



**FEDERAL
HOME
LOAN
BANK**

REVIEW

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FEDERAL HOME LOAN BANK BOARD





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FEDERAL SAVINGS AND LOAN
INSURANCE CORPORATION
HOME OWNERS' LOAN
CORPORATION



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ARTICLES

	Page
SAVINGS AND LOAN FINANCING OF DEFENSE HOUSING OPENS UP A NEW VISTA	38
Construction under the Registered Home Service—Lay-out and construction features—Advantages of large-scale operation—Joint financing by savings and loan associations—Pointing toward the future.	
PRIORITY CEILINGS FOCUS ATTENTION ON DESIGNS FOR LOW-COST HOUSES	42
A source of information for loan prospects—A reservoir of low-cost house plans—Sample plans.	
MORTGAGE INVESTMENTS BY LIFE INSURANCE COMPANIES INCREASE	45
New lending activities during 1940—Mortgage-loan investments exceed \$6,000,000,000—Mortgage holdings in relation to total assets—Decline in real-estate holdings.	
REGIONAL VARIATIONS IN BUILDING MATERIAL PRICES	48
TNEC survey—Geographical influences—The importance of transportation—The spread between wholesale and retail prices.	

MONTHLY SURVEY

Highlights and summary	53
General business conditions	54
Residential construction	54
Building costs	55
New mortgage-lending activity of savings and loan associations	56
Mortgage recordings	56
Foreclosures	56
Federal Savings and Loan Insurance Corporation	57
Federal savings and loan associations	57
Federal Home Loan Bank System	57

STATISTICAL TABLES

New family dwelling units—Building costs—Savings and loan lending—Mortgage recordings—Total nonfarm foreclosures—HOLC properties—Insured savings and loan associations—Federal Home Loan Bank advances—Government investments in savings and loan associations—Private long-term savings	58-67
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REPORTS

From the month's news	44
Directory of member, Federal, and insured institutions added during September-October	50
Appointment of Public Interest Directors	51
Resolutions of the Board	51

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SAVINGS AND LOAN FINANCING OF DEFENSE HOUSING OPENS UP A NEW VISTA

A private housing project near Boston, one of the main centers of defense activity, is noteworthy because the entire development has been certified under the Registered Home Service and because it is financed jointly by a group of savings and loan associations. This method of financing, combined with the protective features of the Registered Home Service, is brought to the attention of executives for it may be an important vehicle in the future development of their construction-lending business.

■ DEFENSE housing, although motivated by the emergency needs of the hour, may in many ways point toward new and lasting developments in the home construction field. This was illustrated in the September issue of the REVIEW which described the Government-sponsored defense housing project in Indian Head, Maryland, as a "proving ground for new ideas in construction." Large-scale experimentation with technical innovations, such as pre-fabrication and demountability, was the principal feature observed in Indian Head. That the special conditions created by defense housing needs may likewise open up new possibilities in the field of private construction financing, is demonstrated by the Bradley Woods housing project in Hingham, Massachusetts.

This small-home development, located near Boston, is one of the many projects financed by savings and loan associations in areas of concentrated armament activity and is designed to relieve the housing shortage resulting from the rapid increase in working

population. However, apart from its contribution to defense housing, and in addition to other qualities that make it an outstanding example of good suburban community building, Bradley Woods distinguishes itself by two important elements: The entire project has been approved and certified under the Federal Home Loan Bank Board's Registered Home Service which operates under the auspices of the Federal Home Loan Banks, and it has been financed *jointly* by a group of 7 Massachusetts savings and loan associations. These two elements give the Bradley Woods development more than local significance.

CONSTRUCTION UNDER THE REGISTERED HOME SERVICE

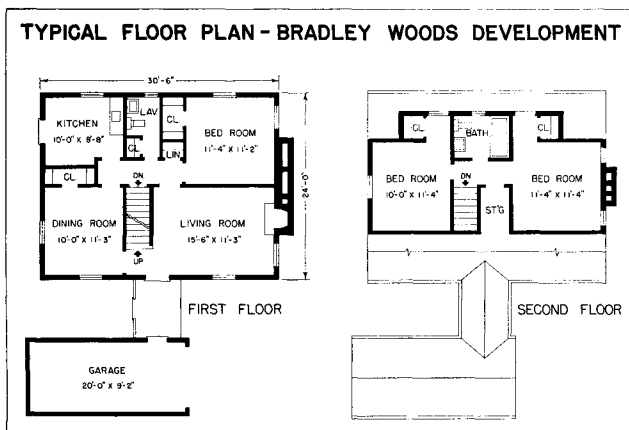
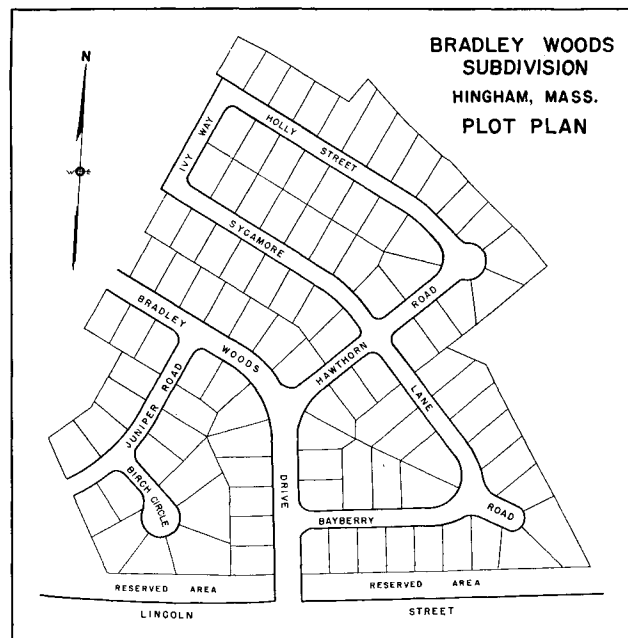
Bradley Woods is the first large *operative-built* home development constructed under the safeguards of the Registered Home Service. This Service, as REVIEW readers know, is offered by member savings



and loan associations in cooperation with local architects to assure good design and planning as well as the use of proper building materials and dependable construction supervision.

Designs and specifications for the entire Bradley Woods project were approved for registration under the Service before construction was begun. A competent architect, agreed upon by the developer and the participating lending institutions and approved by the Federal Home Loan Bank Board, then supervised the actual erection of the houses. Every one of the 100 homes now completed has been registered by the Bank Board, and as each house is sold, the owner receives a certificate of registration—testimony that the home has met the rigid standards and requirements of the Service.

Since Bradley Woods was the first project of its kind to be certified under the Registered Home Service, an unusual opportunity was afforded to publicize this Service as a distinctive merchandising feature of participating savings and loan associations.



This promotional campaign will undoubtedly be of value to all institutions in this area operating under the Registered Home Service.

LAY-OUT AND CONSTRUCTION FEATURES

Designed eventually to cover over 70 acres, the Bradley Woods development is located about 17 miles from Boston, 4 miles from Quincy, and 3 miles from the Fore River Shipyard—in brief, in an area which is teeming with industrial activity for defense purposes. The housing demand accompanying this activity prompted the conversion of this attractive stretch of wooded land into a suburban community of single-family dwellings. Possibly, in the future, some multifamily houses of the garden apartment

type will be added. Great care has been taken to look beyond the immediate defense need, however, and to develop a high-grade subdivision which will be desirable long after the defense boom has come to an end.

The building site is near a highway connecting the South Shore of Boston Bay with the City. This affords excellent transportation facilities by bus and automobile, yet the project is enough removed from through traffic to assure tranquillity and protection from traffic hazards. At present, the development covers about 24 landscaped acres through which curving streets have been laid out to follow natural contours and to avoid sharp right-angle intersections.

All of the houses are built in Cape Cod style and are designed on the same basic 6-room floor plan, which permitted, of course, numerous economies in construction costs. At the same time, each house is distinctively original in exterior treatment. And yet, artistic unity is accomplished, among other things, by the unusual feature of carrying over the predominant color of one house into the trim of the one next door.

Lots are carefully planned and vary between 6,500 and 14,000 square feet. Foundations are of poured concrete, and the clapboard walls as well as the roofs are insulated. A garage with overhead doors is attached to each house. Full basements provide ample space for recreation rooms. Automatic oil heat, a downstairs lavatory, and seven closets are other noteworthy appointments in each house. The

interior equipment is attractive and in line with the requirements of modern living.

ADVANTAGES OF LARGE-SCALE OPERATION

Sales prices for Bradley Woods homes range from \$6,000 to \$7,000 for 6-room dwellings, and some of the houses are being rented for \$60 per month. While beyond the reach of the average defense worker, these homes appeal to the large number of skilled and salaried employees in the defense industries around Boston and should, directly and indirectly, help to overcome the serious housing shortage in this area.

In spite of the exclusive use of high-quality materials, sales prices could be kept within moderate limits by the use of fundamentally similar designs and by large-scale operation. Simultaneous erection of about 100 homes enabled the developer to reap the benefits of what may be called "production line" construction in the home building field. Basements were cut by one crew, moving from one site to the next. Foundations were poured the same way. Lumber was cut on the site. To avoid waste and delays which so frequently boost costs in building operations, great care was taken to make certain that all materials were on hand when needed. Skilled labor was organized in specialized crews which moved from one house to the other doing the same type of work. In addition, prefabricated units were used widely in plumbing and heating equipment, including piping.

JOINT FINANCING BY SAVINGS AND LOAN ASSOCIATIONS

In view of the contemplated eventual size of the project, 7 Massachusetts savings and loan associations—all of them Federals—banded together in the financing of Bradley Woods. While such joint financing is not entirely novel in the history of savings and loan associations, the technique employed in this case will be of interest to savings and loan executives elsewhere.



All participating institutions were, of course, called upon to agree on the general lay-out and design for the project as well as on the general plan for financing, with the Federal Home Loan Bank of Boston taking an active interest which helped a great deal to secure speedy and coordinated action.

Money disbursements during construction were allocated among the participating associations but were handled exclusively by one institution which acted in a capacity similar to that of a construction-loan manager, within the framework of established construction-loan procedure. The "managing" institution undertook weekly inspections in addition to the architect's regular construction reports, and periodically informed the other participants on the progress made.

For the final financing, the individual mortgages are being apportioned among the 7 associations according to a predetermined schedule; since Bradley Woods is a well planned, protected, and integrated subdivision, and since each home is of fundamentally similar design and built in one process of the same materials, there can be no significant difference in the physical security underlying each final mortgage loan. These loans are of the direct-reduction type, run 20 years, and bear interest at 5 percent.



POINTING TOWARD THE FUTURE

The significance of Bradley Woods lies in the possibilities which it indicates for the future construction-lending business of savings and loan associations. It is a matter of common knowledge that "tailor-made" construction of one or a few homes is more and more being superseded by larger, operative-built developments, especially in the metropolitan

Federal Home Loan Bank Review

areas which are responsible for an increasingly great proportion of total residential building activity. Adaptation of the financing mechanism to this large-scale method of home construction will probably be one of the major problems to be met by aggressive management in the years to come, if savings and loan associations are to maintain and improve their traditional position in the construction-lending field.

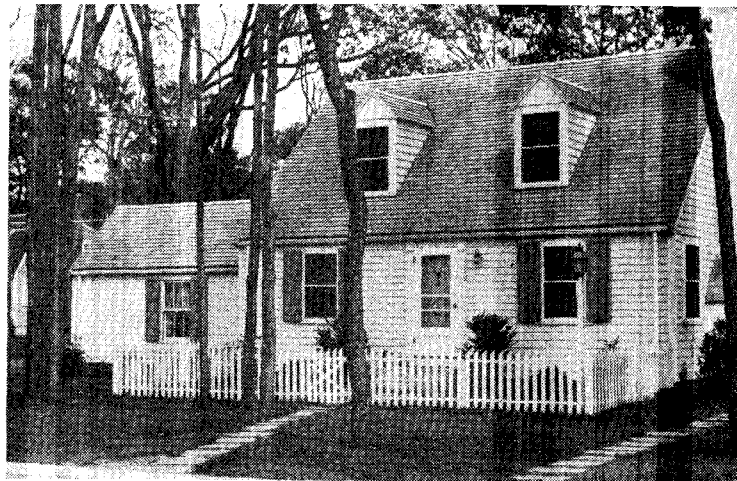
Joint financing by groups of associations, under the constructive guidance of the Federal Home Loan Banks, may be one of the answers. Joint



financing would make it possible for savings and loan associations to compete successfully with other types of mortgage-lending institutions which operate in larger units and which have, therefore, larger funds available for one single construction project; and yet it would assure diversification of a risk that would be too heavy for any individual association to undertake.

At the same time, the safeguards provided by the Registered Home Service will help to place this type of construction financing on a sounder basis and to avoid hazards experienced in the past when savings and loan associations entered into the financing of larger, operative-built developments. These hazards have caused many association executives and directors to refrain from investments in construction projects of this kind.

The protection afforded by architectural planning in design and building specifications and by a careful procedure in construction supervision should go a long way toward making mortgage investments in large-scale projects as shock-proof as possible, at



least in regard to the real-estate security as such. Bradley Woods has demonstrated the feasibility and practicability of applying the Registered Home Service to this type of operation, and if its lessons are heeded, this development may open up a new and important phase in savings and loan financing of construction.

Series E Collateral Requirement Is Waived for Insured Associations

■ IT is no longer necessary for associations insured by the Federal Savings and Loan Insurance Corporation to pledge collateral security when handling the sale of Series E defense savings bonds. This important change in the regulations governing distribution of the bonds was recently announced by the Treasury and will affect both Federal and State-chartered institutions which are insured by the FSLIC.

In order to take advantage of this privilege, an association is required to file Form #384-A with the Federal Reserve Bank of the District in which it is located. The aggregate amount of stock of Series E that may be maintained at any one time is limited to 50 percent of an institution's general reserves and undivided profits, or \$50,000, whichever is smaller, according to a recently released interpretation of the new regulation.

The Federal Home Loan Bank Board has also been advised by the Towner Rating Bureau of substantial reductions in premium charges on the Bankers' Blanket Bonds and Fidelity Bonds. These rate changes, which will apply to all savings and loan associations, were effective on September 1, 1941 and should result in savings of from 20 to 25 percent of the former premiums.

PRIORITY CEILINGS FOCUS ATTENTION ON DESIGNS FOR LOW-COST HOUSES

The \$6,000 ceiling on the value of homes in defense areas eligible for priority ratings on critical materials has awakened a new interest in small, low-cost dwellings. With lending opportunities restricted largely to homes of this type, association executives are now seeking well-designed plans and an adequate construction-loan procedure to safeguard mortgage investments in these defense homes.

■ THE establishment of a \$6,000 ceiling for priority assistance on new homes is already having an adverse effect upon the construction of any dwellings above this limit. This in turn will result in reduced opportunities for many savings and loan associations to finance the construction of homes at prices above this level.

Reports coming from institutions throughout the country indicate a new and active interest in small, low-cost houses which can be built under existing regulations and which will accomplish the dual purpose of satisfying defense housing needs and providing an outlet for available lending funds. The experience of these associations and others operating in the small-home field, however, has demonstrated that only an organization with complete servicing facilities can command a leading role in the financing of low-cost dwellings.

A SOURCE OF INFORMATION FOR LOAN PROSPECTS

The role of savings and loan associations as a primary source of information about home construction and home purchase has often been discussed in the pages of the REVIEW,¹ and today, more than ever before, these facilities become the stepping stones to new prospects for mortgage-loan accounts. Well-informed association executives with adequate information at their fingertips will be able to convey to their prospects comprehensive data about priorities, construction costs, and the availability of labor and materials—questions which add to the present hesitancy of many individuals.

Potential borrowers who come to association offices have the desire for building a house, but few have the designs and floor plans which will transform their nebulous ideas into an attractive and

¹ See: "Recent Changes in the Operation of the Registered Home Service," p. 298, June 1941; "The Home-Construction Exhibit—A Public Service," p. 221, April 1940; "Model Homes Attract Loan Prospects," p. 8, October 1939.

serviceable home. Savings and loan managers, therefore, have a perfect opportunity to demonstrate the facilities of their institutions by supplying suggested plans and designs.

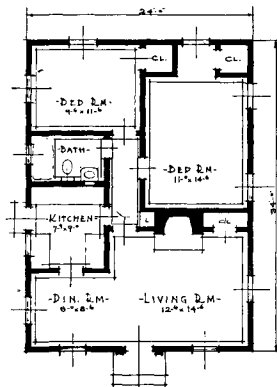
A RESERVOIR OF LOW-COST HOUSE PLANS

Member associations of the Federal Home Loan Bank System have access to a wealth of more than 500 architect-designed and approved plans included in the small-home portfolio of the Registered Home Service. Information about the opportunities under the Registered Home Service may be obtained from any of the 12 Federal Home Loan Banks. It offers a carefully developed and thoroughly tested promotional medium for reaching loan prospects and then convincing them on the facilities of the Service. Each of the house designs approved for use under this plan has been considered primarily for its merits in providing adequate housing accommodations for its owner, and at the same time safeguarding the interests of both mortgagee and mortgagor by establishing construction standards which will protect the basic security in the dwelling.

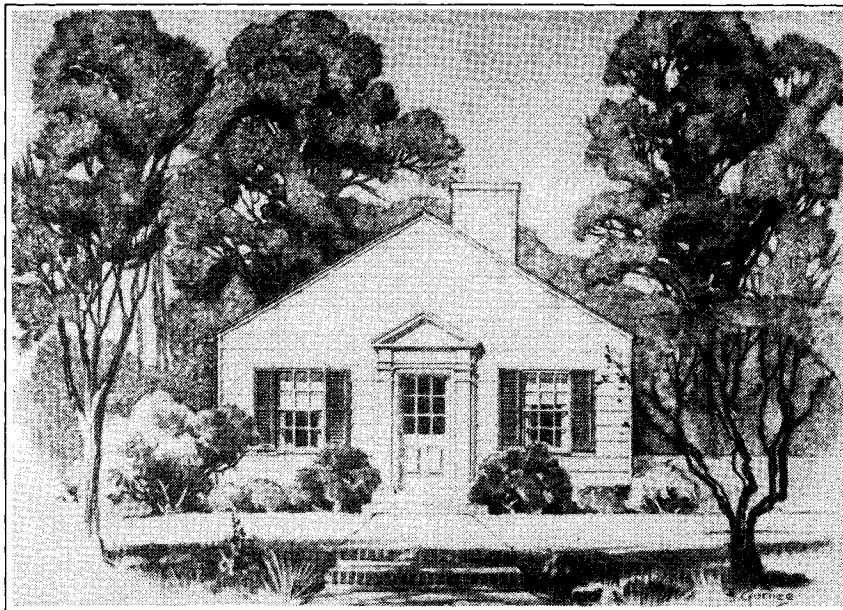
SAMPLE PLANS

As evidenced by the two plans illustrated on the facing page, a large majority of these designs are "made-to-order" for the requirements of present-day limitations on construction costs. Indicative of this is the compact arrangement of plumbing equipment by placing the kitchen and bathroom back to back.

Each house contains about 12,000 cubic feet and could be built in almost any section of the country at prices well below the limit for priority assistance. Floor heaters may be used to conserve on the strategic materials used in heating equipment. The relation of rooms to each other is logical and convenient and each is afforded good light and ventilation.

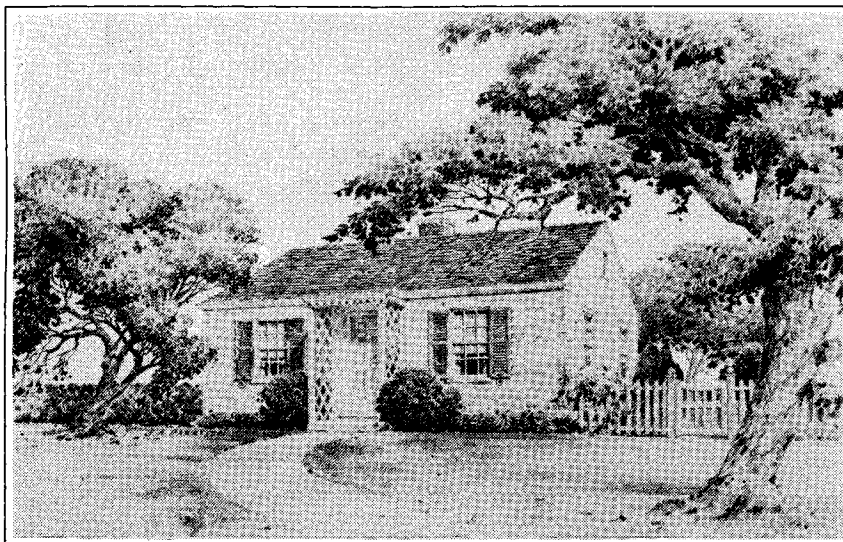


CUBIC FEET
11,830

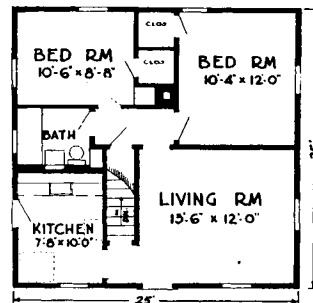


APPROVED FOR USE UNDER
THE REGISTERED HOME SERVICE

This compact and inexpensive 5-room house illustrates the possibilities of a small house when proper consideration is given to functional arrangement and architectural quality. The design for this house is especially adapted to a narrow lot, yet avoids any sense of being cramped. Its simple rectangular form and partition arrangement are economical to construct.



The white clapboard house with brown or green roof and green slat shutters has been the most popular exterior style of architecture in America for nearly 200 years. This low-cost home, although small, bears the dignity and good taste of more costly structures. All rooms rotate around a small central hall and have cross ventilation and adequate furniture space.



CUBIC FEET
House 8,400
Basement 4,400
Total 12,800

CHRISTMAS BONUS: "The kind of spending that the Treasury is most anxious to divert into defense savings bonds is the spending produced by pay increases and bonuses, and by increased dividend payments. I should like to offer as a suggestion, for example, that every Christmas bonus in the United States be paid in defense savings bonds or stamps this year."

The Honorable Henry A. Morgenthau, Jr., Secretary of the Treasury, Oct. 2, 1941.

POST-WAR BUILDING: "In the minds of those who have the vision and courage to look forward to the post-war future, the role which must be played by Building looms large and important—larger even than Building's gigantic role in the defense program."

The Architectural Forum, September 1941.

COOPERATION: "Upon our business and industrial structure, as upon our labor skills and energies, now rests a tremendous obligation—that of making the production methods of democracy more powerful than those of any regimented or compulsory system. Management, labor, and Government must cooperate to a greater extent than ever before . . ."

Sidney Hillman, *Employment Security Review*, August 1941.

EQUIPMENT: "One of the most important factors in influencing a borrower's willingness to keep up his mortgage payments, is the operating equipment in the property because of the comfort, satisfaction, service and pleasure it represents."

Donald K. Vanneman, *The Mortgage Banker*, Aug. 1, 1941.

CHALLENGE: "Modern changes in business, in its size and methods, do not prevent business management from keeping alive all the old relationships of customer and community storekeeper. These changes are only a challenge to business management, a challenge to discover ways in which it can reestablish these relationships. The opening and closing of accounts by customers presents management with good opportunity for such an effort."

Savings and Loans, September, 1941.

Mortgage business curtailed.

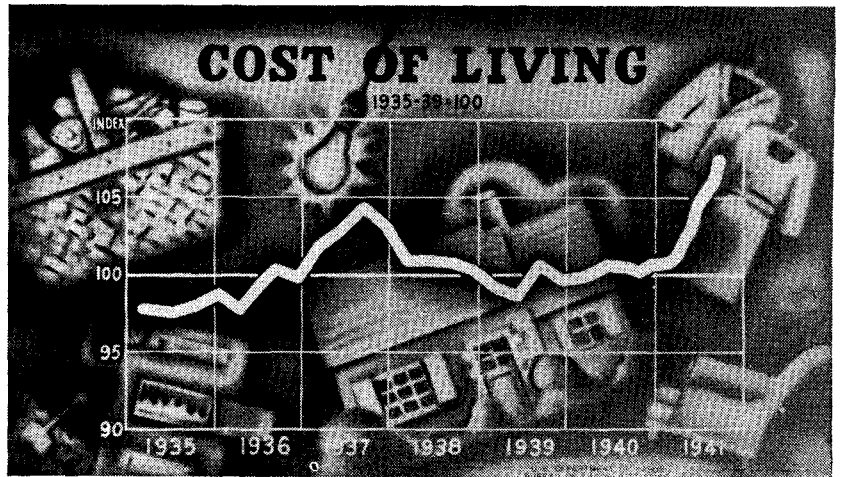
"From your point of view this means that mortgage business will continue to be done in this country and that the defense program is not going to put you out of business. At the same time, I must tell you bluntly that you face sacrifices. The mortgage business is going to be curtailed. These defense homes cannot exceed \$6,000 in value and must be built in defense areas for defense families. You cannot expect "business as usual" under these conditions. But we cannot build America's defenses unless we all make sacrifices, and, in the housing field, this means that all our energies must be devoted to housing essential for defense."

Charles F. Palmer, Coordinator of Defense Housing, before the Mortgage Bankers Association of America, Oct. 3, 1941.

Blessing in disguise.

". . . one of the chief causes of financial embarrassment is that of growing too fast. Fortunately there is still time to improve your reserve position, and as far as the savings and loan business is concerned, the defense program may prove to be a blessing in disguise. Even here in a defense area, it is just a matter of time before you will be compelled to limit your volume of loans. By slowing up the volume of new business you will then have time to solidify your position and to prepare for the inevitable adjustments which lie ahead."

Dr. W. H. Husband, member Federal Home Loan Bank Board, before The Cuyahoga County Savings and Loan League, October 1941.



The trend in living costs for the families of wage earners and clerical workers has been steadily upward since late in 1940, as evidenced by the chart above. The cost of living for these families is now almost 8 percent higher than at the outbreak of the European War in the Fall of 1939.

In recent months food and clothing costs have shown the greatest advance, but rents, coal, house furnishings, automobile tires and tubes have also been rising in all parts of the country.

Labor Information Bulletin, September 1941.

MORTGAGE INVESTMENTS BY LIFE INSURANCE COMPANIES INCREASE

The annual study of life insurance company investments discloses a continuous emphasis on real estate loans, with preference for small home mortgages. However, mortgage investments still hold a less important position in total life insurance assets than during the late 20's. Despite some reduction in 1940, real estate holdings are substantial, particularly in farm and commercial properties.

■ LIFE insurance companies continued during 1940 to channel a growing proportion of their new investments into mortgage loans, according to the annual study of life insurance company investments by the Division of Research and Statistics.¹ In the face of declining returns on other types of investments and under the stimulus of increased building and real estate activity as well as FHA mortgage insurance, life insurance executives in recent years have once more turned to real estate loans as a desirable investment outlet. Despite this comeback, mortgage holdings of life insurance companies are still far below the peak volume of 1931 which was over \$7,700,000,000, although total assets have increased \$10,000,000,000 in the meantime.

As a result of intensified mortgage investment activity during 1940, the relative importance of real estate loans in the assets of life insurance companies increased this year for the first time since 1929. In that year, mortgage securities comprised 42 percent of all life insurance company assets. In subsequent years, debt liquidation and foreclosures more than offset new investments of this type, the more so since the companies had practically withdrawn from new lending on mortgage security. The ratio of mortgage loans to total assets declined continually until it reached 19.3 percent in 1939. Last year, this ratio increased to 19.5 percent, and although this is but a small percentage gain, it represents a net increment of \$346,000,000 which brought the mortgage loans outstanding at the end of 1940 up to \$6,000,000,000.

NEW LENDING ACTIVITY DURING 1940

Life insurance companies invested \$4,100,000,000 during 1940—an indication of the tremendous importance of this type of institution as a source of

¹ Questionnaires were returned by 94 companies having about 97 percent of all life insurance company resources.

investment funds. Of this total, \$913,000,000, or 22.3 percent, was used in the writing and purchase of mortgage securities. In 1939, the mortgage investment of \$826,000,000 comprised 22.1 percent of total new investments in the amount of \$3,731,000,000. More striking is a comparison with the low of 1934 when life insurance companies advanced only \$55,000,000 on mortgage security—a mere 2.6 percent of their aggregate new investment during that year.

Mortgage loans on 1- to 4-family homes are now responsible for close to one-half of the life insurance funds invested in real estate loans. The increasing emphasis which is being placed on this type of mortgage security is discernable in the following figures: In 1936, only 33 percent of total new mortgage investments was on this class of property; in 1938, 38.3 percent; and last year, 46.3 percent.

It is interesting to note that loans on both farm mortgages and nonfarm properties, other than small homes, are declining as investments in 1- to 4-family home mortgages increase. In 1939, 14.7 percent of total mortgage investment funds was disbursed on farm mortgages while 42.8 percent was used in the acquisition of instruments secured by commercial and multifamily nonfarm properties. Last year loans of the latter category made up 40 percent of the aggregate, and farm loans, 13.7 percent.

Life insurance companies depended more on their correspondents for the origination of mortgage loans in 1940 than they had for several years. More loans were handled in this manner than were purchased from other mortgagees, a reversal of the practice the companies have followed before. In percentage terms, 15 percent of all new mortgages were written in correspondents' names this year as against 9 percent in 1939, while instruments purchased from other mortgagees maintained the same relation to the total as last year—13 percent. As usual, about

three-quarters of all new loans were written in the companies' names.

In the case of home mortgage loans, however, the proportion of mortgages written in the companies' names was much smaller and showed a tendency to decline. During 1940, home mortgages in the amount of \$230,200,000 were handled in this manner—55 percent of the total compared with 63 percent the year before. Another \$94,000,000, or 22 percent of the total, was handled by correspondents. Purchases from other sources originating the loans aggregated \$98,000,000, or 23 percent of the new investment in home mortgages during the year.

MORTGAGE LOAN INVESTMENTS EXCEED \$6,000,000,000

Real estate loans held by life insurance companies showed a net gain from \$5,654,000,000 to \$6,006,000,000 during 1940. Of this latter amount, mortgages on residential structures accounted for 48 percent. Mortgage loans on other nonfarm properties were responsible for 37 percent. The remainder was made up by farm mortgages.

The only category to show any substantial gain during last year was the residential mortgage loan. Outstanding investments of this type totaled \$2,887,000,000 at the end of 1940. Reflecting the preference for 1- to 4-family dwellings in new lending operations, increased holdings of *home* mortgages were primarily responsible for the net growth in the total mortgage portfolio of life insurance companies during the year. Over three-quarters of this net gain was attributable to the home mortgage category.

The outstanding balance of loans on 1- to 4-family homes aggregated \$1,758,000,000 at the close of 1940—an increase of \$268,000,000, or 18 percent, during the year. This compares favorably with the \$170,000,000 (13 percent) increase recorded in 1939. The investment in this type of mortgages represented 5.7 percent of total life insurance company resources compared with 5.1 in 1939 and 4.8 percent at the end of 1938.

This volume of mortgage loans on 1- to 4-family homes is centered in seven States having aggregate loans of \$972,000,000, or more than 55 percent of the United States total. New York, Ohio, Texas, Illinois, California, Pennsylvania, and Michigan, in that order, represent the greatest concentration of home financing by life insurance companies.

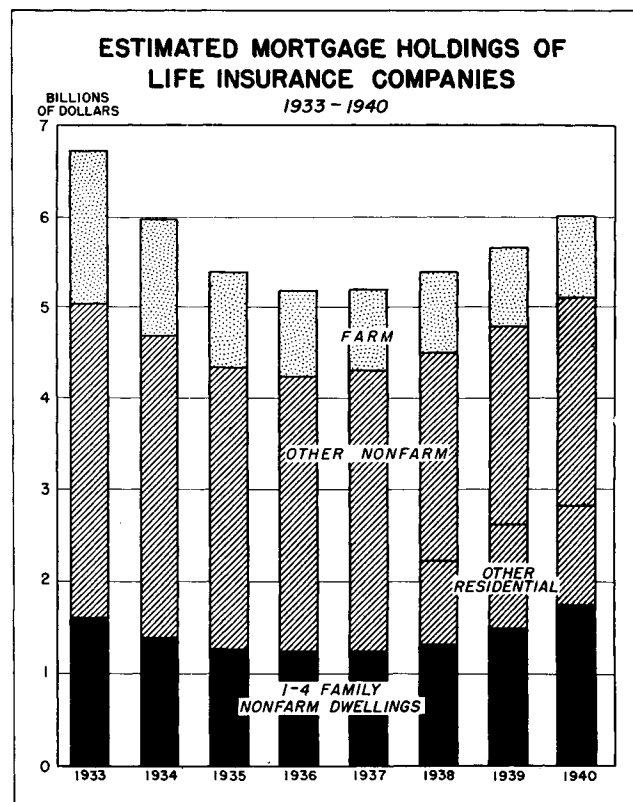
Mortgages insured by the Federal Housing Administration accounted for much of the 1940 increase

in home mortgage holdings, and the unpaid balance of insured loans on 1- to 4-family dwellings was estimated at 29.2 percent of all home mortgages held by life insurance companies at the end of the year.

MORTGAGE HOLDINGS IN RELATION TO TOTAL ASSETS

A comparison of life insurance investments in Government bonds and in mortgages illustrates better than anything else the profound changes in investment policies of these organizations. In 1929 when mortgage loans constituted 42 percent of life insurance company assets, U. S. Government bonds made up 2 percent of the aggregate. At the close of 1940 these bonds represented 20 percent of assets, second only to the largest balance sheet item "Stocks and other bonds," while mortgage instruments accounted for 19.5 percent of assets. In other words, despite increased mortgage lending activity in recent years, real estate loans still hold a none-too-prominent position in the total investment portfolio.

The investment program of the companies for the year 1940 is another illustration of this point. Dur-

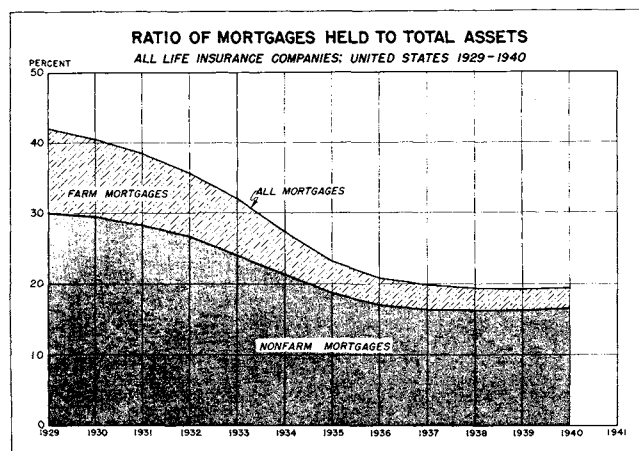


The chart above indicates the emphasis life insurance companies are placing on residential mortgage loans. Total mortgage holdings have increased for the fourth successive year and mortgages on nonfarm homes (single and multifamily) now approximate half of the total outstanding balance of mortgage loans.

ing that year, mortgages constituted 22.3 percent of new investments; United States Government bonds, 29.5 percent; while stocks, industrial and miscellaneous bonds made up 48.2 percent of the aggregate. Nevertheless, the huge dollar volume of life insurance funds available for investment each year makes the companies a powerful source of mortgage money, and the preference given by life insurance executives to *home* mortgages deserves close attention by the savings and loan industry.

DECLINE IN REAL ESTATE HOLDINGS

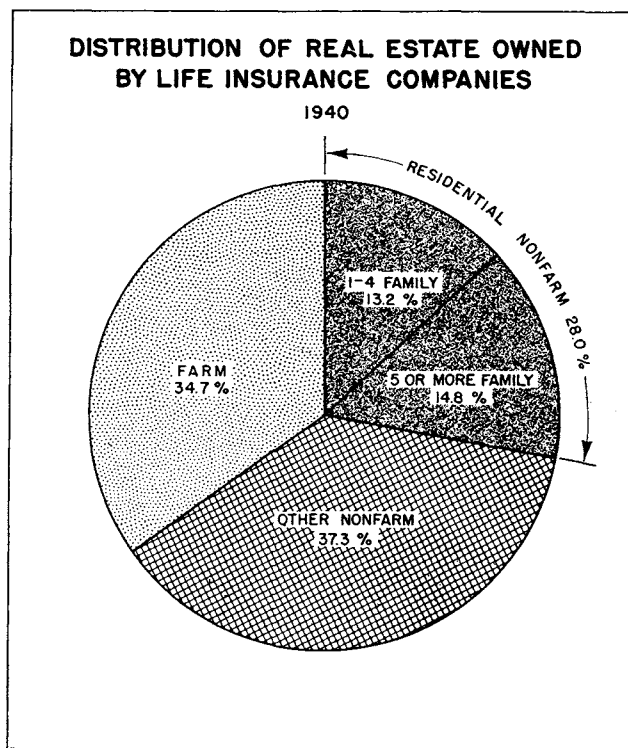
The year 1940 witnessed a 6.7-percent reduction in the book value of real estate owned by life insurance companies. Property holdings of all types—farm and nonfarm, but exclusive of office buildings and real estate sold on contract—were reduced from approximately \$1,700,000,000 to \$1,585,000,000 during the period.



At the beginning of the last decade life insurance companies practically discontinued new investment in mortgage securities with the result shown in this chart: a steady decline of mortgage holdings—in dollar volume as well as in relation to total assets—from 1929 through 1939. In 1940, however, the trend was reversed for the first time.

This progress in liquidating real estate holdings affected all types of property with the exception of commercial structures in which there was a 15.7-percent increase. The greatest percentage reduction—26 percent—was in the residential category, while farm property declined 12 percent during the year. Holdings of 1- to 4-family units were reduced 15.4 percent to \$210,000,000.

Real estate disposed of during the year was valued at \$223,000,000—almost 29 percent better than last year as life insurance companies availed themselves of an improved real estate market. The largest sales volume was in farm properties, but percentage-



At the end of 1940 life insurance companies had \$1,585,000,000 invested in real estate owned. The proportion of 1- to 4-family homes has declined from 23.3 percent of total real estate in 1934 to only 13.2 percent at the end of last year. This has been offset by a substantial increase in the ratio of the "other nonfarm" property classification which, together with farms, now represents almost three-quarters of real estate owned by the companies.

wise, the greatest progress over 1939 was noted in sales of commercial nonfarm properties. Sales of 1- to 4-family dwellings totaled almost \$54,000,000, or 20 percent over the 1939 volume. Differences between the net reduction in holdings and the gross sales of real estate are, of course, accounted for by new acquisitions, largely through foreclosure proceedings.

The bulk of the real estate account shown by life insurance companies reflects holdings of farm and nonfarm commercial properties. Holdings of 1- to 4-family homes represented but 13.2 percent of the total book-value; 5- and more-family dwellings, 14.8 percent; other nonfarm properties, 37.3; while 34.7 percent of the aggregate was composed of farm properties. Compared with their mortgage portfolio, the real estate held by life insurance companies is still of substantial volume. In 1939, the investment in real estate owned was equivalent to more than 30 percent of that in outstanding mortgage loans. This ratio declined to 26.4 percent in 1940 as a result of the increase in mortgage loans and the concurrent disposition of property holdings.

REGIONAL VARIATIONS IN BUILDING MATERIAL PRICES

As the trends in building costs are being closely watched by home buyers, builders, and mortgage-lending institutions, a report by the Temporary National Economic Committee on building material prices assumes special significance. The report serves to focus attention on geographical price differentials as well as on the margin between wholesale and retail prices.

■ THE construction industry is the country's largest industrial employer of labor and far outdistances other industries in the consumption of materials. Between 1919 and 1935, 15 percent of the products manufactured in the United States were consumed by the industry. Despite this prominence and the common knowledge that material costs vary greatly throughout the country, there have been few satisfactory statistics regarding these price differences.

Since 1936 the Division of Research and Statistics of the Bank Board has been compiling costs of constructing a single-family, 6-room frame standard house in 80 cities throughout the United States, and inasmuch as 70 to 80 percent of all new residential dwelling units are in single-family structures, these cost indexes are representative for the major portion of new residential construction. Gathered as they are from cities deemed to be representative of their adjacent territories, these compilations have been of value in measuring geographical differences in building costs, both of labor and materials.

TNEC SURVEY

Now, more detailed information has become available for material costs and the telling effect of geography on both wholesale and retail prices.

Within the framework of its "Investigation of Concentration of Economic Power," the Temporary National Economic Committee has devoted considerable attention to the problem of building costs in an effort to determine the factors influencing their behavior throughout the United States. Among the most recent releases of this Committee is a survey of building material prices made for it by the Bureau of Labor Statistics.¹ The survey, using 37 commodi-

¹ Monograph #33, *Geographical Differentials in Prices of Building Materials*, Temporary National Economic Committee; available from the Superintendent of Documents, Washington, D. C.

ties important in residential construction, collected wholesale and retail price statistics for the years 1935 through 1939 in 50 cities, including at least one city, usually the largest, in each of the 48 States and the District of Columbia. Although prices included in this study do not reflect the substantial increases occurring in the last 12 months, the findings are important as to geographical differentials and price structures which may be assumed as basic and not greatly affected by these changes.

GEOGRAPHICAL INFLUENCES

Pricing practices and varying methods of distribution have contributed to surprisingly large variations in the prices of building materials throughout the United States. While these factors constitute major influences in the cost of materials to contractors, a realistic study of price structures must recognize as of equal importance the geographic relationship of the area to producing centers and the essentially local nature of the housing industry.

Building material prices, both wholesale and retail, vary widely not only between regions but also between cities within a single region. A somewhat greater degree of uniformity, particularly among wholesale prices, prevails for most commodities which are distributed on a national scale, such as plumbing fixtures and insulation board, than for those which are produced for purely local markets, such as brick, sand, and gravel. Products used within a narrow radius of their point of production, as the latter group, depend almost entirely upon local conditions for their costs of production and prices. Other products, including most materials which require considerable fabrication, are manufactured and distributed on a regional or national scale; they must be shipped long distances from their points of production. In such cases freight charges

generally form an important element in the cost of the delivered product.

THE IMPORTANCE OF TRANSPORTATION

Transportation of building materials to the area of construction is almost without exception an important factor in geographical price differences. A freight charge from the producing center, whether billed to the distributor or included in the material price, is generally reflected in the retail price of the commodity. Since the ratio of freight charges to value of building materials at destination ranges from 4 percent for paints, oils, and varnish to as high as 57 percent for gravel and sand, the transportation expense determines to a great extent the geographical variation in material prices and the area in which a specific commodity can move. While the producer may establish uniform prices for his commodity throughout the country as has been done with plumbing fixtures and insulation board, in a preponderance of products the data show distinct regional differences.

The importance of transportation charges is evidenced by consideration of the varied regional prices shown by the accompanying charts. Although wholesale prices of bathtubs, lavatories, and sinks remain uniform throughout the Nation, radiation often produced by the same manufacturers costs as much in the Rocky Mountain States as 127 percent of the price charged in the Middle Atlantic base area.

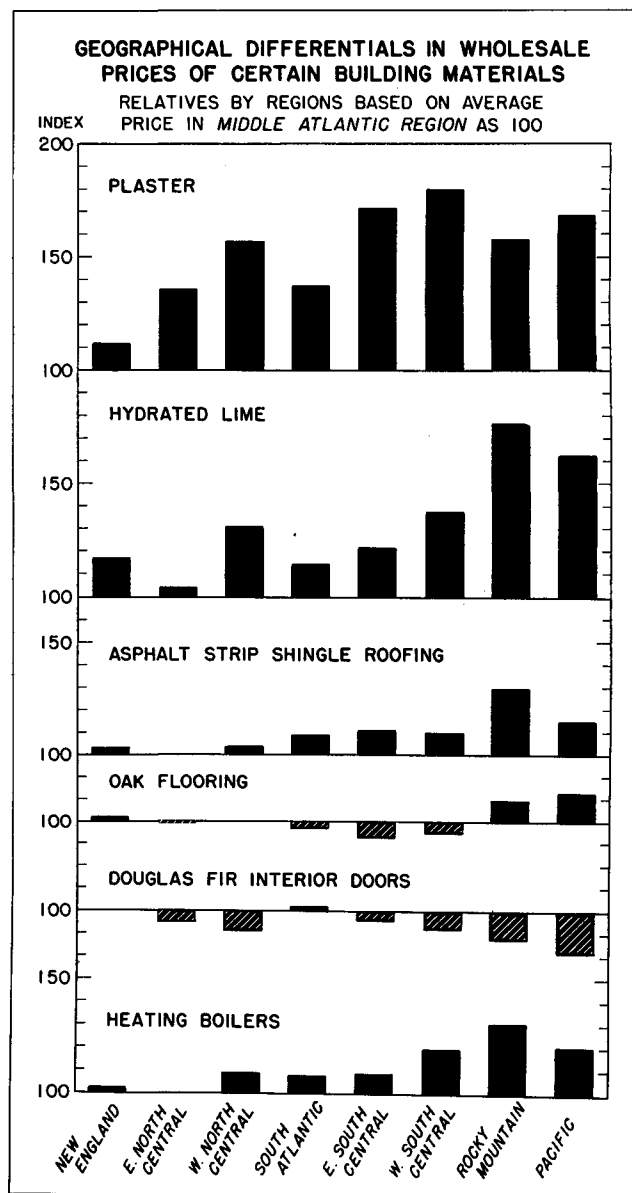
Radiators are not subject to the same methods of distribution as is plumbing but are grouped with other heating equipment and regulated in price much the same way as are heating boilers—a modified zone and freight equalization system substantially varied by individual producers.

Looking at another commodity, few significant regional differentials are revealed in the wholesale price level of linseed oil. Although production is mainly confined to the Middle Atlantic, North Central, and Pacific areas, the wholesale prices do not relate themselves closely to this distribution; the highest wholesale prices are found in the Pacific States while the lowest obtain on the East Coast. Price differentials of turpentine, on the other hand, are due nearly without exception to substantial variations in freight charges, the plant prices of the commodity being extremely uniform.

It cannot be categorically stated that delivery prices will vary exactly in proportion to cost of shipment since different industries use zoning, base-point, and freight equalization systems in their dis-

tribution. For example, producers of window glass and plaster adhere to a systematic method of freight equalization to arrive at a uniform delivered price in a large number of destinations.

In certain areas the sale of lime is attended by unsystematic price variations in which the prices in any particular market bear no direct relation to shipping costs. The large differentials in the wholesale price of this product indicated by the chart on this page are a result of the great number of small plants producing this commodity in more than three-



This chart illustrates the influence of location upon the wholesale prices of building materials. The Middle Atlantic region serves as a base area for this study. If a unit of hydrated lime in New York cost \$1.00, for example, a dealer in Wyoming must pay \$1.18 for a comparable quantity of the material.

Wholesale and retail prices and spreads, September 1939

Item	Unit	Average of typical prices		Difference	
		Wholesale	Retail	Amount	Per cent
Insulation board.....	M square feet.	\$33.00	\$46.35	\$13.35	40.5
Plaster.....	Ton	13.58	17.57	3.99	29.4
Roofing.....	Square	4.58	5.83	1.25	27.3
Cement, portland.....	Barrel	2.01	2.67	.66	32.8
Lime, hydrated.....	Ton	12.28	19.64	7.36	60.0
White lead.....	Pound	.0925	.1125	.0200	21.6
Linseed oil.....	Gallon	.7644	.9821	.2177	28.5
Turpentine.....	Gallon	.3238	.6058	.2820	87.1
Douglas fir dimension.....	M board feet.	35.91	44.50	8.59	23.9
Oak flooring.....	M board feet.	68.12	87.20	19.08	28.0
Yellow pine boards.....	M board feet.	28.41	36.76	8.35	29.4
Ponderosa pine boards.....	M board feet.	33.48	44.12	10.64	31.8
Douglas fir doors.....	Each	1.90	3.43	1.53	80.5
Windows, glazed.....	Each	1.53	2.29	.76	49.7
Boilers, heating.....	Each	88.67	120.58	31.91	36.0
Radiation.....	Square feet	.3020	.3440	.0420	13.9
Boilers, range.....	Each	4.68	6.38	1.70	36.3
Closets.....	Each	16.48	20.60	4.12	25.0
Lavatories.....	Each	11.62	14.53	2.91	25.0
Sinks.....	Each	15.04	18.80	3.76	25.0
Bath tubs.....	Each	41.28	51.60	10.32	25.0

quarters of the individual States; no consistent Nation-wide pattern governs the pricing practices of the industry and prices in many localities are set almost entirely by competition.

On long hauls, blanket freight rates apply on shipments to many destinations within the same general area; thus the rate of 82 cents per 100 pounds on a shipment of fir dimension lumber from Portland, Oregon, to Detroit applies as well to a like quantity from Portland to Washington, D. C., or Augusta, Maine.

To sum up, prices of most materials are lowest in the Middle Atlantic States, a large producing center of many building essentials; commodities are most expensive, on the other hand, in the Rocky Mountain, Southwest, and Pacific States, the regions most remote from the major production areas. Despite equalization and zoning practices, there remains a definite degree of association between transportation charges and the prices of materials in every region, a relationship which influences costs to the contractor and may even prohibit the flow of a material into the region.

THE SPREAD BETWEEN WHOLESALE AND RETAIL PRICES

Retail prices usually follow the trend of wholesale prices for the same commodity, particularly in the vicinity of major producing areas, although fluctua-

tions in the retail market do not attain the magnitude which wholesale price ranges show. The retail market may, in fact, almost completely ignore wholesale price changes: in the years 1935-1939 the wholesale price index of varnish ranged from 87.7 to 103.9 (July-September 1939=100) while the retail index for the same commodity varied only 1.1 point. This stability is chiefly attributable to local market factors including dealer agreements, the necessity of maintaining a continual high-cost inventory, and the character of local competition.

Large differences prevail in the average distributive mark-ups both between products and between regions. The spread between wholesale and retail prices ranged from 14 percent of the wholesale price for radiation to 81 percent for fir doors and 87 percent for turpentine. It is interesting to note that even in the insulation board industry, in which wholesale prices are everywhere uniform, retail prices varied widely with mark-ups ranging from 15 to 52 percent of the wholesale prices.

With the exception of plumbing supplies which are maintained at a uniform retail quotation, as at wholesale, with a constant 25-percent spread between the two levels throughout the Nation, the mark-up in most commodities varies considerably among regions with the highest spreads occurring in the West South Central, Rocky Mountain, and Pacific States—the smallest in the Middle Atlantic and the East South Central areas.

Directory of Member Institutions

I. INSTITUTIONS ADMITTED TO MEMBERSHIP IN THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN SEPTEMBER 16 AND OCTOBER 15, 1941

DISTRICT NO. 2

- NEW JERSEY:**
Clifton:
Center Savings and Loan Association of Clifton, New Jersey, 732 Maine Avenue.
NEW YORK:
Buffalo:
The Homestead Savings and Loan Association, 360 Pearl Street.

DISTRICT NO. 3

- PENNSYLVANIA:**
Conshohocken:
Tradesmen's Security Building and Loan Association, 109 Fayette Street.
Philadelphia:
First Lithuanian Building and Loan Association of Philadelphia, 1314 North American Building.

DISTRICT NO. 4

- ALABAMA:**
Birmingham:
Avondale Savings and Loan Association, 2028 Third Avenue, North.
Cullman:
Cullman Savings and Loan Association, First Avenue and Fourth Street.
Improved Savings and Loan Association.

DISTRICT NO. 12

- HAWAII:**
Honolulu:
Pioneer Savings and Loan Association, 832 Fort Street.

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM
BETWEEN SEPTEMBER 16 AND OCTOBER 15, 1941

ILLINOIS:

Chicago:
St. James Building and Loan Association, 5717 West Fullerton Avenue
(merger with Cragin Savings and Loan Association).

KENTUCKY:

Erlanger:
Elsmere Building and Loan Association, 119 Garvey Avenue (voluntary
liquidation).

NEBRASKA:

Omaha:
Mutual Benefit Health and Accident Association, Faidley Building
(member's request).
United Benefit Life Insurance Company, Faidley Building (member's
request).

NEW JERSEY:

Bradley Beach:
Jersey Coast Building and Loan Association, Main Street (sale of assets
to Keystone Savings and Loan Association).

Camden:
Cottage Building and Loan Association, 217 North Sixth Street (liqui-
dation).

Hoboken:
Hoboken Building and Loan Association, 84 Washington Street (volun-
tary liquidation).

Jersey City:
The Five Corners Building and Loan Association, 279 Grove Street
(liquidation).

Paterson:
Provident Building and Loan Association of Passaic County, 5 Colt
Street (merger with Totowa Savings and Loan Association).
Northside Building and Loan Association, 58 Struyk Avenue (merger
with Totowa Savings and Loan Association).

Roseland:
Roseland Federal Savings and Loan Association (merger with First
Federal Savings and Loan Association of Montclair).

OHIO:

Columbus:
Union Building and Savings Company, 22 West Gay Street (liquidation).

PENNSYLVANIA:

Mount Carmel:
The Miners' and Laborers' Building and Loan Association of Mount
Carmel, 33-35 East Third Street (member's request).

TEXAS:

Port Arthur:
Port Arthur Building and Loan Association, Adams Building (volun-
tary liquidation).

WISCONSIN:

Milwaukee:
Wisconsin Savings Loan and Building Association, 135 West Wells
Street (member's request).

II. FEDERAL SAVINGS AND LOAN ASSOCIATIONS
CHARTERED BETWEEN SEPTEMBER 16 AND
OCTOBER 15, 1941

DISTRICT NO. 3

PENNSYLVANIA:

Conshohocken:
Conshohocken Federal Savings and Loan Association, 119 Fayette
Street (converted from Conshohocken Building and Loan Association).
Tradesmen's Security Federal Savings and Loan Association, 109 Fay-
ette Street (converted from Tradesmen's Security Building and Loan
Association).

West Conshohocken:
Rising Sun Federal Savings and Loan Association, Front and Ford
Streets (converted from Rising Sun Building and Loan Association).

DISTRICT NO. 6

MICHIGAN:

Dearborn:
Dearborn Federal Savings and Loan Association, 924 Mason Street
(converted from Dearborn Savings and Loan Association).

CANCELATION OF FEDERAL SAVINGS AND LOAN ASSOCIATION
CHARTER BETWEEN SEPTEMBER 16 AND OCTOBER 15,
1941

PENNSYLVANIA:

Philadelphia:
Integrity Federal Savings and Loan Association, 1523 Girard Avenue
(merger with Founders-Oxford Federal Savings and Loan Association).

III. INSTITUTIONS INSURED BY THE FEDERAL
SAVINGS AND LOAN INSURANCE CORPORATION
BETWEEN SEPTEMBER 16 AND OCTOBER 15,
1941

DISTRICT NO. 2

NEW JERSEY:

Cranford:
Cranford Savings and Loan Association, 2 North Union Avenue.

Paterson:
Totowa Savings and Loan Association, 451 Union Avenue.

NEW YORK:

Buffalo:
The Homestead Savings and Loan Association, 360 Pearl Street.

DISTRICT NO. 4

ALABAMA:

Cullman:
Cullman Savings and Loan Association, First Avenue and Fourth Street.
Improved Savings and Loan Association.

Birmingham:
Avondale Savings and Loan Association, 2028 Third Avenue North.

NORTH CAROLINA:

Plymouth:
Plymouth Building and Loan Association, Water Street.

DISTRICT NO. 7

WISCONSIN:

Racine:
Racine Building and Loan Association, 213 Sixth Street.

DISTRICT NO. 12

HAWAII:

Honolulu:
Pioneer Savings and Loan Association, 832 Fort Street.

Appointment of Public Interest Directors

■ TWO new Public Interest Directors have been appointed by the Federal Home Loan Bank Board to fill vacancies existing in the Federal Home Loan Bank of Winston-Salem.

Mr. Raymond D. Knight, a practicing attorney of Jacksonville, Florida, was named to fill the unexpired portion of a four-year term ending December 31, 1943.

Mr. James Grayson Luttrell was appointed to finish a four-year term which expires December 31, 1944. Mr. Luttrell is Vice President of McCormick & Company, an international tea and spice company of Baltimore, Maryland.

Resolutions of the Board

AMENDMENT TO RULES AND REGULATIONS FOR THE FEDERAL HOME LOAN BANK SYSTEM REGARDING THE HOLDING OF POLITICAL OR PUBLIC OFFICE BY DIRECTORS OF FEDERAL HOME LOAN BANKS: Adopted October 15, 1941; effective October 20, 1941.

On October 15, the Federal Home Loan Bank Board amended Section 2.4 of the Rules and Regulations for the Federal Home Loan Bank System by the addition of a paragraph prohibiting the holding of political or public office, for which there is substantial compensation, by a director of a Bank.

The newly adopted paragraph (d) reads:

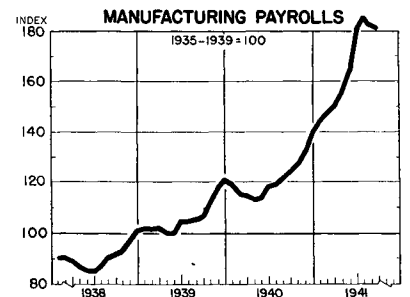
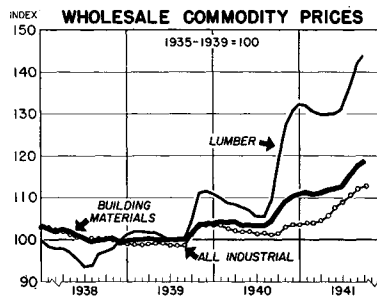
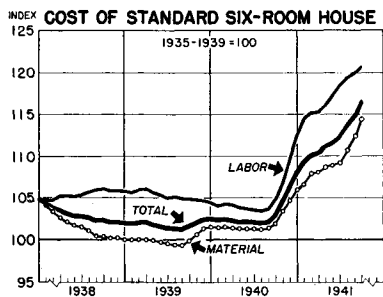
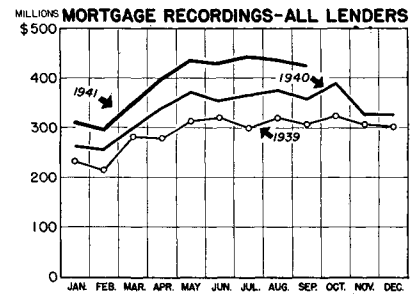
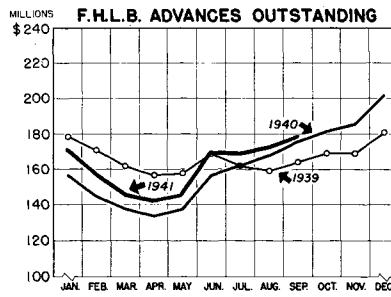
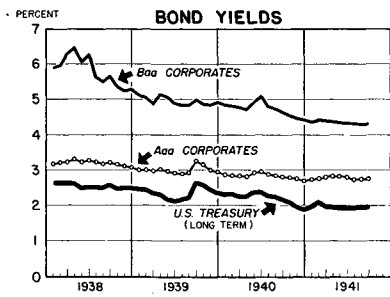
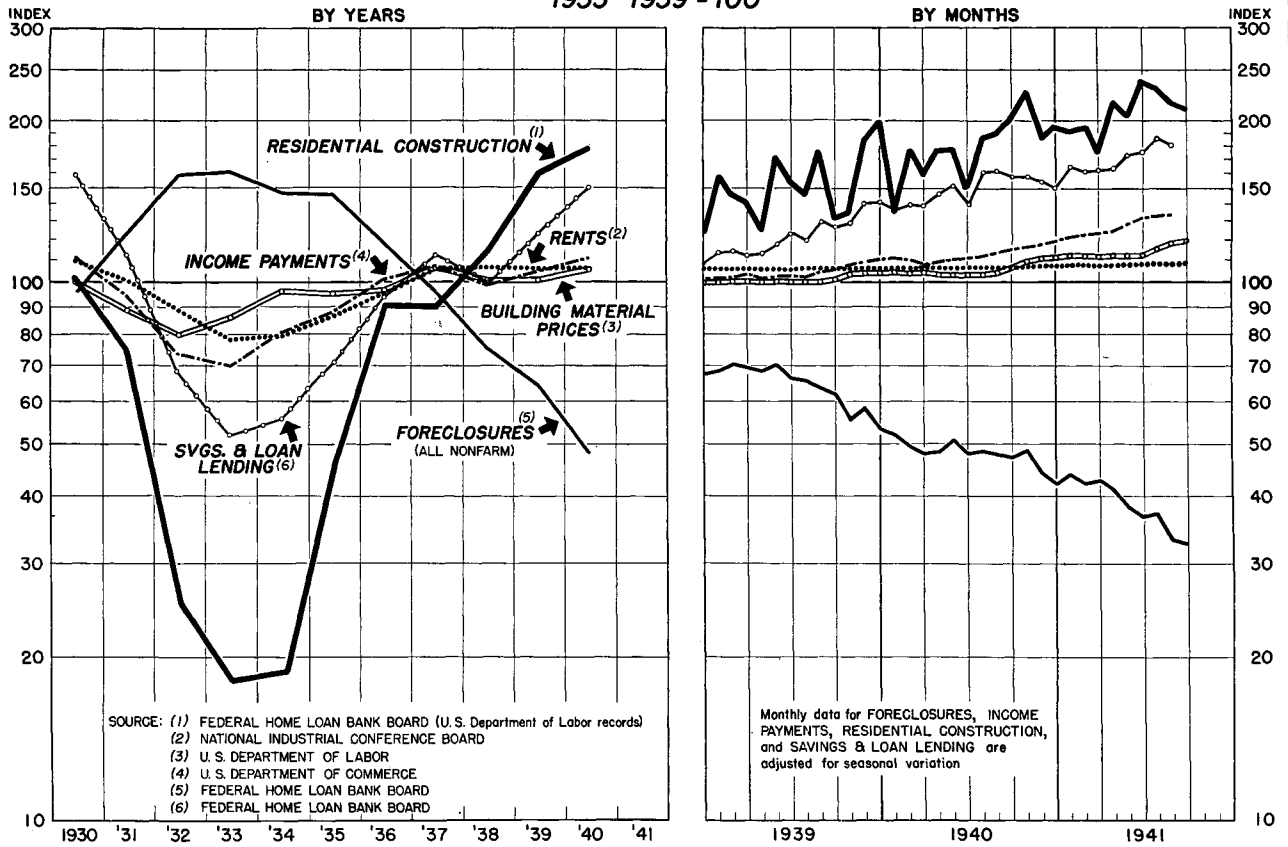
(d) *Holding political office.* No person who holds an active political office for which he receives compensation shall hold office as a director of a Bank.

This amendment was proposed on July 10 and published in the August issue of the REVIEW.

By resolutions of August 16 and October 15 the Board defined the terminology set forth in subpara-

(Continued on p. 68)

RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS 1935-1939 = 100



Highlights

- I. Residential construction enters into a new phase characterized by material shortages and priorities which will lower the level of building activity.
 - A. The seasonally adjusted index of residential building activity in urban areas has shown declines for 3 months in a row.
 - B. Despite this recent drop, the number of urban dwelling units started during the first 9 months of this year totaled 355,000 compared with 294,000 in the same period of 1940.
- II. The advance of building costs continued unabated both on wholesale and retail markets.
 - A. Of the 26 cities currently reporting costs for the construction of the standard house, 18 registered increases of more than \$200 during the last quarter.
 - B. Wholesale building material prices advanced more than 11 percent over September 1940, with lumber and paint materials showing the largest gains.
- III. Mortgage financing activity indicated slight declines from mid-Summer peaks but is still well above the level of a year ago.
 - A. The cumulative total of mortgages recorded during the first 9 months of this year exceeded the aggregate volume for the entire year 1939.
 - B. Mortgage lending activity of savings and loan associations thus far this year has been characterized by a sizeable increase in the proportion of funds loaned for the purchase of existing dwellings.
 - C. Cumulative loans originated by savings and loan associations during the first 9 months of 1941 exceeded \$1,000,000,000—last year this amount was not reached until October.
- IV. Improved real-estate conditions were evidenced by a further decline in foreclosure activity. During the first 9 months of this year, foreclosures were 21 percent below the same period of last year although even then they were at a low level.

Summary

■ WHILE general business activity was maintained at the high level reached in mid-Summer, residential construction and mortgage financing in September seem to have experienced the initial impact of the restrictions imposed on civilian demand by the conservation of critical materials for defense needs.

The seasonally adjusted index of residential building in urban areas continued to decline, and the gain over 1940 levels was reduced to 5 percent in September. The volume of FHA mortgage insurance under Title II (number of mortgages selected for appraisal) dropped this Fall under the 1940 figures, although this was offset by larger activity under Title VI which is designed to stimulate private construction in defense areas.

In the meantime the demand for housing is expanding at an accelerated rate, and as the supply of new accommodations in many communities is insufficient to meet it, the market for existing properties shows signs of further improvement. Evidence for this situation is found in the fact that home-purchase loans made by savings and loan associations have been increasing this year at a rate nearly double that of loans for new construction. A favorable market

for existing properties is also indicated by the progress these institutions are making in the disposition of their real estate. During the two months ending August 31, insured savings and loan associations reduced their real estate owned by 7 percent, according to a special study by the Division of Research and Statistics.

Improved real-estate conditions are likewise evidenced by the accentuated decline in foreclosures. The September index of nonfarm real-estate foreclosures was 31 percent below the figure for September 1940 although even then foreclosure activity had reached a low level.

[1935-1939=100]

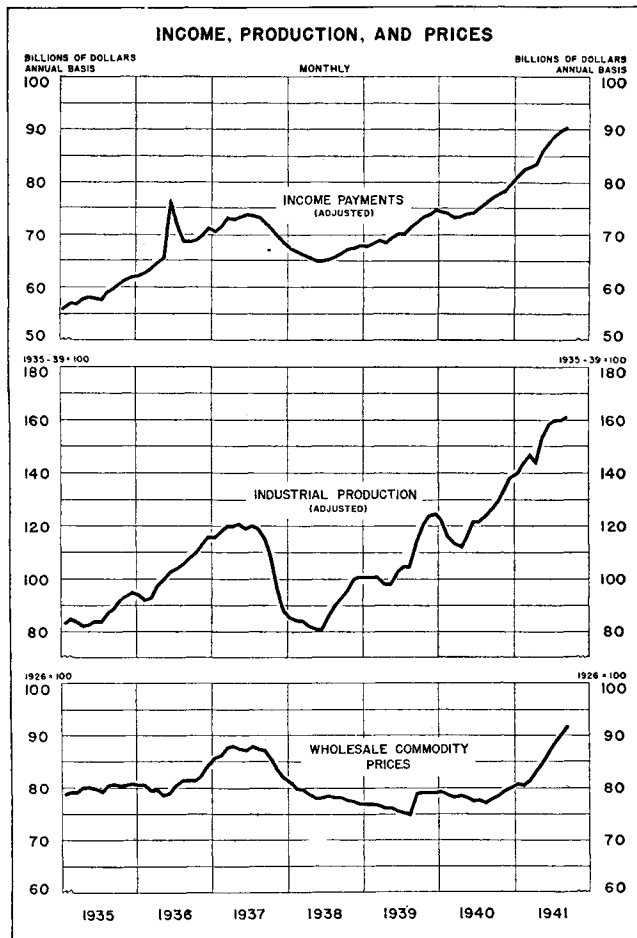
Type of index	Sept. 1941	Aug. 1941	Percent change	Sept. 1940	Percent change
Residential construction ¹	211.2	* 215.9	-2.2	201.7	+4.7
Foreclosures (nonfarm) ¹	32.8	* 33.3	-1.5	47.4	-30.8
Rental index (NICB).....	109.0	108.6	+0.4	106.6	+2.3
Building material prices.....	118.8	117.8	+0.8	106.8	+11.2
Savings and loan lending ¹	^p 180.4	* 176.7	+2.1	157.3	+14.7
Industrial production ¹	^p 161.0	* 160.0	+0.6	125.0	+28.8
Manufacturing employment ¹	^p 133.4	* 134.9	-1.1	110.3	+20.9
Manufacturing pay rolls ¹	^p 180.9	* 182.4	-0.8	124.4	+45.4
Income payments ¹	136.9	* 134.8	+1.6	114.6	+19.5

^p=preliminary. * =revised.

¹ Adjusted for normal seasonal variation.

General Business Conditions

■ SEPTEMBER marked the start of the third year of World War II, and for industrial production the month marked the continuation of a pause to get a "second wind." Industrial output for September was at about the same level as in July and August, as measured by the Federal Reserve index, indicating a smoothing out of the usual Summer decline and Fall recovery in business conditions.



General economic changes during the first two years of War are summarized in the accompanying chart reprinted from the *Federal Reserve Bulletin*. These are highlighted by a 60-percent increase in industrial output; a 25-percent rise in the National income to an annual rate of about \$90,000,000,000; and a 22-percent jump in wholesale prices.

Significant among the underlying factors in the business situation has been the substantial accumulation of manufacturers' inventories during the 2-year period. At the end of August the Department of

Commerce estimates that these inventories were 21 percent larger than a year ago, and 41 percent larger than in August 1939, with part of the increase reflecting higher prices. The National Industrial Conference Board reports that the index of manufacturers' unfilled orders declined during September for the first time in 18 months as a result of a drop in new orders, while shipments were at about the same level as in August.

The seasonal peak in freight shipments usually reached in October has apparently been passed without the difficulties which had been anticipated. This is attributed to the movement of goods at a high level throughout the late Summer months—in line with the pattern of industrial production.

Purchases by the general public reached peak levels at the end of September in anticipation of new taxes effective October 1, but total retail sales for the month were somewhat below the record activity for August when adjusted for seasonal factors. Federal Reserve economists point out that sales during July, August, and September have been larger than in the same period of any previous year.

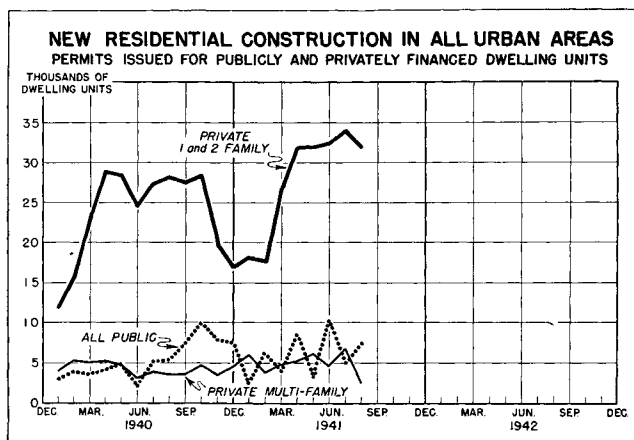
RESTRICTIONS ON NONESSENTIAL CONSTRUCTION

On October 9, the Supply Priorities and Allocations Board announced new restrictions affecting all public and private construction projects which use critical materials. The regulations provide that no new programs can be undertaken unless they are necessary for direct national defense or essential to the health and safety of the Nation. The announcement, however, did not alter materially the system of priorities for residential construction established in September.

Residential Construction

[Tables 1 and 2]

■ FOR the third consecutive month, the seasonally adjusted index of residential construction, which is now revised to include all urban areas, showed a decline although the level is still above the corresponding period of 1940. The preliminary index figure for September is 211 (average of 1935-1939=100) compared with 216 in August and a high of 238 in June. This decline may reflect the shortages of critical materials which have caused the application of the priorities system to housing although the priorities procedure itself did not go into effect before September 22.



Building permits for privately financed construction were issued for 31,000 dwelling units in September compared with 34,000 units in August, according to data reported by the U. S. Department of Labor. The reduction from last month was primarily in the single-family category. In contrast, private construction of multifamily units and publicly financed housing increased from last month, the latter by nearly 1,700 units.

For the first 9 months of 1941, residential construction volume in urban areas totaled nearly 355,000 units, or 60,000 more units than the total reported for a comparable 1940 period. All types of structures shared in this rise with units financed by public funds showing an increase of 48 percent over the same months of last year.

On the basis of more comprehensive data received from the Bureau of Labor Statistics of the U. S. Department of Labor, the index of total residential construction, presented in the chart on page 52 and

Index of total number of dwelling units provided in urban areas ¹

[Adjusted for seasonal variation]

[Average month 1935-1939=100]

Period	1941	1940	1939	1938	1937	1936
Annual		180.9	155.7	111.9	93.5	90.6
January	192.7	135.0	157.4	89.6	87.2	64.8
February	194.9	176.6	145.5	81.2	125.6	59.2
March	174.8	158.8	141.3	90.9	120.0	70.3
April	216.9	177.2	125.1	92.7	115.5	71.5
May	203.6	177.3	171.0	96.2	90.0	73.7
June	237.9	151.0	153.1	107.3	100.7	113.5
July	231.8	187.4	145.8	132.8	79.8	124.0
August	215.9	191.5	176.3	133.9	83.6	102.3
September	211.2	201.7	140.8	134.6	83.6	96.7
October		228.1	143.8	125.2	73.7	95.8
November		185.6	184.3	131.6	74.3	101.1
December		195.2	198.5	122.8	87.8	108.7

¹ Annual indexes for the years 1930 through 1935 are as follows: 1930—102.2; 1931—74.7; 1932—25.5; 1933—18.2; 1934—18.7; 1935—48.3.

November 1941

in the table on page 53, has now been revised to represent all urban areas in the United States. Previously this index had been based on construction data for cities of 10,000 population or more. Inasmuch as a sizeable portion of residential construction takes place in urban communities below the 10,000 limit, the revised index is designed to convey a more accurate measure of urban residential building activity. Index figures for previous periods are given in the preceding table. This table replaces the figures in Table 1 of the *Statistical Supplement* distributed with the March REVIEW.

Building Costs

[Tables 3, 4, and 5]

■ MATERIALS used in constructing the standard 6-room frame house continued the rapid rise which was begun in August of last year. There was a tendency for prices to level off in the first part of 1941, but during the past few months there has been an accelerated price increase, with a 5-percent rise in the last quarter.

Construction costs for the standard house

[Average month of 1935-1939=100]

Element of cost	September 1941	August 1941	Percent change	September 1940	Percent change
Material.....	114.4	112.6	+1.6	101.9	+12.3
Labor.....	120.7	120.0	+0.6	104.8	+15.2
Total.....	116.5	115.1	+1.2	102.9	+13.2

r=revised.

The index of material costs in September stood 12 percent above the corresponding month of last year. Labor costs involved in the construction of the standard house are 15 percent above the September 1940 level. Combined material and labor costs have advanced 13.2 percent during the past 12 months, and now stand at the highest level attained thus far.

Among the 26 cities reporting cost estimates for the standard 6-room frame house in October, 18 registered increases of more than \$200 during the past quarter. Camden, New Jersey reported the largest increase—more than \$900. Of the reporting cities in October, the greatest rise from a year ago is noted in the New York Bank District, where costs have advanced \$1,000 to \$1,500.

Wholesale building material prices likewise continued to increase and the composite index of the U. S. Department of Labor (1935-1939=100) reached 118.8, a jump of more than 11 percent over last year. Lumber prices showed the largest gain (almost 21 percent), followed by paint and paint materials (approximately 13 percent) and plumbing and heating (8 percent).

New Mortgage-Lending Activity of Savings and Loan Associations

[Tables 6 and 7]

■ ANALYSIS of lending operations of savings and loan associations this year reveals that home purchase loans have been expanding at a much more rapid rate than have those for the construction of new homes. Increased concentration of lending activity on mortgages for the acquisition of existing dwellings is largely due to the accelerated housing demand which cannot be met by new construction alone.

Loans for new construction, which displayed a 17-percent increase during the first eight months of 1941, would no doubt have shown still greater improvement over the preceding year had shortages not appeared in some building material items due to the needs of the national defense program. Although this rise does not compare with the 33-percent increment shown for the home-purchase classification, it stands out in bold relief when contrasted with the reductions shown in refinancing, reconditioning, and miscellaneous loans in the 1940-1941 comparison.

Total loans made by savings and loan associations reflected a 2-percent decrease from July to August. Considered geographically, all but four scattered Federal Home Loan Bank Districts registered reductions from July in new mortgage lending.

Mortgage Recordings

[Tables 8, 8-a, and 9]

■ ACTIVITY in the mortgage-financing field, although declining slightly for the second consecutive month, continued during September at a high rate. More than 146,000 nonfarm mortgages of \$20,000 or less, representing \$425,000,000, were recorded by all types of mortgage lenders during September. In dollar volume this surpassed by

Mortgage recordings by type of mortgagee

[Amounts are shown in thousands of dollars]

Type of lender	Per- cent change from Au- gust 1941	Per- cent of Sept. 1941 amount	Cumulative recordings (9 months) 1941	Per- cent of total re- cord- ings
Savings and loan asso- ciations.....	-2.4	31.9	\$1,125,122	32.0
Insurance companies.....	+0.7	8.5	294,076	8.4
Banks, trust companies.....	-4.2	23.7	867,155	24.7
Mutual savings banks.....	+8.3	4.9	156,800	4.4
Individuals.....	+2.0	16.6	579,738	16.5
Others.....	+2.4	14.4	491,041	14.0
Total.....	-0.7	100.0	\$3,513,932	100.0

more than \$100,000,000 the highest month of 1939 and, by \$36,000,000 the greatest monthly volume during 1940.

During the first 9 months of this year, lenders on nonfarm real estate have recorded more than 1,220,000 mortgages valued in excess of \$3,500,000,000—an investment greater than that during the entire year of 1939. A comparison of activity during the January-September period of this year with the same periods of 1939 and 1940 reveals that the percentage increase shown by the value of instruments recorded has been well in excess of that shown by the number of mortgages recorded. The reason for this is an increased average value of recordings, which is largely the result of generally increasing real-estate values, rising building costs in both materials and labor, and the wide use of high-percentage loans.

Foreclosures

[Table 10]

■ THE number of nonfarm foreclosures in the United States reached 4,352 in September, an increase of 2.4 percent above the estimate for the preceding month. Since the normal movement at this period of the year is an increase of 4 percent, this slight increment was reflected in a further decline in the seasonally adjusted index of nonfarm foreclosures.

The increase in the number of foreclosure proceedings was accounted for largely by a substantial rise in those occurring in counties of less than 5,000 dwellings. For the country as a whole, 67 percent of all cases took place in areas affected by the defense program and predominately in large communities.

During the first 9 months of the year foreclosure activity was 21 percent below that in the corresponding period of 1940. The greatest relative improvement was made in counties having 60,000 dwellings and over. The number of foreclosures in this classification declined 23.6 percent and currently comprise only half of the 45,378 cases which have occurred in the entire country since the beginning of the year.

Federal Savings and Loan Insurance Corporation

[Table 12]

■ AT the end of September, 2,326 institutions with assets of \$3,222,299,000 were members of the Insurance Corporation. During August of this year, approximately \$62,400,000 was invested by private savers in the shares of insured savings and loan associations, a gain of \$11,350,000 over the corresponding month of last year. Repurchases increased \$12,000,000 during the same period and represented 77 percent of new investments in August 1941 compared with 71 percent in the same month last year. Mortgage-lending activity during August approximated \$85,000,000, an increase of 17.4 percent over the lending operations of a year ago.

An acceleration in property sales since the beginning of the year has resulted in a 15-percent drop in the real estate owned by an identical group of insured savings and loan associations during the first six months of 1941. A special tabulation recently undertaken by the Division of Research and Statistics revealed that a further drop of 7 percent has occurred in the real-estate holdings of these associations during July and August alone. If this tendency continues, the final six months of 1941 will witness an unprecedented curtailment of 20 percent in the volume of properties owned by these institutions.

Federal Savings and Loan Associations

[Table 12]

■ AT the close of September 1,459 associations with total assets of \$2,076,724,000 were operating under Federal charter. A total of 819, or 56 percent of these associations, were originally chartered by the respective States in which they are located. In terms of aggregate assets, converted associations accounted for 69 percent of the resources of all Federal associations.

Although there has been a net growth of only 27 Federal savings and loan associations during the past 12 months, representing a relative expansion of only 2 percent, the growth in their resources has been substantial. During the year ending September 1941, total assets of Federals have increased \$300,428,000, or 17 percent.

Progress in number and assets of Federals

[Amounts are shown in thousands of dollars]

Class of association	Number		Approximate assets	
	Sept. 30, 1941	Aug. 31, 1941	Sept. 30, 1941 ^p	Aug. 31, 1941
New.....	640	640	\$645, 884	\$635, 648
Converted.....	819	819	1, 430, 840	1, 415, 737
Total.....	1, 459	1, 459	2, 076, 724	2, 051, 385

^p=preliminary.

Federal Home Loan Bank System

[Table 13]

■ LENDING operations of the Federal Home Loan Banks during September again showed an upward movement with advances outstanding reaching a new 1941 high of \$178,191,000. This was 3.2 percent above the amount reported at the end of August and 1.3 percent higher than last year. All the Banks participated in this gain, except Cincinnati which for the third consecutive month showed a diminishing amount of advances outstanding. The percent of increase in the outstanding advances of the other Banks ranged from 0.3 percent in the Chicago area to 11.4 percent in New York.

New advances made in September increased approximately \$2,000,000 over August—almost back to the July level. Repayments in September were approximately \$5,500,000 below advances for the month. They were, however, \$897,000 above repayments during the preceding month, with seven Banks showing increases over their August figures.

The New York Bank showed the largest amount of advances made during September, as well as the greatest increase over the previous month. Advances in Boston, New York, Winston-Salem, Indianapolis, Chicago, Des Moines, Portland, and Los Angeles also exceeded the August volume.

Table 1.—Estimated number and valuation of new family dwelling units provided in all urban areas of the United States, September 1941

[Source: U. S. Department of Labor]
[Amounts are shown in thousands of dollars]

Type of construction	Number of family dwelling units					Permit valuation				
	Monthly totals			Jan.—Sept. totals		Monthly totals			Jan.—Sept. totals	
	Sept. 1941	Aug. 1941	Sept. 1940	1941	1940	Sept. 1941	Aug. 1941	Sept. 1940	1941	1940
Private construction.....	31, 205	34, 184	31, 082	296, 653	254, 889	\$118, 453	\$132, 576	\$113, 055	\$1, 111, 186	\$918, 004
1-family dwellings.....	26, 170	29, 411	25, 481	235, 759	201, 569	105, 036	120, 385	98, 338	943, 588	770, 141
2-family dwellings ¹	2, 428	2, 430	2, 091	18, 941	15, 079	6, 606	6, 327	5, 073	48, 850	37, 750
3- and more-family dwellings ²	2, 607	2, 343	3, 510	41, 953	38, 241	6, 811	5, 864	9, 644	118, 748	110, 113
Public construction.....	9, 088	7, 421	7, 399	57, 905	39, 154	32, 103	28, 445	24, 819	193, 085	118, 794
Total urban construction.....	40, 293	41, 605	38, 481	354, 558	294, 043	150, 556	161, 021	137, 874	1, 304, 271	1, 036, 798

r= revised.

¹ Includes 1- and 2-family dwellings combined with stores.

² Includes multi-family dwellings combined with stores.

Table 2.—Estimated number and valuation of new family dwelling units provided in all urban areas in September 1941, by Federal Home Loan Bank District and by State

[Source: U. S. Department of Labor]
[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and State	All residential dwellings				All private 1- and 2-family dwellings			
	Number of family dwelling units		Permit valuation		Number of family dwelling units		Permit valuation	
	September 1941	September 1940	September 1941	September 1940	September 1941	September 1940	September 1941	September 1940
UNITED STATES.....	40, 293	38, 481	\$150, 556	\$137, 874	28, 598	27, 572	\$111, 642	\$103, 411
No. 1—Boston.....	2, 033	2, 169	9, 077	8, 853	1, 508	1, 608	7, 105	6, 910
Connecticut.....	510	486	2, 685	2, 357	502	479	2, 653	2, 329
Maine.....	262	86	997	273	62	83	219	268
Massachusetts.....	1, 046	1, 340	4, 542	5, 206	729	792	3, 380	3, 305
New Hampshire.....	43	55	120	198	43	55	120	198
Rhode Island.....	159	178	669	708	159	175	669	699
Vermont.....	13	24	64	111	13	24	64	111
No. 2—New York.....	3, 440	4, 785	14, 481	18, 275	2, 422	2, 407	10, 958	10, 635
New Jersey.....	1, 375	1, 322	5, 939	5, 613	1, 067	857	4, 753	3, 896
New York.....	2, 065	3, 463	8, 542	12, 662	1, 355	1, 550	6, 205	6, 739
No. 3—Pittsburgh.....	3, 514	3, 251	14, 416	12, 206	1, 855	1, 754	8, 414	7, 616
Delaware.....	31	40	151	199	31	40	151	199
Pennsylvania.....	2, 885	2, 803	12, 224	10, 636	1, 633	1, 438	7, 706	6, 407
West Virginia.....	598	408	2, 041	1, 371	191	276	657	1, 010

Table 2.—Estimated number and valuation of new family dwelling units provided in all urban areas, in September 1941, by Federal Home Loan Bank District and by State—Continued

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and State	All residential dwellings				All private 1- and 2-family dwellings			
	Number of family dwelling units		Permit valuation		Number of family dwelling units		Permit valuation	
	September 1941	September 1940	September 1941	September 1940	September 1941	September 1940	September 1941	September 1940
No. 4—Winston-Salem.....	6, 634	6, 363	\$19, 899	\$19, 468	4, 423	3, 911	\$13, 791	\$12, 803
Alabama.....	610	355	1, 319	732	448	346	841	708
District of Columbia.....	892	743	2, 506	2, 736	189	335	1, 038	1, 707
Florida.....	1, 003	1, 292	3, 476	4, 268	769	963	2, 848	3, 477
Georgia.....	486	758	1, 068	1, 863	476	522	1, 052	1, 253
Maryland.....	2, 098	359	6, 130	1, 276	1, 288	359	3, 553	1, 276
North Carolina.....	548	703	1, 557	1, 747	522	566	1, 481	1, 451
South Carolina.....	339	653	1, 104	1, 716	236	241	650	580
Virginia.....	658	1, 500	2, 739	5, 130	495	579	2, 328	2, 351
No. 5—Cincinnati.....	2, 813	2, 229	11, 669	9, 192	2, 254	2, 035	9, 821	8, 655
Kentucky.....	205	315	532	756	205	290	532	689
Ohio.....	2, 169	1, 585	9, 828	7, 598	1, 620	1, 437	7, 988	7, 144
Tennessee.....	439	329	1, 309	838	429	308	1, 301	822
No. 6—Indianapolis.....	3, 775	5, 292	15, 824	21, 091	2, 629	2, 631	11, 410	10, 954
Indiana.....	1, 289	1, 145	4, 645	4, 144	828	663	2, 998	2, 436
Michigan.....	2, 486	4, 147	11, 179	16, 947	1, 801	1, 968	8, 412	8, 518
No. 7—Chicago.....	2, 958	1, 882	13, 737	8, 815	2, 159	1, 771	11, 011	8, 400
Illinois.....	2, 376	1, 306	11, 339	6, 404	1, 619	1, 201	8, 724	6, 006
Wisconsin.....	582	576	2, 398	2, 411	540	570	2, 287	2, 394
No. 8—Des Moines.....	1, 803	1, 941	7, 324	7, 062	1, 658	1, 871	6, 759	6, 807
Iowa.....	459	517	1, 806	1, 836	459	517	1, 806	1, 836
Minnesota.....	591	696	2, 668	2, 739	586	682	2, 653	2, 705
Missouri.....	603	544	2, 315	1, 988	463	488	1, 765	1, 767
North Dakota.....	52	44	192	159	52	44	192	159
South Dakota.....	98	140	343	340	98	140	343	340
No. 9—Little Rock.....	4, 838	2, 971	14, 022	7, 529	3, 066	2, 721	8, 295	7, 097
Arkansas.....	418	205	1, 201	456	168	189	436	432
Louisiana.....	1, 166	414	3, 518	1, 152	522	399	1, 458	1, 123
Mississippi.....	541	229	1, 192	363	358	222	588	350
New Mexico.....	130	136	353	318	120	132	345	313
Texas.....	2, 583	1, 987	7, 758	5, 240	1, 898	1, 779	5, 468	4, 879
No. 10—Topeka.....	1, 287	1, 064	4, 067	3, 403	1, 192	1, 047	3, 746	3, 369
Colorado.....	347	267	1, 161	911	268	260	865	901
Kansas.....	303	207	798	583	303	203	798	579
Nebraska.....	217	195	820	702	211	189	804	682
Oklahoma.....	420	395	1, 288	1, 207	410	395	1, 279	1, 207
No. 11—Portland.....	1, 995	1, 534	7, 322	4, 869	1, 472	1, 379	5, 589	4, 381
Idaho.....	62	149	155	412	59	149	149	412
Montana.....	102	135	370	360	102	117	370	329
Oregon.....	287	397	968	1, 264	287	272	968	829
Utah.....	242	307	1, 048	971	228	303	1, 038	963
Washington.....	1, 237	491	4, 523	1, 660	731	483	2, 806	1, 646
Wyoming.....	65	55	258	202	65	55	258	202
No. 12—Los Angeles.....	5, 203	5, 000	18, 718	17, 111	3, 960	4, 437	14, 743	15, 784
Arizona.....	114	63	401	223	94	63	365	223
California.....	5, 004	4, 901	18, 125	16, 736	3, 790	4, 338	14, 197	15, 409
Nevada.....	85	36	192	152	76	36	181	152

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

NOTE.—These figures are subject to correction

[Source: Federal Home Loan Bank Board]

Federal Home Loan Bank District and city	Cubic-foot cost		Total cost									
	1941	1940	1941				1940	1939	1938	1937		
	Oct.	Oct.	Oct.	July	Apr.	Jan.	Oct.	Oct.	Oct.	Oct.		
No. 2—New York:												
Atlantic City, N. J.	\$0. 302	\$0. 257	\$7, 257	\$7, 165	\$7, 168	\$7, 051	\$6, 174	\$6, 272	\$5, 907	\$6, 056		
Camden, N. J. ....	. 323	. 261	7, 745	6, 799	6, 421	6, 413	6, 255	5, 829	5, 559	5, 884		
Newark, N. J. ....	. 303	. 239	7, 267	7, 015	6, 140	6, 058	5, 729	5, 654	5, 537			
Albany, N. Y. ....	. 279	. 236	6, 701	6, 597	6, 532	6, 177	5, 661	5, 602	5, 557	5, 877		
Buffalo, N. Y. ....	. 284	. 239	6, 821	6, 586	6, 281	6, 150	5, 741	5, 914	5, 931	6, 143		
Utica, N. Y. ....	. 301	. 251	7, 222	7, 312	6, 418	6, 135	6, 014	5, 786	5, 660			
White Plains, N. Y. ....	. 287	. 233	6, 890	6, 516	6, 359	6, 303	5, 597	5, 538	5, 543	5, 848		
No. 6—Indianapolis:												
Evansville, Ind. ....	. 285	. 263	6, 837	6, 534	6, 479	6, 513	6, 319	6, 095	5, 742			
Indianapolis, Ind. ....	. 275	. 231	6, 595	6, 393	6, 407	6, 375	5, 555	5, 725	5, 765			
South Bend, Ind. ....	. 283	. 253	6, 800	6, 641	6, 474	6, 504	6, 080	5, 848	5, 353			
Detroit, Mich. ....	. 284	. 251	6, 824	6, 486	6, 179	6, 199	6, 013	5, 935	6, 166	6, 221		
Grand Rapids, Mich. ....	. 298	. 245	7, 157	6, 536	6, 203	6, 399	5, 888	5, 672	5, 871	5, 829		
No. 8—Des Moines:												
Des Moines, Iowa. ....	. 271	. 267	6, 506	6, 184	6, 390	6, 411	6, 399	6, 303	6, 164	6, 463		
Duluth, Minn. ....	. 270	. 257	6, 474	6, 214	6, 261	6, 262	6, 157	6, 043	6, 186	6, 279		
St. Paul, Minn. ....	. 284	. 271	6, 824	6, 610	6, 608	6, 610	6, 508	6, 550	6, 532	6, 822		
Kansas City, Mo. ....	. 272	. 242	6, 536	² 6, 239	² 6, 216	² 6, 234	5, 797	5, 960		6, 090		
St. Louis, Mo. ....	. 250	. 233	6, 007	5, 830	5, 792	5, 786	5, 604	5, 514	5, 470	6, 006		
Fargo, N. D. ....	. 257	. 242	6, 162	5, 786	² 5, 883	² 5, 916	5, 798	5, 841	5, 832	5, 975		
Sioux Falls, S. D. ....	. 276	. 258	6, 617	² 6, 202	² 6, 208	6, 091	6, 193	6, 051	6, 436	6, 344		
No. 11—Portland:												
Boise, Idaho. ....	. 276	. 268	6, 617	² 6, 701	6, 575	6, 575	6, 435	6, 112	6, 002	6, 159		
Great Falls, Mont. ....	. 315	. 287	7, 553	7, 294	7, 308	7, 148	6, 890	6, 887		7, 039		
Portland, Oreg. ....	. 237	² . 220	5, 681	5, 299	² 5, 277	² 5, 198	² 5, 281	² 5, 216	5, 265	6, 032		
Salt Lake City, Utah. ....	. 294	. 254	7, 057	6, 807	6, 416	6, 355	6, 087	5, 998	5, 880			
Seattle, Wash. ....	. 306	. 269	7, 340	7, 188	6, 956	6, 862	6, 458	6, 310	6, 259	6, 532		
Spokane, Wash. ....	. 299	. 265	7, 166	6, 939	6, 864	6, 893	6, 361	6, 282	6, 286	6, 851		
Casper, Wyo. ....	. 270	. 251	6, 477	6, 409	6, 392	6, 467	6, 024	6, 594	6, 430	6, 563		

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

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

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

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

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

² Revised.

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

[Average month of 1935-1939=100]

Element of cost	Sept. 1941	Aug. 1941	July 1941	June 1941	May 1941	Apr. 1941	Mar. 1941	Feb. 1941	Jan. 1941	Dec. 1940	Nov. 1940	Oct. 1940	Sept. 1940
Material.....	114. 4	112. 6	110. 7	109. 2	108. 8	108. 7	108. 0	107. 8	106. 6	105. 9	104. 6	103. 4	101. 9
Labor.....	120. 7	120. 0	119. 3	118. 6	117. 0	116. 1	115. 3	115. 1	114. 5	112. 5	109. 8	106. 9	104. 8
Total cost..	116. 5	115. 1	113. 6	112. 4	111. 6	111. 2	110. 4	110. 2	109. 3	108. 1	106. 4	104. 6	102. 9

^r Revised.

Table 5.—Index of wholesale price of building materials in the United States

[1935-1939=100]

[Source: U. S. Department of Labor]

Period	All building materials	Brick and tile	Cement ¹	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
1939: September.....	101.5	100.2	100.2	104.5	104.1	104.2	103.5	97.7
1940: September.....	106.8	99.3	99.4	119.3	103.4	105.8	103.5	101.1
October.....	109.2	99.3	99.5	127.4	104.3	105.8	103.5	101.4
November.....	110.4	99.3	99.7	130.8	105.4	105.8	103.5	101.9
December.....	110.9	100.3	99.8	132.3	105.0	105.8	103.5	102.2
1941: January.....	111.2	100.5	99.7	131.9	106.6	105.8	103.5	102.6
February.....	110.9	100.6	99.7	130.5	106.5	108.0	103.5	102.6
March.....	111.1	100.7	99.7	130.0	107.5	108.8	103.5	103.0
April.....	111.8	100.9	99.9	130.0	109.1	109.0	103.5	103.7
May.....	112.1	101.1	100.4	130.1	109.8	109.0	103.5	104.1
June.....	112.8	101.8	100.9	131.0	111.0	109.2	103.5	104.8
July.....	115.1	103.7	101.1	136.2	112.6	109.3	103.5	106.4
August.....	117.8	104.7	101.1	142.0	114.7	114.0	103.5	108.0
September.....	118.8	105.3	101.2	143.8	116.4	114.4	103.5	108.4
Change:								
Sept. 1941-Aug. 1941....	+0.8%	+0.6%	+0.1%	+1.3%	+1.5%	+0.4%	0.0%	+0.4%
Sept. 1941-Sept. 1940....	+11.2%	+6.0%	+1.8%	+20.5%	+12.6%	+8.1%	0.0%	+7.2%

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

Table 6.—Estimated volume of new home-mortgage loans by all savings and loan associations, by purpose and class of association

[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
1939.....	\$301,039	\$339,629	\$182,025	\$59,463	\$104,227	\$986,383	\$400,337	\$396,041	\$190,005
January-September.....	218,254	248,033	135,744	44,624	77,243	723,898	293,645	290,314	139,939
September.....	27,854	31,367	16,021	5,544	8,946	89,732	37,090	36,989	15,653
1940.....	398,632	426,151	198,148	63,583	113,065	1,199,579	509,713	483,499	206,367
January-September.....	294,406	320,040	152,292	48,710	86,611	902,059	384,795	360,403	156,861
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
December.....	30,032	31,465	14,575	4,248	8,233	88,553	37,715	36,729	14,109
1941.....									
January-September.....						^p 1,044,055	^p 448,435	^p 437,421	^p 158,199
January.....	26,662	27,809	13,645	3,784	8,540	80,440	34,360	33,947	12,133
February.....	26,483	30,283	14,204	3,573	7,787	82,330	35,645	35,301	11,384
March.....	33,250	41,784	16,903	4,765	8,460	105,162	45,365	43,947	15,850
April.....	38,686	48,311	16,905	6,368	10,361	120,631	51,371	50,956	18,304
May.....	40,975	54,781	18,506	5,930	10,761	130,953	55,396	54,495	21,062
June.....	44,207	55,993	17,891	5,633	9,916	133,640	57,542	54,857	21,241
July.....	44,918	55,682	16,816	6,022	9,534	132,972	56,564	55,676	20,732
August.....	42,987	55,973	15,785	5,571	9,411	^r 129,727	^r 57,592	^r 54,542	^r 17,593
September.....						^p 128,200	^p 54,600	^p 53,700	^p 19,900

^p Preliminary.

^r Revised.

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, July 1941 to August 1941	New loans, August 1940	Percent change, August 1940 to August 1941	Cumulative new loans (8 months)		
	August 1941	July 1941				1941	1940	Percent change
United States: Total	\$129,727	\$132,972	-2.4%	\$117,622	+10.3%	\$915,855	\$790,284	+15.9%
Federal	57,592	56,564	+1.8	50,305	+14.5	393,835	338,315	+16.4
State member	54,542	55,676	-2.0	46,807	+16.5	383,721	314,415	+22.0
Nonmember	17,593	20,732	-15.1	20,510	-14.2	138,299	137,554	+0.5
District No. 1: Total	14,559	15,083	-3.5	12,267	+18.7	94,711	72,288	+31.0
Federal	5,203	5,164	+0.8	4,074	+27.7	32,779	25,041	+30.9
State member	7,575	7,902	-4.1	6,066	+24.9	48,092	35,052	+37.2
Nonmember	1,781	2,017	-11.7	2,127	-16.3	13,840	12,195	+13.5
District No. 2: Total	12,234	13,412	-8.8	11,816	+3.5	87,524	70,551	+24.1
Federal	4,291	4,032	+6.4	3,734	+14.9	25,499	21,444	+18.9
State member	4,077	4,405	-7.4	3,092	+31.9	26,928	20,118	+33.9
Nonmember	3,866	4,975	-22.3	4,990	-22.5	35,097	28,989	+21.1
District No. 3: Total	9,788	10,569	-7.4	8,992	+8.9	71,617	62,461	+14.7
Federal	4,002	4,086	-2.1	3,461	+15.6	28,049	23,942	+17.2
State member	2,459	2,548	-3.5	2,298	+7.0	18,797	15,645	+20.1
Nonmember	3,327	3,935	-15.5	3,233	+2.9	24,771	22,874	+8.3
District No. 4: Total	18,883	17,484	+8.0	16,525	+14.3	125,510	114,915	+9.2
Federal	9,511	8,333	+14.1	8,852	+7.4	61,274	55,975	+9.5
State member	7,852	7,543	+4.1	6,044	+29.9	53,429	44,486	+20.1
Nonmember	1,520	1,608	-5.5	1,629	-6.7	10,807	14,454	-25.2
District No. 5: Total	21,242	22,643	-6.2	20,458	+3.8	157,119	132,356	+18.7
Federal	8,043	8,448	-4.8	7,389	+8.9	58,593	49,119	+19.3
State member	10,464	11,106	-5.8	9,959	+5.1	78,433	63,239	+24.0
Nonmember	2,735	3,089	-11.5	3,110	-12.1	20,093	19,998	+0.5
District No. 6: Total	6,953	6,530	+6.5	6,246	+11.3	46,867	40,673	+15.2
Federal	3,492	3,342	+4.5	3,216	+8.6	23,900	19,714	+21.2
State member	3,261	2,954	+10.4	2,698	+20.9	21,195	18,611	+13.9
Nonmember	200	234	-14.5	332	-39.8	1,772	2,348	-24.5
District No. 7: Total	12,293	13,257	-7.3	12,080	+1.8	92,425	81,408	+13.5
Federal	4,927	4,793	+2.8	4,743	+3.9	35,747	32,409	+10.3
State member	6,016	6,543	-8.1	5,667	+6.2	43,939	36,119	+21.7
Nonmember	1,350	1,921	-29.7	1,670	-19.2	12,739	12,880	-1.1
District No. 8: Total	7,943	7,454	+6.6	7,044	+12.8	50,461	48,847	+3.3
Federal	3,905	3,831	+1.9	3,704	+5.4	25,332	23,664	+7.0
State member	2,556	2,332	+9.6	2,031	+25.8	16,531	14,732	+12.2
Nonmember	1,482	1,291	+14.8	1,309	+13.2	8,598	10,451	-17.7
District No. 9: Total	6,338	6,700	-5.4	5,334	+18.8	44,919	40,839	+10.0
Federal	2,738	2,770	-1.2	2,168	+26.3	19,019	16,366	+16.2
State member	3,505	3,577	-2.0	2,988	+17.3	24,789	22,815	+8.7
Nonmember	95	353	-73.1	178	-46.6	1,111	1,658	-33.0
District No. 10: Total	5,563	4,650	+19.6	4,863	+14.4	37,037	35,264	+5.0
Federal	3,125	2,455	+27.3	2,366	+32.1	20,441	18,474	+10.6
State member	1,399	1,214	+15.2	1,070	+30.7	8,854	7,970	+11.1
Nonmember	1,039	981	+5.9	1,427	-27.2	7,742	8,820	-12.2
District No. 11: Total	4,357	4,697	-7.2	3,858	+12.9	33,918	27,991	+21.2
Federal	2,783	3,050	-8.8	2,252	+23.6	22,193	17,322	+28.1
State member	1,412	1,359	+3.9	1,357	+4.1	10,664	9,469	+12.6
Nonmember	162	288	-43.8	249	-34.9	1,061	1,200	-11.6
District No. 12: Total	9,574	10,493	-8.8	8,139	+17.6	73,747	62,691	+17.6
Federal	5,572	6,260	-11.0	4,346	+28.2	41,009	34,845	+17.7
State member	3,966	4,193	-5.4	3,537	+12.1	32,070	26,159	+22.6
Nonmember	36	40	-10.0	256	-85.9	668	1,687	-60.4

Table 8.—Summary of estimated nonfarm mortgage recordings,¹ \$20,000 and under, during September 1941

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	50,057	\$139,156	7,298	\$35,995	30,731	\$105,153	4,990	\$19,213	34,161	\$69,002	17,510	\$59,580	144,747	\$428,099	\$4.64	
No. 1--Boston	4,309	14,749	241	1,393	1,007	3,825	2,666	9,518	2,725	6,262	619	2,258	11,567	38,005		
Connecticut	450	1,841	147	894	441	1,882	634	2,542	727	1,766	373	1,502	2,772	10,427	6.86	
Maine	154	348	20	87	112	332	163	412	151	234	40	108	640	1,521	2.43	
Massachusetts	3,138	10,700	61	347	334	1,312	1,503	5,431	1,515	3,643	156	490	6,707	21,923	5.31	
New Hampshire	193	542			33	38	151	470	94	174	18	57	489	1,281	3.18	
Rhode Island	255	985	13	65	67	237	122	374	180	338	21	66	658	2,065	3.08	
Vermont	119	333			20	24	93	289	58	107	11	35	301	788	3.19	
No. 2--New York	3,218	11,238	447	2,412	2,539	10,506	1,646	7,343	3,837	9,230	1,846	7,082	13,533	47,811		
New Jersey	1,428	4,504	248	1,214	1,461	5,975	149	602	1,510	3,793	947	3,400	5,743	19,488	4.98	
New York	1,790	6,734	199	1,198	1,078	4,531	1,497	6,741	2,327	5,437	899	3,682	7,790	28,323	2.39	
No. 3--Pittsburgh	3,227	8,282	598	2,569	2,858	9,729	229	894	2,172	5,240	1,078	3,982	10,162	30,696		
Delaware	22	71	27	148	8	57	244	17	72	63	134	15	40	201	709	3.70
Pennsylvania	2,787	7,358	499	2,073	2,181	7,533	207	820	1,713	4,391	883	3,631	8,270	25,806	2.94	
West Virginia	418	853	72	348	620	1,952	5	2	396	715	180	311	1,691	4,181	3.27	
No. 4--Winston-Salem	7,105	19,383	1,111	5,128	2,852	8,889	59	197	5,095	9,852	2,507	6,697	18,729	50,146		
Alabama	270	514	148	627	257	786			635	1,016	206	535	1,516	3,478	2.66	
District of Columbia	597	3,225	99	675	120	749			431	1,322	195	1,105	1,442	7,076	14.55	
Florida	672	2,327	392	1,653	394	1,344			732	1,649	405	1,136	2,595	8,109	6.82	
Georgia	832	1,778	134	703	658	1,182			802	943	542	978	2,968	5,584	3.75	
Maryland	1,526	4,245	58	281	282	947	59	197	579	1,421	213	641	2,717	7,732	5.55	
North Carolina	1,571	3,887	104	419	395	1,420			951	1,303	362	1,000	3,383	8,029	5.11	
South Carolina	303	736	20	127	127	356			215	503	147	426	812	2,148	2.61	
Virginia	1,334	2,671	156	643	619	2,105			750	1,695	437	876	3,296	7,990	5.43	
No. 5--Cincinnati	8,144	23,803	915	4,660	3,650	12,722	166	662	2,651	4,544	1,896	5,024	17,222	51,415		
Kentucky	1,124	2,727	143	657	442	1,391			155	201	106	283	1,970	5,259	3.66	
Ohio	6,737	20,446	546	3,127	2,522	9,289	166	662	2,005	3,795	853	2,896	12,829	40,215	7.14	
Tennessee	283	630	226	876	686	2,042			491	548	737	1,845	2,423	5,941	4.24	
No. 6--Indianapolis	3,737	8,237	874	3,982	3,774	10,686	18	22	1,412	2,924	1,155	4,360	10,970	30,211		
Indiana	2,526	5,029	389	1,706	1,308	3,925	18	22	430	754	281	826	4,952	12,262	5.06	
Michigan	1,211	3,208	485	2,276	2,466	6,761			982	2,170	874	3,534	6,018	17,949	4.42	
No. 7--Chicago	4,731	14,123	449	2,158	1,984	7,636	13	20	2,267	5,169	1,853	8,208	11,297	37,314		
Illinois	3,498	10,616	310	1,579	1,178	5,045			1,270	3,030	1,622	7,448	7,878	27,718	4.18	
Wisconsin	1,233	3,507	139	579	806	2,591	13	20	997	2,139	231	760	3,419	9,596	4.66	
No. 8--Des Moines	3,968	9,287	643	3,297	2,605	6,764	44	156	2,555	4,133	1,835	5,701	11,650	29,338		
Iowa	992	2,121	100	435	637	1,514			464	740	230	633	2,423	5,443	3.65	
Minnesota	1,463	3,835	275	1,399	655	1,507	44	156	738	1,374	294	1,125	3,469	9,396	5.63	
Missouri	1,307	2,918	208	1,184	1,154	3,423			1,205	1,769	1,275	3,882	5,149	13,176	5.24	
North Dakota	151	350	27	140	58	136			63	92	17	17	316	735	2.59	
South Dakota	55	63	33	139	101	184			85	158	19	44	293	588	1.94	
No. 9--Little Rock	3,289	8,493	862	3,756	991	2,942			2,445	4,317	1,724	4,854	9,311	24,362		
Arkansas	303	620	42	166	200	442			262	330	62	125	869	1,683	2.29	
Louisiana	958	3,185	139	592	121	302			403	846	419	1,226	2,040	6,151	4.84	
Mississippi	179	355	60	249	144	387			280	423	84	207	747	1,621	2.51	
New Mexico	67	126			132	479			83	173			282	778	2.94	
Texas	1,782	4,207	621	2,749	394	1,332			1,417	2,545	1,159	3,296	5,373	14,129	4.07	
No. 10--Topeka	3,015	6,509	288	1,276	979	2,495			1,691	2,468	929	2,860	6,902	15,608		
Colorado	336	901	28	157	133	303			627	1,156	268	928	1,392	3,445	4.58	
Kansas	977	1,823	51	229	435	1,011			274	356	219	601	1,956	4,020	3.42	
Nebraska	794	1,754	152	658	95	355			287	401	104	278	1,432	3,446	4.35	
Oklahoma	908	2,031	57	232	316	826			503	555	338	1,053	2,122	4,697	3.42	
No. 11--Portland	1,884	4,692	300	1,185	1,302	3,357	149	401	1,322	1,996	996	3,396	5,953	15,027		
Idaho	98	280	20	62	60	244			121	174	144	403	443	1,163	4.53	
Montana	124	335	16	74	65	218			142	255	22	86	369	968	2.91	
Oregon	400	1,024	113	434	198	507	17	44	557	725	244	887	1,529	3,621	4.96	
Utah	255	744	20	66	279	831			107	161	41	80	702	1,882	4.80	
Washington	930	2,074	131	549	654	1,450	132	357	324	574	516	1,835	2,687	6,839	5.43	
Wyoming	77	235			46	107			71	107	29	105	223	554	3.63	
No. 12--Los Angeles	3,430	10,360	570	4,178	6,190	25,602			5,989	12,867	1,272	5,158	17,451	58,166		
Arizona	105	303	10	40	126	469			257	546	37	61	535	1,419	4.22	
California	3,301	9,990	558	4,130	6,036	25,029			5,675	12,199	1,227	5,083	16,797	56,431	11.16	
Nevada	24	67	2	9	28	104			57	122	8	14	119	316	4.23	

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

Table 8a.—Summary of estimated nonfarm mortgage recordings,¹ \$20,000 and under, during August 1941

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 mortgagees		Total		
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
UNITED STATES.....	49,262	\$35,754	7,433	\$36,250	31,001	\$100,712	5,197	\$20,802	34,982	\$70,377	18,295	\$61,034	146,170	\$424,929	\$4.60
No. 1--Boston.....	3,925	13,449	273	1,542	1,075	4,103	2,838	10,412	2,793	6,500	478	1,757	11,382	37,763	
Connecticut.....	378	1,519	207	1,183	440	1,940	663	2,908	801	2,167	242	988	2,736	10,705	7.04
Maine.....	177	461	14	65	103	321	157	380	126	181	32	90	609	1,498	2.39
Massachusetts.....	2,925	9,981	39	242	329	1,249	1,470	5,402	1,507	3,450	145	471	6,415	20,795	5.04
New Hampshire.....	130	369	4	15	76	198	243	757	121	233	4	12	578	1,584	3.94
Rhode Island.....	235	893	6	28	80	273	158	500	164	326	52	188	693	2,208	3.29
Vermont.....	80	226	3	9	47	122	149	465	74	143	3	8	356	973	3.94
No. 2--New York.....	3,232	11,718	538	3,025	2,638	11,213	1,613	7,655	3,958	9,829	1,721	6,909	13,700	50,349	
New Jersey.....	1,259	4,399	271	1,405	1,414	6,264	116	516	1,495	3,892	908	3,546	5,463	20,022	5.12
New York.....	1,973	7,319	267	1,620	1,224	4,949	1,497	7,139	2,463	5,937	813	3,363	8,237	30,327	2.56
No. 3--Pittsburgh.....	3,570	9,555	383	1,899	2,952	9,267	308	1,178	2,319	5,851	1,087	4,111	10,619	31,861	
Delaware.....	23	73	28	153	59	252	18	74	65	138	15	41	208	731	3.81
Pennsylvania.....	3,184	8,752	319	1,558	2,256	7,603	283	1,101	1,804	4,531	899	3,678	8,745	27,223	3.10
West Virginia.....	363	730	36	188	637	1,412	7	3	450	1,182	173	392	1,666	3,907	3.05
No. 4--Winston-Salem.....	6,815	18,403	1,279	5,478	2,761	7,923	53	178	5,145	9,763	2,993	8,005	19,046	49,750	
Alabama.....	282	500	206	753	267	603	-----	-----	556	805	348	832	1,659	3,493	2.67
District of Columbia.....	540	2,953	90	607	85	538	-----	-----	428	1,307	188	953	1,331	6,358	1.31
Florida.....	776	2,693	368	1,475	354	1,082	-----	-----	807	1,783	507	1,607	2,812	8,640	7.27
Georgia.....	858	1,911	164	872	638	1,064	-----	-----	873	1,151	568	1,044	3,101	6,042	4.06
Maryland.....	1,445	3,852	70	338	273	999	53	178	548	1,401	203	619	2,592	7,387	5.30
North Carolina.....	1,292	3,004	150	598	288	941	-----	-----	910	1,111	377	1,009	3,017	6,663	4.24
South Carolina.....	262	645	44	145	196	443	-----	-----	174	333	175	527	851	2,093	2.55
Virginia.....	1,360	2,845	187	690	660	2,253	-----	-----	849	1,872	627	1,414	3,683	9,074	6.17
No. 5--Cincinnati.....	8,630	25,111	860	4,519	3,932	11,834	149	601	2,736	4,883	1,797	5,385	18,104	52,333	
Kentucky.....	1,040	2,449	142	678	441	1,436	-----	-----	175	206	94	276	1,892	5,045	3.51
Ohio.....	7,178	21,937	479	2,853	2,528	8,437	149	601	2,087	4,082	797	2,750	13,218	40,660	7.22
Tennessee.....	412	725	239	988	963	1,961	-----	-----	474	595	906	2,359	2,994	6,628	4.73
No. 6--Indianapolis.....	3,827	8,422	821	3,994	3,768	10,618	23	55	1,429	2,881	1,308	4,976	11,176	30,946	
Indiana.....	2,615	5,204	364	1,700	1,243	3,507	23	55	458	706	300	868	5,003	12,400	4.96
Michigan.....	1,212	3,218	457	2,294	2,525	7,111	-----	-----	971	2,175	1,008	4,108	6,173	18,906	5.66
No. 7--Chicago.....	4,628	13,426	494	2,464	2,147	8,129	10	21	2,590	5,818	2,077	9,205	11,946	39,063	
Illinois.....	3,590	10,513	354	1,878	1,382	5,858	-----	-----	1,419	3,396	1,842	8,472	8,587	30,117	5.54
Wisconsin.....	1,038	2,913	140	586	765	2,271	10	21	1,171	2,422	235	733	3,359	8,946	4.35
No. 8--Des Moines.....	4,104	9,342	719	3,466	2,694	6,659	39	131	2,742	4,173	1,835	5,552	12,133	29,323	
Iowa.....	958	2,029	148	672	667	1,596	-----	-----	474	691	289	829	2,536	5,817	3.90
Minnesota.....	1,530	3,972	291	1,331	606	1,283	39	131	793	1,498	293	1,038	3,552	9,253	5.55
Missouri.....	1,379	2,797	212	1,194	1,239	3,436	-----	-----	1,271	1,689	1,204	3,593	5,305	12,709	5.05
North Dakota.....	162	423	35	154	60	78	-----	-----	99	147	17	53	373	855	3.02
South Dakota.....	75	121	33	115	122	266	-----	-----	105	148	32	39	367	689	2.28
No. 9--Little Rock.....	2,758	7,060	937	4,146	956	2,865	-----	-----	2,480	4,207	1,838	5,053	8,969	23,331	
Arkansas.....	251	486	41	162	168	326	-----	-----	256	292	137	798	1,403	1,403	1.91
Louisiana.....	742	2,564	194	974	97	258	-----	-----	436	948	371	999	1,840	5,743	4.52
Mississippi.....	169	313	78	290	138	294	-----	-----	257	348	136	307	778	1,552	2.40
New Mexico.....	62	123	-----	-----	92	309	-----	-----	64	154	62	43	280	629	2.38
Texas.....	1,534	3,574	624	2,720	461	1,678	-----	-----	1,467	2,465	1,187	3,567	5,273	14,004	4.03
No. 10--Topeka.....	2,965	6,032	305	1,330	1,041	2,430	-----	-----	1,711	2,755	1,120	3,142	7,142	15,689	
Colorado.....	400	1,023	46	277	183	495	-----	-----	509	1,279	389	862	1,527	3,936	5.23
Kansas.....	854	1,601	64	275	405	833	-----	-----	330	309	241	795	1,894	3,813	3.25
Nebraska.....	726	1,385	125	474	80	240	-----	-----	296	493	106	248	1,333	2,840	3.58
Oklahoma.....	985	2,023	70	304	373	862	-----	-----	576	674	384	1,237	2,388	5,100	3.72
No. 11--Portland.....	1,885	4,526	292	1,160	1,303	3,385	164	571	1,280	1,923	847	2,767	5,771	14,332	
Idaho.....	124	260	13	47	54	213	-----	-----	141	186	80	262	412	968	3.77
Montana.....	127	320	11	46	84	257	-----	-----	135	299	25	62	382	984	2.95
Oregon.....	446	1,065	104	506	181	413	17	74	500	694	225	735	1,473	3,487	4.78
Utah.....	242	710	48	163	321	970	-----	-----	87	146	48	100	746	2,089	5.33
Washington.....	860	1,935	112	394	627	1,400	147	497	341	462	429	1,482	2,516	6,170	4.90
Wyoming.....	86	236	4	34	36	132	-----	-----	76	136	40	126	242	634	4.16
No. 12--Los Angeles.....	2,923	8,710	532	3,227	5,734	22,286	-----	-----	5,799	11,794	1,194	4,172	16,182	50,189	
Arizona.....	112	339	12	73	131	463	-----	-----	247	499	18	27	520	1,401	4.16
California.....	2,786	8,295	517	3,138	5,574	21,720	-----	-----	5,497	11,184	1,172	4,139	15,546	48,476	9.59
Nevada.....	25	76	3	16	29	103	-----	-----	55	111	4	6	116	312	4.18

¹ 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
Number:														
1940: 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
December	37,984	32.8	5,736	4.9	25,837	22.3	3,847	3.3	27,823	24.0	14,680	12.7	115,907	100.0
1941:														
January	34,459	31.4	5,523	5.0	24,204	22.1	3,392	3.1	28,494	26.0	13,617	12.4	109,689	100.0
February	34,909	32.6	4,753	4.4	23,711	22.1	2,985	2.8	27,483	25.7	13,303	12.4	107,144	100.0
March	42,496	34.2	5,651	4.5	26,820	21.6	3,571	2.9	30,990	25.0	14,666	11.8	124,194	100.0
April	48,266	34.6	6,583	4.7	30,065	21.6	4,512	3.2	33,794	24.2	16,305	11.7	139,525	100.0
May	52,802	35.1	7,190	4.8	32,148	21.4	5,258	3.5	35,175	23.4	17,769	11.8	150,342	100.0
June	50,393	36.0	7,655	5.2	32,769	22.1	5,437	3.7	34,613	23.4	16,970	11.5	147,837	100.0
July	51,882	34.4	7,602	5.0	32,343	21.4	5,469	3.6	35,634	23.6	18,180	12.0	151,110	100.0
August	50,057	34.6	7,298	5.0	30,731	21.2	4,990	3.5	34,161	23.6	17,510	12.1	144,747	100.0
September	49,262	33.7	7,433	5.1	31,001	21.2	5,197	3.6	34,982	23.9	18,295	12.5	146,170	100.0
Amount:														
1940: 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
December	98,765	30.2	28,666	8.8	83,426	25.5	14,918	4.6	51,964	15.9	48,885	15.0	326,624	100.0
1941:														
January	89,996	29.3	27,691	9.0	78,977	25.7	12,931	4.2	53,891	17.5	44,154	14.3	307,640	100.0
February	91,182	30.7	23,716	8.0	74,526	25.1	11,662	3.9	52,442	17.7	43,335	14.6	296,863	100.0
March	113,574	32.6	27,842	8.0	86,178	24.7	14,016	4.0	59,646	17.1	47,624	13.6	348,880	100.0
April	129,348	32.5	32,313	8.1	98,076	24.6	16,888	4.2	65,708	16.5	55,972	14.1	398,305	100.0
May	143,770	33.0	35,635	8.2	107,151	24.6	19,705	4.5	69,836	16.0	59,864	13.7	435,961	100.0
June	139,647	32.4	37,372	8.7	107,827	25.1	20,503	4.8	67,380	15.6	57,487	13.4	430,216	100.0
July	142,695	32.2	37,262	8.4	108,555	24.5	21,080	4.8	71,456	16.1	61,991	14.0	443,039	100.0
August	139,156	32.5	35,995	8.4	105,153	24.6	19,213	4.5	69,002	16.1	59,580	13.9	428,099	100.0
September	135,754	31.9	36,250	8.5	100,712	23.7	20,802	4.9	70,377	16.6	61,034	14.4	424,929	100.0

r revised.

Table 10.—Estimated nonfarm real estate foreclosures, 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
1940: Jan.-Sept	57,534	5,829	8,608	12,029	31,068
September	6,294	539	1,018	1,355	3,382
October	6,305	618	897	1,319	3,471
November	5,832	603	832	1,343	3,054
December	5,639	635	819	1,103	3,082
1941: Jan.-Sept	45,378	4,952	6,939	9,744	23,743
January	5,474	607	800	1,180	2,887
February	4,950	526	789	1,009	2,626
March	5,650	621	870	1,191	2,968
April	5,445	587	853	1,119	2,886
May	5,375	630	837	1,236	2,672
June	5,047	630	727	1,149	2,541
July	4,834	437	741	959	2,697
August	r 4,251	399	r 668	r 948	2,236
September	4,352	515	654	953	2,230

r revised.

November 1941

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

Period	Number of properties acquired ¹	Number of properties sold	Number of properties on hand at end of month
1940: September	1,701	3,619	56,598
October	1,719	3,886	54,433
November	1,728	3,253	52,878
December	1,580	2,706	51,722
1941: January	1,638	2,425	50,865
February	1,340	2,223	49,940
March	1,327	2,369	48,856
April	1,226	2,464	47,588
May	1,080	2,458	46,170
June	1,270	2,296	44,922
July	803	1,788	43,933
August	r 665	1,793	42,807
September	681	1,790	41,698

¹ Includes reacquisitions of properties previously sold.

r revised.

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 reparable capital	Government investment	Federal Home Loan Bank advances	Number of investors	Operations		
								New private investments	Private re-purchases	New mortgage loans
ALL INSURED										
1939: June	2, 170	\$2, 339, 411	\$1, 769, 112	\$1, 657, 859	\$259, 943	\$127, 062	2, 236, 000	\$40, 700	\$15, 800	\$55, 848
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: 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
December	2, 276	2, 931, 781	2, 342, 804	2, 202, 135	220, 789	171, 347	2, 772, 400	65, 586	22, 865	56, 363
1941: January	2, 282	2, 929, 247	2, 359, 057	2, 262, 692	216, 485	141, 450	2, 802, 700	127, 490	75, 228	52, 270
February	2, 289	2, 959, 330	2, 384, 160	2, 296, 225	206, 015	129, 437	2, 869, 500	65, 384	37, 081	53, 765
March	2, 292	2, 991, 565	2, 416, 680	2, 323, 041	206, 094	119, 461	2, 896, 100	64, 633	39, 605	69, 313
April	2, 297	3, 034, 528	2, 457, 438	2, 354, 239	206, 078	115, 372	2, 924, 000	65, 947	39, 194	77, 735
May	2, 302	3, 079, 396	2, 501, 582	2, 379, 856	206, 304	119, 242	2, 943, 300	57, 755	35, 122	82, 443
June	2, 310	3, 158, 251	2, 554, 274	2, 433, 513	206, 301	114, 331	2, 974, 500	61, 448	26, 779	85, 117
July	2, 313	3, 154, 228	2, 595, 114	2, 449, 807	203, 512	142, 870	2, 998, 100	103, 886	90, 728	84, 994
August	2, 319	3, 185, 814	2, 636, 536	2, 465, 223	195, 572	147, 044	3, 019, 600	62, 374	48, 010	84, 794
FEDERAL										
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
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: 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	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	1, 435	1, 829, 939	1, 532, 745	1, 349, 761	181, 381	114, 070	1, 627, 600	34, 092	14, 867	38, 896
December	1, 438	1, 872, 691	1, 545, 838	1, 387, 839	181, 431	127, 255	1, 665, 200	44, 531	12, 135	37, 715
1941: January	1, 439	1, 872, 744	1, 563, 038	1, 436, 443	177, 265	102, 973	1, 709, 800	87, 950	49, 852	34, 360
February	1, 441	1, 890, 266	1, 577, 498	1, 458, 840	168, 873	92, 558	1, 736, 900	45, 587	23, 131	35, 645
March	1, 442	1, 915, 054	1, 599, 592	1, 480, 866	168, 922	84, 810	1, 758, 400	44, 390	23, 618	45, 365
April	1, 445	1, 945, 949	1, 627, 545	1, 504, 271	169, 047	81, 076	1, 780, 100	45, 058	23, 376	51, 371
May	1, 447	1, 977, 162	1, 656, 899	1, 522, 675	169, 247	83, 674	1, 792, 700	38, 423	20, 582	55, 396
June	1, 450	2, 028, 045	1, 687, 088	1, 554, 374	169, 247	103, 696	1, 806, 200	40, 030	14, 530	57, 542
July ¹	1, 452	2, 022, 886	1, 715, 819	1, 565, 799	166, 464	102, 513	1, 822, 700	70, 290	61, 061	56, 564
August ²	1, 454	2, 049, 184	1, 749, 214	1, 579, 671	159, 622	106, 624	1, 841, 600	40, 730	30, 443	57, 592
STATE										
1939: June	787	898, 353	633, 601	667, 611	42, 917	38, 764	936, 900	13, 700	7, 700	16, 754
December	798	932, 630	674, 980	702, 700	41, 948	36, 859	973, 800	16, 400	8, 214	15, 463
1940: 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
December	838	1, 059, 090	796, 966	814, 296	39, 358	44, 092	1, 107, 200	21, 055	10, 730	18, 648
1941: January	843	1, 056, 503	796, 019	826, 249	39, 220	38, 477	1, 092, 900	39, 540	25, 376	17, 910
February	848	1, 069, 064	806, 662	837, 385	37, 142	36, 879	1, 132, 600	19, 797	13, 950	18, 120
March	850	1, 076, 511	817, 088	842, 175	37, 172	34, 651	1, 137, 700	20, 243	15, 987	23, 948
April	852	1, 088, 579	829, 893	849, 968	37, 031	34, 296	1, 143, 900	20, 889	15, 818	26, 364
May	855	1, 102, 234	844, 683	857, 181	37, 057	35, 568	1, 150, 600	19, 332	14, 540	27, 047
June	860	1, 130, 206	867, 186	879, 139	37, 054	40, 635	1, 168, 300	21, 418	12, 249	27, 575
July	861	1, 131, 342	879, 295	884, 008	37, 048	40, 357	1, 175, 400	33, 596	29, 667	28, 430
August	865	1, 136, 630	887, 322	885, 552	35, 950	40, 420	1, 178, 000	21, 644	17, 567	27, 202

¹ In addition, 4 converted Federals with assets of \$2,134,000 were not insured as of July 31, 1941.

² In addition, 5 converted Federals with assets of \$2,201,000 were not insured as of August 31, 1941.

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

[Thousands of dollars]

Federal Home Loan Bank	September 1941		August 1941		Advances outstanding September 30, 1941
	Advances	Repayments	Advances	Repayments	
Boston	\$1,119	\$493	\$805	\$113	\$9,950
New York	2,712	660	1,259	650	20,108
Pittsburgh	789	626	1,109	698	16,303
Winston-Salem	1,949	566	1,615	859	22,001
Cincinnati	545	1,090	693	702	15,052
Indianapolis	527	433	361	171	10,906
Chicago	1,790	1,707	1,678	1,198	28,493
Des Moines	803	285	573	250	15,352
Little Rock	440	324	723	458	8,621
Topeka	491	261	525	133	8,549
Portland	450	304	395	479	6,645
Los Angeles	1,235	538	1,136	679	16,211
Total	12,850	7,287	10,872	6,390	178,191
Jan.—Sept. 1941	94,364	117,665			
September 1940	12,897	5,251			176,047
Jan.—Sept. 1940	89,759	95,025			
Jan.—Sept. 1939	60,625	95,780			163,687
September 1939	10,152	5,935			

Table 14.—Government investments in savings and loan associations ¹

[Amounts are shown in thousands of dollars]

Type of operation	Treasury	Home Owners' Loan Corporation		
	Federals ²	Federals	State members	Total
Oct. 1935—Sept. 1941:				
Applications:				
Number	1,862	4,673	995	5,668
Amount	\$50,401	\$209,721	\$65,932	\$275,653
Investments:				
Number	1,831	4,220	740	4,960
Amount	\$49,300	\$176,935	\$45,589	\$222,524
Repurchases	\$28,016	\$38,605	\$9,396	\$48,001
Net outstanding investments	\$21,284	\$138,330	\$36,193	\$174,523
September 1941				
Applications:				
Number	0	5	2	7
Amount	0	\$425	\$75	\$500
Investments:				
Number	0	0	1	1
Amount	0	0	\$25	\$25
Repurchases	0	\$8	\$5	\$13

¹ Refers to number of separate investments, not to number of associations in which investments are made.
² Investments in Federals by the Treasury were made between December 1933 and November 1935.

Table 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 insurance ¹	U. S. savings bonds ²	Insured savings and loans ³	U. S. savings bonds ⁴	Postal savings ⁵	Mutual savings banks ⁶	Insured commercial banks ⁷	Insured savings and loans ⁸
1940: 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	1,295,859			2,114,831
November	505,474	50,080	49,990	3,123,036	1,298,429			2,143,360
December	596,534	82,207	65,586	3,194,793	1,304,382	\$10,617,759	\$13,062,315	2,202,135
1941: January	522,762	189,276	127,490	3,371,135	1,313,954			2,262,692
February	537,557	120,680	65,384	3,480,040	1,317,794			2,296,225
March	598,217	131,961	64,633	3,598,546	1,319,959			2,323,041
April	597,203	61,968	65,947	3,647,249	1,317,102			2,354,239
May	604,162	101,581	57,755	3,758,822	1,310,027			2,379,856
June	594,164	102,517	61,448	3,853,297	1,304,041	10,606,224	13,107,022	2,433,513
July	582,292	145,274	103,886	3,992,095	1,306,928			2,449,807
August	581,171	117,603	62,374	4,102,528	1,308,839			2,465,223
September	581,998	105,291		4,199,539	1,311,060			
Change: Last 6 months				+16.70%	-0.68%	-0.11%	+0.34%	+7.36%

¹ Life Insurance Sales Research Bureau. Face amount of policies sold, excluding group insurance.
² U. S. Treasury Daily Statement. Cash sales, including unclassified sales. From May 1941: Defense Savings Bonds, Series E. (May figure is revised).
³ New private investments; amounts paid in as reported to the FHLBB.
⁴ U. S. Treasury Daily Statement. Current redemption value. From May 1941: Defense Savings Bonds, Series E.

⁵ 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.
⁶ Month's Work. All deposits.
⁷ FDIC. Time deposits evidenced by savings passbooks.
⁸ Private repurchasable capital as reported to the FHLBB.

Resolutions of the Board

(Continued from p. 51)

graph 14 of paragraph (a) and in paragraph (d) of Section 2.4 of the Rules and Regulations for the Federal Home Loan Bank System, as follows: A political or public office shall be deemed to mean any office, "whether elective or appointive," in national, state, or municipal government, or on a political party committee. "Compensation" is to be considered as "any salary, fee, retainer, or other form of compensation which is substantial." The Federal Home Loan Bank Board will determine in each case whether the compensation for a political or public office is within the spirit of the foregoing resolution.

AMENDMENT TO THE RULES AND REGULATIONS FOR INSURANCE OF ACCOUNTS, RELATING TO THE ADJUSTMENT OF INSURANCE PREMIUMS WHEN ASSOCIATIONS PURCHASE BULK ASSETS: Adopted October 6, 1941; effective October 8, 1941.

The Resolution proposed by the Board in August, providing for premium credits in the event of the purchase of bulk assets, as well as in the event of the merger or consolidation of insured institutions as previously provided, was formally adopted by the Board of Trustees on October 6, effective October 8, 1941.

The last sentence of paragraph (c) of Section 301.13 of the Rules and Regulations for Insurance of Accounts is now amended to read as follows:

Provided, however, That if the institution which is absorbed by applicant by such merger, consolidation or purchase of bulk assets is an insured institution, the applicant shall receive a credit upon its future premiums of the unearned portion of any premium theretofore paid to the Corporation by such absorbed institution.

AMENDMENT TO THE RULES AND REGULATIONS FOR INSURANCE OF ACCOUNTS, RELATING TO THE ISSUANCE OF DEBENTURES IN PAYMENT OF INSURANCE: Adopted October 20, 1941; effective October 22, 1941.

Under previous regulations, an insured investor in a defaulted association had the option of receiving (1) A new insured account in an insured institution not in default, in an amount equal to the insured account so transferred; or (2) The amount of his account which is insured, as follows: 10 percent in cash, 45 percent in negotiable noninterest-bearing debentures of the Corporation due 1 year from the date of the

default, and 45 percent in such debentures due 3 years from the date of default.

By Board resolution of October 20, the second option is now amended so that the debenture issues to an insured investor are due *within* 1 year and *within* 3 years.

Section 301.19, subsection (b), subparagraph (2), now reads:

(2) The amount of his account which is insured, as follows: 10 percent in cash, 45 percent in negotiable non-interest-bearing debentures of the Corporation due within 1 year from the date of the default, and 45 percent in such debentures due within 3 years from the date of default.

PROPOSED AMENDMENT

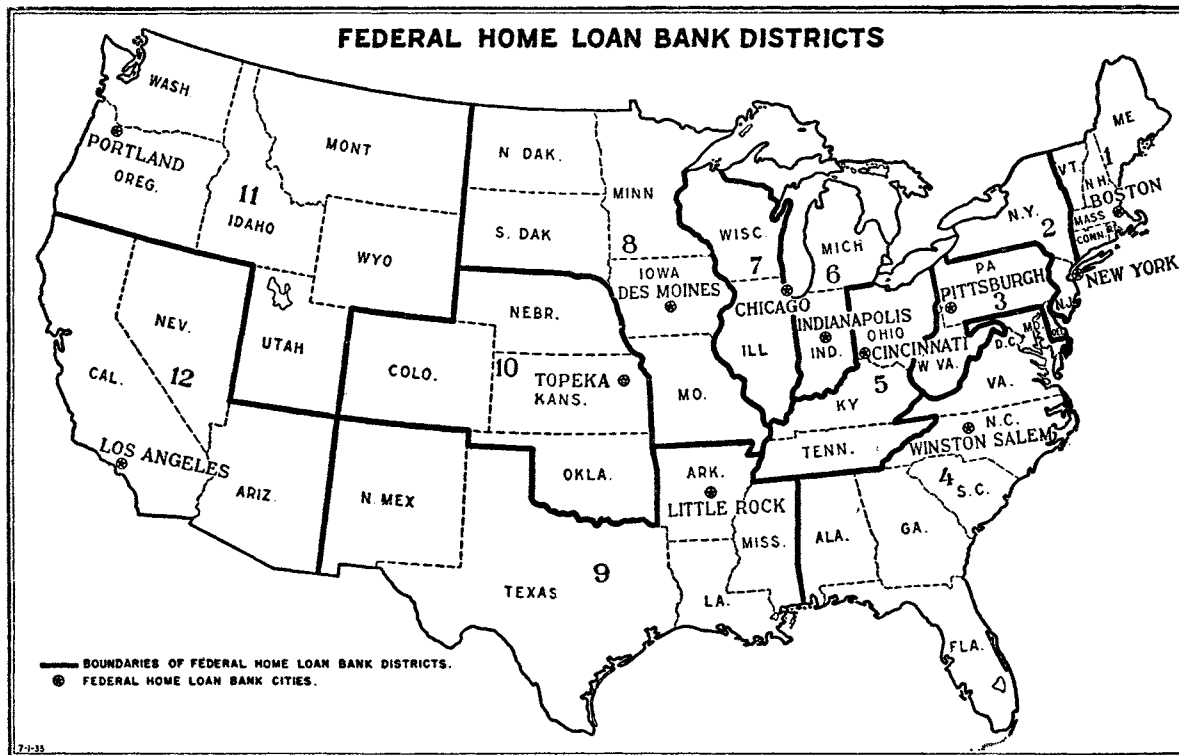
PROPOSED AMENDMENT TO THE RULES AND REGULATIONS FOR THE FEDERAL SAVINGS AND LOAN SYSTEM, REGARDING THE NECESSITY FOR BOARD APPROVAL BEFORE THE PURCHASE OF ASSETS, OFFICE BUILDINGS OR LAND THEREFOR.

The Federal Home Loan Bank Board, on October 13, proposed an amendment to subsection (b) of Section 203.13 of the Rules and Regulations for the Federal Savings and Loan System. This subsection now requires prior Board approval for certain purchases of loans. The proposed amendment would require, as well, such approval for purchases from an officer, director, or employee of the association; and would also provide that the purchase of any part or all of an office building or any land upon which such a building is to be erected is subject to prior approval of the Board.

If this proposed amendment is formally adopted by the Board, subsection (b) of Section 203.13 will read:

(b) *Purchase of assets.* Federal associations shall primarily engage in lending their funds, but may incidentally purchase loans of a type which they are permitted to make; provided that, no Federal association may purchase any mortgage from an affiliated institution or from an officer, director or employee of the association, or of a type that it is not authorized to make originally, without the prior approval of the Board. No Federal association may purchase an office building, or any part thereof, or land upon which to erect an office building, from an affiliated institution, or from an officer director or employee of the association, without the prior approval of the Board.

This proposed amendment will not be formally approved until at least 30 days after it was mailed to the Federal Savings and Loan Advisory Council. (The amendment was mailed to council members on October 21, 1941).



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