics from 610 local districts which contain almost two-thirds of the total nonfarm population of the entire country. This compares with 491 localities and 49.6 percent of the nonfarm population during the same month of last year.

Waverly

(Continued from p. 293)

An effective solution must be based upon action undertaken as a united community enterprise, with a broad program which embraces the district as a whole and each dwelling in it. If it is to be genuinely effective, this pattern must be developed under experienced technical guidance, must include detailed recommendations for the repair by the owners of all residential units which need rehabilitation or architectural revision; must directly or indirectly provide a financing medium, easily and cheaply available to those who cannot themselves supply the funds necessary to defray repair and reconstruction cost; must deal with community problems such as the opening and closing of streets, the establishment of recreational areas, and the voluntary acceptance, by property owners, of those use and ownership restrictions not related to zoning and not usually covered by ordinance which have so frequently been found to constitute actual benefits to the individual

owner and his neighborhood; must devise barriers against infiltration by undesirable residents and encroachment and infection by contiguous substandard districts; must provide for traffic routing and regulation; must consider necessary extensions of school equipment and adequacy of public utility and transportation facilities; must plan landscaping for public and private spaces; and finally, in both its initial and subsequent stages, must be administered under sympathetic and continuously energetic leadership.

It was for the purpose of anticipating and forestalling the conditions which have taken—and promise to continue to take—such a heavy toll from our cities that the Test Conservation Program in Waverly was begun. The initial job of making a comprehensive analysis of the neighborhood has been done. A solution has been proposed. The realization of that solution, however, depends on the future course of action of the citizens themselves, with the cooperation of the Home Owners' Loan Corporation and private mortgage institutions, which have the same interest in the conservation and rehabilitation of the property values of the neighborhood as the individual citizen.

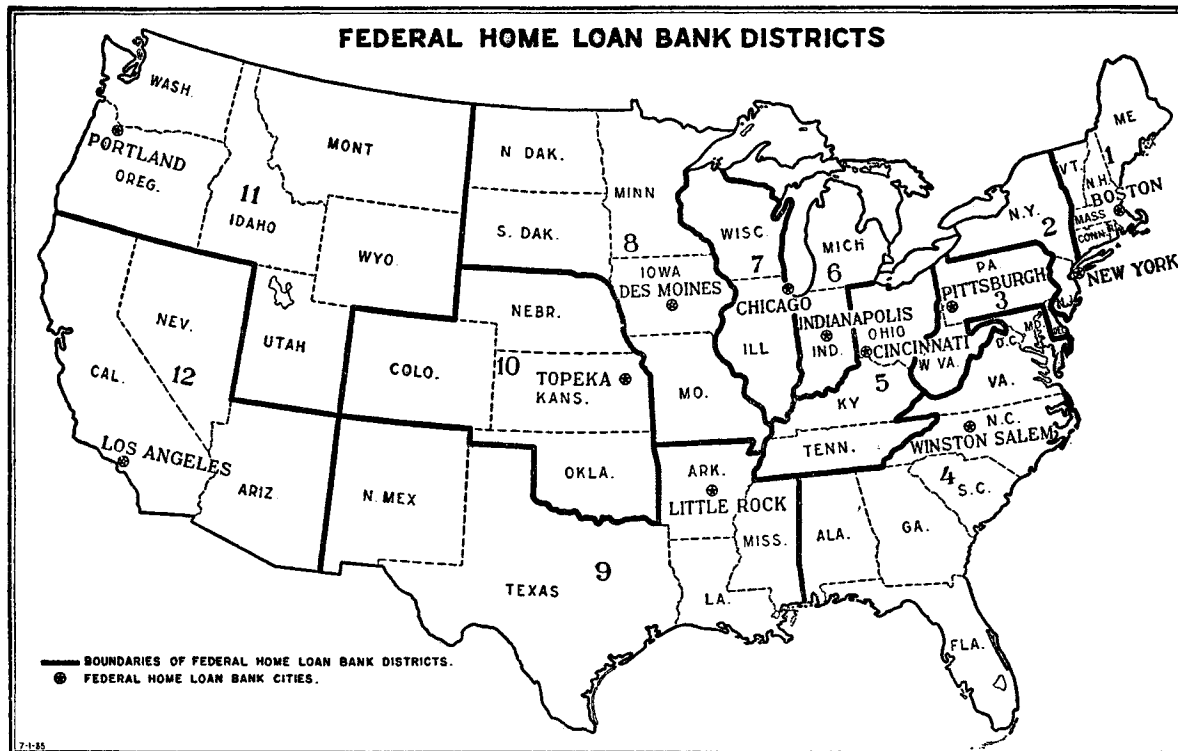
The methods proposed for the conduct of such a program for united action will be discussed in articles in the July and August issues of the REVIEW. The field survey and planning stage will be described, the methods followed in the technical analysis will be outlined broadly, and the Master Plan for the rehabilitation and safeguarding of this neighborhood under the direction of concerted neighborhood action will be presented.

New Ideas

■ SPEAKING before the annual meeting of the American Statistical Association, Dr. Wilson Compton, of the National Lumber Manufacturers Association, pointed out that: "The lumber industry is today experimenting with new ideas, new products, and new methods of using old and familiar products. In one of our most popular house designs last year, we used joistless wood plank floor. This saved 14 percent in quantity of lumber and 26 percent in installation-labor time. It increased the insulation qualities of the floor by 25 percent. It reduced fire hazard. The possible cost reduction in the present basic standard 2-story, 5-room National Small Demonstration Home from the joistless floor alone is over \$100."

Federal Home Loan Bank Review

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