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SUBSCRIPTION PRICE OF REVIEW. The FEDERAL HOME LOAN BANK REVIEW is the Board's medium of communication with member institutions of the Federal Home Loan Bank System and is the only official organ or periodical publication of the Board. The REVIEW will be sent to all member institutions without charge. To others the annual subscription price, which covers the cost of paper and printing, is \$1. Single copies will be sold at 10 cents. Outside of the United States, Canada, Mexico, and the insular possessions, subscription price is \$1.60; single copies, 15 cents. Subscriptions should be sent to and copies ordered from Superintendent of Documents, Government Printing Office, Washington, D. C. APPROVED BY THE BUREAU OF THE BUDGET.

# PRACTICAL SAVINGS AND LOAN RESEARCH

*Practical research is becoming an increasingly important tool in the operation of savings and loan associations. The following outline of a local research program will be helpful to executives in instituting or perfecting projects of their own. The example of a midwestern group of savings and loan associations which recently embarked upon a cooperative research program demonstrates that "it can be done."*

■ "TODAY'S frontiers are in the laboratories and machine shops of industry," said one of the foremost American technologists sometime ago. "Here is where the new jobs, new industries, new goods, and new services of tomorrow must be created. Although many companies have done a research job of which America can be proud, research is still one of the least developed resources of the Nation."

Paraphrasing these remarks, it may be said without exaggeration that research largely will shape the future of the savings and loan industry. The frontiers of the industry are far from being closed. They are being extended by the progressive associations in which modern scientific methods of management are being applied, where savings and lending policies are being accurately tested against results, and where the urge is keenly felt for improved services to investors and borrowers, as the soundest basis for successful operation of a thrift and home-financing institution. They are open to those managements whose operating policies are guided by facts, not by random guesses or by antiquated rules-of-thumb.

## NEW FRONTIERS

The practical application of research is one of the most encouraging aspects of the great transformation of the savings and loan industry during the past few years. However, paraphrasing again the above comments on industrial research, any informed observer of the savings and loan scene will admit that research is one of the least developed resources of the industry. This is not surprising. Technological research has been applied for many decades and enjoys the advantages of a fairly old tradition. Likewise, economic research for marketing purposes has long been used by manufacturing and distributing businesses. In contrast, the foundation for practical research by thrift and home-financing institutions has been woefully weak until recent years.

It is only in the past decade that national and regional data indispensable to the systematic observation of real estate conditions have become available. For example, foreclosure statistics have been developed, the coverage of construction figures has been broadened, more adequate cost indexes for home construction have been built up. We have learned to know what savings and loan associations are doing from month to month, and mortgage recording statistics for all types of lenders have been initiated. There are still many things which we do *not* know, but what we have is sufficient to permit us to embark upon the second, equally important phase of savings and loan research, the phase in which savings and loan associations concentrate on obtaining complete information for their own community and on the practical application of this knowledge to their day-to-day operations.

## THE NEED FOR LOCALIZED RESEARCH

To make research applicable and useful to current operations, national, regional and *local* data are all indispensable. Community information supplies the facts of immediate importance to local thrift and home-financing institutions. National and regional data furnish the background material against which local operations can be intelligently measured and interpreted.

The next few years will witness an increasing emphasis on this second phase of savings and loan research. These will be years of rapid and profound changes in economic conditions requiring quick adaptations of daily operations, and more than ever before will it be necessary for management to be guided by readily available facts, just as a captain needs a pilot to guide him through troubled waters.

In the following paragraphs, an attempt is made to outline a practical community research program for savings and loan executives. This outline may

be varied so as to tune in with local conditions, and it may need adaptation to the size and number of associations operating in the community. It is suggested as a stimulus to further thought rather than as a definite framework. No matter how small the community or association, there is ample opportunity for constructive research everywhere. In some cases, individual associations may embark upon their own projects. In others, groups of associations may join in cooperative research to produce more comprehensive results by sharing the cost. The method of organization is really subordinate to the realization of the need for local savings and loan research and to the outline of a systematic program.

## A Suggested Program

### 1. General business conditions

The time has passed when savings and loan operations could be regarded solely as a local isolated problem. Today they are interwoven with the working of our entire economy and with the welfare of each community. Therefore, a clear picture of where the national economy and the local economy are heading is necessary for the intelligent management of a progressive savings and loan institution.

A general gauge of national economic trends is afforded by the seasonally adjusted monthly index of income payments (U. S. Department of Commerce).<sup>1</sup> This indicator of business conditions is preferable in some respects to the seasonally adjusted index of industrial production because it reflects the activity of agriculture and of distributing and service businesses as well as that of manufacturing industries.

With respect to local conditions, many chambers of commerce, universities, newspapers, and other organizations, release current information on business activity. For example, the Bureau of Business Research of Louisiana State University releases a monthly summary of business conditions for the State as a whole and for 15 communities, including items such as employment placements and applications, manufacturing sales, electric power consumption, motor vehicle registrations, freight shipments, department store sales, and bank debits.

Whether indexes of car sales, of employment, manufacturing pay rolls, or other business data are used, they tell essentially the same story. There may be differences in amplitude of fluctuations, or a lag in

<sup>1</sup> Beginning with this issue, the summary table in the "Monthly Survey" of the REVIEW includes the U. S. index of income payments (page 118 of this issue.)

turning points, but it is more important for savings and loan executives to choose two or three sets of data which permit easy comparison of local conditions with national and State-wide trends than to assemble a large volume of information which cannot easily be related in this manner.

### 2. Long-term savings

Savings and loan associations are in the business of obtaining long-term savings for share investments and of lending these funds on mortgages. They must know most of all their competition for savings and for loans. Every association should compare its record of private capital with that of other savings and loan associations in the community, in the State, in the Federal Home Loan Bank District, and with the performance of comparable associations throughout the Nation. For Federal and State-chartered insured institutions, national figures are published monthly in the REVIEW (Table 12, page 129), and regional figures are released periodically by most of the 12 Federal Home Loan Banks.

In addition, the trend of other types of long-term savings in the community deserves close observation. Included in this category are savings deposits in commercial banks and mutual savings banks, and baby bond sales and postal savings. National information on these items is published currently (see Table 15, page 130).

Finally, some associations have found it useful to keep a special record of their own share investments, separated by new accounts, additional investments in old accounts, and dividends credited; and to analyze currently repurchases on the basis of withdrawals in toto and in part.

### 3. Mortgage lending

In regard to the lending business, statistics on mortgage recordings furnish the vital comparison with the activity of savings and loan associations as a group and with the activity of other mortgage lenders in a given area. The mortgage-recording reports of the Division of Research and Statistics supply detailed information on savings and loan associations, mutual savings banks, commercial banks and trust companies, insurance companies, individuals, and other mortgagees. Many associations maintain current records of such data for their own county and the counties in their lending area, and compare trends in their territory with those in their State, Bank District, and in the United States as a whole. (Bank District and State figures are

currently reported in Table 8 of the FEDERAL HOME LOAN BANK REVIEW.)

If an association is falling behind, or if the local savings and loan industry as a whole is lagging, there are definite reasons which a comprehensive study of the competitive situation, interest rates charged by other lenders, loan terms, and FHA insurance activity may bring to light.

#### 4. *Home construction*

Obviously, mortgage lenders are vitally interested in new home construction, not only because a certain portion of their loans is on new houses, but also because the building of additional dwellings has a definite bearing on the real estate market and the security behind the loans which they have already made. A record of new home construction and a knowledge of those sections where building is active may be obtained from regularly released construction data such as building permits. This information, however, usually covers only the area within city boundaries, which does not necessarily conform with an association's lending territory. In many instances, the bulk of new home building occurs in suburbs outside the corporate city limits. To correct this deficiency, it is necessary to ferret out the facts on all new construction, by types of dwellings, which is taking place within the normal lending area of an association. This should be supplemented with an analysis of the various price ranges in which new homes are offered.

A large part of local home construction is of the so-called "speculative" type undertaken by operative builders for sale. Close observation of the sales success of this type of building provides a usually reliable yardstick of the demand for homes in the different price classes. The time that elapses between the completion and the sale of such homes, and the volume of new homes remaining unsold at the end of the building season are of significant interest to home-financing institutions.

A tabulation of the source of construction lending business—individual owners, speculative builders, contractors, architects, and others—has been the means of developing specific programs to increase association contacts with the more productive of these groups.

#### 5. *Real estate market*

Analysis of new building activity naturally leads to the all-important study of housing supply versus housing demand. Is the volume of new dwellings

which are being added to the present supply keeping pace with the demand, falling behind, or exceeding it? Are too many dwellings of one type and price being built and not enough of another? These questions are of more than academic interest to mortgage lenders as their combined actions may make or break an overbuilt situation. Again, a current housing market analysis should apply to the actual lending area of the association rather than to the city limits.

Changes in rents and vacancies are probably the most important indicators of trends in housing demand and supply, and yet adequate information on these factors is sorely lacking. National data mean comparatively little to local operators because of the large variations from community to community in the trends of rents and vacancies. Government statistics for individual localities are meager and not sufficiently current. Here is a field where cooperation of savings and loan associations with other mortgage lenders, real estate boards, property managers, and utility companies would yield results equally important to all these groups. Surveys on a quarterly basis should be maintained in each community; preferably, they will separate 1-, 2-family, and multifamily structures and classify them by price groups, because fluctuations in rents and vacancies may show considerable differences for each type of dwelling and each price bracket. A breakdown by wards or other sections will be advisable to show trends in the various neighborhoods.

Foreclosures and real estate sales are other significant indices to watch. Foreclosure data are available from county recorders, sheriffs, newspapers, etc., and will be most useful if tabulated monthly, broken down by areas and types of properties, and spotted on a map. National figures for comparative purposes are currently reported in the REVIEW (Table 10; see also the article on page 103). Sales activity may be measured by recordings of voluntary property transfers. Increases or declines in the number of institutionally owned properties also throw light on real estate conditions.

One of the most important factors affecting the demand for homes and the general real estate market is the number of marriages. Monthly data on marriages may be obtained from the county officials responsible for the issuance of marriage licenses. Statistics on gas and light meters in use reflect changes in the number of households, including such fluctuations as occur through the migration of families to and from the area.

## 6. Neighborhood analysis

A modern community is in reality composed of many different units of varying character, and overall city data are therefore inadequate for the purposes of a modern mortgage-lending institution. Neighborhood analyses by blocks or at least by sections are a guide to lending policies, which no personal knowledge of the community and no hasty survey of a specific city area can replace.

In the past few years, the Home Owners' Loan Corporation and the Federal Housing Administration

have developed a scientific technique for neighborhood analyses, using "security area maps" as a tool for easy graphical presentation of the factors determining the desirability of a certain territory, and of the lending risks involved in that territory. In these maps, urban neighborhoods are rated in accordance with their desirability from a residential viewpoint, and in the rating of an area, factors such as these are considered: appeal, layout and topography; public approval as indicated by intensity of the sales and rental demand; pride of home ownership; age, type, and condition of dwellings; soundness of construction; economic stability (mortgage indebtedness, foreclosures, institutional overhang); homogeneity of the population; sufficiency of public utilities, accessibility of schools, nearness to churches and shopping centers; adequacy of transportation; and the restrictions set up to protect the neighborhoods.

Security area maps prepared by the HOLC show four principal classes of neighborhoods. The first-grade areas generally are relatively new, well-planned sections, not yet fully developed, homogeneous, and clearly on the up-grade. The second-grade areas are, as a rule, completely developed, still good neighborhoods, but stable rather than improving. The third-grade areas are definitely declining or restricted as to desirability by age,

obsolescence, and change of style; they are characterized by infiltration of a lower-grade population, lack of reasonable homogeneity, and the early stages of blight. The fourth-grade areas represent those neighborhoods in which the things which are now taking place in the third-grade areas have already happened and where blight has taken its toll.

The Housing Census of 1940 provides an unusual opportunity for starting neighborhood analyses as the Bureau of the Census is planning within the next year to release block-by-block data of the most important findings of the housing census for cities

of 50,000 population or more. When the groundwork has been laid, however, there remains the task of keeping the material up-to-date in order to make it useful for current operations.

## 7. Market survey

The logical supplement to a community analysis is a survey of the association's own market. Where are association borrowers and investors located?<sup>1</sup> What is the present radius of its business? Who are its investors and borrowers? What are their occupations and what are their approximate income ranges? What are their predominant age groups? Are they married, single, male or female?

Based on such a study, association management can go a step further and analyze the logical *prospects* for either share investments or mortgage loans. Where are these prospects located? In which income and occupational groups are they? Does the advertising program reach them fully and most effectively? The answer to this question is all important to the development of new business as the clientele of savings and loan associations necessarily is a selective one: people who can afford to save, and people who can afford to buy homes. And yet, a good deal of business promotion of savings and loan associations

### A BASIC RESEARCH PROGRAM FOR SAVINGS AND LOAN MANAGEMENT

1. Study local business conditions and compare them with national and regional trends.
2. Keep a monthly record of private share investments in the savings and loan associations of your community and of other long-term savings.
3. Follow the trend of mortgage recordings for all counties in your lending territory; know your competition for loans.
4. Maintain current statistics on home construction in your lending area.
5. Observe real estate conditions as reflected in rents, vacancies, foreclosures and property transfers, and obtain data on marriages.
6. Analyze the various neighborhoods in your town and prepare a block-by-block map showing pertinent real estate information.
7. Make a survey of your association's market which is a selected group within your community rather than the community at large.
8. Compare your operating ratios with those of similar associations.

<sup>1</sup> See "Customer Analysis as a Guide in Advertising," FEDERAL HOME LOAN BANK REVIEW, November 1939, p. 46.

is directed towards the community at large instead of being concentrated on the most logical prospects.

For an analysis of the savings and loan market in a number of communities, the local "Studies of Consumer Purchases," undertaken by Government agencies in 51 cities of varying size in all sections of the country, will be a useful guide. They include data on the distribution of families by income, occupation, and race, and on home ownership and savings in the different income groups.

### 8. *Operating ratios*

Operating ratios are one of the yardsticks by which all forms of business measure the efficiency of management. In the past few years, the savings and loan industry has begun to learn the fundamental facts about operating ratios. Consolidated statements of operation for Federal savings and loan associations, classified by size of institution, have laid the groundwork for useful analysis. How much of the gross income does it cost to do business, compared with the average cost ratio of associations in the same size group all over the country and in the Federal Home Loan Bank District; how much for compensation; advertising; rent, light, heat, etc.? What proportion of the gross income was transferred to reserves and undivided profits and what proportion was paid out in dividends?

Operating ratios do not give all the answers to operating problems. Size and type of the community and local conditions may well explain some of the differences which exist. In many cases, the question is not whether certain ratios are *too* high or *too* low but whether, for example, a higher proportionate cost of maintaining an expensive office results in larger business volume and greater customer satisfaction; or whether a proportionately larger expenditure for business promotion assures a corresponding increase in business. Studies of this type are useful not only as a check but will stimulate the thought about vital problems existing in every association.

#### DAYTON ASSOCIATIONS SET AN EXAMPLE

The above outline is not the brainchild of a "research specialist" in Washington. All over the country, savings and loan associations are engaged in one or the other type of research work mentioned, and executives have entered enthusiastically into various extension school activities centering around the practical application of research. What is required at present is the establishment of a coordinated and

well-rounded program of local research which will tie in with these activities and will provide a factual basis for decisions on operating policies.

From this point of view, the experience of a group of eight insured associations in Dayton, Ohio, deserves the attention of savings and loan leaders. This group recently organized a cooperative research bureau under the direction of an experienced analyst. Each of these associations receives weekly, monthly, and quarterly reports on the development of their own business compared with that of the others, based on data supplied by them. In addition, these associations obtain information on the savings and lending volume in other institutions and on general economic trends in the community. The factual material is being discussed twice a month between the head of the research bureau and the executive officers of each of the associations, and weekly meetings with the advertising committee and with a loan officers committee further serve to assure the practical application of the data collected.

\* \* \*

The FEDERAL HOME LOAN BANK REVIEW is vitally interested in the scope and type of local research carried out by savings and loan associations, and the editorial staff with the cooperation of the Division of Research and Statistics will be glad to assist in the development of programs for specific communities. The REVIEW is also interested in reports on research activities now executed by member institutions. By assembling and disseminating information on this type of activity the REVIEW hopes to be of greater service to its readers.

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## New Set-up For Defense Housing

■ AS this issue was going to press, announcement was made of an Executive Order by the President creating a Division of Defense Housing Coordination with broad powers to assure adequate and speedy building in connection with the defense program. Heretofore, the Defense Housing Coordinator was attached to the National Defense Commission.

The new Division will function under the direction of the President, and its authority in defense housing will extend over "all executive departments and independent agencies (engaged in housing activities) including corporations in which the United States owns all or a majority of the stock, either directly or indirectly." Charles F. Palmer, Defense Housing Coordinator, will head the new Division.

# THE FORECLOSURE CYCLE—WHERE DO WE STAND?

*Foreclosure activity, as one of the most important indicators of real estate conditions, requires constant observation by savings and loan executives. To be most useful, however, studies of national and regional trends, summarized in the following article, should be supplemented by local research.*

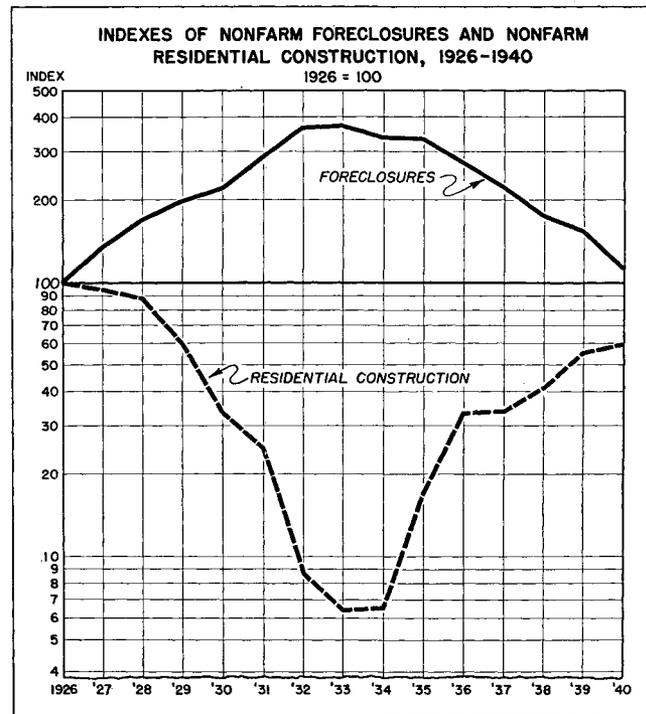
■ UPS and downs in the volume of foreclosures are commonly regarded as among the most significant symptoms of conditions in the real estate market. Foreclosures are an over-all measure of the performance of mortgage borrowers and indicate the extent to which financial institutions are forced to add to this least desired account, "real estate owned." They have an important bearing on the degree to which private money is willing to invest in the financing of new building and in mortgage loans in general. A high or rising level of foreclosures is a danger signal, particularly if confirmed by other symptoms of a weakening real estate market such as increasing vacancies and falling rents. In contrast, a low or declining level of foreclosures, together with other indices of favorable real estate conditions, stimulates the confidence of mortgage lenders.

## SEVEN YEARS OF DECLINE

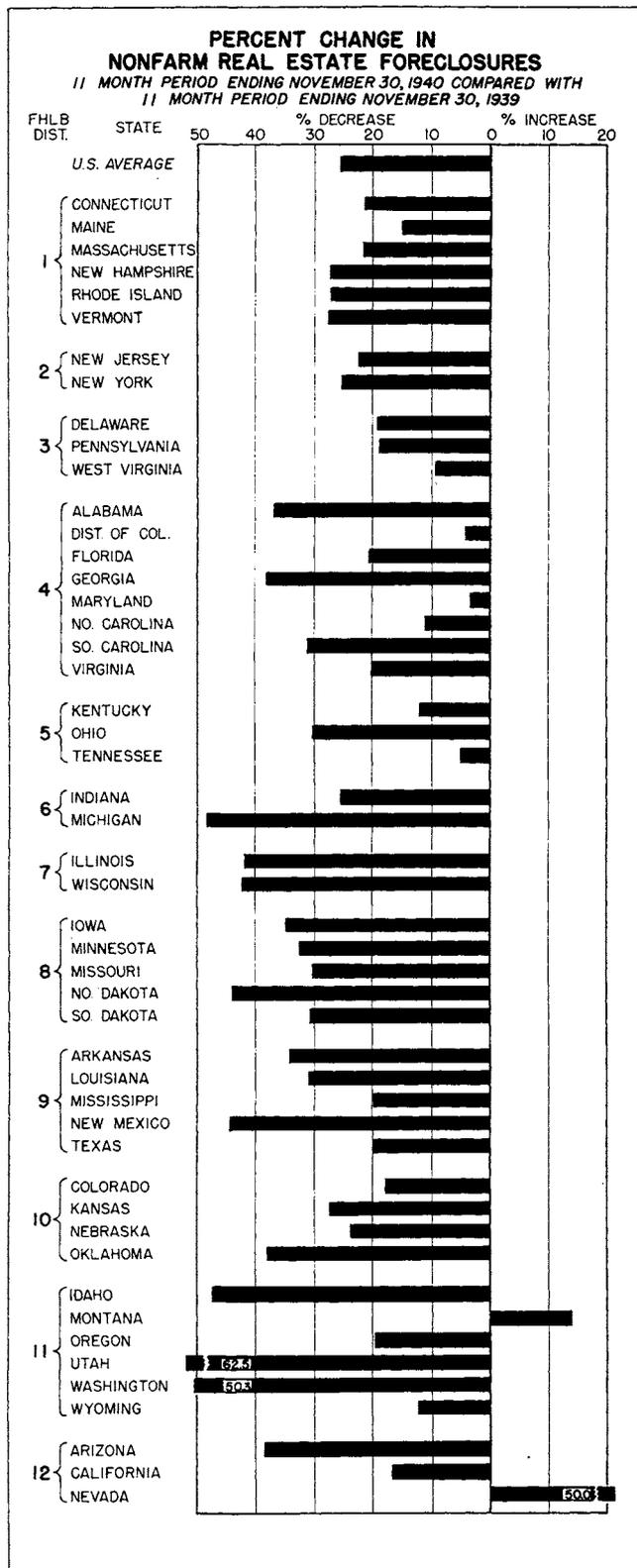
The continued decline of foreclosures over the past seven years points to the gradual recovery of the real estate market after the severest depression in American history. As will be seen from the accompanying chart illustrating the cycle of the past 14 years, foreclosure activity toward the end of 1940 had receded almost to the 1926 level. Within this span of 14 years, we have witnessed seven years of steeply rising foreclosures from 1926 to 1933 and seven years of steady decline from the 1933 peak.

The interrelationship of foreclosures and residential construction is indicated by the second curve on the chart which runs a course almost exactly contrary to the foreclosure curve. The year 1926 marked the peak of residential building activity and opened the period of an unprecedented slump in construction, but with declining foreclosures since 1933, new residential building began to recover although its volume has not as yet approached the level of 1926.

A warning might be injected against drawing far-flung conclusions from the chart as to the future course of foreclosures. The fact that seven years of increasing foreclosures were followed by seven years of decline does not necessarily mean that the cycle has been completed and that a larger foreclosure volume must be anticipated in the near future. Although we know from past experience that residential building and other real estate activity appear to move in "long cycles," the length and amplitude of each cycle are determined by many individual factors which preclude any mechanical application of



This chart illustrates the relationship between the volume of residential construction and the volume of nonfarm real estate foreclosures. Both the index of construction and the index of foreclosures are presented on a logarithmic scale which measures the rate of change rather than the actual amount of change.



Of the 48 States and the District of Columbia, all but two showed a decrease in foreclosures in the current year compared with 1939. The rate of decline ranged from 3.6 percent in Maryland to 62.5 percent in Utah. Montana and Nevada indicated increases.

hard and fast rules. Without attempting to forecast the trend of foreclosures, it is safe to state that all present indications point to a relative stability if not to a continued recession of foreclosure activity.

#### COMPARISON OF 1940 WITH 1939

Comparison of the first 11 months of 1940 with the same period of 1939 reveals a 26-percent reduction of foreclosure cases in the United States. However, this reduction was largely influenced by the drop in the number of foreclosures brought by the HOLC and reflects only in part an improvement of real estate market conditions. Upon the authority of an amendment to the Home Owners' Loan Act, dated August 11, 1939, the HOLC embarked upon a program of loan extensions to provide further relief to its home-owner borrowers. The bulk of these extensions was consummated in the first six months of 1940 and resulted in a reduction of HOLC foreclosure activity at least for the period in which the program was initiated. The influence of HOLC foreclosures on the total volume of foreclosures is confirmed by the following figures:

#### Number of nonfarm real estate foreclosures, January through November

Year	Total	HOLC	All others
1939.....	93,793	32,121	61,672
1940.....	69,671	11,232	58,439
Percent change.....	-25.7%	-65.0%	-5.2%

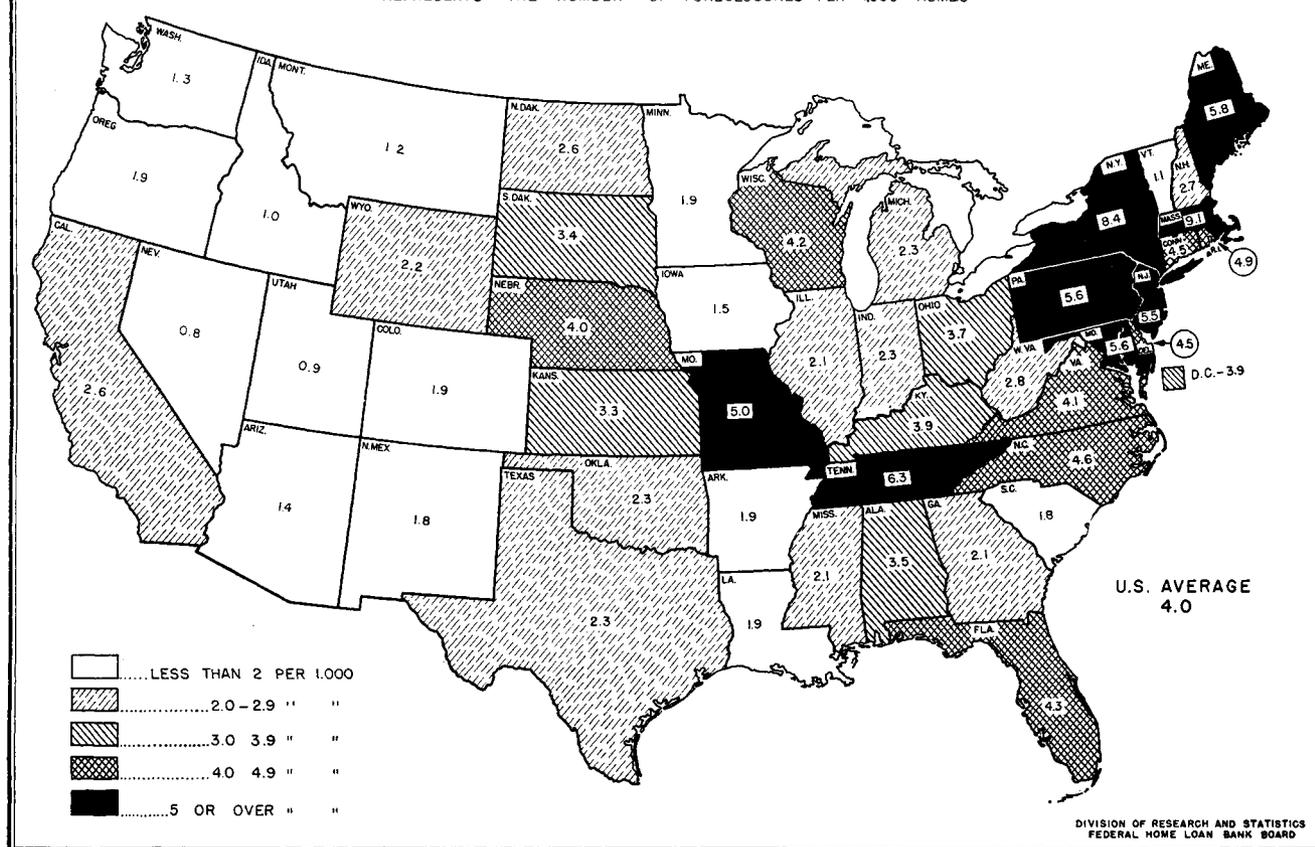
The reduction of "all other" nonfarm foreclosures, after elimination of HOLC, was only 5.2 percent—a tapering off in the rate of decline which is to be expected now that private foreclosures have receded to a more normal level.

#### GEOGRAPHICAL VARIATIONS

Viewing the geographical distribution of foreclosures, every State in the Union joined in the downward movement from 1939 to 1940 with the exceptions of Montana and Nevada. Generally, however, the Western States showed a more favorable trend than those in the East. Of the 22 States west of the Mississippi 14 reported larger than average reductions, whereas of the 27 States (including the District of Columbia) to the east, only 10 recorded declines exceeding the U. S. average. The chart on

**RATE OF NON-FARM REAL ESTATE FORECLOSURES JANUARY TO NOVEMBER 1940**  
(PROJECTED ON AN ANNUAL BASIS)

REPRESENTS THE NUMBER OF FORECLOSURES PER 1,000 HOMES



**Foreclosure rates by size of counties, first 11 months of 1940 compared with 1939, projected on annual basis**

County size group	Foreclosures per 1,000 dwellings		Percent change
	1940	1939	
U. S. nonfarm average <sup>1</sup> .....	4.0	5.4	-25.9
Under 5,000 dwellings.....	1.8	2.6	-30.8
5,000-19,999 dwellings.....	2.5	3.4	-26.5
20,000-59,999 dwellings.....	4.3	5.6	-23.2
60,000 and over.....	6.4	8.6	-25.6

<sup>1</sup> It is estimated that about 15 percent of nonfarm foreclosures are on commercial properties.

While the degree of improvement in foreclosure activity from 1939 to 1940 was about the same in each county size group, the rate of foreclosures showed a constant relationship to the county size, with the larger counties reporting progressively higher foreclosure rates. Although this would indicate greater foreclosure risks in the more heavily urbanized areas, it would be rash to conclude that mortgage loans in urban districts are more hazardous in the final analysis. The foreclosure risk may be compensated by other elements such as easier saleability of foreclosed properties in urban areas where generally the market for real estate is so much larger and the turnover so much quicker than in smaller communities.

**LOCAL STUDIES NEEDED**

No over-all statistics can relieve the mortgage-lending institution from a close scrutiny of all the risks, personal and property, that make up the rating of an individual mortgage loan, but the lender will be greatly aided in his decision by having, among other things, exact current information on foreclosure activity in his locality and its various subdivisions. This, in combination with other real estate data broken down by urban districts or blocks, will furnish him with an understanding of his own local situation which no information of national or regional scope can provide. On the other hand, the knowledge of national and State trends will supply the savings and loan executive with the needed background for interpreting conditions within his own community.

The study of real estate foreclosures is one of the many fields in which local research by one association or by a cooperative group of associations can be useful for day-to-day lending operations.

**Directory of Member Institutions**

**I. INSTITUTIONS ADMITTED TO MEMBERSHIP IN THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN NOVEMBER 16 AND DECEMBER 15, 1940**

DISTRICT NO. 4

**MARYLAND:**  
 Baltimore:  
 Sycamore Permanent Building & Savings Society No. 1 of Baltimore City, 1706 East Pratt Street.

DISTRICT NO. 7

**ILLINOIS:**  
 Beardstown:  
 The Beardstown Building & Loan Association.  
**WISCONSIN:**  
 Milwaukee:  
 Homestead Savings & Loan Association, 308 West North Avenue.

DISTRICT NO. 8

**MISSOURI:**  
 Farmington:  
 The Farmington Home Building & Loan Association.

DISTRICT NO. 12

**CALIFORNIA:**  
 Fullerton:  
 First Federal Savings & Loan Association of Fullerton, 126 West Wilshire Avenue.

**WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN NOVEMBER 16 AND DECEMBER 15, 1940**

**ILLINOIS:**  
 Chicago:  
 Building & Loan Association "Rip", 2606 South Homan Avenue (voluntary liquidation).

**KANSAS:**  
 Kansas City:  
 The Citizens Savings & Loan Association, 819 North Seventh Street (voluntary liquidation).

**NEW JERSEY:**  
 Jersey City:  
 The Security Building & Loan Association of Jersey City, 2976 Boulevard (voluntary liquidation).

**OHIO:**  
 Cincinnati:  
 The Congress Building Association Company of Cincinnati, Ohio (sale of assets to Garden Deposit & Loan Company, Cincinnati, Ohio).

**PENNSYLVANIA:**  
 Altoona:  
 Altoona Building & Loan Association, 1114 Fifteenth Street (sale of assets and transfer of 50 shares of Bank stock to Eureka Building & Loan Association of Altoona, Pennsylvania).  
 Citizens' Loan & Building Association of Altoona, Pa., 1218 Eleventh Avenue (sale of assets and transfer of 23 shares of Bank stock to Columbia Building & Loan Association of Altoona, Pennsylvania).  
 Commonwealth Building & Loan Association of Altoona, Pa., 1321 Eleventh Avenue (sale of assets and transfer of 16 shares of Bank stock to Reliance Building & Loan Association of Altoona, Pennsylvania).  
 Enterprise Loan & Building Association No. 2, Central Trust Building (sale of assets and transfer of 33 shares of Bank stock to Kittanning Building & Loan Association of Altoona, Pennsylvania).  
 Franklin Loan & Building Association, 1108 Twelfth Street (sale of assets and transfer of 15 shares of Bank stock to Eureka Building & Loan Association of Altoona, Pennsylvania).  
 The Industrial Building & Loan Association of Altoona, Pa., Penn Central Building (sale of assets and transfer of 18 shares of Bank stock to Columbia Building & Loan Association of Altoona, Pennsylvania).  
 Keystone Building & Loan Association, Central Trust Building (sale of assets and transfer of 30 shares of Bank stock to Kittanning Building & Loan Association of Altoona, Pennsylvania).  
 The Liberty Building & Loan Association of Altoona, Pa., 1114 Fifteenth Street (sale of assets and transfer of 15 shares of Bank stock to Eureka Building & Loan Association of Altoona, Pennsylvania).  
 Logan Loan & Building Association, 1108 Twelfth Street (sale of assets and transfer of 15 shares of Bank stock to Eureka Building & Loan Association of Altoona, Pennsylvania).  
 The Mutual Building & Loan Association, Commerce Building (sale of assets and transfer of 16 shares of Bank stock to Reliance Building & Loan Association of Altoona, Pennsylvania).

*(Continued on p. 110)*

# TRENDS IN THE SAVINGS AND LOAN INDUSTRY

*Further consolidation in the number of associations, together with an increase in the ratio of Federal Home Loan Bank member assets to total association resources, featured the changes in the savings and loan industry during 1939. Indications of 1940 trends point to the first rise in the assets of all operating associations since 1930.*

■ SAVINGS and loan operations during the Thirties were characterized by a continuous process of consolidation which, although reducing the number of active associations, has exerted a wholesome effect on the thrift and home-financing industry as a whole. This trend toward consolidation is still in progress and figures recently released by the Division of Research and Statistics indicate that during 1939 almost 600 associations either went into liquidation or combined their resources with those of other institutions through mergers.

It is estimated that at the end of 1939 there were 7,719 operating associations with assets approximating \$5,524,000,000. This may be contrasted with the picture at the close of the previous year when there were 8,289 operating institutions with assets aggregating \$5,543,000,000. The decrease of almost \$19,000,000 in total assets is explained by the fact that the assets of associations going into liquidation during this period are estimated at almost \$200,000,000. Allowing for this change in status, it is evident that the growth of those institutions remaining in business was in excess of \$180,000,000.

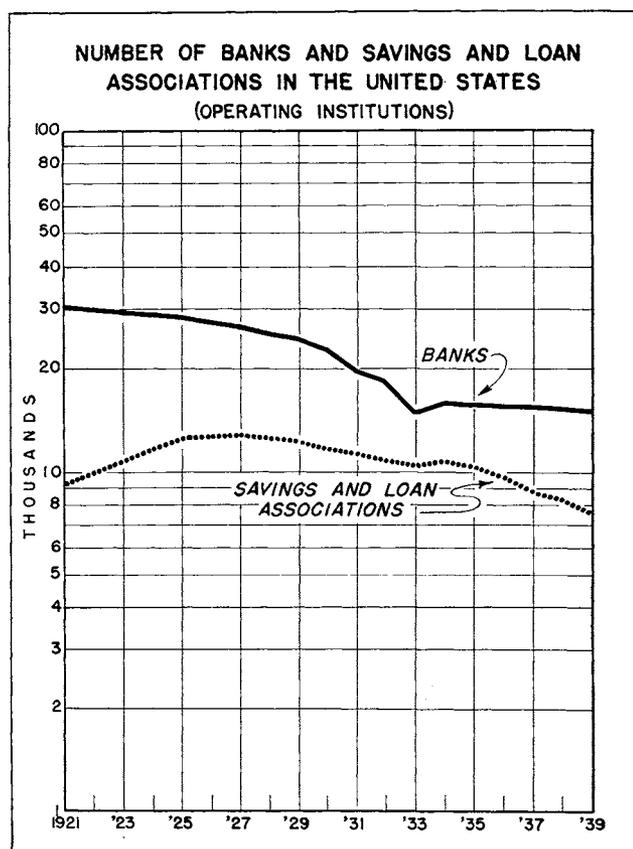
## THE PROCESS OF CONSOLIDATION

The Eighth Annual Report of the Federal Home Loan Bank Board which has been issued this month points out that essentially the present trend toward larger and stronger home-financing institutions, within the bounds of local conditions, parallels developments in other sectors of our national economy, particularly in the banking field. However, the consolidation in banking, extending practically over the last two decades, preceded the comparable process in the savings and loan industry.

In the banking field, failures, liquidations, and mergers led to a reduction in the number of active banks throughout the Twenties, despite the general business expansion in that period. Difficulties of the early Thirties accentuated the trend toward

contraction. As a result, the number of active banks in 1939 was only half that in 1921—15,035 as against 30,560.

In contrast, the number of savings and loan associations increased during most of the Twenties, reaching a peak in 1927, and decreasing slowly in subsequent years. Only recently has their number been reduced in substantial measure as a belated consequence of the depression. The slow effect of



The above chart illustrates, on a logarithmic scale, the changes in the number of operating banks and operating savings and loan associations from 1921 to 1939. In the banking field there was an almost continuous contraction throughout that period. In contrast, the number of operating savings and loan associations increased until 1927 and declined slightly thereafter; only since 1935 has the consolidation process become more pronounced.

**Table 1.—Comparative statement of condition for all operating savings and loan associations in the United States, 1939 and 1938**

[Source: Annual reports of State savings and loan supervisors for 1939—Summary of members' annual reports as consolidated by Federal Home Loan Bank presidents]

[Amounts are in thousands of dollars]

Item	All operating associations <sup>1</sup>		Ratio to total assets		Increase or decrease 1938 to 1939	
	1939 (7,719)	1938 (8,289)	1939	1938	Amount	Percent change
<b>ASSETS</b>						
Mortgage loans <sup>2</sup> .....	\$4, 077, 161	\$3, 907, 581	73. 80	70. 49	+\$169, 580	+4. 34
Other loans.....	61, 664	67, 698	1. 12	1. 22	-6, 034	-8. 91
Real estate sold on contract.....	192, 419	185, 223	3. 48	3. 34	+7, 196	+3. 89
Real estate owned.....	680, 857	890, 094	12. 33	16. 06	-209, 237	-23. 51
Investments.....	151, 008	171, 201	2. 73	3. 09	-20, 193	-11. 79
Cash.....	267, 021	214, 641	4. 83	3. 87	+52, 380	+24. 40
Office building.....	55, 425	57, 939	1. 00	1. 05	-2, 514	-4. 34
Furniture and fixtures.....	5, 312	5, 089	0. 10	0. 09	+223	+4. 38
Other assets.....	33, 470	43, 633	0. 61	0. 79	-10, 163	-23. 29
<b>Total assets.....</b>	<b>5, 524, 337</b>	<b>5, 543, 099</b>	<b>100. 00</b>	<b>100. 00</b>	<b>-18, 762</b>	<b>-0. 34</b>
<b>LIABILITIES AND CAPITAL</b>						
Shares.....	\$4, 266, 187	\$4, 215, 629	77. 23	76. 05	+\$50, 558	+1. 20
Deposits and investment certificates.....	363, 809	401, 423	6. 59	7. 24	-37, 614	-9. 37
Borrowed money.....	225, 494	243, 095	4. 08	4. 39	-17, 601	-7. 24
Incomplete loans.....	49, 195	32, 825	0. 89	0. 59	+16, 370	+49. 87
Other liabilities <sup>3</sup> .....	117, 732	131, 226	2. 13	2. 37	-13, 494	-10. 28
Permanent reserve, and guaranty stock.....	32, 112	33, 057	0. 58	0. 60	-945	-2. 86
General reserves, undivided profits and surplus.....	469, 808	485, 844	8. 50	8. 76	-16, 036	-3. 30
<b>Total liabilities.....</b>	<b>5, 524, 337</b>	<b>5, 543, 099</b>	<b>100. 00</b>	<b>100. 00</b>	<b>-18, 762</b>	<b>-0. 34</b>

<sup>1</sup> Excludes State-chartered associations in liquidation (both voluntary and involuntary) when status is so reported in the State supervisors' reports or by other reliable sources.

<sup>2</sup> Includes advances and accrued receivables, the latter principally interest due on mortgages.

<sup>3</sup> Includes deferred credits and specific reserves.

unfavorable economic conditions on urban mortgage loans and real estate, the long-term character of investments in savings and loan associations, and the possibility of restricting repurchases operated to delay the consolidation in the savings and loan field and to carry it over to a period of general business recovery.

That the process is not yet completed is evidenced by the fact that several hundred associations listed as operating at the close of last year, although not being formally dissolved, are, in effect, in a state of gradual liquidation. They make no new loans, receive no new share investments, and restrict their operations to the collection of interest and principal on mortgage loans and to the disposition of real estate owned. Eventually these savings and loan associations either will cease to operate or will be merged with more active institutions in their communities.

#### CHANGES DURING 1939

Table 1, which appears above, presents a consolidated statement of condition for all *operating* savings and loan associations in the United States at the end of 1938 and 1939. From this it is evident that the principal factor in the reduction of assets during this period was the decline in "real estate owned" of more than \$200,000,000 or nearly one-fourth of the holdings at the beginning of the year. It must be pointed out, however, that this does not imply a corresponding lowering of the total "overhang" of all savings and loan associations for a considerable portion of the real estate owned was held by institutions shifting during the year from the operating to the liquidating classification. The \$170,000,000 rise in outstanding mortgage loans and the \$52,000,000 increase in the cash item account for the other major asset-fluctuations.

On the liability side of the balance sheet, changes in the individual items were less sharp. Share account investments and loans-in-process were somewhat higher at the end of 1939 but there were declines in all other capital and liability accounts.

A percentage distribution of the asset and liability accounts at the two year-ends indicates a higher proportion of mortgage loans (70 percent in 1938; 74 percent in 1939), and a drop in the ratio of real estate owned from 16 percent in 1938 to 12 percent a year later. Holdings of cash and share investment accounts each showed gains of approximately one percentage point, but all other changes were fractional.

#### THE RISE OF MEMBERSHIP ASSETS

At the end of 1939, savings and loan members of the Federal Home Loan Bank System accounted for the largest proportion of total savings and loan assets since the organization of this reserve credit system in 1932. They represented almost exactly half of the total number of operating associations and 73 percent of the dollar volume of assets. This marks continued improvement over the corresponding ratios—47 and 68 percent, respectively—at the close of the previous year.

Institutions insured by the Federal Savings and Loan Insurance Corporation represent 28 percent of the total number of operating associations and 45 percent of their assets as compared with 25 and 38 percent at the end of 1938. With the progress of the insurance program during 1940, these ratios are undoubtedly higher at the present time. The chart on the next page shows the gradual rise of savings and loan membership assets during the last eight years compared with the trend of all association resources.

Again drawing a parallel comparison in the field of commercial banking, we find that member banks of the Federal Reserve System accounted for 44 percent of the total number of banks and 84 percent of commercial banking deposits at the end of 1939. Banks insured by the Federal Deposit Insurance Corporation, however, account for 93 percent of the number and 97 percent of the aggregate deposits of these financial institutions.

#### DISTRIBUTION OF ASSETS BY FEDERAL HOME LOAN BANK DISTRICTS

To complete the description of the status of the savings and loan industry at the close of 1939, Table 2 presents a breakdown of the number and assets

of all savings and loan associations by Federal Home Loan Bank Districts. In addition, the number and assets of all liquidating associations have been estimated from the best available information included in State Supervisors' Reports and other sources.

From this analysis, it is evident that the Cincinnati and New York Bank Districts accounted for 35 percent of the assets of all operating associations. The Pittsburgh region had the largest number of institutions, however. There are significant differences in the average size of liquidating and operating associations which give further indications of the contrast between these two distinct groups in the savings and loan industry: the active and the liquidating institutions. The average size of operating associations was \$716,000 while for liquidating institutions the average was only \$157,000.

#### TRENDS DURING 1940

Because of an inevitable time lag of from three to 10 months beyond the end of the calendar year before the reports from State authorities governing nonmember associations are available, it will be impossible to present complete information for 1940

**Table 2.—Estimated number and amount of assets held by operating and liquidating savings and loan associations during 1939**

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District	Operating associations		Liquidating associations <sup>1</sup>	
	Number	Assets	Number	Assets
UNITED STATES--	7, 719	\$5, 524, 337	2, 578	\$404, 814
No. 1—Boston-----	357	625, 246	1	4
No. 2—New York-----	1, 494	966, 048	285	115, 329
No. 3—Pittsburgh-----	1, 693	519, 592	<sup>2</sup> 1, 281	<sup>2</sup> 90, 582
No. 4—Winston-Salem--	705	497, 317	451	21, 912
No. 5—Cincinnati-----	915	967, 249	63	41, 543
No. 6—Indianapolis---	326	276, 239	<sup>2</sup> 90	<sup>2</sup> 29, 395
No. 7—Chicago-----	835	518, 652	250	27, 724
No. 8—Des Moines-----	404	261, 245	<sup>3</sup> 31	<sup>3</sup> 12, 854
No. 9—Little Rock-----	317	218, 039	57	12, 127
No. 10—Topeka-----	316	235, 144	43	2, 712
No. 11—Portland-----	166	152, 585	8	632
No. 12—Los Angeles---	191	286, 981	18	50, 000

<sup>1</sup> Approximated from best available information included in State supervisors' reports and other reliable sources.

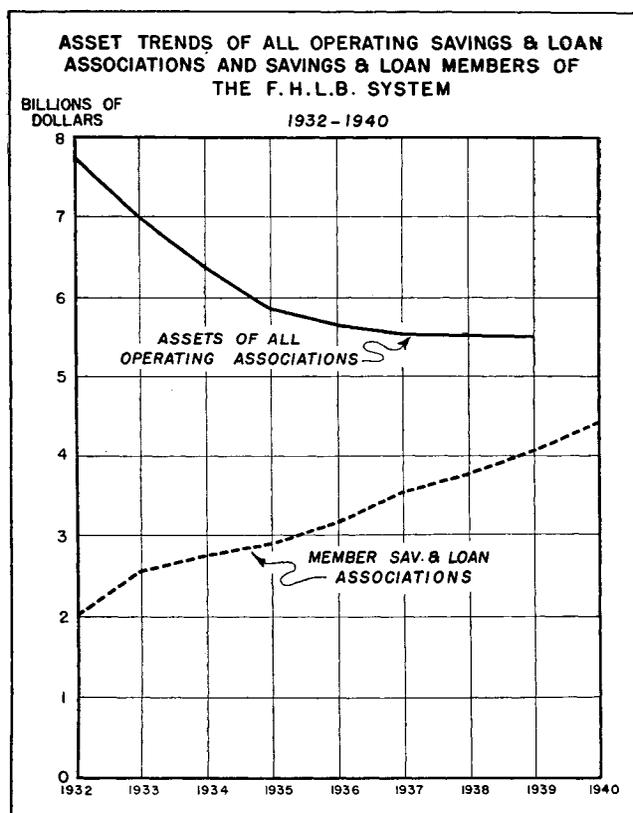
<sup>2</sup> Includes 17 Pennsylvania associations and 4 Indiana associations operating under restrictions.

<sup>3</sup> Includes for Missouri, in addition to assets of liquidating associations, the liquidating portion of the assets of 10 operating associations.

trends until late in the current year. Estimates of the progress of member associations, however, which are available on a monthly basis indicate that many of the movements prevalent during 1939 were carried further during the year just closed.

Mortgage-lending volume was at a new post-depression high level. Institutional holdings of real estate were further reduced. There were substantial new investments made in share capital. In addition, changes in the membership of the Federal Home Loan Bank System during the past year indicate that the process of consolidation is still in progress.

The decline in total savings and loan assets has become smaller each year. In 1937, assets were reduced by almost \$87,000,000. In 1938, the drop amounted to \$45,000,000, but from 1938 to 1939 there was a decrease of only \$19,000,000. If this trend continued during 1940, and information now available indicates that it did, there is a strong likelihood that assets of operating associations increased last year for the first time since 1930.



While total assets of all operating savings and loan associations have been declining as the result of economic conditions, aggregate assets of member associations of the Federal Home Loan Bank System have been on the increase. For one reason, a growing proportion of the total industry has come to be represented in the Bank membership. In addition, many savings and loan members of the Bank System have made considerable progress in the past few years.

## Directory of Member Institutions

(Continued from p. 106)

### PENNSYLVANIA (Continued):

**Altoona (Continued):**  
 National Loan & Building Association of Altoona, Pa., 1014 Twelfth Street (sale of assets and transfer of 15 shares of Bank stock to Kittanning Building & Loan Association of Altoona, Pennsylvania).  
 The Peoples Building & Loan Association of Altoona, Pa., Penn Central Building (sale of assets and transfer of 36 shares of Bank stock to Columbia Building & Loan Association of Altoona, Pennsylvania).  
 Provident Building & Loan Association of Altoona, Pa. (sale of assets and transfer of 20 shares of Bank stock to Columbia Building & Loan Association of Altoona, Pennsylvania).  
 Security Building & Loan Association, Central Trust Building (sale of assets and transfer of 40 shares of Bank stock to Kittanning Building & Loan Association of Altoona, Pennsylvania).  
 Standard Building & Loan Association, 1316 Eleventh Avenue (sale of assets and transfer of 40 shares of Bank stock to Reliance Building & Loan Association of Altoona, Pennsylvania).  
 The Union Building & Loan Association of Altoona, Pa., Penn Central Building (sale of assets and transfer of 34 shares of Bank stock to Columbia Building & Loan Association of Altoona, Pennsylvania).

**Philadelphia:**  
 Preston Building & Loan Association, 1736 West Columbia Avenue (voluntary liquidation).  
 Prudential Building & Loan Association of Philadelphia, 10 South Eighteenth Street (merger with and transfer of 6 shares of Bank stock to James W. Baird Building Association, Philadelphia, Pennsylvania).

### WISCONSIN:

**Milwaukee:**  
 Second Bohemian Loan & Building Association of Milwaukee, Wisconsin, 1414 West Fond du Lac Avenue (liquidation).

## II. FEDERAL SAVINGS AND LOAN ASSOCIATIONS CHARTERED BETWEEN NOVEMBER 16 AND DECEMBER 15, 1940

### DISTRICT NO. 2

#### NEW JERSEY:

**Summit:**  
 Summit Federal Savings & Loan Association, 24 Beechwood Road (converted from Summit-Overlook Building & Loan Association of Summit, N. J.).

### DISTRICT NO. 3

#### PENNSYLVANIA:

**Reading:**  
 Reading Federal Savings & Loan Association, 612 Washington Street (converted from Reading Savings & Loan Association).

## CANCELATION OF FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTER BETWEEN NOVEMBER 16 AND DECEMBER 15, 1940

#### MARYLAND:

**Baltimore:**  
 Lafayette Federal Savings & Loan Association of Baltimore City, 1651 West North Avenue (merger with Occident Federal Savings & Loan Association of Baltimore City).

## III. INSTITUTIONS INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION BETWEEN NOVEMBER 16 AND DECEMBER 15, 1940

### DISTRICT NO. 3

#### PENNSYLVANIA:

**Altoona:**  
 Columbia Building & Loan Association of Altoona, Pa., 1413 Twelfth Avenue.  
 Eureka Building & Loan Association of Altoona, Pa., 1114 Fifteenth Street.  
 Investment Building & Loan Association of Altoona, Pa., 805 Twelfth Street.  
 Kittanning Building & Loan Association of Altoona, Pa., Twelfth Avenue, between Eleventh and Twelfth Streets.  
 Reliance Building & Loan Association of Altoona, Pa., 1313 Twelfth Avenue.  
**Philadelphia:**  
 Olney Building & Loan Association, 5519 North Fifth Street.

### DISTRICT NO. 4

#### ALABAMA:

**Decatur:**  
 First Federal Savings & Loan Association of Decatur, 524 Bank Street.

#### NORTH CAROLINA:

**Belmont:**  
 Belmont Building & Loan Association, Bank of Belmont Building, Main Street.

### DISTRICT NO. 7

#### ILLINOIS:

**Chicago:**  
 Investors Savings & Loan Association, 4200 Lawrence Avenue.

### DISTRICT NO. 12

#### CALIFORNIA:

**San Francisco:**  
 California Savings & Loan Company, 620 Market Street.

**VITAL QUESTIONS:** "Four questions that seem to be uppermost in the minds of our officers and directors today are the following: (1) What should be the policy concerning a cash position? (2) What is the probable trend in interest rate on mortgages? (3) What is our responsibility in National Defense Housing? (4) What will be the effect of the war on savings and loan?"

*Savings and Loan News, November 1940.*

**BUILDING IN BRITAIN:** "The Government announced during the month its decision to control civil building, and to put into effect a licensing system as from 7th October next . . . Under the new control, licences will not be required for operations paid for in whole or in part by the Government, for operations costing less than £500, or for works of maintenance, running repairs or decoration."

*The Building Societies' Gazette, October 1940.*

**FACTS:** "However difficult generalization about the 'home building industry' may be, three facts warrant close scrutiny: (1) more people are buying ready-built houses than houses built to order; (2) more and more houses are being built in groups; and (3) most houses built for sale or rent are being built in groups. These three statistics merely serve to document the important fact that economics inherent in rationalized production are as attractive in the residential field as in any other. . . ."

*Architectural Record, November 1940.*

**RATE STRUCTURE:** "Many regard the present rate structure as artificial, and it is, when measured by the standards of a free market. Call it 'artificial,' 'unnatural,' 'prescribed' if you will, but, at the same time, be careful not to misjudge its persistence or its possible perpetuity. Do not forget that the Federal Land Banks, which were set up in 1916, completely revamped the financial pattern for agricultural loans and gave rise to a marked lowering of the level of interest rates charged. Few would deny the permanence of this change."

Dr. Wm. H. Husband, member of the Federal Home Loan Bank Board, before the Allegheny County League of Building and Loan Associations, Pittsburgh, Pa., Nov. 8, 1940.

**Unburdening the borrower . . . . .**

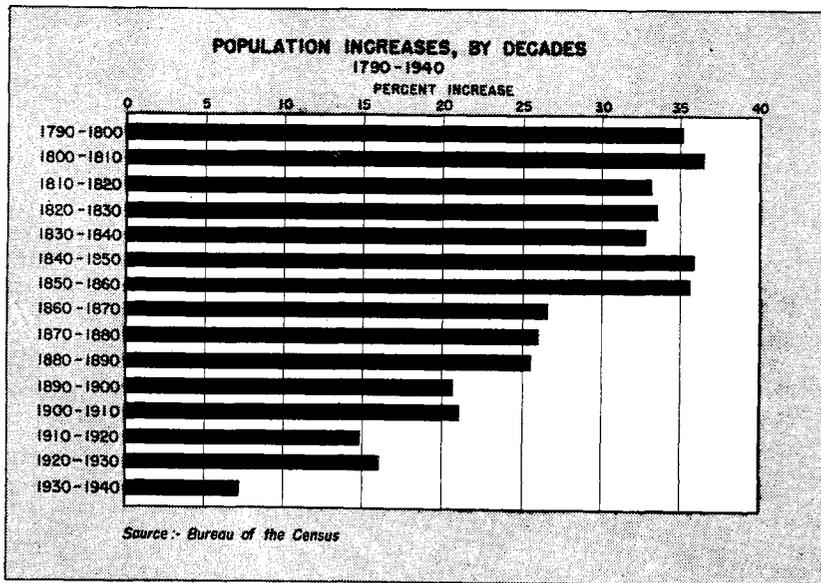
"In my own view, interest rates have always been high. Why should we place unnecessary burdens on the borrower when he is the man who supports us all? He enables banks to pay dividends to their stockholders. He provides employment. He is the optimist among us. If he wasn't, he wouldn't borrow at the lenders' terms, hoping that he could beat them. He wouldn't undertake the things that built our country. He would want you to move over and give him room alongside of you so that he could ride easy too."

Jesse H. Jones, at the annual convention of Association of Life Insurance Presidents, New York City, Dec. 5, 1940.

**Supervisory activities . . . . .**

"The limits to the results which can be expected from the supervisory activities of the Board should be noted. Supervisory standards, no matter how well drawn, cannot insure permanent successful operation of individual institutions. Such standards cannot, for example, remove home-financing institutions from the effect of real estate and economic trends. In the last analysis, the success or failure of supervision must be measured in terms of the degree of competence with which the savings and loan industry meets the thrift and home-financing needs of the country."

Eight Annual Report of the Federal Home Loan Bank Board, 1940.



The above chart illustrates the slowing down of population growth in the United States during the past few decades. The percentage increase from 1930 to 1940 was only 7 percent, the smallest gain in the history of the country and less than half as much as in each of the preceding decades. Statisticians predict that the rate of population growth will continue to decline with an increasing proportion of aged people and a decreasing proportion of children in the total population.

Basic data from the Bureau of the Census.

# LAND CONTRACTS IN A REAL ESTATE SALES PROGRAM

*In those States where foreclosure procedures are cumbersome and expensive, the land or sales contract offers great advantages because of the comparatively simple methods by which it can be terminated in case of default. These advantages are demonstrated by the experience of the HOLC which has made a comparative study of the costs and procedures involved in mortgage foreclosures and in the repossession of property sold on contract.*

## VOLUME OF REAL ESTATE SOLD ON CONTRACT

■ IN the real estate sales programs developed by savings and loan associations in the past few years, property sales "on contract" have had an important place. In the combined balance sheet of savings and loan members of the Federal Home Loan Bank System, the item "real estate sold on contract" represented \$155,000,000 at the end of 1939 compared with little over \$90,000,000 at the close of 1936, and the ratio of this item to total assets increased from 2.97 percent to 3.84 percent during that 3-year period. As real estate owned in the same period declined by about \$120,000,000, it is a fair conclusion that a large portion of aggregate property sales has been by means of land contracts.

This experience of savings and loan associations is corroborated by the record of the Home Owners' Loan Corporation, which in recent years has been the largest single seller of 1- to 4-family dwellings in the real estate market. Of the 122,823 properties sold by the HOLC through November, 47,788, or 38.9 percent of the total, was disposed of through the medium of contract sales.

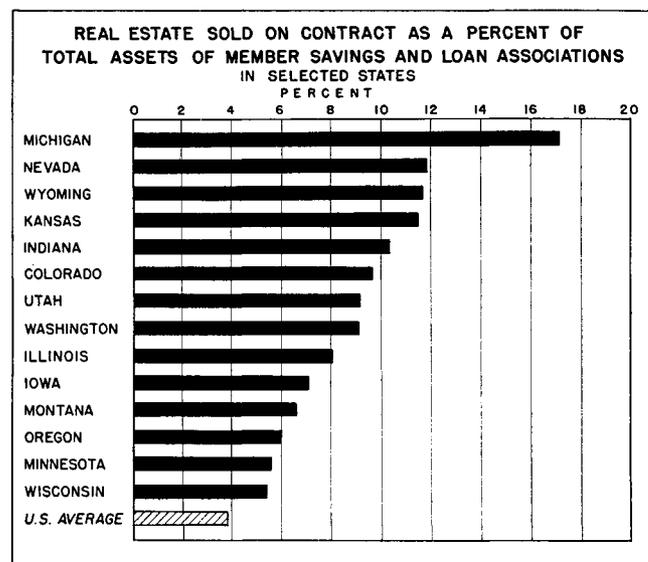
## ADVANTAGES OF THE LAND CONTRACT

The extent to which this medium is being used varies from State to State. Land contracts are most frequent in those States where foreclosure costs are heavy, where the time required to complete foreclosure is excessive, and where redemption periods are long. In such States, the instrument of contract sale enables associations to avoid both the excessive delays and costs involved in ordinary foreclosure proceedings should it be necessary to reacquire the property.

In contrast to the outright sale of real estate against a purchase money mortgage, the land contract provides for the conveyance of the property

upon payment of a fixed price in periodical installments. The vendor retains the legal title, but the purchaser has possession of the property while payments are being made. In many cases, the contract permits the vendee after payment of a more or less substantial portion of the principal indebtedness to obtain a deed and to secure the balance by a mortgage security instrument.

The great advantage of the land contract over the mortgage is that the former anticipates a peaceful and voluntary relinquishment of the purchaser's rights in the property upon default and notice by the vendor of the termination of the contract. Experience of financial institutions supports the conclusion that in very few, probably not 10 percent, of the defaulted cases, is it necessary for the vendor to



In the 14 States shown in the above chart, the ratio of "real estate sold on contract" to total assets of member savings and loan associations exceeded 5 percent. Almost all of these States are in the Middle West, West, and Southwest. In the remaining States, real estate sold on contract represented from 0.04 percent to 4.97 percent of aggregate assets.

institute legal proceedings, except in some States where the land contract is recorded and where it is necessary to clear the record. On the other hand, the mortgage loan contract by its very form anticipates a non-voluntary liquidation—a court foreclosure or at least a foreclosure by power of sale. As a result, the voluntary liquidation of a mortgage loan is uncommon, occurring in less than one-fifth of the cases.

The advantage of the land contract to the purchaser lies in the better terms which the seller is able to offer because of the elimination of the hazards involved in long redemption periods and high foreclosure costs. This expresses itself especially in lower down payments than would otherwise be possible. In States where foreclosure proceedings are cumbersome and expensive and where periods of redemption extend over 12 or 24 months, property sellers necessarily require a larger margin of safety than elsewhere, if they retain a mortgage. The land contract permits them to adjust sales conditions more nearly to the liberal terms common in present-day real estate transactions, and enables families of small resources to work toward the goal of home ownership.

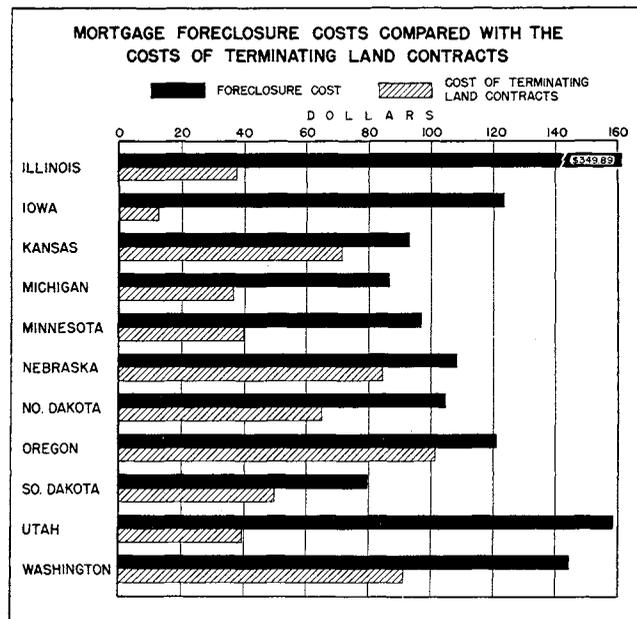
#### GEOGRAPHIC CONCENTRATION

Generally, the States having long redemption periods, complicated foreclosure proceedings, and high foreclosure costs are concentrated in the Middle West, West, and Southwest. It is in these regions that savings and loan associations hold a comparatively large proportion of their total assets in real estate sold on contract (see the chart on page 112). By and large, the HOLC likewise restricts its contract sales to these areas and to the State of New York where foreclosure costs are extremely high although the time to accomplish foreclosure is about normal and no redemption provision exists.

In spite of this concentration, land contracts are not unusual in other States. Generally, financial institutions prefer contract sales to outright sales in cases where the purchaser's financial resources permit only such small down payments that immediate transfer of title would be hazardous.

#### EXPERIENCE OF THE HOLC

The table on page 114 shows the procedure and costs involved in the liquidation of land or sales contracts in the 20 States in which the HOLC has used this instrument extensively in the disposition



This chart illustrates the considerable differences in foreclosure costs on a mortgage contract and on a land contract in 11 States for which over-all comparisons are possible. Cost figures are based on HOLC experience and represent the combined court and average attorney costs.

of its real estate owned. For purposes of comparison, the table also presents data on ordinary foreclosure proceedings including costs,<sup>1</sup> time to complete foreclosure action, and redemption periods for the same States. All these data are based on the extensive experience that the HOLC has accumulated over a number of years.

To illustrate the large difference in foreclosure costs on a regular mortgage contract and on a land or sales contract, the chart above presents average cost figures for a few States in which over-all comparisons are possible. The bars in the chart represent the combined court and attorney costs. While court costs are the same for all parties, the attorney costs paid by the HOLC may not in all instances be equal to the corresponding costs to other mortgage lenders but the comparison of aggregate costs indicates at least the order of magnitude and will be helpful to savings and loan executives when they explore the possibilities of a more extensive use of land contracts in their real estate sales programs.

#### COMPARISON WITH MORTGAGE FORECLOSURE

A study of the table reveals that in all States listed, the time to reacquire property sold on contract

<sup>1</sup> Total costs of ordinary mortgage foreclosure, as presented in the table, include court costs and attorneys' fees. The latter are averages; in some States the fees vary in accordance with the amount of the mortgage to be foreclosed.

## Cost and procedure in the foreclosure of land contracts, based on HOLC experience

Costs, time to acquire, and redemption periods compared with ordinary mortgage foreclosure

State	Land or sales contracts							Mortgage instruments		
	Type of instrument	Method of reacquisition	Time to acquire	Court costs	Attorney's fees	Redemption	Remarks	Average total costs	Average time to complete foreclosure	Redemption periods
Arizona	Installment contract.	Forfeiture proceedings.	See remarks	\$7.50	\$75 uncontested; \$100 contested.	None	Time to foreclose depends on amount paid by vendee scaled from 30 days for less than 20 percent to 9 months for 50 percent or more.	\$197.81	9 months, 3 days.	6 months.
Colorado	Installment contract.	Forfeiture proceedings.	30 days	\$10	Salaried personnel	None		103.36	7 months, 10 days.	6 months.
Idaho	Land contract	Forfeiture proceedings.	See remarks	See remarks	See remarks	None	So far the Corporation has reacquired no properties on Vendee Accounts in Idaho.	152.63	15 months, 6 days.	12 months.
Illinois	Installment contract.	Forfeiture proceedings.	60 days	\$2.50	\$35	None	The Corporation used salaried personnel. If attorneys were used, \$35 would be the fee as per approved schedule.	349.59	19 months, 12 days.	15 months.
Indiana	Lease with option to purchase.	Eviction proceedings.	30 days	\$7.50 J. P. Ct. \$12.50 Cir. and Sup. Ct.	\$15,* \$20,** \$25.*** See remarks.	None	**In Marion Lake, Allen, St. Joseph, Vanderburgh, and Vigo Counties. *All other counties. ***Change of venue.	186.19	14 months, 1 day.	None.
Iowa	Installment contract.	Forfeiture proceedings.	32 days	\$2.45	\$10	None		123.08	15 months, 24 days.	12 months.
Kansas	Installment contract.	Strict foreclosure.	2 months, 22 days	\$11.25	\$60	See remarks	Period of redemption fixed by court may or may not coincide with statutory period of redemption.	92.95	13 months, 24 days.	6 and 18 months.
Michigan	Land contract	Forfeiture proceedings.	4 months, 15 days	\$11.50	\$25	90 days*	*This period is the time limited to pay amount in arrears and reinstate contract.	86.46	14 months, 25 days.	12 months.
Minnesota	Contract for deed.	Forfeiture proceedings.	36 days	\$4.89	\$25	30 and 90 days*	*30 days allowed if personally served; 90 days allowed if notice to quit is served by publication.	96.79	13 months, 20 days.	12 months.
Nebraska	Installment contract.	Strict foreclosure.	3 months, 18 days	\$34.25	\$50	See remarks	When trial is held and decree entered, journal entry is made, setting time to redeem or be forever barred.	107.90	12 months, 22 days.	None.
Nevada	Installment contract.	Forfeiture proceedings.	40 days in Washoe County.*	\$30	\$75 uncontested; \$100 contested.	None	*In outlying counties, when amount of business warrants, judge from another county in same district holds court.	209.79	15 months, 2 days.	12 months.
New Mexico	Installment contract.	Ejectment	6 months*	\$25	\$25 uncontested; \$50 contested.	None	*In outlying counties, where terms of court are infrequent, length of time would be somewhat increased.	191.85	14 months, 27 days.	9 months.

New York	Installment and sales contract.	Dispossess proceedings.	20 days	\$3.50 and \$5*	\$20	None	*If removal is resisted and case referred for ejectment, an additional cost up to \$5 per room is added.	280.94	3 months, 24 days.	None.
North Dakota	Installment contract.	Forfeiture proceedings.	1 year	\$15	\$50	See remarks.	The courts will usually allow 1 year in which to make good the breach of covenant.	104.53	16 months	12 months.
Oregon	Installment contract.	Strict foreclosure.	60 days	\$31.50	\$70	See remarks.	No statutory period of redemption. The court usually gives 30 days or longer. Where substantial payments are made, court will not decree strict foreclosure.	120.94	15 months, 17 days.	12 months.
South Dakota	Installment contract.	Strict foreclosure.	3 to 6 months*	\$14.50	\$35	None	*The time to acquire varies: the longer period being in outlying counties with infrequent court terms.	79.53	13 months, 11 days.	12 months.
Utah	Installment contract.	Forfeiture proceedings.	15 days	\$14.20	\$25	None		158.46	9 months, 2 days.	6 months.
Virginia	Installment contract.	Unlawful entry and detainer.	90 days	\$5, * \$9**	\$25, * \$40**	None	*Justice of Peace Courts. **Courts of Record.	87.53	23 days	None.
Washington	Sales contract	Forfeiture proceedings.	30 days	\$28.50	\$62.50	None		144.35	16 months, 2 days.	12 months.
Wisconsin	Sales contract	Strict foreclosure	5 months, 20 days	\$18.85. See remarks.	\$75	See remarks.	Abstract continuation \$22.67. Redemption period usually 90 days.	165.16	16 months, 23 days.	12 months.

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is considerably shorter than the time to complete ordinary mortgage foreclosure proceedings. In New York, for example, the difference is between 20 days and almost four months; in the State of Washington, between 30 days and more than 16 months; and in the State of Wisconsin, between less than six months and almost 17 months. As to costs, the savings in the termination of land contracts compared with mortgage foreclosures range from almost \$20 in Oregon to \$312 in Illinois; in the latter State the foreclosure of a land contract cost the HOLC little more than 10 percent of the outlays for the foreclosure of a mortgage.

In regard to redemption periods, 13 of the 20 States included in the table provide for no redemption in the termination of a land contract, and those in which redemption is stipulated by law or by court usually have redemption periods not exceeding 90 days. In contrast, all of the 20 States with the exceptions of Indiana, Nebraska, and New York, provide for long redemption periods ranging from six to 18 months in the case of regular mortgage foreclosures.

## What the Housing Census Reveals . . .

■ THE Bureau of the Census continues to release final vacancy figures as of April 1, 1940, for States, counties, and towns (see December issue, page 76). Generally, urban places show considerably lower vacancies than rural areas, and the reports thus far released indicate that small vacancy ratios prevailed in urban places last April. Scattered WPA surveys undertaken since then reveal a further reduction of vacancies attributable in part to the economic effects of the defense program.

Vacancy data released by the Census Bureau include the number of unoccupied dwelling units held for sale or rent. Summaries are given below for seven States:

*Arizona:* Vacancy ratio in all urban places, 6.3 percent; in Phoenix, 6.0 percent; and in Tucson, 5.5 percent.

*Idaho:* Vacancy ratio in all urban places, 3.6 percent; and in Boise City, 4.3 percent.

*Montana:* Vacancy ratio in all urban places, 4.0 percent; in Butte, 3.4 percent; and in Great Falls, 2.2 percent.

*North Dakota:* Vacancy ratio in all urban places, 2.6 percent; in Fargo, 2.7 percent; and in Bismarek, 4.4 percent.

*South Dakota:* Vacancy ratio in all urban places, 3.4 percent; in Sioux Falls, 2.4 percent; and in Aberdeen, 2.9 percent.

*Utah:* Vacancy ratio in all urban places, 3.6 percent; in Salt Lake City, 3.8 percent; and in Ogden, 3.5 percent.

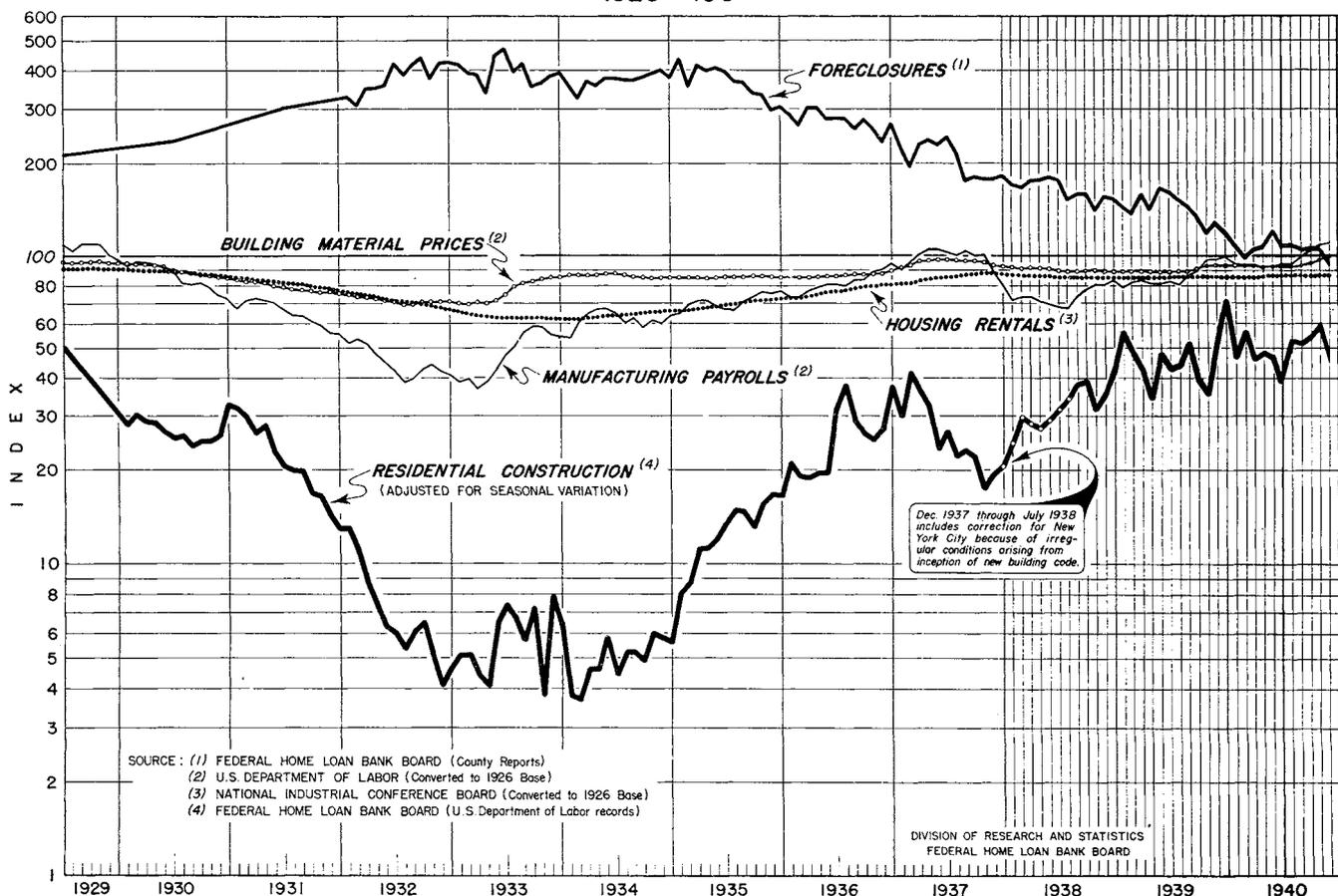
*Wyoming:* Vacancy ratio in all urban places, 5.4 percent; and in Cheyenne, 5.1 percent.

« « « **MONTHLY SURVEY** » » »

### Highlights

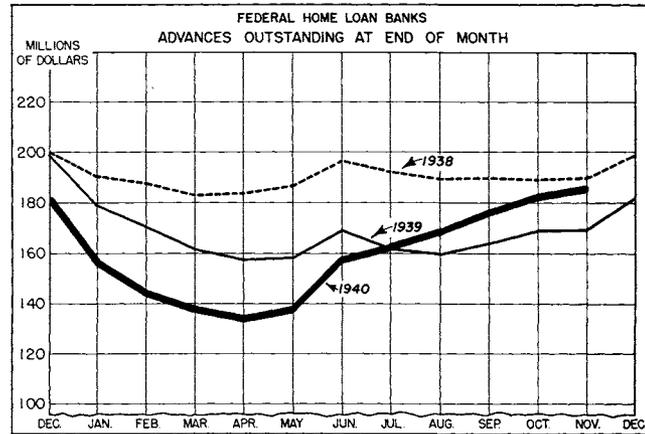
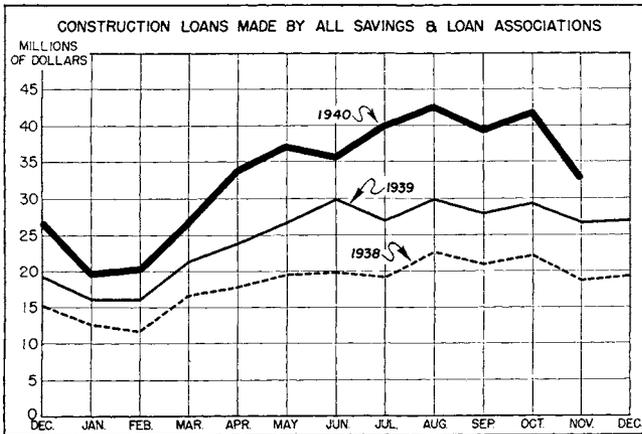
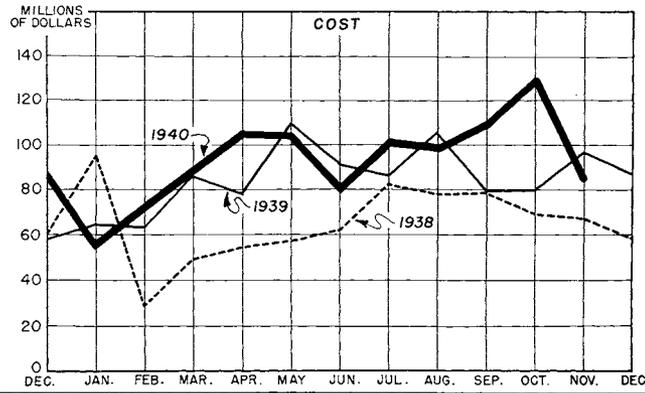
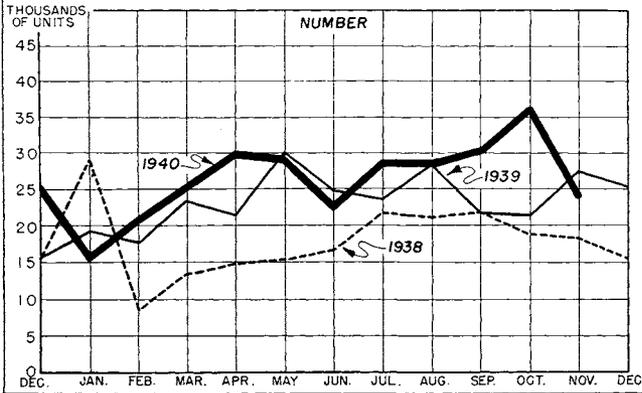
- I. Residential construction which had been expanding rapidly since midyear received a setback in November.
  - A. Less than 24,000 dwelling units were placed under construction in cities of 10,000 or more population, compared with 27,500 in November 1939.
  - B. The reduction in building volume—greater than normally expected for this season—was due to declining private activity as well as to a let-up in defense and USHA housing.
- II. Building costs continued to move upward.
  - A. The index of wholesale building material prices approached the 1926 level.
  - B. Combined material and labor cost for the construction of the standard house rose more than 4 percent from July to November and stood 10.6 percent above the average of 1936.
- III. Mortgage-financing activity was sharply reduced, with a pronounced drop in construction loans accompanying the slump in residential building.
  - A. The aggregate volume of recordings for nonfarm mortgages under \$20,000 was 16 percent below October.
  - B. Loans made by all savings and loan associations in November dropped below the \$100,000,000 mark but were still above the level of the same month in 1939.
- IV. General business conditions showed further improvements on a broad front, with sharp increases in November and December retail sales.

**RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS**  
1926 = 100



ESTIMATED NUMBER AND COST OF FAMILY DWELLING UNITS PROVIDED IN ALL CITIES OF 10,000 OR MORE POPULATION

Source: Federal Home Loan Bank Board, Compiled from residential building permits reported to U.S. Dept. of Labor



## Summary

■ WHILE general business activity continued to improve, November indices for home construction and financing pointed downward rather than upward, even if the normal seasonal decline is taken into account.

Residential building activity was drastically reduced in November—the first month since midyear in which fewer dwelling units were placed under construction than in the corresponding month of 1939. Privately financed construction dropped more than is usual for November, and this decline was aggravated by an unexpected let-up in defense housing and USHA activity. As a result, the seasonally adjusted index for total residential construction was 23 percent below October 1940 and 14 percent under November 1939.

Building costs continued to rise. The wholesale building material price index of the U. S. Department of Labor was higher in November than in any single month since 1926. Dealers' prices for materials used in the construction of the standard house again

moved upward by more than 1 percent, while labor costs increased more than 2½ percent over October.

Relative stability of rentals, in the face of increased building costs during the past four months, may have acted as a negative factor in the residential construction field. Although spotty rent increases are reported in various defense areas, the U. S. rental index of the National Industrial Conference Board for November stood less than 1 percent above July, whereas combined material and labor costs for home construction rose in excess of 4 percent during this period.

As evidenced by mortgage recordings, home-financing operations were reduced more than normally expected in November. The drop in the volume of mortgages recorded was 16 percent from the previous month. All classes of lenders shared in this decline, but savings and loan associations suffered a greater reduction in lending activity than any other group; so far this year, however, they have financed 22 percent more loans than in the corresponding

Type of index	Nov. 1940	Oct. 1940	Percent change	Nov. 1939	Percent change
Residential construction <sup>1</sup> .....	46.0	59.5	-22.7	53.3	-13.7
Foreclosures (metro. cities).....	94.0	106.0	-11.3	129.0	-27.1
Rental index (NICB).....	86.4	86.3	+0.1	85.6	+0.9
Building material prices.....	98.9	97.8	+1.1	93.0	+6.3
Total income payments <sup>2</sup> .....	93.4	92.5	+1.0	88.5	+5.5
Industrial production <sup>1</sup> .....	137.5	134.4	+2.3	129.2	+6.4
Manufacturing employment.....	108.9	108.2	+0.6	102.1	+6.7
Manufacturing pay rolls.....	110.0	109.9	+0.1	97.7	+12.6
Average wage per employee.....	101.0	101.6	-0.6	95.7	+5.5

<sup>1</sup> Adjusted for normal seasonal variation.

<sup>2</sup> 1929=100. Adjusted for normal seasonal variation.

period of last year—a much greater increase than was shown by any other class of mortgage lenders.

Each class of new loans made by savings and loan associations was reduced in volume during November, with declines ranging from 22 percent for construction loans to 7 percent for the miscellaneous loan classification. The unusually heavy drop in construction loans was in line with reduced home-building volume.

## General Business Conditions

■ AS THE year 1940 drew to a close, business activity continued to advance in all sectors of our economy. Most of the important industries showed a strong resistance to the usual seasonal downturn, and the November index of industrial production, after adjustment for seasonal variation, rose to 138 (average 1926=100) compared with 134 for October.

Total income payments, as reported by the U. S. Department of Commerce, were up 5.5 percent compared with November 1939 and at a level exceeding even the previous post-depression peak of June 1936 when the soldiers' bonus payments were made. (This important index of general business is included for the first time in the table at the top of this column and will be presented each month.)

Effects of defense orders were most marked in the durable goods industries where output in many lines reached capacity limits. However, other industries likewise registered sharp gains; in cotton textile mills activity approached new high levels and in woolen mills production was close to the previous peak reached early in 1937. The automobile industry experienced the best November in its history, with output approximating 500,000 units, and there was little indication of the usual let-up in December.

Gains in employment and family incomes were reflected in sharp increases of retail sales. The Fed-

eral Reserve Board's seasonally adjusted index of department store sales advanced 7 points from October to November and reached the highest level since 1930; preliminary December reports showed record volumes in holiday buying.

A basically favorable business situation was indicated in the latest Industry Survey of the U. S. Department of Commerce for October. In that month, the index of new orders advanced 10 points, the index of shipments, 3 points, and the index of inventories, 2.2 points. This was the largest increase in manufacturers' inventories since the current industrial expansion began in May.

Wholesale commodity prices, which by the end of November had advanced about 3 percent since August, showed comparatively little change in the four weeks from November 15 to December 15. However, a steady increase of sensitive commodity prices indicated that some general upward movement is in progress.

In the money market, Federal Reserve member banks reported further expansion of loans to business, bringing the gain since August 21 close to \$500,000,000. Interest yields continued downward with the average yield on Treasury bonds due in 12 years or more reaching a new low of 1.87 percent for the week ending December 14. This compares with 2.37 percent for the corresponding week in 1939.

## Residential Construction

[Tables 1 and 2]

■ DURING the month of November both privately financed and publicly financed residential construction showed a drastic decline. In cities of 10,000 population and over, building permits were issued for less than 24,000 dwelling units—a drop of nearly 4,000 units from the corresponding month of 1939 and of about 12,000 units from October 1940. Each type of dwelling shared in the November decline.

For the 11-month period of 1940 more than 290,000 dwelling units were provided in cities of 10,000 population and over, which represents a gain of 12 percent over the same period of last year. The increase in private building was relatively larger than in public construction.

During the month, approximately 4,800 units with a valuation of \$13,900,000 were built under the sponsorship of Government agencies in cities with 10,000 or more population:

Government agency	Number of units provided	Permit valuation
U. S. Housing Authority-----	2, 665	\$8, 400, 400
Defense housing, Navy Department-----	2, 100	5, 495, 000
Total-----	4, 765	13, 895, 400

## Foreclosures

[Table 10]

■ IN keeping with the general downward trend of the past several years, nonfarm real estate foreclosure cases during November were estimated at 5,832, the least for any month thus far since the inception of foreclosure statistics, with the exception of the short month of February 1940 which was lower by only 14 cases.

Foreclosure activity was 24 percent below that for November 1939. Each of the county size groups, each Federal Home Loan Bank District, and all but nine scattered States reported fewer foreclosures this November than for the same month last year.

Foreclosure cases for the first 11 months of this year were 26 percent below those for the same period of 1939. Only two States (Montana and Nevada) showed increases, and both have foreclosure rates below the national average.

For metropolitan communities, the foreclosure index dropped six points below its base (average month of 1926) showing the smallest monthly number in over 12 years. This performance compared most favorably with the customary seasonal increase of 1.3 percent. Of the 85 communities reporting for both October and November, 55 showed decreases and 25 increases, while five reported no change in foreclosure activity from the preceding month.

## Building Costs

[Tables 3, 4, and 5]

■ WHOLESALE building material prices continued to rise and the composite index of the U. S. Department of Labor (1926=100) reached 98.9 at the end of November—a gain of 6.3 percent over last year. Lumber showed the greatest increase of any individual item.

Dealers' costs of materials used in constructing the standard 6-room frame house rose 1 percent, thus projecting the upward trend started in July. The

materials used in this structure currently cost 8 percent more than during the average month of 1936. Labor costs for the standard house likewise continued to increase. The November index showed a gain of 2.6 percent over October and was 16 percent in excess of the 1936 average.

An analysis of those communities reporting in December reveals that during the preceding quarter, total home construction costs rose by at least \$100 in 19 of the 29 reporting cities, while only 2 cities (Portland, Maine, and Salisbury, North Carolina) reported declines, each of which amounted to less than \$50.

## Construction costs for the standard house

[Average month of 1936=100]

Element of cost	Nov. 1940	Oct. 1940	Percent change	Nov. 1939	Percent change
Material-----	107. 8	106. 5	+1. 2	104. 4	+3. 3
Labor-----	116. 3	113. 3	+2. 6	110. 8	+5. 0
Total-----	110. 6	108. 7	+1. 7	106. 5	+3. 8

## New Mortgage-Lending Activity of Savings and Loan Associations

[Tables 6 and 7]

■ THE rising trend in the monthly volume of new mortgage loans made by all savings and loan associations, which was evident during the first 10 months of this year, received a setback in November. The drop from the previous month was \$20,000,000 or 17 percent—more than the normal seasonal decline.

New loans for the construction of homes and for the purchase of existing dwellings, which have

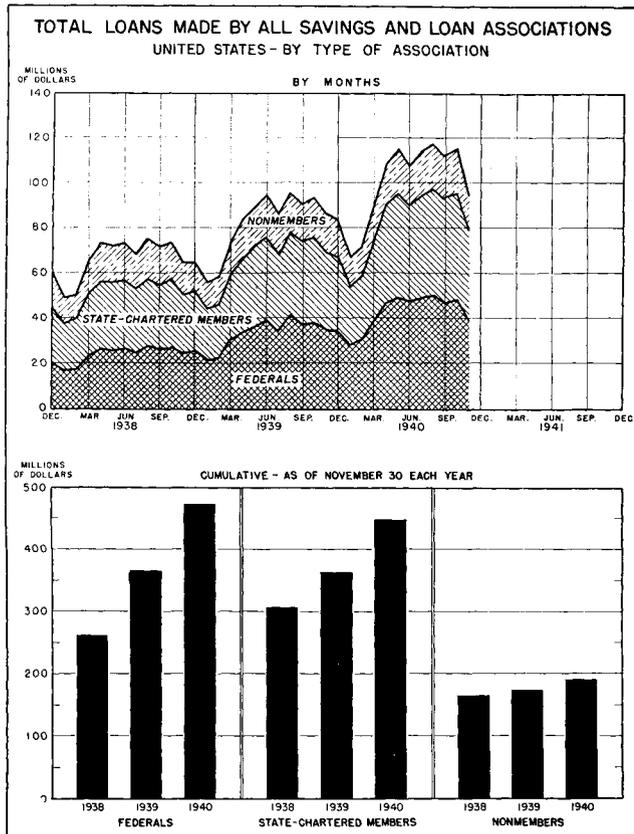
## New mortgage loans distributed by purpose

[Amounts are shown in thousands of dollars]

Purpose	Nov. 1940	Oct. 1940	Percent change	Nov. 1939	Percent change
Construction-----	\$32, 584	\$41, 610	-21. 7	\$26, 607	+22. 5
Home purchase----	33, 875	40, 771	-16. 9	30, 434	+11. 3
Refinancing-----	14, 441	16, 840	-14. 2	15, 445	-6. 5
Reconditioning----	4, 869	5, 756	-15. 4	4, 720	+3. 2
Other purposes----	8, 798	9, 423	-6. 6	8, 870	-0. 8
Total-----	94, 567	114, 400	-17. 3	86, 076	+9. 9

# Mortgage Recordings

[Tables 8 and 9]



throughout the year contributed a more than proportional share of the generally increasing volume, reversed somewhat during November. In dropping 22 and 17 percent, respectively, from October, these two loan classifications were responsible for \$16,000,000, or four-fifths of the reduction in total loans. Loans in the "other purpose" classification declined 7 percent, thus showing the greatest resistance to the current slow-down in home-financing activity.

With minor exceptions, each type of savings and loan association in each of the Federal Home Loan Bank Districts showed a smaller volume of new home-financing than in October, indicating the broad geographical nature of the drop. For the United States as a whole, nonmembers, Federals, and State-chartered member institutions showed declines from the previous month of 22, 19, and 13 percent, respectively.

Despite the recent reduction in lending activity, the 11-month comparison of 1940 with 1939 remains favorable. The \$1,111,000,000 in new home-mortgage credit extended by all savings and loan associations during the first 11 months of this year represents an increase of \$208,000,000, or 23 percent, over the corresponding 1939 period.

■ **ALTHOUGH** a seasonal let-up in the volume of mortgage recordings is usually to be expected towards the close of the year, the drop of 16 percent that occurred in November appears to have been greater than normal. Savings and loan associations, which have continued as leaders in the financing of nonfarm mortgages of \$20,000 and less, suffered a reduction of 18 percent from October, or more than was shown by any other class of lender. Each class of lender, however, registered an October-to-November decline in excess of 10 percent.

Each of the 12 Federal Home Loan Bank Districts and practically every State in the Union reported curtailed recording activity in November, although in most areas activity was still well above the same month of 1939.

During the January-November period of this year, \$3,700,000,000 in mortgages was recorded throughout the country, within the \$20,000 limitation; or 16 percent more than in the same interval of 1939. Savings and loan associations, which accounted for 30 percent of all recordings last year, increased their proportion of the total to 32 percent for 1940 to date.

## Mortgage recordings by type of mortgagee

[Amounts are shown in thousands of dollars]

Type of lender	Percent change from Oct. 1940	Percent of Nov. 1940 amount	Cumulative recordings (11 months)	Percent of total recordings
Savings and loan associations.....	-18.2	31.2	\$1,184,863	32.0
Insurance companies.....	-17.5	8.5	305,058	8.2
Banks, trust companies.....	-15.7	25.4	922,415	24.9
Mutual savings banks.....	-10.1	4.6	155,041	4.2
Individuals.....	-12.9	15.7	588,386	15.9
Others.....	-14.6	14.6	548,981	14.8
Total.....	-15.8	100.0	3,704,744	100.0

## Federal Savings and Loan System

[Table 12]

■ **AT** the close of November 1,438 savings and loan associations with assets of \$1,830,000,000 were operating under Federal charter. This represents a net growth of 37 associations and \$291,000,000

in assets since November 1939. Practically all associations which have been admitted to the Federal system during the 12-month period have been converted from State charters. Mergers and consolidations among existing Federal associations have strengthened their financial structures, although slowing down the growth in the number of these institutions.

Federal savings and loan associations, which so far this year have loaned more money for home mortgages than either State-chartered members or nonmember associations, experienced an unusually heavy decline in lending activity during November. Total new loans made during that month amounted to only \$38,900,000 as compared with \$48,307,000 in October, but they exceeded by more than \$4,000,000 the lending volume registered for November 1939.

### Progress in number and assets of Federals

[Amounts are shown in thousands of dollars]

Class of association	Number		Approximate assets	
	Nov. 30, 1940	Oct. 31, 1940	Nov. 30, 1940	Oct. 31, 1940
New.....	633	633	\$550, 166	\$540, 777
Converted.....	805	802	1, 280, 164	1, 263, 819
Total...	1, 438	1, 435	1, 830, 330	1, 804, 596

### Federal Savings and Loan Insurance Corporation

[Table 12]

■ PRIVATE repurchasable capital on the books of insured savings and loan associations increased by \$28,500,000 in November to \$2,143,000,000 at the end of the month. Share repurchases accounted for 51 cents for every dollar of new investments received during the month, as compared with an average of 56 cents shown for October—a further improvement over conditions in mid-summer when the ratio of repurchases to new investments was unusually high.

November lending activity of insured savings and loan associations declined much more than seasonally; this was responsible for a slowing down in the growth of their combined mortgage loan portfolio, which increased by only \$25,800,000 over October.

Despite the net gain in new capital, which exceeded the amount necessary to meet loan requirements, insured savings and loan associations increased their total borrowings from the Federal Home Loan Banks by \$4,100,000 during November. Since the previous low point of \$102,000,000 of FHLB advances at the end of April, outstanding advances to insured savings and loan associations rose to a total of nearly \$155,000,000 at the close of November.

There were 2,269 associations insured by the Federal Savings and Loan Insurance Corporation on November 30.

### Federal Home Loan Bank System

[Table 13]

■ THE balance of advances outstanding of the Federal Home Loan Banks reflected an increase for the seventh consecutive month during November, and reached a total of \$185,500,000 at the end of the month. This was \$4,000,000 greater than the total at the end of the preceding month and \$17,000,000 greater than the balance on the same date last year. Advances made during the month amounted to \$8,900,000, a 25-percent reduction in the volume of lending operations as compared to October, but greater than the volume of advances made during either November 1939 or 1938. Repayments during the month amounted to \$4,900,000.

Ten of the Federal Home Loan Banks reported increases in advances outstanding during November. The largest monetary increase was reflected in the Chicago Bank (\$1,061,000), while the largest percentage increase was found in the Indianapolis Bank (4.5 percent). The Little Rock and Portland Banks reported decreases of small amounts. Four Banks—Cincinnati, Little Rock, Topeka, and Los Angeles—registered lower balances of advances outstanding on November 30, 1940, than on November 30, 1939. Only four of the Banks reported advances greater this month than last and nine of the Banks received a smaller volume of repayments.

The membership of the Federal Home Loan Bank System at the end of November was 3,860—a decrease of 25 members during the month, resulting exclusively from withdrawals as no new memberships were recorded. The primary reason for this decrease was the consummation of a rehabilitation program in Altoona, Pennsylvania, involving the withdrawal of 16 members. However, aggregate member assets increased \$27,500,000 during the month and reached \$4,988,492,000.

**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<sup>1</sup>**

[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.—Nov. totals		Monthly totals			Jan.—Nov. totals	
	Nov. 1940	Oct. 1940	Nov. 1939	1940	1939	Nov. 1940	Oct. 1940	Nov. 1939	1940	1939
1-family dwellings.....	13,465	19,121	13,439	180,400	150,706	\$53,962.9	\$75,158.9	\$53,519.7	\$704,036.1	\$592,115.1
2-family dwellings.....	1,296	2,028	964	15,038	10,600	3,362.1	5,152.6	2,326.6	37,236.3	26,933.3
Joint home and business <sup>2</sup> .....	58	91	57	737	743	276.6	366.0	230.8	3,297.3	3,308.5
3-and-more family dwellings.....	8,879	14,719	12,981	93,889	96,806	26,511.5	47,025.4	40,898.9	286,100.9	316,831.3
Total residential.....	23,698	35,959	27,441	290,064	258,855	84,113.1	127,702.9	96,976.0	1,030,670.6	939,188.2

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

<sup>2</sup> 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 November 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	
	Nov. 1940	Nov. 1939	Nov. 1940	Nov. 1939	Nov. 1940	Nov. 1939	Nov. 1940	Nov. 1939
UNITED STATES.....	23,698	27,441	\$84,113.1	\$96,976.0	14,819	14,460	\$57,601.6	\$56,077.1
No. 1—Boston.....	2,268	3,795	8,378.9	13,735.9	929	845	4,279.1	3,954.7
Connecticut.....	595	1,391	2,480.4	4,583.4	247	194	1,271.1	967.5
Maine.....	42	36	138.5	119.8	42	36	138.5	119.8
Massachusetts.....	597	2,187	2,415.2	8,291.9	468	440	2,115.7	2,136.6
New Hampshire.....	38	41	125.3	151.9	38	35	125.3	141.9
Rhode Island.....	992	135	3,199.8	550.2	130	135	608.8	550.2
Vermont.....	4	5	19.7	38.7	4	5	19.7	38.7
No. 2—New York.....	4,505	6,347	15,954.0	22,515.1	1,376	1,315	5,879.4	5,909.7
New Jersey.....	361	776	1,536.0	3,398.1	353	350	1,518.5	1,718.1
New York.....	4,144	5,571	14,418.0	19,117.0	1,023	965	4,360.9	4,191.6
No. 3—Pittsburgh.....	796	1,350	3,654.9	5,620.5	710	760	3,439.0	3,645.1
Delaware.....	3	6	18.5	29.8	3	6	18.5	29.8
Pennsylvania.....	705	1,250	3,261.0	5,237.9	623	668	3,053.1	3,282.5
West Virginia.....	88	94	375.4	352.8	84	86	367.4	332.8

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

[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	
	Nov. 1940	Nov. 1939	Nov. 1940	Nov. 1939	Nov. 1940	Nov. 1939	Nov. 1940	Nov. 1939
No. 4—Winston-Salem.....	3,349	3,536	\$10,202.8	\$10,757.1	1,917	2,005	\$6,270.6	\$6,519.2
Alabama.....	163	152	287.7	315.0	163	143	287.7	261.5
District of Columbia.....	1,143	300	3,666.3	1,438.2	260	214	1,292.8	1,263.7
Florida.....	799	802	2,663.7	2,559.9	564	614	2,008.8	2,107.8
Georgia.....	177	585	372.2	1,446.7	177	227	372.2	372.4
Maryland.....	151	266	546.7	898.6	151	266	546.7	898.6
North Carolina.....	267	774	730.1	2,082.0	252	278	715.3	776.6
South Carolina.....	225	365	598.9	995.8	101	117	247.9	261.3
Virginia.....	424	292	1,337.2	1,020.9	249	146	799.2	577.3
No. 5—Cincinnati.....	1,068	1,276	4,531.7	5,119.4	990	864	4,304.2	3,851.5
Kentucky.....	103	103	262.8	298.6	99	99	254.8	295.1
Ohio.....	767	1,034	3,754.8	4,487.9	693	626	3,535.3	3,223.5
Tennessee.....	198	139	514.1	332.9	198	139	514.1	332.9
No. 6—Indianapolis.....	1,757	1,503	7,403.7	6,828.1	1,453	1,459	6,359.1	6,623.6
Indiana.....	359	338	1,409.5	1,349.6	359	294	1,409.5	1,145.1
Michigan.....	1,398	1,165	5,994.2	5,478.5	1,094	1,165	4,949.6	5,478.5
No. 7—Chicago.....	936	1,902	4,979.4	7,886.4	925	787	4,959.7	4,143.8
Illinois.....	650	1,605	3,837.3	6,627.0	650	499	3,837.3	2,901.9
Wisconsin.....	286	297	1,142.1	1,259.4	275	288	1,122.4	1,241.9
No. 8—Des Moines.....	740	850	2,749.6	3,318.0	656	826	2,548.1	3,241.6
Iowa.....	245	233	925.0	844.7	245	233	925.0	844.7
Minnesota.....	206	350	900.9	1,585.0	202	342	888.4	1,562.6
Missouri.....	214	205	714.6	710.7	170	189	625.6	656.7
North Dakota.....	45	23	125.1	82.6	9	23	25.1	82.6
South Dakota.....	30	39	84.0	95.0	30	39	84.0	95.0
No. 9—Little Rock.....	1,880	1,916	5,295.9	5,124.8	1,445	1,698	4,122.5	4,493.0
Arkansas.....	89	66	279.5	236.0	77	58	268.2	211.0
Louisiana.....	204	206	726.2	517.7	204	202	726.2	508.7
Mississippi.....	267	320	538.5	812.6	131	170	190.9	345.7
New Mexico.....	43	28	134.7	87.3	39	28	128.7	87.3
Texas.....	1,277	1,296	3,617.0	3,471.2	994	1,240	2,808.5	3,340.3
No. 10—Topeka.....	655	571	2,072.9	1,859.4	626	561	1,979.3	1,835.4
Colorado.....	242	171	707.7	583.8	242	164	707.7	567.8
Kansas.....	125	103	360.6	267.4	117	103	351.0	267.4
Nebraska.....	85	99	307.8	391.4	64	96	223.8	383.4
Oklahoma.....	203	198	696.8	616.8	203	198	696.8	616.8
No. 11—Portland.....	1,403	782	4,542.4	2,630.7	609	696	2,161.6	2,464.7
Idaho.....	19	47	73.8	178.6	19	47	73.8	178.6
Montana.....	49	54	132.2	142.1	45	54	120.2	142.1
Oregon.....	150	204	581.5	699.4	125	151	504.5	582.5
Utah.....	122	130	360.7	409.8	107	119	345.7	399.8
Washington.....	1,045	335	3,331.4	1,150.0	295	313	1,054.6	1,110.9
Wyoming.....	18	12	62.8	50.8	18	12	62.8	50.8
No. 12—Los Angeles.....	4,341	3,613	14,346.9	11,580.6	3,183	2,644	11,299.0	9,394.8
Arizona.....	41	62	133.3	197.6	36	58	120.3	194.1
California.....	4,282	3,527	14,104.1	11,279.5	3,129	2,562	11,069.2	9,097.2
Nevada.....	18	24	109.5	103.5	18	24	109.5	103.5

**Table 3.—Cost of building the same standard house in representative cities in specific months<sup>1</sup>**

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 Dec.	1939 Dec.	1940				1939 Dec.	1938 Dec.	1937 Dec.	1936 Dec.
			Dec.	Sept.	June	Mar.				
<b>No. 1—Boston:</b>										
Hartford, Conn.....	\$0. 261	\$0. 246	\$6, 262	\$5, 881	\$6, 019	\$5, 937	\$5, 903	\$5, 877	\$6, 076	\$5, 781
New Haven, Conn.....	. 257	. 241	6, 177	5, 869	5, 868	5, 850	5, 793	5, 617	5, 832	5, 620
Portland, Me.....	. 220	. 218	5, 274	5, 277	5, 256	5, 256	5, 242	5, 259	5, 708	5, 252
Boston, Mass.....	. 278	. 268	6, 667	6, 489	6, 484	6, 490	6, 428	6, 384	6, 601	5, 927
Manchester, N. H.....	. 240	. 224	5, 749	5, 421	5, 390	5, 390	5, 381	5, 554	5, 601	5, 556
Providence, R. I.....	. 259	. 250	6, 226	6, 122	6, 066	6, 035	6, 007	5, 893	6, 000	5, 633
Rutland, Vt.....	. 227	. 220	5, 443	5, 428	5, 327	5, 321	5, 272	5, 472	5, 846	5, 359
<b>No. 4—Winston-Salem:</b>										
Birmingham, Ala.....	. 254	. 216	6, 087	5, 332	5, 071	5, 200	5, 190	5, 668	6, 068	-----
Washington, D. C.....	. 267	. 239	6, 416	5, 894	5, 735	5, 741	5, 738	5, 854	6, 019	5, 431
Tampa, Fla.....	. 253	. 238	6, 073	5, 717	5, 673	5, 736	5, 709	5, 513	5, 578	5, 439
West Palm Beach, Fla.....	. 280	. 239	6, 731	6, 156	6, 050	5, 824	5, 740	5, 834	6, 393	6, 055
Atlanta, Ga.....	. 231	. 205	5, 537	4, 882	4, 873	4, 921	4, 926	5, 006	5, 267	5, 127
Baltimore, Md.....	. 236	. 200	5, 659	4, 914	4, 750	4, 750	4, 810	4, 676	4, 919	5, 055
Cumberland, Md.....	. 243	. 228	5, 832	-----	-----	5, 631	5, 477	5, 443	5, 643	5, 491
Asheville, N. C.....	. 222	. 213	5, 320	4, 941	4, 979	4, 998	5, 115	5, 074	5, 410	4, 940
Raleigh, N. C.....	. 219	. 216	5, 246	5, 197	5, 010	5, 009	5, 176	5, 273	5, 515	5, 244
Salisbury, N. C.....	. 187	. 203	4, 493	4, 536	4, 872	4, 863	4, 881	4, 741	4, 714	-----
Columbia, S. C.....	. 227	. 195	5, 453	4, 679	4, 660	4, 730	4, 673	4, 888	4, 860	4, 803
Richmond, Va.....	. 226	. 206	5, 420	4, 949	4, 819	4, 848	4, 953	5, 081	5, 370	4, 982
Roanoke, Va.....	. 238	. 216	5, 714	-----	5, 205	5, 199	5, 191	5, 094	5, 103	4, 806
<b>No. 7—Chicago:</b>										
Chicago, Ill.....	. 288	. 283	6, 900	6, 841	6, 773	6, 787	6, 789	6, 838	7, 226	6, 839
Peoria, Ill.....	. 298	. 288	7, 158	7, 110	7, 082	7, 024	6, 909	6, 441	6, 705	6, 306
Springfield, Ill.....	. 309	. 295	7, 415	7, 168	7, 145	7, 068	7, 073	6, 811	-----	6, 668
Milwaukee, Wis.....	. 278	. 252	6, 678	6, 263	6, 073	6, 063	6, 040	5, 752	6, 023	5, 537
Oshkosh, Wis.....	. 261	. 242	6, 272	5, 845	5, 829	5, 904	5, 804	5, 898	6, 027	5, 782
<b>No. 10—Topeka:</b>										
Denver, Colo.....	. 264	. 259	6, 327	6, 131	6, 092	6, 222	6, 221	6, 431	6, 625	6, 114
Wichita, Kans.....	. 238	. 241	5, 716	-----	5, 838	5, 760	5, 794	5, 964	-----	5, 291
Omaha, Nebr.....	. 249	. 253	5, 968	5, 914	6, 132	6, 156	6, 079	5, 717	5, 975	5, 694
Oklahoma City, Okla.....	. 266	. 250	6, 388	6, 097	6, 117	6, 051	6, 000	5, 875	5, 850	5, 486

<sup>1</sup> 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.

**Table 4.—Index of building costs for the standard house**

[Average month of 1936=100]

Element of cost	Nov. 1940	Oct. 1940	Sept. 1940	Aug. 1940	July 1940	June 1940	May 1940	April 1940	Mar. 1940	Feb. 1940	Jan. 1940	Dec. 1939	Nov. 1939
Material.....	107. 8	106. 5	105. 0	104. 4	104. 3	104. 4	104. 4	104. 3	104. 5	104. 5	104. 4	104. 5	104. 4
Labor.....	116. 3	113. 3	111. 0	109. 7	109. 5	109. 7	109. 9	110. 0	110. 3	110. 3	110. 2	110. 6	110. 8
Total cost.....	110. 6	108. 7	107. 0	106. 2	106. 0	106. 2	106. 2	106. 2	106. 4	106. 5	106. 4	106. 6	106. 5

**Table 5.—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 <sup>1</sup>	Lumber <sup>2</sup>	Paint and paint materials	Plumbing and heating	Structural steel	Other
1938: November.....	89.2	91.5	90.6	89.8	80.9	78.7	107.3	89.7
1939: November.....	93.0	91.6	91.3	100.1	84.9	79.3	107.3	92.9
December.....	93.0	91.6	91.3	99.5	85.5	79.3	107.3	92.7
1940: January.....	93.4	91.6	91.4	98.7	87.2	79.3	107.3	93.2
February.....	93.2	91.2	91.4	97.7	86.8	79.1	107.3	92.9
March.....	93.3	90.4	91.2	97.4	87.2	81.0	107.3	92.7
April.....	92.5	90.2	90.3	96.7	86.7	80.9	107.3	92.3
May.....	92.5	90.2	90.5	96.0	86.0	80.6	107.3	92.2
June.....	92.4	90.2	90.6	94.8	85.2	80.5	107.3	93.0
July.....	<sup>2</sup> 92.5	90.1	90.6	94.8	84.6	80.5	107.3	93.6
August.....	<sup>2</sup> 93.3	90.1	90.6	98.4	84.2	80.5	107.3	93.4
September.....	<sup>2</sup> 95.6	90.2	90.6	107.1	84.1	80.5	107.3	93.5
October.....	97.8	90.2	90.7	114.4	84.8	80.5	107.3	93.8
November.....	98.9	90.2	90.8	117.5	85.7	80.5	107.3	94.2
Change:								
Nov. 1940–Oct. 1940.....	+1.1%	0.0%	+0.1%	+2.7%	+1.1%	0.0%	0.0%	+0.4%
Nov. 1940–Nov. 1939.....	+6.3%	-1.5%	-0.5%	+17.4%	+0.9%	+1.5%	0.0%	+1.4%

<sup>1</sup> 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.

<sup>2</sup> Revised.

**Table 6.—Estimated volume of new home-mortgage loans by all savings and loan associations, by purpose and class of association <sup>1</sup>**

[Thousands of dollars]

Period	Purpose of loans					Total loans	Class of association		
	Construction	Home purchase	Refinancing	Reconditioning	Loans for all other purposes		Federals	State members	Nonmembers
1938.....	\$220,458	\$265,485	\$160,167	\$58,623	\$93,263	\$797,996	\$286,899	\$333,470	\$177,627
Jan.–Nov.....	201,306	244,659	147,362	54,598	86,137	734,062	261,880	306,966	165,216
November.....	18,627	21,205	12,182	4,821	7,235	64,070	24,220	26,115	13,735
1939.....	301,039	339,629	182,025	59,463	104,227	986,383	400,337	396,041	190,005
Jan.–Nov.....	274,116	311,850	167,024	55,128	95,153	903,271	366,284	362,832	174,155
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.–Nov.....	368,600	394,686	183,573	59,335	104,832	1,111,026	471,998	446,770	192,258
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
May.....	36,956	42,049	18,034	6,896	10,607	114,542	49,287	45,803	19,452
June.....	35,523	38,402	17,147	5,691	10,221	106,984	47,435	42,214	17,335
July.....	39,907	40,658	17,649	6,115	9,972	114,301	48,676	45,414	20,211
August.....	42,488	40,567	17,762	6,079	10,726	117,622	50,305	46,807	20,510
September.....	39,417	40,947	15,483	6,283	9,645	111,775	46,480	45,988	19,307
October.....	41,610	40,771	16,840	5,756	9,423	114,400	48,307	46,224	19,869
November.....	32,584	33,875	14,441	4,869	8,798	94,567	38,896	40,143	15,528

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

**Table 7.—Estimated volume of new home-mortgage loans by all savings and loan associations, by Federal Home Loan Bank District and class of association**

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and class of association	New loans		Percent change, October 1940 to November 1940	New loans, Novem- ber 1939	Percent change, November 1939 to November 1940	Cumulative new loans (11 months)		
	Novem- ber 1940	October 1940				1940	1939	Percent change
United States: Total .....	\$94,567	\$114,400	-17.3	\$86,076	+9.9	\$1,111,026	\$903,271	+23.0
Federal .....	38,896	48,307	-19.5	34,785	+11.8	471,998	366,284	+28.9
State member .....	40,143	46,224	-13.2	34,671	+15.8	446,770	362,832	+23.1
Nonmember .....	15,528	19,869	-21.8	16,620	-6.6	192,258	174,155	+10.4
District No. 1: Total .....	10,457	11,513	-9.2	8,858	+18.1	105,604	82,722	+27.7
Federal .....	3,352	4,175	-19.7	2,785	+20.4	36,285	25,719	+41.1
State member .....	5,372	5,546	-3.1	4,633	+16.0	51,833	39,950	+29.7
Nonmember .....	1,733	1,792	-3.3	1,440	+20.3	17,486	17,053	+2.5
District No. 2: Total .....	10,150	13,478	-24.7	8,538	+18.9	106,983	88,517	+20.9
Federal .....	2,796	3,381	-17.3	3,028	-7.7	31,008	34,314	-9.6
State member .....	3,297	3,412	-3.4	2,128	+54.9	30,099	20,768	+44.9
Nonmember .....	4,057	6,685	-39.3	3,382	+20.0	45,876	33,435	+37.2
District No. 3: Total .....	7,017	8,484	-17.3	6,406	+9.5	85,922	73,209	+17.4
Federal .....	2,875	3,543	-18.9	2,164	+32.9	33,525	20,586	+62.9
State member .....	1,782	2,221	-19.8	1,506	+18.3	21,803	19,058	+14.4
Nonmember .....	2,360	2,720	-13.2	2,736	-13.7	30,594	33,565	-8.9
District No. 4: Total .....	14,414	15,574	-7.4	12,459	+15.7	161,127	125,746	+28.1
Federal .....	6,816	7,930	-14.0	5,133	+32.8	78,736	51,896	+51.7
State member .....	6,323	6,249	+1.2	5,212	+21.3	63,540	53,874	+17.9
Nonmember .....	1,275	1,395	-8.6	2,114	-39.7	18,851	19,976	-5.6
District No. 5: Total .....	15,378	19,705	-22.0	14,686	+4.7	185,747	143,843	+29.1
Federal .....	5,438	7,230	-24.8	5,425	+0.2	68,406	57,400	+19.2
State member .....	7,843	9,553	-17.9	6,912	+13.5	89,778	68,673	+30.7
Nonmember .....	2,097	2,922	-28.2	2,349	-10.7	27,563	17,770	+55.1
District No. 6: Total .....	4,861	6,503	-25.2	4,407	+10.3	58,215	44,118	+32.0
Federal .....	2,672	3,525	-24.2	2,176	+22.8	28,939	20,611	+40.4
State member .....	1,969	2,675	-26.4	1,967	+0.1	26,011	20,406	+27.5
Nonmember .....	220	303	-27.4	264	-16.7	3,265	3,101	+5.3
District No. 7: Total .....	9,549	11,051	-13.6	8,426	+13.3	112,896	90,474	+24.8
Federal .....	3,327	4,374	-23.9	3,057	+8.8	44,342	31,215	+42.1
State member .....	4,720	5,258	-10.2	4,066	+16.1	51,367	40,237	+27.7
Nonmember .....	1,502	1,419	+5.8	1,303	+15.3	17,187	19,022	-9.6
District No. 8: Total .....	4,974	6,377	-22.0	5,173	-3.8	67,144	55,914	+20.1
Federal .....	2,636	3,041	-13.3	2,487	+6.0	32,884	26,475	+24.2
State member .....	1,401	2,202	-36.4	1,585	-11.6	20,527	16,786	+22.3
Nonmember .....	937	1,134	-17.4	1,101	-14.9	13,733	12,653	+8.5
District No. 9: Total .....	4,101	5,209	-21.3	4,215	-2.7	55,229	52,657	+4.9
Federal .....	1,647	2,036	-19.1	1,815	-9.3	22,019	21,365	+3.1
State member .....	2,405	3,056	-21.3	2,286	+5.2	31,271	29,365	+6.5
Nonmember .....	49	117	-58.1	114	-57.0	1,939	1,927	+0.6
District No. 10: Total .....	3,481	4,565	-23.7	3,733	-6.8	47,668	43,379	+9.9
Federal .....	1,752	2,437	-28.1	1,843	-4.9	24,936	21,339	+16.9
State member .....	948	1,149	-17.5	843	+12.5	11,167	11,200	-0.3
Nonmember .....	781	979	-20.2	1,047	-25.4	11,565	10,840	+6.7
District No. 11: Total .....	3,212	3,523	-8.8	3,089	+4.0	38,496	32,166	+19.7
Federal .....	1,869	2,261	-17.3	1,666	+12.2	23,816	19,019	+25.2
State member .....	1,074	1,113	-3.5	1,103	-2.6	12,918	11,242	+14.9
Nonmember .....	269	149	+80.5	320	-15.9	1,762	1,905	-7.5
District No. 12: Total .....	6,973	8,418	-17.2	6,086	+14.6	85,995	70,526	+21.9
Federal .....	3,716	4,374	-15.0	3,206	+15.9	47,102	36,345	+29.6
State member .....	3,009	3,790	-20.6	2,430	+23.8	36,456	31,273	+16.6
Nonmember .....	248	254	-2.4	450	-44.9	2,437	2,908	-16.2

**Table 8.—Summary of estimated nonfarm mortgage recordings,<sup>1</sup> \$20,000 and under, during November 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	39,180	\$102,267	5,816	\$27,900	25,988	\$82,971	4,024	\$15,122	27,507	\$51,504	14,239	\$47,621	116,754	\$327,385	\$3.55
No. 1--Boston	3,728	11,885	168	828	999	3,558	2,256	7,670	2,343	5,363	620	2,203	10,114	31,507	
Connecticut	363	1,369	108	522	345	1,425	462	1,811	453	1,144	268	1,087	1,989	7,358	4.84
Maine	219	512	8	35	132	268	232	466	347	604	58	141	996	2,030	3.24
Massachusetts	2,658	8,813	38	194	335	1,287	1,187	4,222	1,302	3,193	219	733	5,779	18,442	4.47
New Hampshire	170	360			65	168	178	555	84	123	8	22	505	1,232	3.06
Rhode Island	174	610	14	73	82	307	88	268	106	224	62	207	526	1,689	2.52
Vermont	104	221			40	103	109	344	51	75	5	13	309	756	3.06
No. 2--New York	2,626	8,489	388	2,190	2,197	8,897	1,304	5,867	3,009	7,102	1,657	6,749	11,181	39,294	
New Jersey	991	3,238	232	1,197	1,326	5,530	52	322	1,173	2,804	699	2,549	4,473	15,640	4.00
New York	1,635	5,251	156	993	871	3,367	1,252	5,545	1,836	4,298	958	4,207	6,708	23,654	1.99
No. 3--Pittsburgh	2,653	6,788	320	1,492	2,333	7,488	159	501	1,886	4,041	936	3,440	8,290	23,750	
Delaware	33	121	15	95	55	259	13	28	76	169	20	57	212	729	3.80
Pennsylvania	2,246	5,924	229	1,045	1,691	5,623	135	467	1,465	3,440	823	3,175	6,593	19,675	2.24
West Virginia	374	743	76	352	587	1,866	11	6	344	432	93	207	1,485	3,346	2.61
No. 4--Winston-Salem	6,441	16,082	940	4,157	2,912	7,491	37	147	4,484	7,716	2,463	6,601	17,277	42,194	
Alabama	219	306	99	371	345	771			427	462	232	659	1,322	2,569	1.97
District of Columbia	561	2,830	111	663	132	775			334	968	286	1,277	1,424	6,513	13.39
Florida	604	2,012	291	1,207	356	864			702	1,654	416	1,246	2,369	6,983	5.87
Georgia	847	1,376	105	515	479	995			584	926	390	917	2,405	4,729	3.17
Maryland	1,095	2,653	51	253	322	1,084	37	147	487	1,068	179	487	2,171	5,692	4.08
North Carolina	1,730	3,462	115	417	374	737			746	779	335	904	3,300	6,299	4.01
South Carolina	392	914	38	143	304	463			508	616	291	377	1,533	2,513	3.06
Virginia	993	2,529	130	588	600	1,802			696	1,243	334	734	2,753	6,896	4.69
No. 5--Cincinnati	5,970	16,779	716	3,480	2,890	9,184	100	425	1,798	3,133	1,382	4,072	12,856	37,073	
Kentucky	1,020	2,645	145	582	418	1,061			184	250	91	269	1,862	4,811	3.35
Ohio	4,743	13,585	375	2,114	2,089	6,849	100	425	1,308	2,446	662	2,271	9,277	27,690	4.92
Tennessee	207	545	192	784	383	1,274			306	437	629	1,532	1,717	4,572	3.26
No. 6--Indianapolis	3,019	6,154	758	3,616	3,218	8,962	16	34	1,168	2,391	946	3,552	9,125	24,719	
Indiana	2,081	3,634	320	1,470	1,246	3,367	16	34	444	755	271	847	4,378	10,107	4.17
Michigan	938	2,520	438	2,146	1,972	5,595			724	1,636	675	2,715	4,747	14,612	3.60
No. 7--Chicago	3,394	9,551	340	1,564	1,610	5,950	8	14	1,543	3,419	1,077	4,433	7,972	24,931	
Illinois	2,428	6,916	230	1,084	986	3,838			721	1,781	856	3,716	5,231	17,335	2.61
Wisconsin	966	2,635	110	480	624	2,112	8	14	822	1,638	211	717	2,741	7,596	3.69
No. 8--Des Moines	2,546	5,572	550	2,496	2,224	5,646	29	104	2,091	3,056	1,392	3,971	8,832	20,845	
Iowa	646	1,267	91	345	571	1,399			435	698	148	407	1,891	4,116	2.76
Minnesota	810	1,899	212	932	500	1,169	29	104	854	960	206	565	2,411	5,629	3.37
Missouri	974	2,183	175	991	955	2,743			889	1,245	989	2,880	3,682	10,042	3.99
North Dakota	76	181	24	72	77	94			44	54	42	82	263	483	1.70
South Dakota	40	42	48	156	121	241			69	59	7	37	285	575	1.90
No. 9--Little Rock	2,273	5,523	652	2,934	752	2,094			1,892	3,295	1,365	4,446	6,934	18,292	
Arkansas	166	363	44	199	137	361			228	294	125	281	700	1,458	2.04
Louisiana	701	2,147	115	535	61	215			348	652	353	960	1,578	4,509	3.55
Mississippi	122	212	45	181	153	359			208	240	113	298	641	1,290	1.99
New Mexico	91	202	3	13	62	149			122	174	20	59	298	597	2.26
Texas	1,193	2,599	445	2,006	339	1,010			986	1,935	754	2,848	3,717	10,398	2.99
No. 10--Topeka	2,046	4,173	205	901	749	1,799			1,326	1,910	806	2,502	5,132	11,285	
Colorado	264	640	22	89	137	357			516	998	199	906	1,138	2,980	3.97
Kansas	579	1,042	54	227	251	532			231	285	173	415	1,288	2,502	2.13
Nebraska	520	1,017	68	327	93	297			182	216	107	270	970	2,127	2.68
Oklahoma	683	1,474	61	258	268	613			397	411	327	910	1,736	3,666	2.67
No. 11--Portland	1,447	3,215	277	1,007	1,158	2,914	115	360	1,129	1,570	729	2,329	4,855	11,395	
Idaho	90	168	12	22	124	394			144	200	121	352	491	1,136	4.43
Montana	120	387	18	75	60	182			99	194	23	33	320	871	2.62
Oregon	305	678	95	364	136	306	12	41	457	568	160	573	1,155	2,530	3.47
Utah	198	556	26	83	261	767			110	167	50	157	645	1,730	4.41
Washington	670	1,267	126	463	527	1,119	103	319	271	380	364	1,180	2,061	4,728	3.76
Wyoming	64	159			50	146			48	61	11	34	173	400	2.62
No. 12--Los Angeles	3,037	8,056	502	3,235	4,946	18,988			4,835	8,508	866	3,313	14,186	42,100	
Arizona	76	195	10	37	116	404			222	456	28	40	452	1,132	3.36
California	2,944	7,818	490	3,190	4,804	18,494			4,564	7,951	832	3,264	13,634	40,717	8.05
Nevada	17	43	2	8	26	50			49	101	6	9	100	251	3.36

<sup>1</sup>Based 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 9.—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
<b>Number:</b>														
1939: November <sup>1</sup>	36, 831	33. 1	5, 164	4. 6	24, 695	22. 2	3, 500	3. 1	26, 222	23. 6	14, 853	13. 4	111, 265	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	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	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
May	49, 166	36. 3	5, 887	4. 3	28, 495	21. 0	4, 111	3. 0	30, 704	22. 7	17, 219	12. 7	135, 582	100. 0
June	45, 564	36. 0	5, 922	4. 7	26, 986	21. 3	4, 237	3. 3	27, 896	22. 0	16, 126	12. 7	126, 731	100. 0
July	46, 667	35. 3	6, 228	4. 7	28, 511	21. 6	4, 328	3. 3	29, 689	22. 4	16, 837	12. 7	132, 260	100. 0
August	46, 706	34. 7	6, 525	4. 8	29, 137	21. 6	4, 298	3. 2	30, 858	22. 9	17, 178	12. 8	134, 702	100. 0
September	45, 595	35. 5	6, 091	4. 7	27, 924	21. 7	4, 257	3. 4	28, 164	21. 9	16, 391	12. 8	128, 422	100. 0
October	48, 145	34. 8	6, 977	5. 0	31, 202	22. 5	4, 548	3. 3	30, 635	22. 1	16, 975	12. 3	138, 482	100. 0
November	39, 180	33. 5	5, 816	5. 0	25, 988	22. 3	4, 024	3. 4	27, 507	23. 6	14, 239	12. 2	116, 754	100. 0
<b>Amount:</b>														
1939: November <sup>1</sup>	\$92, 431	30. 0	\$26, 571	8. 6	\$80, 020	26. 0	\$12, 478	4. 0	\$48, 228	15. 7	\$48, 391	15. 7	\$308, 119	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	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	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
May	123, 485	33. 1	29, 075	7. 8	91, 164	24. 5	15, 394	4. 1	58, 372	15. 7	54, 981	14. 8	372, 471	100. 0
June	116, 595	32. 8	28, 909	8. 1	87, 552	24. 6	16, 493	4. 7	52, 973	14. 9	52, 941	14. 9	355, 463	100. 0
July	118, 914	32. 4	30, 602	8. 3	92, 658	25. 3	16, 067	4. 4	55, 191	15. 0	53, 622	14. 6	367, 054	100. 0
August	121, 979	32. 4	31, 839	8. 4	93, 931	24. 9	15, 903	4. 2	56, 770	15. 1	56, 394	15. 0	376, 816	100. 0
September	117, 928	33. 0	29, 401	8. 2	89, 051	24. 9	15, 566	4. 4	52, 936	14. 8	52, 636	14. 7	357, 518	100. 0
October	125, 009	32. 2	33, 818	8. 7	98, 462	25. 3	16, 826	4. 3	59, 124	15. 2	55, 734	14. 3	388, 973	100. 0
November	102, 267	31. 2	27, 900	8. 5	82, 971	25. 4	15, 122	4. 6	51, 504	15. 7	47, 621	14. 6	327, 385	100. 0

<sup>1</sup> Revised.

**Table 10.—Estimated nonfarm real estate fore-closures, by size of county**

Period	U. S. total	County size (dwellings)			
		Less than 5,000	5,000-19,999	20,000-59,999	60,000 and over
1939: Jan.-Nov	93, 793	9, 832	14, 156	19, 190	50, 615
November <sup>1</sup>	7, 683	777	998	1, 836	4, 072
December	7, 168	804	933	1, 589	3, 842
1940: Jan.-Nov	69, 671	7, 050	10, 337	14, 691	37, 593
January	6, 483	708	966	1, 307	3, 502
February	5, 818	633	860	1, 212	3, 113
March	6, 379	608	941	1, 395	3, 435
April	6, 404	658	948	1, 313	3, 485
May	7, 138	712	1, 088	1, 539	3, 799
June	6, 597	709	1, 043	1, 301	3, 544
July	6, 293	667	909	1, 269	3, 448
August	6, 128	595	835	1, 338	3, 360
September	6, 294	539	1, 018	1, 355	3, 382
October <sup>1</sup>	6, 305	618	897	1, 319	3, 471
November	5, 832	603	832	1, 343	3, 054

<sup>1</sup> Revised.

**Table 11.—Property operations of the Home Owners' Loan Corporation**

Period	Number of prop-erties acquired <sup>1</sup>	Number of prop-erties sold	Number of prop-erties on hand at end of month
1939: November	2, 404	4, 408	79, 240
December	1, 840	3, 857	77, 229
1940: January	1, 619	3, 046	75, 796
February	1, 344	2, 994	74, 113
March	1, 697	3, 980	71, 821
April	1, 388	4, 654	68, 535
May	1, 531	4, 720	65, 326
June	1, 611	4, 801	62, 127
July	1, 694	3, 355	60, 470
August	1, 758	3, 691	58, 524
September	1, 701	3, 619	56, 598
October	1, 719	3, 886	54, 433
November	1, 728	3, 253	52, 878

<sup>1</sup> Includes reacquisitions of properties previously sold.

**Table 12.—Progress of institutions insured by the Federal Savings and Loan Insurance Corporation**

[Amounts are shown in thousands of dollars]

Period and class of association	Number of associations	Total assets	Net first mortgages held	Private repurchasable capital	Government investment	Federal Home Loan Bank advances	Number of investors	Operations		
								New private investments	Private repurchases	New mortgage loans
<b>ALL INSURED</b>										
1938: June.....	2, 015	\$1, 978, 476	\$1, 472, 896	\$1, 315, 936	\$258, 403	\$143, 004	1, 832, 800	\$27, 300	\$13, 000	\$38, 350
December.....	2, 097	2, 128, 706	1, 605, 511	1, 452, 692	260, 904	149, 977	2, 035, 700	35, 900	13, 700	36, 763
1939: June.....	2, 170	2, 339, 411	1, 769, 112	1, 657, 859	260, 451	127, 062	2, 236, 000	40, 700	15, 800	55, 848
November.....	2, 189	2, 459, 038	1, 921, 717	1, 769, 033	250, 675	129, 289	2, 351, 300	40, 000	19, 537	49, 809
December.....	2, 195	2, 506, 944	1, 943, 852	1, 811, 181	250, 725	142, 729	2, 386, 000	48, 400	17, 445	49, 516
1940: January..	2, 205	2, 513, 765	1, 959, 678	1, 868, 736	238, 496	121, 271	2, 461, 000	102, 571	57, 096	40, 342
February..	2, 211	2, 543, 417	1, 980, 887	1, 901, 162	236, 854	111, 277	2, 504, 000	55, 332	28, 042	43, 950
March.....	2, 216	2, 576, 885	2, 011, 281	1, 928, 835	236, 714	104, 993	2, 528, 200	51, 377	27, 195	56, 270
April.....	2, 225	2, 615, 190	2, 050, 052	1, 958, 417	236, 508	101, 569	2, 546, 800	55, 809	28, 123	68, 034
May.....	2, 231	2, 653, 685	2, 089, 761	1, 981, 445	236, 553	104, 546	2, 560, 900	46, 655	27, 150	70, 990
June.....	2, 235	2, 708, 529	2, 129, 687	2, 019, 809	236, 913	124, 133	2, 591, 600	43, 626	20, 418	67, 751
July.....	2, 237	2, 706, 259	2, 167, 366	2, 039, 739	220, 893	129, 909	2, 610, 200	86, 496	73, 111	70, 943
August....	2, 248	2, 742, 287	2, 208, 016	2, 059, 097	220, 081	136, 244	2, 634, 300	51, 025	36, 060	72, 214
September..	2, 259	2, 789, 391	2, 250, 905	2, 085, 410	220, 569	144, 997	2, 664, 200	46, 203	30, 928	68, 665
October....	2, 264	2, 832, 083	2, 291, 477	2, 114, 831	220, 629	150, 700	2, 695, 800	53, 982	30, 286	71, 380
November..	2, 269	2, 867, 817	2, 317, 292	2, 143, 360	220, 689	154, 802	2, 706, 300	49, 990	25, 278	57, 686
<b>FEDERAL</b>										
1938: June.....	1, 336	1, 208, 357	938, 455	760, 953	218, 567	101, 318	1, 027, 100	18, 100	6, 200	26, 310
December..	1, 360	1, 311, 080	1, 028, 891	857, 737	219, 673	106, 411	1, 162, 700	23, 800	6, 700	25, 019
1939: June.....	1, 383	1, 441, 058	1, 135, 511	990, 248	217, 026	88, 298	1, 299, 100	27, 000	8, 100	39, 094
November..	1, 390	1, 535, 895	1, 249, 900	1, 077, 918	208, 597	93, 654	1, 384, 800	27, 300	10, 970	34, 785
December..	1, 397	1, 574, 314	1, 268, 872	1, 108, 481	208, 777	105, 870	1, 412, 200	32, 000	9, 231	34, 053
1940: January..	1, 400	1, 574, 268	1, 279, 803	1, 149, 410	197, 751	87, 592	1, 462, 700	71, 367	37, 689	28, 008
February..	1, 403	1, 597, 550	1, 296, 198	1, 175, 480	196, 701	79, 391	1, 496, 100	36, 951	15, 942	29, 786
March.....	1, 408	1, 623, 767	1, 317, 641	1, 197, 882	196, 619	74, 495	1, 515, 000	35, 500	16, 200	38, 241
April.....	1, 411	1, 655, 179	1, 346, 608	1, 222, 025	196, 813	71, 577	1, 529, 500	39, 329	16, 679	46, 577
May.....	1, 415	1, 685, 324	1, 375, 683	1, 239, 973	196, 933	74, 428	1, 538, 000	31, 915	16, 124	49, 287
June.....	1, 421	1, 727, 337	1, 403, 933	1, 267, 156	197, 268	90, 489	1, 560, 900	29, 404	11, 022	47, 435
July.....	1, 422	1, 724, 821	1, 430, 982	1, 282, 590	181, 724	95, 175	1, 574, 000	60, 489	49, 244	48, 676
August....	1, 427	1, 750, 870	1, 461, 440	1, 297, 572	181, 256	99, 985	1, 591, 100	34, 871	22, 643	50, 305
September..	1, 430	1, 775, 555	1, 487, 489	1, 309, 421	181, 261	106, 674	1, 602, 400	31, 184	19, 414	46, 480
October <sup>1</sup> ..	1, 433	1, 804, 397	1, 514, 872	1, 329, 364	181, 371	110, 583	1, 624, 800	37, 309	18, 583	48, 307
November <sup>2</sup>	1, 435	1, 829, 939	1, 532, 745	1, 349, 761	181, 381	114, 070	1, 627, 600	34, 092	14, 867	38, 896
<b>STATE</b>										
1938: June.....	679	770, 119	534, 441	554, 983	39, 836	41, 686	805, 700	9, 200	6, 800	12, 040
December..	737	817, 626	576, 620	594, 955	41, 231	43, 566	873, 000	12, 100	7, 000	11, 744
1939: June.....	787	898, 353	633, 601	667, 611	43, 425	38, 764	936, 900	13, 700	7, 700	16, 754
November..	799	923, 143	671, 817	691, 115	42, 078	35, 635	966, 500	12, 700	8, 567	15, 024
December..	798	932, 630	674, 980	702, 700	41, 948	36, 859	973, 800	16, 400	8, 214	15, 463
1940: January..	805	939, 497	679, 875	719, 326	40, 745	33, 679	998, 300	31, 204	19, 407	12, 334
February..	808	945, 867	684, 689	725, 682	40, 153	31, 886	1, 007, 900	18, 381	12, 100	14, 164
March.....	808	953, 118	693, 640	730, 953	40, 095	30, 498	1, 013, 200	15, 877	10, 995	18, 029
April.....	814	960, 011	703, 444	736, 392	39, 695	29, 992	1, 017, 300	16, 480	11, 444	21, 457
May.....	816	968, 361	714, 078	741, 472	39, 620	30, 118	1, 022, 900	14, 740	11, 026	21, 703
June.....	814	981, 192	725, 754	752, 653	39, 645	33, 644	1, 030, 700	14, 222	9, 396	20, 316
July.....	815	981, 438	736, 384	757, 149	39, 169	34, 734	1, 036, 200	26, 007	23, 867	22, 267
August....	821	991, 417	746, 576	761, 525	38, 825	36, 259	1, 043, 200	16, 154	13, 417	21, 909
September..	829	1, 013, 836	763, 416	775, 989	39, 308	38, 323	1, 061, 800	15, 019	11, 514	22, 185
October..	831	1, 027, 686	776, 605	785, 467	39, 258	40, 117	1, 071, 000	16, 673	11, 703	23, 073
November..	834	1, 037, 878	784, 547	793, 599	39, 308	40, 732	1, 078, 700	15, 898	10, 411	18, 790

<sup>1</sup> In addition, 4 Federals with assets of \$781,000 had been approved for conversion but had not been insured as of Oct. 31. However, included among the above 1,433 associations, are 1 Federal with assets of \$566,000 which had been insured but not approved for membership as of Oct. 31, and 1 Federal with assets of \$16,000 whose insurance certificate was outstanding but whose membership had been canceled.

<sup>2</sup> In addition, 5 Federals with assets of \$990,000 had been approved for conversion but had not been insured as of Nov. 30. However, included in the 1,435 Federals are 1 Federal with assets of \$583,000 which had been insured but had not been approved for membership as of Nov. 30, and 1 Federal with assets of \$16,000 whose insurance certificate was outstanding but whose membership had been canceled.

**Table 13.—Lending operations of the Federal Home Loan Banks**

[Thousands of dollars]

Federal Home Loan Bank	November 1940		October 1940		Ad- vances outstand- ing, Nov. 30, 1940
	Ad- vances	Repay- ments	Ad- vances	Repay- ments	
Boston.....	\$513	\$436	\$1,274	\$176	\$9,570
New York.....	1,281	731	1,138	925	20,760
Pittsburgh.....	677	575	1,192	1,093	16,887
Winston-Salem..	1,513	781	2,088	561	26,827
Cincinnati.....	839	517	739	686	17,377
Indianapolis....	639	184	629	188	10,499
Chicago.....	1,610	549	1,593	1,151	28,511
Des Moines.....	631	166	1,081	251	18,060
Little Rock.....	145	157	441	433	6,736
Topeka.....	152	88	303	354	9,381
Portland.....	388	525	469	311	6,013
Los Angeles.....	565	223	1,120	459	14,926
Total.....	8,953	4,932	12,067	6,588	185,547
Jan.—Nov. 1940..	110,779	106,545			
November 1939..	5,827	5,659			168,822
Jan.—Nov. 1939..	76,057	106,077			
November 1938..	5,247	4,779			189,687
Jan.—Nov. 1938..	66,963	77,370			

**Table 14.—Government investments in savings and loan associations<sup>1</sup>**

[Amounts are shown in thousands of dollars]

Type of operation	Treas- ury	Home Owners' Loan Corporation		
	Fed- erals <sup>2</sup>	Fed- erals	State mem- bers	Total
Oct. 1935–Nov. 1940:				
Applications:				
Number.....	1,862	4,643	970	5,613
Amount.....	\$50,401	\$203,451	\$64,220	\$267,671
Investments:				
Number.....	1,831	4,213	726	4,939
Amount.....	\$49,300	\$176,415	\$45,131	\$221,546
Repurchases.....	\$22,552	\$21,782	\$5,600	\$27,382
Net outstanding in- vestments.....	\$26,748	\$154,633	\$39,531	\$194,164
November 1940:				
Applications:				
Number.....	0	2	1	3
Amount.....	0	\$525	\$50	\$575
Investments:				
Number.....	0	2	1	3
Amount.....	0	\$10	\$50	\$60
Repurchases.....	0	0	0	0

<sup>1</sup> Refers to number of separate investments, not to number of associations in which investments are made.

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

**Table 15.—Changes in selected types of private long-term savings**

[Amounts are shown in thousands of dollars]

Period	Amounts sold during month			Amounts outstanding at end of month				
	Life in- surance <sup>1</sup>	U. S. savings bonds <sup>2</sup>	Insured savings and loans <sup>3</sup>	U. S. savings bonds <sup>4</sup>	Postal savings <sup>5</sup>	Mutual savings banks <sup>6</sup>	Insured commercial banks <sup>7</sup>	Insured savings and loans <sup>8</sup>
1939: November.....	\$537,951	\$56,313	\$40,000	\$2,140,379	\$1,274,432			\$1,769,033
December.....	567,212	76,024	48,400	2,208,881	1,278,685	\$10,480,684	\$12,623,325	1,811,181
1940: January.....	517,622	273,044	102,571	2,473,115	1,289,617			1,868,736
February.....	506,212	144,665	55,332	2,610,148	1,297,324			1,901,162
March.....	567,872	105,992	51,377	2,706,582	1,301,304			1,928,835
April.....	574,453	121,504	55,809	2,817,950	1,302,552			1,958,417
May.....	571,625	64,267	46,655	2,868,936	1,298,508			1,981,445
June.....	533,086	49,600	43,626	2,904,699	1,293,293	10,589,838	12,754,750	2,019,809
July.....	566,061	72,997	86,496	2,965,940	1,296,722			2,039,739
August.....	528,330	53,359	51,025	3,008,137	1,297,476			2,059,097
September.....	503,427	47,122	46,203	3,043,626	1,295,432			2,085,410
October.....	573,504	52,221	53,982	3,084,021	1,295,860			2,114,831
November.....	505,474	50,080	49,990	3,123,036	1,298,412			2,143,360
Change: Last 6 mos.....				+8.86%	−0.01%	+1.04%	+1.05%	+8.17%

<sup>1</sup> Life Insurance Sales Research Bureau. Face amount of policies sold, excluding group insurance.

<sup>2</sup> U. S. Treasury Daily Statement. Cash sales, including unclassified sales.

<sup>3</sup> New private investments; amounts paid-in as reported to the FHLBB.

<sup>4</sup> U. S. Treasury Daily Statement. Current redemption value.

<sup>5</sup> U. S. Post Office Department. Outstanding principal, represented by certificates of deposit, excluding accrued interest, outstanding savings stamps, and unclaimed deposits. Figures for the last two months are preliminary.

<sup>6</sup> Month's Work. All deposits.

<sup>7</sup> FDIC. Time deposits evidenced by savings passbooks.

<sup>8</sup> Private repurchasable capital as reported to the FHLBB.

# Election and Appointment of Directors and Designation of Chairmen and Vice Chairmen of the Federal Home Loan Banks

■ ANNOUNCEMENT has been made recently by the Federal Home Loan Bank Board of: (1) the election of Classes A, B, and C directors and directors-at-large to serve 2-year terms beginning January 1, 1941 unless otherwise noted; (2) the appointment of public interest directors to serve 4-year terms beginning January 1, 1941; and (3) the designation of chairmen and vice chairmen to serve during the calendar year 1941 or until their successors are designated and qualified.

## DISTRICT NO. 1—FEDERAL HOME LOAN BANK OF BOSTON

*Chairman:* Bernard J. Rothwell, Bay State Milling Company, Boston, Massachusetts (reappointed).

*Vice Chairman:* Edward H. Weeks, Old Colony Cooperative Bank, Providence, Rhode Island (reappointed).

*Public Interest Director:* Joseph H. Soliday, Franklin Savings Bank, Boston, Massachusetts (renamed).

*Class A Director:* Raymond P. Harold, Worcester Co-operative Federal Savings and Loan Association, Worcester, Massachusetts (reelected).

*Class B Director:* George B. Lord, Portsmouth Savings Bank, Portsmouth, New Hampshire (reelected).

*Class C Director:* Walter P. Schwabe, Thompsonville Savings and Home Loan Association, Thompsonville, Connecticut (reelected).

*Director-at-Large:* Milton A. Barrett, Fidelity Co-operative Bank, Fitchburg, Massachusetts (reelected).

## DISTRICT NO. 2—FEDERAL HOME LOAN BANK OF NEW YORK

*Chairman:* George MacDonald, Manufacturers' Trust Company, New York, New York (reappointed).

*Vice Chairman:* Francis V. D. Lloyd, Park Building and Loan Association, Ridgely Park, New Jersey (reappointed).

*Public Interest Director:* Eustace Seligman, Sullivan and Cromwell (law firm), New York, New York (renamed).

*Class A Director:* C. Harry Minners, Bankers' Federal Savings and Loan Association, New York, New York (reelected).

*Class B Director:* Roy H. Bassett, Canton Savings and Loan Association, Canton, New York (reelected).

*Class C Director:* Louis J. Cohen, Essential Savings and Loan Association, Verona, New Jersey (reelected).

*Director-at-Large:* J. Alston Adams, Westfield Federal Savings and Loan Association, Westfield, New Jersey.

## DISTRICT NO. 3—FEDERAL HOME LOAN BANK OF PITTSBURGH

*Chairman:* Ernest T. Trigg, National Paint, Varnish and Lacquer Association, Philadelphia, Pennsylvania (reappointed).

*Vice Chairman:* Charles S. Tippetts, University of Pittsburgh, Pittsburgh, Pennsylvania (reappointed).

*Class A Director:* Fred C. Klussmann, Revenue Building and Loan Association, Pittsburgh (Millvale Borough), Pennsylvania.

*Class B Director:* William Reinhardt, The Art-Workers' Building and Loan Association, Philadelphia, Pennsylvania (reelected).

*Class C Director:* A. E. Sheller, First Federal Savings and Loan Association of Altoona, Altoona, Pennsylvania (reelected).

*Director-at-Large:* James R. Flynn, Union Federal Savings and Loan Association, Wheeling, West Virginia.

## DISTRICT NO. 4—FEDERAL HOME LOAN BANK OF WINSTON-SALEM

*Chairman:* Horace S. Haworth, Roberson, Haworth, and Reese (law firm), High Point, North Carolina.

*Vice Chairman:* Edward C. Baltz, Perpetual Building Association, Washington, D. C. (reappointed).

*Class A Director:* Edward C. Baltz, Perpetual Building Association, Washington, D. C. (reelected).

*Class B Director:* J. F. Stevens, Gate City Building and Loan Association, Greensboro, North Carolina (reelected).

*Class C Director:* George W. Bahlke, Progress Federal Savings and Loan Association, Baltimore, Maryland (formerly director-at-large).

*Director-at-Large:* George W. West, First Federal Savings and Loan Association of Atlanta, Atlanta, Georgia (formerly public interest director).

## DISTRICT NO. 5—FEDERAL HOME LOAN BANK OF CINCINNATI

*Chairman:* Richard P. Dietzman, Attorney, Louisville, Kentucky.

*Vice Chairman:* Wm. Megrue Brock, The Gem City Building and Loan Association, Dayton, Ohio (reappointed).

*Public Interest Director:* Charles M. Preston, Hamilton National Bank, Knoxville, Tennessee (renamed).

*Class A Director:* William A. McMillen, The Cuyahoga Savings and Loan Company, Cleveland, Ohio.

*Class B Director:* Charles J. Haase, Home Federal Savings and Loan Association, Memphis, Tennessee (formerly Class C director).

*Class C Director:* (To be appointed by the Federal Home Loan Bank Board for the year 1941, since there was no eligible candidate for this class up for election).

*Director-at-Large:* W. B. Furgerson, Portland Federal Savings and Loan Association, Louisville, Kentucky (formerly Class A director).

## DISTRICT NO. 6—FEDERAL HOME LOAN BANK OF INDIANAPOLIS

*Chairman:* Herman B. Wells, Indiana University, Bloomington, Indiana (reappointed).

*Vice Chairman:* Fermor S. Cannon, Railroadmen's Federal Savings and Loan Association, Indianapolis, Indiana (reappointed).

*Public Interest Director:* Dr. Carleton B. McCulloch, The State Life Insurance Company, Indianapolis, Indiana (renamed).  
*Class A Director:* Walter J. L. Ray, Standard Savings and Loan Association, Detroit, Michigan.  
*Class B Director:* Walter H. Dreier, Union Federal Savings and Loan Association, Evansville, Indiana (reelected).  
*Class C Director:* Grant H. Longenecker, Peoples Savings Association, Benton Harbor, Michigan (reelected).  
*Director-at-Large:* Fermor S. Cannon, Railroadmen's Federal Savings and Loan Association, Indianapolis, Indiana (reelected).

DISTRICT NO. 7—FEDERAL HOME LOAN BANK OF CHICAGO

*Chairman:* Charles E. Broughton, The Sheboygan Press, Sheboygan, Wisconsin (reappointed).  
*Vice Chairman:* Henry G. Zander, Jr., Henry G. Zander and Company (realtors), Chicago, Illinois (reappointed).  
*Public Interest Director:* Henry G. Zander, Jr., Henry G. Zander and Company (realtors), Chicago, Illinois (renamed).  
*Class A Director:* Lawrence D. Johnson, Fidelity Federal Savings and Loan Association, Galesburg, Illinois (reelected).  
*Class B Director:* Guy A. Wood, King City Federal Savings and Loan Association, Mt. Vernon, Illinois (reelected).  
*Class C Director:* Edward J. Czekala, National Savings and Loan Association, Chicago, Illinois.  
*Director-at-Large:* William E. Hodnett, Lincoln Savings and Loan Association, Lincoln, Illinois (reelected).

DISTRICT NO. 8—FEDERAL HOME LOAN BANK OF DES MOINES

*Chairman:* Charles B. Robbins, Cedar Rapids Life Insurance Company, Cedar Rapids, Iowa (reappointed).  
*Vice Chairman:* E. J. Russell, Mauran, Russell, and Crowell (architects), St. Louis, Missouri (reappointed).  
*Public Interest Director:* Charles B. Robbins, Cedar Rapids Life Insurance Company, Cedar Rapids, Iowa (renamed).  
*Class A Director:* Adolph F. Leonhardt, Economy Federal Savings and Loan Association, St. Louis, Missouri (formerly director-at-large).  
*Class B Director:* C. R. Mitchell, Jackson County Savings and Loan Association, Kansas City, Missouri.  
*Class C Director:* E. C. Lundquist, Willmar Federal Savings and Loan Association, Willmar, Minnesota.  
*Director-at-Large:* H. H. Woledge, Northwestern Mutual Savings and Loan Association, Fargo, North Dakota.

DISTRICT NO. 9—FEDERAL HOME LOAN BANK OF LITTLE ROCK

*Chairman:* Will C. Jones, Jr., The Murray Company, Dallas, Texas (reappointed).  
*Vice Chairman:* Wilbur P. Gulley, Pulaski Federal Savings and Loan Association, Little Rock, Arkansas (reappointed).  
*Public Interest Director:* Gordon H. Campbell, Campbell, Mallory, and Throgmorton (law firm), Little Rock, Arkansas (renamed).  
*Class A Director:* J. J. Miranne, Security Building and Loan Association, New Orleans, Louisiana.

*Class B Director:* R. H. McCune, Roswell Building and Loan Association, Roswell, New Mexico (reelected).  
*Class C Director:* H. T. Leonard, Kosciusko Building and Loan Association, Kosciusko, Mississippi (reelected).  
*Director-at-Large:* Grover J. Casselberry, First Federal Savings and Loan Association of El Paso, El Paso, Texas (reelected).

DISTRICT NO. 10—FEDERAL HOME LOAN BANK OF TOPEKA

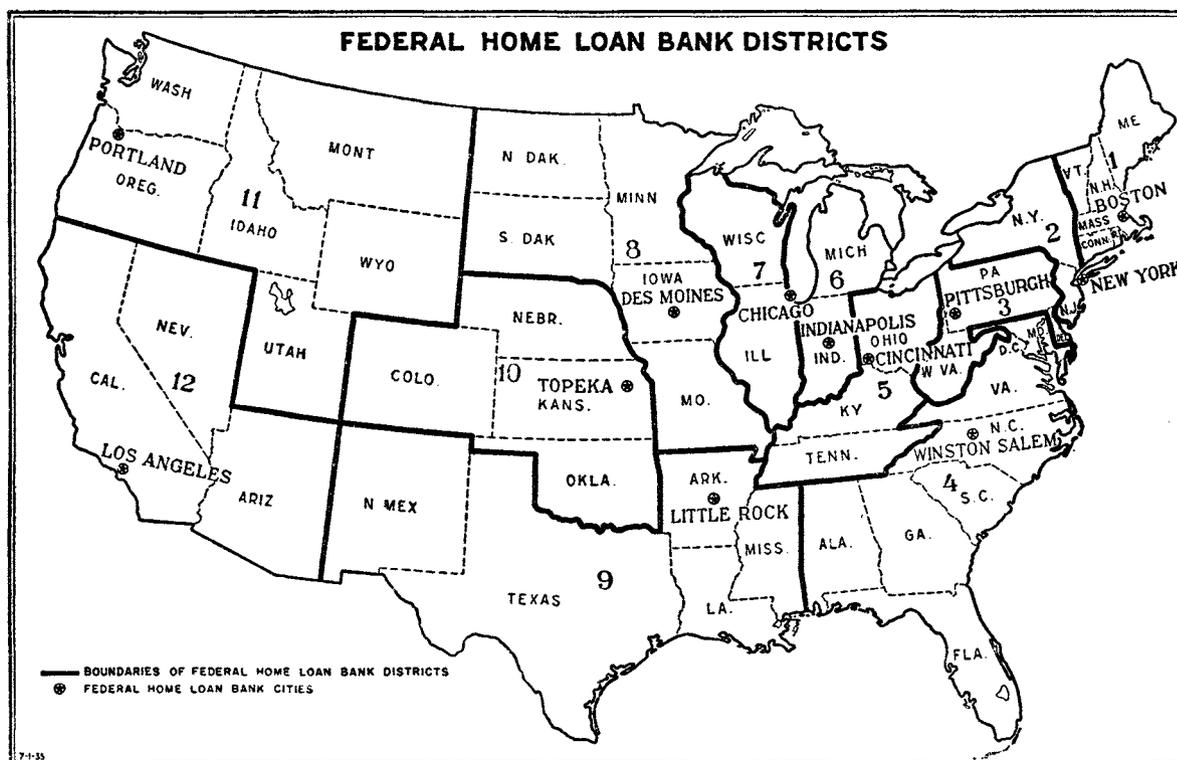
*Chairman:* Paul F. Good, Good, Good, and Kirkpatrick (attorneys), Lincoln, Nebraska (reappointed).  
*Vice Chairman:* Ross E. Thompson, United Federal Savings and Loan Association, Tulsa, Oklahoma.  
*Class A Director:* Ross E. Thompson, United Federal Savings and Loan Association, Tulsa, Oklahoma.  
*Class B Director:* Sanford Cheves, First Federal Savings and Loan Association of Colorado Springs, Colorado Springs, Colorado.  
*Class C Director:* Doris E. Soden, The Goodland Building and Loan Association, Goodland, Kansas (reelected).  
*Directors-at-Large:* Evald M. Forsyth, First Federal Savings and Loan Association of Lincoln, Nebraska.  
E. F. Swan, Empire Savings, Building and Loan Association, Denver, Colorado, was elected a director-at-large to fill the unexpired portion of the 2-year term ending December 31, 1941.

DISTRICT NO. 11—FEDERAL HOME LOAN BANK OF PORTLAND

*Chairman:* Ben A. Perham, Perham Fruit Company, Yakima, Washington.  
*Vice Chairman:* Ben H. Hazen, Benjamin Franklin Federal Savings and Loan Association, Portland, Oregon.  
*Class A Director:* E. E. Cushing, Citizens Federal Savings and Loan Association, Seattle, Washington.  
*Class B Director:* Roy N. Gilbert, Home Federal Savings and Loan Association, Nampa, Idaho.  
*Class C Director:* J. M. Person, Washington Federal Savings and Loan Association, Hillsboro, Oregon (reelected).  
*Director-at-Large:* Arthur S. Cory, Lewis County Savings and Loan Association, Chehalis, Washington.

DISTRICT NO. 12—FEDERAL HOME LOAN BANK OF LOS ANGELES

*Chairman:* David G. Davis, Raphael Weill and Company, San Francisco, California (reappointed).  
*Vice Chairman:* Albert J. Evers, Housing Authority of the City and County of San Francisco, San Francisco, California (reappointed).  
*Class A Director:* Paul Endicott, Home-Builders' Loan Association, Pomona, California (reelected).  
*Class B Director:* Harold A. Noble, San Joaquin Building and Loan Association, Stockton, California.  
*Class C Director:* I. F. Noxon, Century Federal Savings and Loan Association, Santa Monica, California.  
*Director-at-Large:* Joseph G. Rice, First Federal Savings and Loan Association of Phoenix, Phoenix, Arizona, (reelected).



## OFFICERS OF FEDERAL HOME LOAN BANKS

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GEORGE MACDONALD, Chairman; F. V. D. LLOYD, Vice Chairman; G. L. BLISS, President; ROBERT G. CLARKSON, Vice President-Secretary; DENTON C. LYON, Treasurer; F. G. STICKEL, JR., General Counsel.

### PITTSBURGH

E. T. TRIGG, Chairman; C. S. TIPPETTS, Vice Chairman; R. H. RICHARDS, President; G. R. PARKER, Vice President; H. H. GARBER, Secretary-Treasurer; R. A. CUNNINGHAM, Counsel.

### WINSTON-SALEM

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### PORTLAND

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