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FEDERAL HOME LOAN BANK

REVIEW

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NATIONAL HOUSING AGENCY

John B. Blandford, Jr., Administrator

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FEDERAL HOME LOAN BANK SYSTEM

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

HOME OWNERS' LOAN CORPORATION

UNITED STATES HOUSING CORPORATION

REGULAR FEATURES

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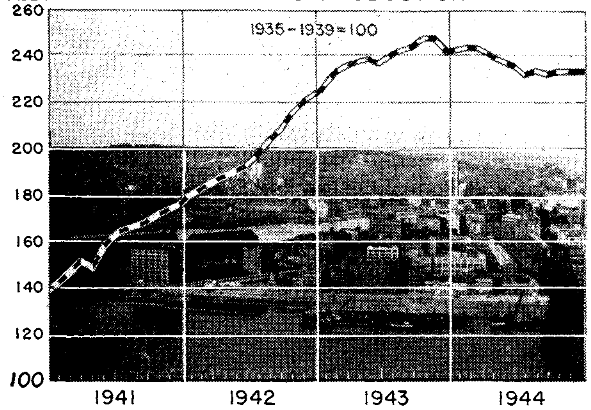
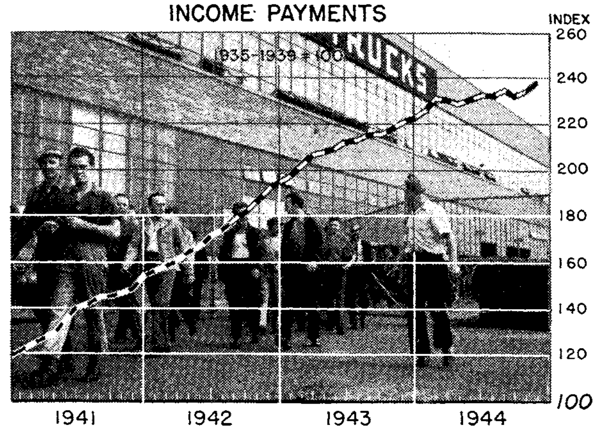
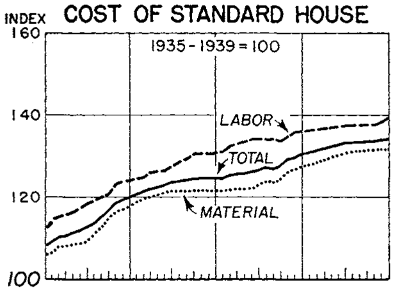
INDUSTRIAL PRODUCTION



INCOME PAYMENTS



COST OF STANDARD HOUSE

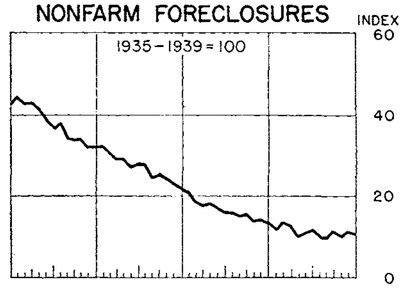


DURING the past year industrial output was sustained near the 1943 peak. Responding to this impetus, gross national product mounted to a new high, with Government expenditures continuing to account for almost one half. Total income payments to individuals also attained unprecedented levels. Correspondingly, consumer expenditures and individual savings reached new peaks. The cost-of-living rise was small.

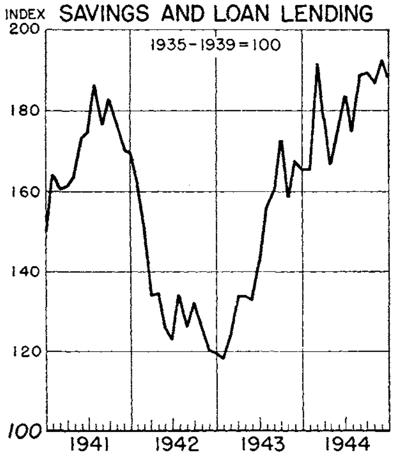
DESPITE the continued decline in residential construction, savings and loan new lending was at a post-depression high. The repayment of loans held in their portfolios proceeded at a rapid rate.

WITH the continued inflow of new private investments and further reductions in repurchases, savings and loan assets expanded. As the high volume of loan repayments prevented a rapid growth in loan portfolios, the bulk of this expansion was reflected in liquid assets, principally Government securities. New records were made in war bond sales during the year.

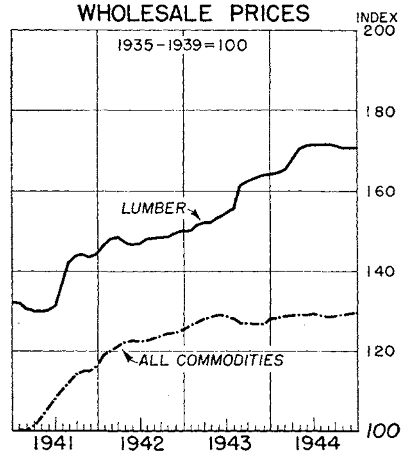
NONFARM FORECLOSURES



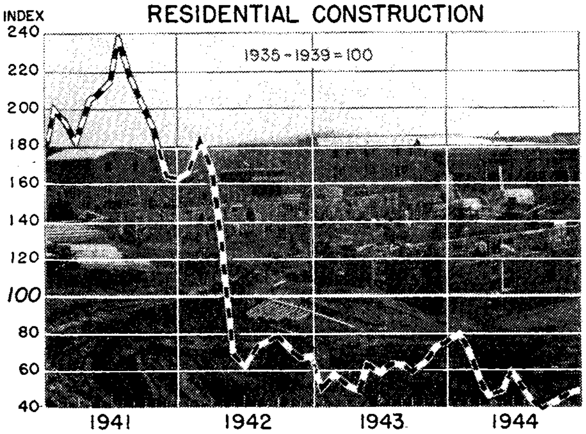
SAVINGS AND LOAN LENDING



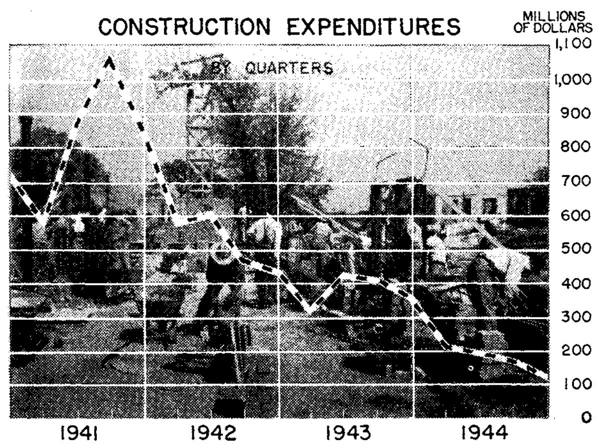
WHOLESALE PRICES



RESIDENTIAL CONSTRUCTION



CONSTRUCTION EXPENDITURES



THE NATIONAL ECONOMY IN THE THIRD WAR YEAR

This annual survey, summarized on the opposite page, discusses 1944 trends in housing and home finance which developed against the general background of nearly full war production. In tracing the progress made by savings and loan associations last year, it emphasizes the influence of our war economy upon their asset structure and the growth of private share capital.

■ THROUGHOUT 1944, military developments overshadowed all others. Certainly the last year has shown that, for the time being at least, post-war planning must remain in the blueprint stage; that reconversion to peacetime production must remain a matter for the indeterminate future. For the savings and loan industry, the developments of 1944 spell out the course which they will probably follow in the new year; unyielding pressure in support of the Treasury's borrowing for war finance and a continuing battle against the forces of inflation.

1944 in Retrospect

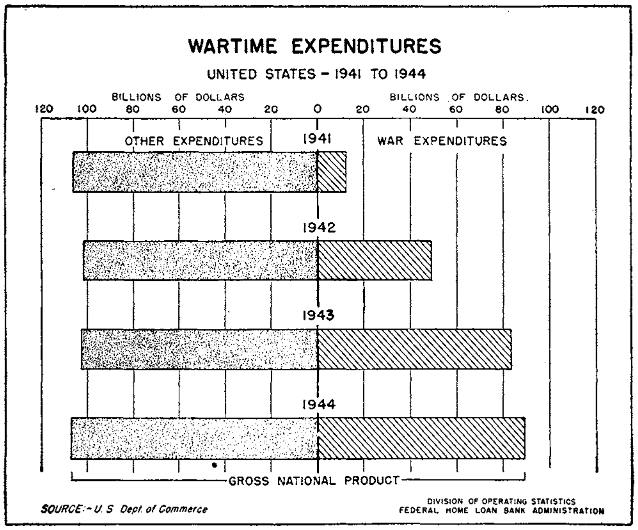
The invasion of Western Europe and the drive to the German border on the one hand, and the bitter road back to the Philippines on the other, loom as military landmarks of 1944. The invasion of Burma and the bombing of Japan by American B–29's cast shadows of new campaigns yet to unfold. In terms of supplies, these events constituted an opening of the flood-gates, as the consumption of war matériel reached a volume surpassing all expectations. In turn, this expenditure of accumulated supplies necessitated changes in production schedules. A number of programs which had been reduced to idling speed as inventories mounted earlier in the year were opened up at full throttle to assure adequate supplies for the fighting fronts.

The slight slack in production in the first months of 1944 had brought with it illusory hopes of an early partial reconversion, and these hopes were nourished further by the speed with which Allied armies knifed through France, Belgium and Holland. As fall drew into winter, though, our progress in terms of miles slowed to a virtual standstill, and for the first time since the break-through at St. Lo forward areas became fronts in the 1918 sense rather than deep zones of fluid fighting. As last year closed, Allied armies were sealing breaches caused by a stiff German counter-offensive which, besides inflicting heavy losses, proved a reminder that the enemy gains all the more incentive to fight viciously and capably with every foot that he is compelled to yield. The need for an all-out effort at home was underlined in the New Year's Day report of War Mobilization Director Byrnes in which an appeal was made for the enactment of more stringent manpower legislation to ensure the meeting of 1945 production schedules.

The gross national product for 1944 has been estimated by the Department of Commerce at $198.7 billion, an all-time high. However, the margin of growth (of the gross national product) was not as great as in 1943 when it rose to $187.8 billion from the 1942 level of $151.5 billion. Throughout last year, Government expenditures continued to account for about one-half of the total product, $99.4 billion, in itself a record dollar volume although somewhat less percentagewise than in 1943. Consumer expenditures likewise reached an unprecedented level, amounting to $97.6 billion, while private gross capital formation for the year is estimated at $1.8 billion—somewhat lower than in 1943 and considerably less than the $7.7 billion reported for 1942.

According to the Department of Commerce, the 1944 volume of gross national product resulted principally from a further expansion in industrial plant capacity and a more effective utilization of available materials and labor. During the past year, industrial output was maintained at approximately peak volume which was first reached in the fall of 1943. Although there was a barely perceptible downward movement in the total volume of such production, the principal variations have been in composition as changes necessitated by military needs have shifted emphasis from one type of item to another.

Taken in its entirety, our production problem in 1944 was changing from the establishment of initial stocks to their replacement and to the introduction of new and improved types of weapons. At the turn of the year, the scene in munitions production was one of upward revisions in schedules for 1945. In



October, estimates had been placed at $56.6 billion. By the first part of January, they had been raised to almost $62 billion and indications of an additional $2.5 billion increase were in sight. According to J. A. Krug, Chairman of the War Production Board, the 1945 program, not including all additional schedule advances, breaks down as follows: 50 percent of the over-all munitions program consists of increasing components, while 35 percent are decreasing and 15 percent are stable.

Domestic commodity transportation during the past year is believed to have reached a wartime peak. According to data compiled by the Association of American Railroads, freight loadings totaled 43,500,000 cars, an increase of 2.5 percent over 1943, while their movement aggregated 740 billion ton-miles, 1.8 percent above the preceding year. The peak in rail freight movements came in May, preceding Allied landings in Normandy. As the concentration of the war effort shifts to the West Coast, railroads probably will face a major problem.

New Construction

New construction in the United States during 1944 amounted to about $3,900,000,000, standing 50 percent below the preceding year and 70 percent less than the record volume of 1942. This continued decline for total construction reflects shrinkages for all major components. Military and naval construction in the United States was 86 percent below the 1942 figure; and industrial construction, which had reached a peak of $3,900,000,000 in 1942 with the added impetus of Government-financed plant expansions, stood at only $800,000,000 for 1944. Residential building continued its downward course. However, its rate of decline was less precipitous than in 1943.

Consumer Expenditures

The continued rise in consumer expenditures, up 7 percent from the 1943 figure, brought the total to a record high of $97.6 billion. Thus, in view of the slight rise in the cost of living as reported by the Bureau of Labor Statistics, it is evident that our economy was able to supply an increasing quantity of civilian goods, despite the unprecedented volume of war manufactures. That this was possible in a country whose productive capacity was so largely devoted to the manufacture of war matériel is chiefly due to the fairly large inventories of civilian goods of a number of lines on hand in January 1944.

From the performance of last year, it would seem that the nature of our post-war problem will center around distribution (marketing and consumer finance) if a high level of employment is to be maintained. Experience has demonstrated both our capacity and ability to produce when demand exists. Also, the high rate of consumer expenditures gives some indication of the magnitude of our capacity to consume, for it is significant that this record volume was attained at a time when many lines of new durable consumer goods, such as automobiles, electric refrigerators, washing machines and so forth, were virtually unavailable and when consumer credit was at an exceedingly low level.

After allowing for price changes, it is estimated that there was some small increase in the physical volume of goods and services purchased. However, the Department of Commerce states that the extent of quality changes and "forced-up trading due to the disappearance of low-priced items" was unknown, making the physical measurement of trade extremely uncertain. Prices showed an unusual measure of stability in 1944 according to the Bureau of Labor Statistics, changing even less than during the year before. Through the 12 months, retail prices of living essentials advanced only 2 percent and wholesale prices gained but 1.5 percent. These compare with increases of 3 and 2 percent, respectively, in 1943 and 9 and 8 percent in 1942.

Consumer expenditures drew the bulk of the record volume of $156.8 billion of income payments to individuals, while personal taxes tapped off somewhat less than 15 percent. The balance, representing the volume of savings for 1944, amounted to approximately $39.9 billion. Thus, savings during the year attained an all-time high with an increase over the rate of gain for the preceding year. The rise in rate shown in 1943 was about $4.9 billion, whereas savings in 1944 advanced $6.2 billion.

The Year in Finance

Our third war year, 1944, opened against a background of rising stock quotations which prevailed generally through the first six months. From December 1943 through the following June the month-end average price of stocks listed on the New York Stock Exchange rose from 63.1 percent to 70.2 percent of the December 31, 1924 index. Following the invasion and particularly during the period of our rapid advances to the German border, quotations showed much smaller variations near the mid-year levels. Quotations at the end of the year showed further sharp gains, probably reflecting the rather somber revisions being made in the planning of war production. The preliminary month-end average for December stood at 72.6 percent of the index.

The monthly average price of domestic bonds listed on the New York Stock Exchange continued in the opening months of last year the rise which began in December of 1943, moving up from $100.26 to $101.11 by February. Succeeding gains, though, were more moderate with a pre-invasion high of $101.41 being recorded in May. For December the average was $101.97, having shown a sharp rise in the last quarter to the high point of the year.

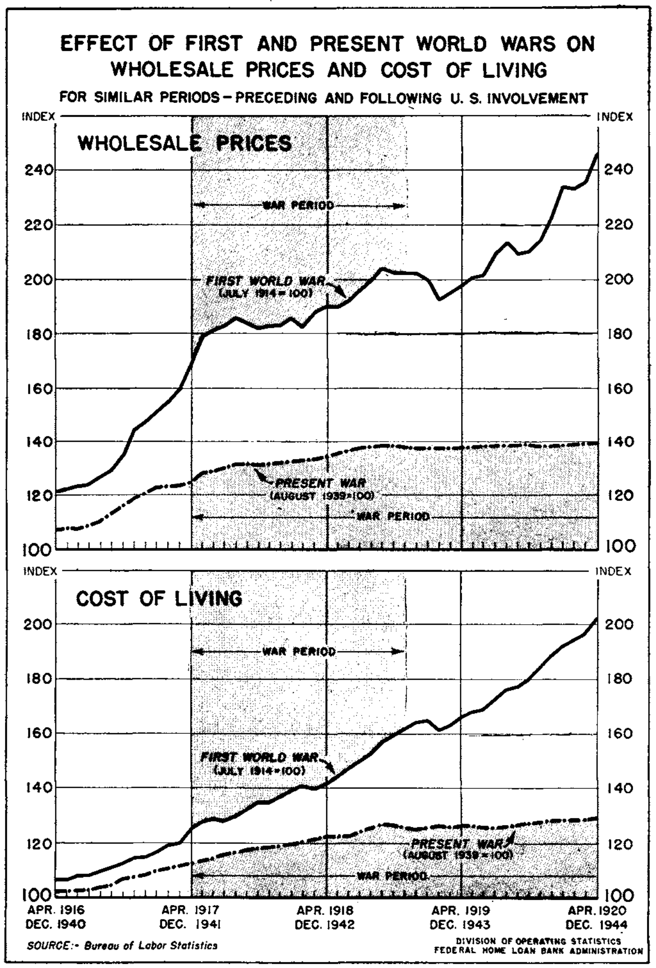
Bond yields, which had shown some gain at the end of 1943, generally declined through most of 1944. The average yield of high grade corporate bonds during December, was 2.54 percent, according to the Treasury Department, as compared with 2.65 percent in January and 2.63 percent in December 1943. With the exception of seven-to-nine-year U. S. Government Bonds, yields on Government issues showed comparatively little change.

Money in circulation increased steadily, and by the end of the year amounted to approximately $25.3 billion, compared with somewhat more than $20 billion at the turn of 1944. Gold stock, which has been gradually declining for two years, dropped to less than $21 billion, about $4 billion less than money in circulation. Reserve bank credit gained, rising from $13 billion to about $20 billion during the 12 months ending last December 31.

Member bank reserves of the Federal Reserve System rose to approximately $14 billion by the end of the year from about $13 billion at the close of 1944, with required reserves following an approximately parallel upward course, moving from about $12 billion to $12.5 billion. Excess reserves fluctuated at a comparatively low level, about $1 billion. In 1940 and early 1941 these were between $6 billion and $7 billion.

In February of 1944 the total amount of instalment credit outstanding shrank to $1,850,000,000, the lowest for any month since February 1935. Through December, it continued to hover at or slightly above this low point. As a result of this contraction, total consumer credit declined from a peak of $10,162,000,000 in September 1941 to $4,878,000,000 in February 1944, the lowest point since August 1935. By last December, however, total consumer debt had risen to $5,811,000,000 (preliminary).

Perhaps the most significant feature of the consumer instalment credit trends during 1944 is that despite the uniformly low level throughout the entire year, consumer expenditures were able to attain their record proportions.



Housing and Mortgage Finance

■ IN a nation grinding out the implements of war, the housing industry last year remained geared to the task of providing accommodations for our production army. Ordinary considerations of supply and demand again had to be foregone in order to get on with the job of making our relatively fixed supply of materials and manpower count where most needed. Therefore, the only valid measure of the year's progress is in essential needs fulfilled and not in comparisons with pre-war activities.

By this standard, 1944 was a good year. With the peak of the war-housing program passed in 1943, it was generally accepted that 1944 would bring a declining volume of residential construction. This proved to be the case, and the number of completions dropped 46 percent from 584,016 in 1943 to 313,391 units last year.

Temporary publicly financed housing continued to dominate 1944 production but to a diminishing degree, and accounted for only 52 percent of all war housing compared with 85 percent the year before. The share of private enterprise last year was represented by 150,927 units. The total of 162,464 accommodations provided by Federal funds included 83,765 family dwellings; 21,419 dormitory-type units; 24,271 stop-gap accommodations (principally trailers); and 33,009 converted family units.

The Federal Public Housing Authority, which carries the responsibility for the bulk of all publicly financed war housing, reported that it was entering 1945 with 95 percent of its construction task completed. An occupancy record of 93 percent of all publicly financed family dwellings was achieved in December. Other types of accommodations under FPHA jurisdiction were 89 percent occupied in spite of shifting needs caused by changes in war production schedules.

Considerations of the immediate and longer range future also entered into the 1944 housing pattern. In an effort to reduce new public construction to a minimum, experiments in the re-use of war housing received added attention. New methods were tried, with a considerable degree of success, in the demounting and moving of even ordinary temporary houses. Although many of these techniques are still in the experimental stage, they show promise of increasing the flexibility of our housing supply. Furthermore, the governments of several of the war-devastated countries of Europe have begun to show interest in importing a quantity of our temporary wartime structures as stop-gap housing for their early years of reconstruction.

Another hopeful sign in the over-all housing program was the joint action, taken in October, by the National Housing Agency and the War Production Board.[1] By providing for the relaxation of certain price ceilings, building material requirements and occupancy qualifications, it was planned to take care of some of the more urgent needs of other persons than the essential in-migrant war workers on whom the war-housing program has necessarily been concentrated. The latter (H–1 housing) was to retain the top priority, but construction, conversions and repairs under H–2 and H–3 were scheduled for expansion where and when conditions warranted.

However, the recent setback on the Western Front has temporarily shelved this program and currently there is a demand for at least 50,000 new war-housing units in addition to those already under construction. Until this and any other critical situations are disposed of, little immediate attention can be given to expanding the scope of home construction. Still, the trail has been blazed on the road back to normal housing. Up to the year-end, under the H–2 program, 5,000 new homes had been cleared in 23 areas approved by Area Production Urgency Committees.

War Housing to Date

Last year's activities brought the war-housing program since mid-1940 to a grand total of 1,767,156 new and converted dwelling units which provided for approximately 9,200,000 people (including war workers and their families) in nearly 1,300 different communities. Forty-eight percent of these accommodations were privately financed. This entire residential *construction* program involved an expenditure of about $6,500,000,000. Of this amount, more than $4,500,000,000 was provided by private capital, the greater part of which was protected against wartime risks by FHA mortgage insurance. The Federal Government, by reason of its concentration chiefly on temporary low-cost accommodations, provided over half of the new construction with an outlay of only one-third of the total over-all expenditure. In addition to the new housing provided,

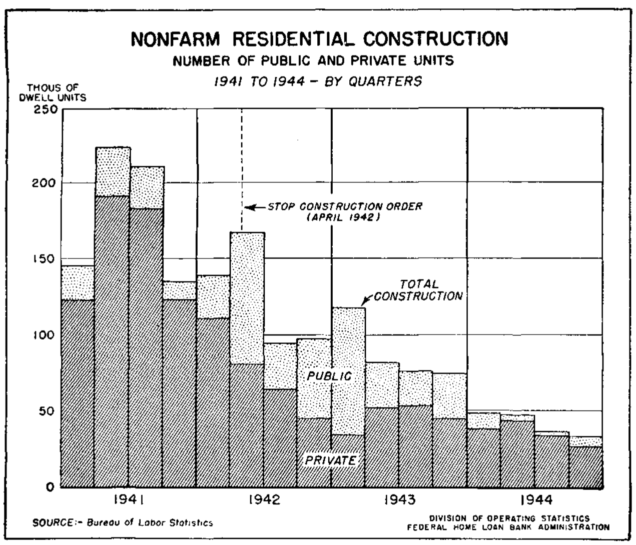
[1] *See* "The Road to More and Better Housing," FHLB REVIEW, November 1944, p. 39.

hundreds of thousands of people have been taken care of in existing structures through community support of the "Share Your Home" campaigns conducted by NHA's local War Housing Centers and Homes Registration Offices.

1944 Building Permits

The "war housing" figures cited in the foregoing discussion are based on the number of *completions* during each year. Consequently, although they provide a measure of accomplishment of the total program, they do not give the same picture of the year's activities as do data on the number of *building permits* issued, which may or may not represent completions during the same period. Therefore, the following estimates by the Department of Labor are presented to show the quantity and valuation of nonfarm residential construction which was authorized by issuance of permits in 1944 as compared with 1943.

The virtual completion of the war-housing program during 1944 was reflected in the steep decline in both the number and valuation of building permits issued for nonfarm residential construction. Permits numbered 168,985 with a total value of $467,409,000 compared with 349,977 permits for a value of $895,625,000 in 1943—a decline of 53 percent in number and 48 percent in amount. It is evident from a breakdown of these figures that during the past year the private financing industry has been experiencing a proportionate increase in comparison with the activity of the Government in providing housing accommodations. In spite of the fact that one-fourth fewer private units were started



in 1944 than during 1943 (138,760 as against 183,705), the volume of private building last year represented 82 percent of total construction whereas in 1943 it accounted for slightly more than half.

Another effect of the tapering off in the war-housing program last year is to be seen in the type of privately financed accommodations for which permits were issued. Whereas there was a reduction of only 16 percent in single-family dwellings started in 1944, 2-family and multifamily units declined by 40 and 54 percent, respectively. Thus, single-family units, which have always been the backbone of private residential construction, are emerging from the slump occasioned by earlier needs for multiple accommodations to meet the emergency. Last year 1-family units accounted for 83 percent of private building compared with only 74 percent in 1943.

The cost of all dwelling accommodations constructed with Federal funds amounted to $76,021,000 in 1944, a decline of 79 percent from the $355,963,000 the year before. Representing but 17 percent of 1944 nonfarm residential construction, these units totaled 30,225, the smallest number to be put under construction contract in any year since 1938, and 82 percent less than those started in 1943. While most of the public residential building last year consisted of temporary, row-type structures, there has been a recent increase in "mobile" or readily transportable, single-family units. In addition to the above, Federal contracts were let for projects to contain 471 converted units; 19,222 trailers; and 4,854 dormitory units (nine-month figures).

Shift to Urban Construction

A definite urban trend was shown by the building permit figures for 1944. Except for the farm homes built last year, 66 percent of all residential construction was located in *urban* rather than in rural nonfarm areas compared with 60 percent in 1943, with the shift more pronounced in public than in private construction. Relatively more of the new units were located in the larger cities last year, over one-third being concentrated in cities of over 100,000 population compared with less than one-fourth in 1943.

Permits were issued for a total of 111,098 dwelling units in urban areas with a total valuation estimated at $334,633,000. These figures represented declines of 47 and 42 percent, respectively, from the previous year's already low volume. Of these, 83 percent were privately financed compared with slightly over half provided by private capital in 1943, about the same relationship that existed in all nonfarm residential building. Single-family units predominated in urban building in 1944, accounting for over three-fourths of the total of private dwelling units. In 1943, such units comprised only about two-thirds of private urban construction.

Regional Data

A breakdown by Federal Home Loan Bank Districts shows that only in the Des Moines region was there an increase in construction activity during 1944. A total of 2,137 new units were commenced last year compared with only 771 in 1943.

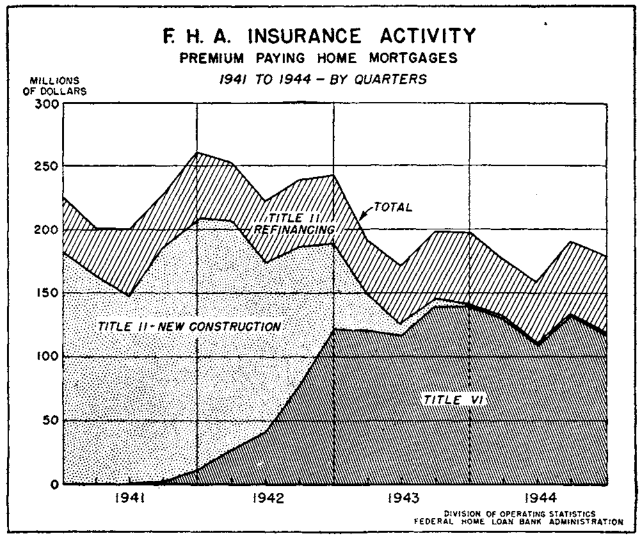
However, by far the greatest amount of residential building last year was in the Los Angeles area with this concentrated mainly in California. The pattern of war-production activity is easily seen in this situation. Even in that region, though, construction was far below the previous year's level. Only 32,489 units were started in 1944 compared with 48,642 during the previous year, representing a decline of 33 percent.

The Little Rock District, which was second in the amount of construction activity (19,346 new units), experienced the least decline during last year—down 8 percent. States in the Boston region, with a total drop of 79 percent last year, were the hardest hit by the 1944 construction decline.

Building Costs—Permit Values

Costs of construction, as well as its volume, must be interpreted in the light of wartime conditions. Although current shortages and restrictions preclude the building of the standard 6-room frame house, compilations of material and cost data indicate that the FHLBA index still measures fairly closely the cost changes for the smaller frame structures that can be produced. As measured by this index, building materials rose 3.1 percent during 1944 and labor charges were 2.7 percent above the 1943 level, bringing the composite index in 1944 to a point 2.9 percent in excess of the previous year. In December 1944 it stood at 134.3 percent of the 1935–1939 average.

During the same period, the average permit valuation advanced 5 percent from $2,558 in 1943 to $2,687 last year. The explanation for this apparent disparity between these rates of increase is to be found in the type of buildings erected last year. Because privately financed houses carry a higher permit valuation than do the temporary publicly financed units, the predominance of the former (85 percent of all residential construction started in 1944) made the difference.



FHA Activity

The declining volume of residential construction last year made itself felt in the total mortgage insurance activity of the Federal Housing Administration. Reversing the previous year's trend, both the number and amount of these insured mortgage loans declined in 1944. A drop of 19,164 loans insured and of $91,002,000 in dollar volume brought the 1944 totals to 147,146 loans insured for a total of $755,118,000 (exclusive of projects refinanced under Title II, Section 207, of the Act).

Loans insured under Title VI, which provides special authorization for war housing, constituted the bulk of FHA-insuring activity. During the year, 100,320 homes were insured under Section 603 of this Title (1- to 4-family dwellings) for a total of $491,069,000. Insurance on large-scale rental projects, written under Section 608, during the year amounted to $47,681,000 to cover 149 projects containing 10,236 units. The aggregate amount of FHA business under Title VI—$538,750,000—represented a decline of 10 percent from the 1943 volume of business.

Operations under Title II, representing almost exclusively the insurance of mortgages on existing homes, covered 46,677 properties and totaled $216,368,000. New construction of 326 homes was insured for $1,758,000.

Loans made under Title I to cover essential repairs and improvements were the only type to show an increase during 1944. There were 389,592 such loans insured for an aggregate amount of $125,150,000—which represented an increase of $28,776,000 over 1943.

Mortgage Recordings

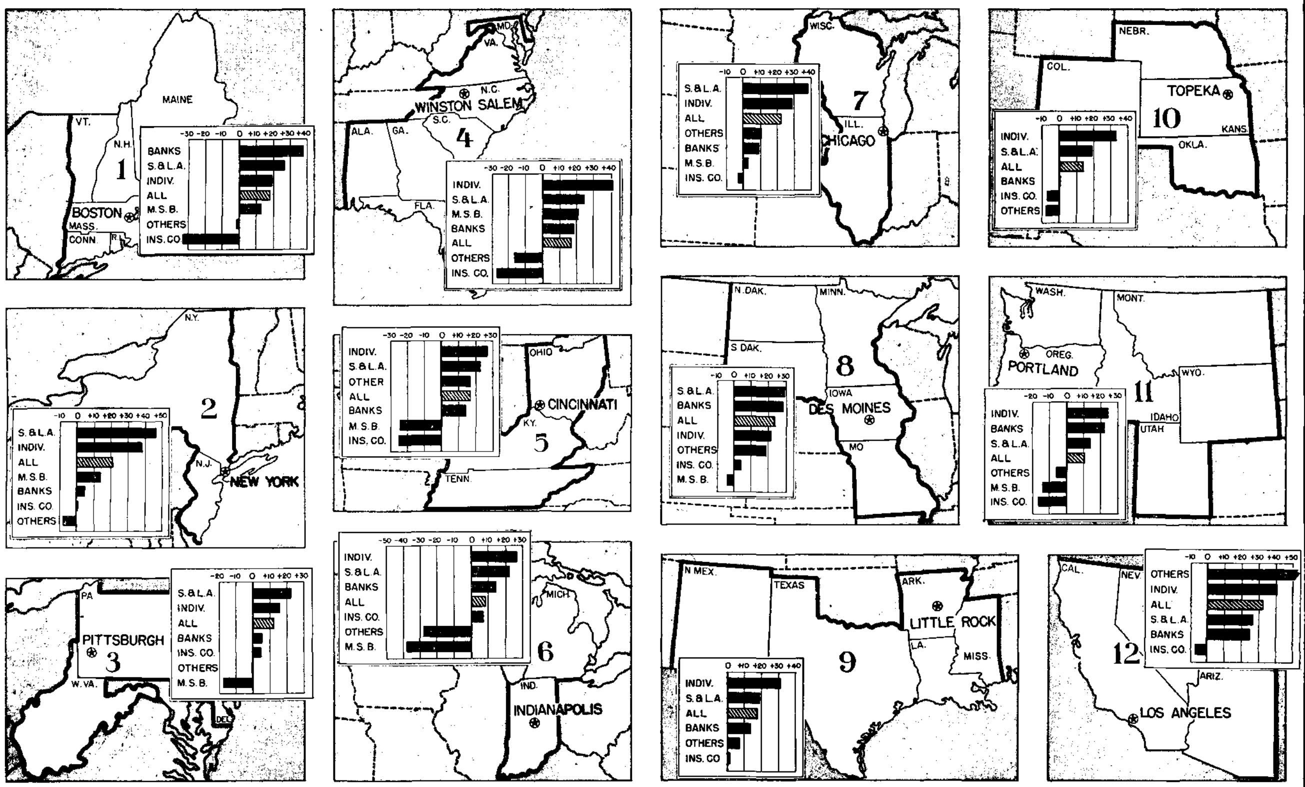
Despite a 23-percent drop in private nonfarm residential construction during 1944, the number of nonfarm mortgage recordings registered a 14-percent increase. The volume of these instruments of $20,000 or less rose 19.4 percent and was estimated at $4,610,629,000 last year in comparison with $3,861,401,000 during 1943, an increase of $749,228,000. This is a particularly significant record when compared with the peak 1941 volume of $4,732,000,000 mortgages recorded at a time when nonfarm residential construction hit a 12-year high. The average valuation of recordings last year was $3,187 compared with $3,013 in 1943.

With limitations still imposed not only on the amount but on the price of new construction, it is obvious that in the sale of existing properties at abnormal prices lies the chief explanation of the gain in recording volume. (*See* "Mortgage Recordings in Perspective," FHLB Review, January 1945, p. 99.)

Although all Federal Home Loan Bank Districts shared in the 1944 increase in recording activity, there were wide geographical variations in the amount of gains registered. The Los Angeles District again showed the largest percentage increase—32.5 percent. Three other areas—Des Moines, Chicago and New York—were above the national average with advances of 23.3, 22.8 and 20.4 percent, respectively. Only the Pittsburgh, Indianapolis, Topeka and Portland regions showed gains of less than 15 percent.

The pattern of savings and loan increases, by Districts, did not follow the over-all rate of advance in the various areas, although all regions showed advances. For example, associations in the New York area increased their dollar volume of recordings by 46.5 percent while the total gain for all types of mortgagees in those states was 20 percent, the fourth largest advance. In Los Angeles, which showed the greatest over-all increase, savings and loan activity was 26.8 percent above the 1943 figure. This was the only District in which the savings and loan increase was less than the over-all gain in a particular area. Other savings and loan increases ranged from 14 percent in Portland to 38.2 percent

PERCENT CHANGE IN VOLUME OF MORTGAGE RECORDINGS - 1944 OVER 1943
BY FEDERAL HOME LOAN BANK DISTRICTS AND TYPE OF LENDER



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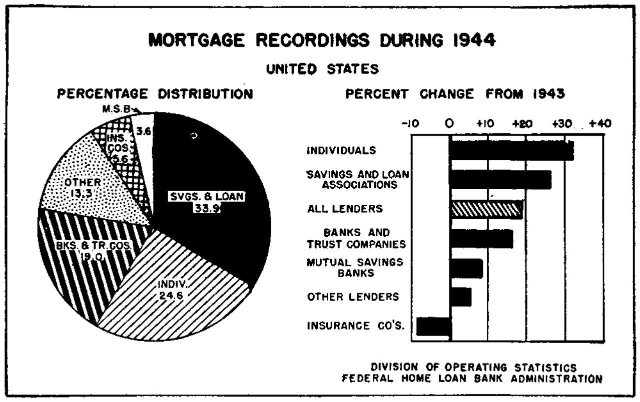


in Chicago, with the national average being 26.4 percent higher than in 1943.

Business by Type of Mortgagee

Savings and loan associations held their long-time lead as a source of home mortgage credit with an annual volume of $1,563,678,000, based on 496,996 instruments, after the largest *dollar* increase of any type of mortgagee—$326,173,000. This gain advanced their proportionate share of total recordings from 32 percent in 1943 to 34 percent last year.

Individuals continued to occupy a position of steadily increasing importance in the field of home finance. Although the dollar amount of gain in mortgages recorded by individuals last year ($276,373,000) was less than that of savings and loan associations, *percentagewise* their growth in 1944 was greater than for any other type of mortgagee (32 percent). With recordings of $1,134,054,000, they accounted for 25 percent of all nonfarm recordings, compared with 22 percent in 1943.

All remaining types of mortgagees, except life insurance companies, shared in the 1944 increased volume of recordings. The gains represented an advance of 6 percent for the miscellaneous class, 8 percent for mutual savings banks, and 17 percent for banks and trust companies. The relative positions of the various classes of mortgagees remained substantially the same.

Mortgages recorded by insurance companies continued to decline in 1944 and represented only 6 percent of total recordings compared with 7 percent the preceding year. The 1944 volume of $256,173,000 was 9 percent less than in 1943.

Real-Estate Overhang

Since there has been no change in the factors which brought substantial declines in the real-estate overhang in the past several years, it seems entirely probable that last year's volume of residential real-estate owned by the selected types of institutions covered by REVIEW data dropped still further in 1944.

During last year the Home Owners' Loan Corporation continued its rapid disposal of owned property. From a total of $96,455,000 in 1943, it dropped 88 percent to $11,407,000 on December 31, 1944. Insured savings and loan associations, the only other class of lender for whom calendar-year data are now available, reported a reduction of 43 percent to $24,000,000.

Foreclosures

Continuing the downward trend that has prevailed for the last 11 years, foreclosures of nonfarm properties declined generally throughout the country during 1944, dropping one-third from 25,700 in 1943 to 17,500. However, beginning in the spring of last year, the foreclosure curve showed definite signs of leveling off. All Bank Districts shared in the downward trend, with Portland leading on the basis of a 54-percent decline. Decreases in other regions ranged from 52 percent in Little Rock to 22 percent in Boston. Only the Portland, Des Moines and Little Rock Districts showed greater drops than in 1943.

During 1944, foreclosures were completed at the rate of 0.8 per 1,000 nonfarm structures compared with 1.2 the preceding year. As in previous years, foreclosure rates in the Northeast tended to exceed all other areas.

A new low point was reached in December 1944 in the monthly adjusted index of nonfarm real-estate foreclosures (1935–1939=100). At last year-end it stood at 10.9 compared with 13.6, the previous low established at the close of 1943.

Home-Mortgage Debt

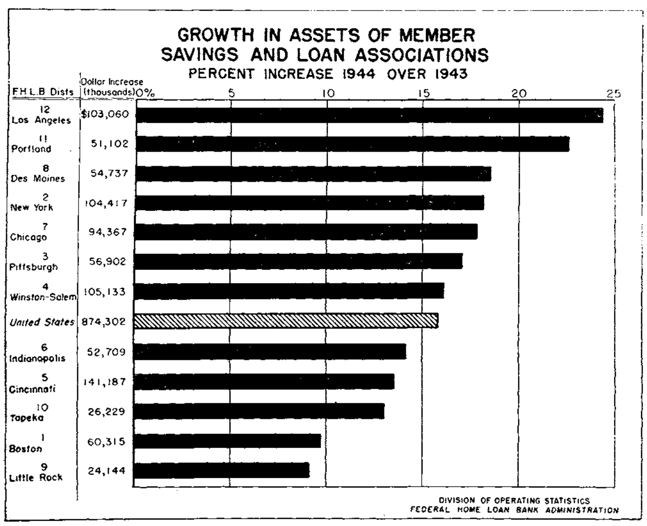
It is too early to present an estimate of the home-mortgage debt at the end of last year but preliminary indications are that in 1944 it showed the third successive decline. During 1943, the estimated balance of outstanding loans on 1- to 4-family houses dropped 2 percent to $19,512,000,000. This was because the volume of new loans written, although exceeding $3,000,000,000, proved insufficient to offset the substantial volume of accelerated repayments made during the year by mortgage holders. The continued high level of incomes during 1944 brought a repetition of this trend in loan prepayments so that it is probable the home-mortgage debt was again reduced.

Savings and Loans Show Further Growth

THE past year of savings and loan operations was characterized by continued asset growth and further advances in the volume of home-mortgage lending. With new private investment flowing into these associations at a pace beyond the needs of the mortgage market, total asset growth naturally reflected additional gains in liquid resources with the result that associations placed the overwhelming proportion of these in Government-security portfolios. General reserves and undivided profits likewise showed further expansion. However, due to the accelerated growth of assets and the general downward movement in the average return on investments by associations, it is not believed that there was any rise in the proportion of these reserves to total assets. As of the end of the calendar year 1943, they had amounted to about 8.1 percent of resources.

Assets Increase

The rate of asset growth for all operating savings and loan associations is believed to have shown some further increase, the total on December 31, 1944, having been estimated at $7,400,000,000, reflecting a gain of about 13 percent above the figure for the corresponding date of the preceding year. Assets of the savings and loan members of the Federal Home Loan Bank System amounted to $6,400,000,000 at the end of the year, accounting for 86 percent of the total shown for all operating associations, and representing a rise of 16 percent from the $5,538,600,000 reported for members at the end of 1943. Further



consolidations among Bank System membership, though, produced another slight decline in the number of institutions, savings and loan members of the Federal Home Loan Bank System totaling 3,659 at the turn of 1945.

Further Gains in Lending

Since the first half of 1943, new lending by all savings and loan associations has been rising in volume. The continuation of this trend throughout 1944 resulted in a new post-depression peak for the activity as the face amount of loans closed edged slightly above the 1941 high to a total of $1,454,000,000. This shows a rise of 23 percent above 1943 and a gain of 5 percent over the former post-depression record made in 1941.

Both Federal and state-chartered member associations shared in last year's increased volume of mortgage lending. The former showed an improvement of 31 percent as compared with a rise of 24 percent in 1943, while state-chartered member institutions reported an expansion of 20 percent as against a rise of 13 percent during the earlier year. It will be recalled that Federals, which are now showing a more rapid rate of advance in lending, suffered a more acute proportionate decline in this activity in 1942, when Construction Limitation Order L-41 took effect. Nonmembers, which had shown a decrease of 18 percent in new lending during 1943, reported the least gain last year, down about 2 percent.

Bulk of Gain in Home-Purchase Loans

The wartime constriction of new building has brought about a shrinkage in the proportion of construction lending by savings and loan associations from 31.7 percent of the total in 1941 to about 6.6 in 1944. Against this decline, a marked expansion in home-purchase loans from 42 percent in 1941 to 73 percent in 1944 has been the principal offsetting factor which has contributed to the present high level of total lending activity. In volume, this represents a drop in construction lending from $437,065,000 to $95,243,000; and an expansion in home-purchase lending from $580,503,000 to $1,064,017,000.

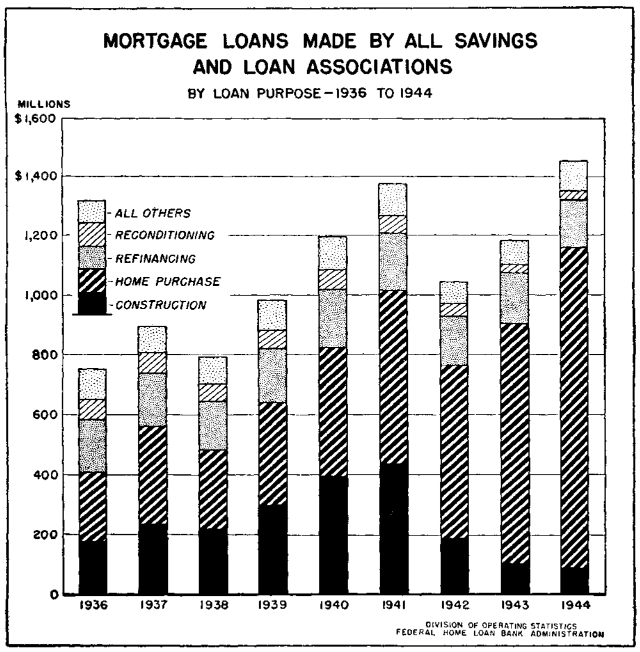
In fact, so great has been the expansion in home-purchase lending that all other types of loan activity, with the exception of the miscellaneous category, have shown no significant change over the past two years.

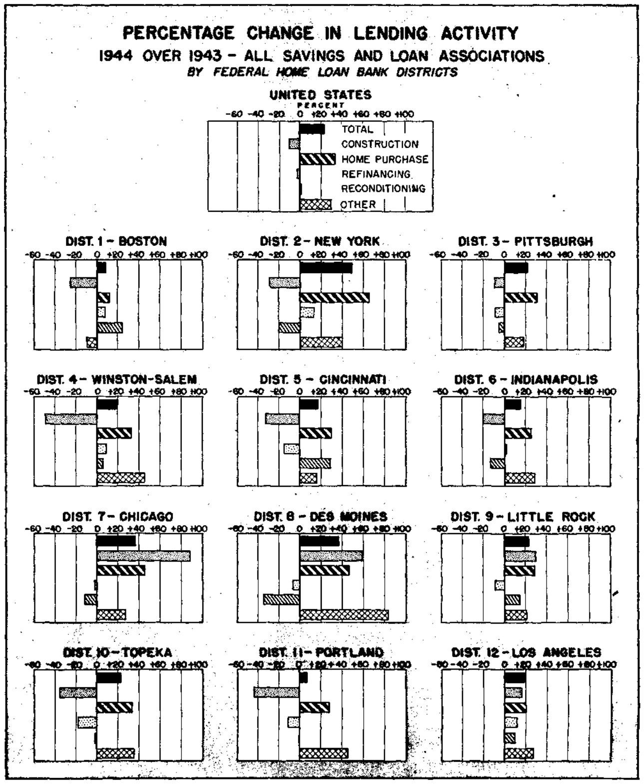
Geographic Distribution

All Bank Districts shared in the 1944 rise in lending by savings and loan associations, with seven showing gains of 20 percent or more above the figures reported for the preceding year. The New York region, standing fifth in the dollar volume of lending, had the greatest proportionate gain, 49 percent above the 1943 total. The Federal Home Loan Bank Districts of Chicago and Des Moines showed the next highest percentage gains in lending activity—slightly more than 37 percent, while the Cincinnati region was first in dollar volume of loans.

Construction lending continued to decline in all but four Districts, only Chicago, Des Moines, Little Rock and Los Angeles having increases over their 1943 figures. On the other hand, home-purchase loans gained in all regions, rises varying from over 66 percent for associations in New York to less than 12 percent for Boston. Refinancing showed minor gains in five Districts, declines in the other seven resulting in a two-percent decrease for the country as a whole. Reconditioning loans also showed but minor changes, gaining in five areas, diminishing in seven, to produce a net increase of only 1 percent for the entire country. Miscellaneous lending by savings and loan associations increased in all but the Boston District, the national change being a rise of slightly less than 30 percent.

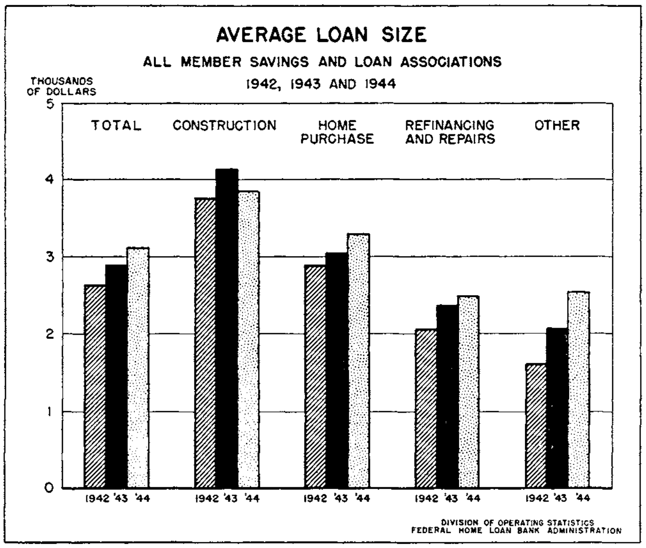
Only in the Los Angeles region was there an appreciable amount of construction lending by savings and loan associations in 1944. The $30,-943,000 reported was more than three times greater than the volume of this type of activity in any other District, and accounted for almost 22 percent of total lending by these institutions as compared with the national figure of less than 7 percent. Probably as a partial result of the relatively high volume of new construction lending, the Los Angeles Bank District had the lowest proportion of home-purchase loans, 61.6 percent as compared with about 73 percent for the entire country. In five Bank regions (Winston-Salem, Indianapolis, Little Rock, Portland and Los Angeles) the ratio of home-purchase loans to total lending by all savings and loan associations was below the national average for all member associations of the Bank System.





Loan Portfolios Show Slight Rise

Throughout 1944, repayments on loans held in the portfolios of savings and loan associations continued high, offsetting to a large extent the greater amount of new lending reported during the year. It is believed that this, combined with the large volume of home-purchase loans made in recent years, may be bringing about some change in portfolio composition.



At this time, year-end figures are available only on insured institutions, whose portfolios showed a combined total of $3,260,000,000 on December 31, representing a gain of $251,000,000 over the 12 months of 1944. Comparing this increase with the total of $1,085,322,000 of new loans made by insured institutions during the year reveals that it was necessary to add $4 of new loans to bring about a new gain of $1 in the balance of loans outstanding.

Growth of Liquid Assets

Liquid assets of all operating associations showed continued gains in 1944, both in amount and in proportion to total resources. However, it is believed that some narrowing was shown in the rate of gain. Insured associations, for which firm figures are now available, reported that these balance-sheet items amounted to $1,500,000,000 at the turn of the year, constituting about 30 percent of total assets as compared with 21 percent at the end of 1943 and 12 percent at the close of 1942.

During last year, the prominence of Government security portfolios, representing the bulk of liquid resources, increased. The records of insured associations indicated a net gain of $646,000,000, which brought their year-end holdings to $1,227,000,000, or 24.5 percent of resources. By way of contrast, their cash accounts reflected a decline of $33,000,000, amounting to $270,000,000, or but 5.4 percent of assets. Savings and loan members of the Federal Home Loan Bank System bought an estimated $1,148,000,000 in Government securities in 1944, principally during bond drives, bringing their portfolios to an estimated $1,510,000,000, or 23.5 percent of assets at the end of last December as compared with, $739,000,000 or 13.3 percent, 12 months earlier.

Large Influx of Share Capital

On the whole, there was a continuing trend toward greater stability in share capital. The spread in average repurchase ratios of insured and uninsured members of the Bank System, and nonmember institutions, indicated a considerable narrowing compared with previous years as all continued to follow a general downward path.

Private share investments poured into savings and loan associations at an accelerated pace last year as the repurchase ratio for the 12 months declined to 53.9 percent from the 59.6 percent in 1943. New investments are estimated at $1,896,000,000, standing 24 percent above the amount invested in all associations in the preceding year, while repurchases in the amount of $1,022,000,000 were about 12 percent higher.

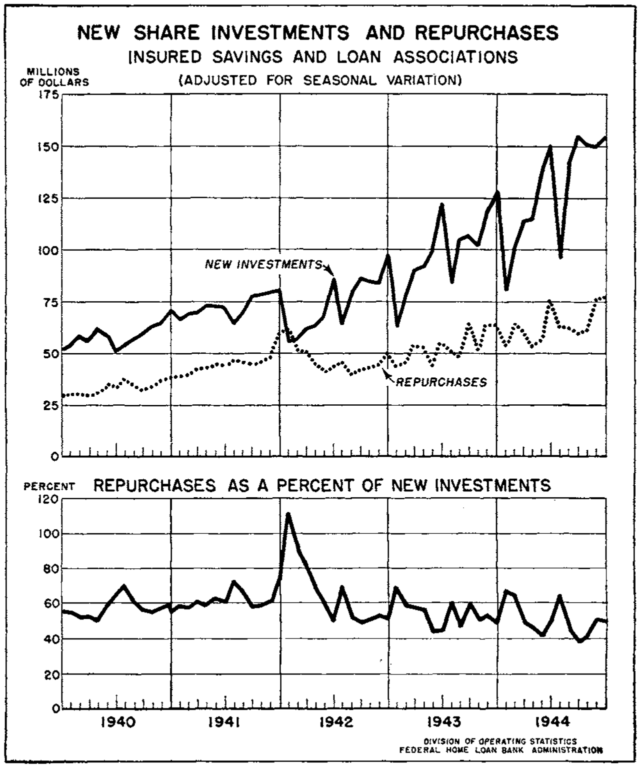
Insured associations experienced the lowest ratio of repurchases to new investments, 50.9 percent, as new money invested during the year mounted 29 percent above the 1943 total to $1,484,000,000, and repurchases gained 21 percent, amounting to $755,000,000. Uninsured members reported a ratio of 65 percent as new investments increased 17 percent over the preceding year to a total of $247,000,000 and repurchases of $160,000,000 were but 2 percent higher than in 1943.

Because of the failure of repurchases to advance as rapidly as the inflow of new money in 1944, the repurchase ratio for uninsured members showed a sharp decline to 65 percent from 74.6 percent the year before. Nonmembers showed a repurchase ratio of 64.4 percent in 1944 compared with 78.7 percent the preceding year. This sharp drop resulted from a 16-percent decline in repurchases among these institutions, while the volume of new private investments showed an increase of only 2 percent.

The retirement of Government funds previously invested proceeded at a rapid pace, although considerably below the phenomenal rate reported in 1943. Over the course of the year, repurchases of Treasury and HOLC investments totaled $235,116,760, reducing the balance outstanding at the beginning of 1944 by 86 percent to $38,039,950, on December 31. Of this amount, $3,489,200 was invested by the Treasury Department in Federal associations and $34,550,750 represented HOLC-owned shares in both Federal and state-chartered institutions. The cumulative investment made by the Government (Home Owners' Loan Corporation and the Treasury Department) in savings and loan associations totals $273,156,710, of which $202,854,-260 has been retired in advance of the stipulated legal requirements.

Reserve Accounts Gain

Although final compilations are not yet completed, indications are that the reserves of savings and loan associations showed further gains last year. The continued downward movement of dividend rates and further reductions in the amount of acquired real estate give indications of a continuation of the past three years' upward movement in reserves. However, the relatively low rate of return on associations' growing volume of liquid assets and exceedingly rapid gains in total resources are believed to have precluded any reserve-ratio gain. The continued growth of reserves in dollar volume promises to strengthen further the post-war position of associations through the provision of a cushion of "free" capital.



Savings Patterns During 1944

■ DUE to a high level of income payments last year, savings surged to a new peak in spite of the fact that taxes and consumer expenditures also gained during the period. Income payments to individuals reached the sum of $156.8 billion, according to Department of Commerce estimates, a total which topped the previous year's crest of $143.1 billion. Although personal taxes were at an all-time high, at no time did they exceed 15 percent of income payments. Despite the $97.6 billion record for consumer expenditures, a 7-percent gain over last year, the volume of income was sufficient to bring about an upsurge in savings. The enormous sum of $39.9 billion was saved during the year, compared with $33.7 billion in 1943, $28.8 billion in 1942 and $14.2 billion in 1941, the year this country went to war.

Financing the War

The increasing emphasis on the financing of the war deepened the pattern of savings of the previous years. The Treasury campaign to channel savings into the financing of the war was successful. Direct savings in war bonds brought the year's total to about 17 percent over 1943, an aggregate of $16 billion of E, F and G bonds having been purchased during last year. Redemptions, which may be expected to rise as the volume of bonds outstanding goes up, came to $3.3 billion during the year. The total of Series E, F and G outstanding at the end of 1944 was $36.7 billion. The most popular medium of individual savings in war bonds, Series E, were purchased in the amount of close to $12.4 billion, a sum greater than the previous year. However, the proportion of Series E to the total remained about the same—approximately three-fourths of the volume of sales for the three groups during the two years. Redemptions of these bonds were equivalent to about one-fourth of their sales.

Indirectly, savings placed in banks, savings and loan associations, insurance companies and thrift institutions were diverted to the financing of the war. Member institutions of the Federal Home Loan Bank System invested above $1 billion in Government securities during 1944, compared with the $726.5 million bought the previous year. This brings the amount of Government securities purchased by the member institutions since the beginning of the war to $2 billion. Mutual savings banks had placed about 55 percent of their assets in Government securities. According to the Institute of Life Insurance, approximately $16.5 billion of policy-holders' savings are now invested in these securities, an average of $235 in war bonds per policyholder. This represents an increase of more than $9.5 billion since the beginning of the war—a greater rise than had been recorded in assets during these years.

Other Savings Channels

The Federal Reserve Board estimates that, as of the end of the year, time deposits of individuals, partnerships and corporations (of which it is assumed that individuals hold the bulk) totaled $39.9 billion. This includes accounts in commercial and mutual savings banks and in postal savings. It was an estimated gain of about $7 billion since December 1943.

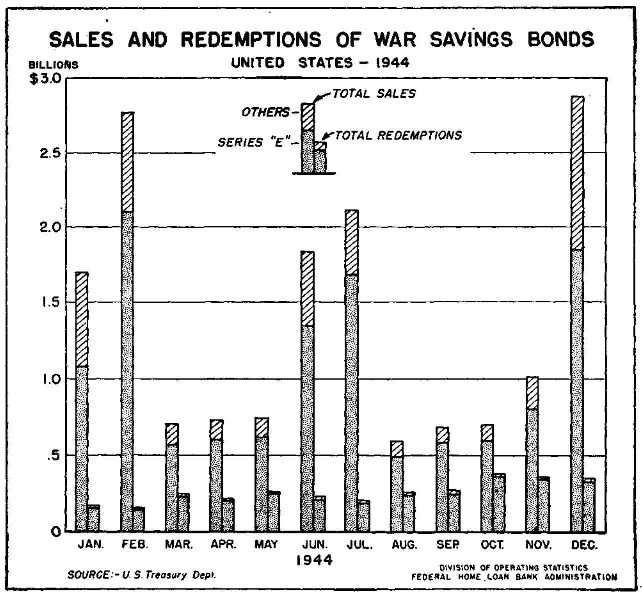
Federal Reserve estimates place the time deposits in all commercial banks at $24.3 billion at the end of the year. As this issue of the REVIEW goes to press, year-end figures on time deposits in insured commercial banks are not available. However, at the end of June these totaled $20.5 billion, having gained $2 billion in the first half of last year. This increase was 65 percent greater than the rise reported in these accounts in the corresponding six-month period of 1943. Deposits in mutual savings banks increased about $1.6 billion during the year, standing, in December, at about $13.3 billion. Postal savings shared in the upward movement, totaling approximately $2.3 billion, well above the $1.8 billion reported at the end of 1943.

The amount of life insurance in force rose about $8.1 billion from an approximate $140.3 billion at the end of 1943 to about $148.4 billion in December 1944. The wartime rate of increase of life insurance in force is twice the pre-war rate. The average of life insurance per family now is $4,300; this can be compared with the $1,400 average which prevailed in 1918 after the last war. Premiums paid during the year went up approximately $150 million, reaching about $4.5 billion, the Life Insurance Companies of America state. The total is exclusive of the $120 billion of National Service Life Insurance owned by service men and women.

Conforming to the general trend, private repurchasable capital held by all insured savings and loan associations increased to the highest figure ever reported. On December 31, it stood at $4.3 billion, a gain over the $3.6 billion total at the end of the previous year. At the same time, while savings flowed into insured associations at an accelerated rate, the annual repurchase ratio declined somewhat—51 percent at the end of the year, compared with 54 percent in 1943.

Since an abundance of investment and savings money was competing for the mortgage-loan outlets, the rate of return on savings—like that on other investments—continued downward. Although no general survey has been conducted by the Bank Administration, reports from associations demonstrate that this trend is widespread. Interest rates paid by mutual savings banks followed the downward curve; banks paying 2 percent or more decreased in number from 118 to 73. The average dividend rate for all 534 mutual savings banks dropped from 1.98 percent on July 1, 1943, to 1.93 percent on January 1, 1944. By January 1, 1945, it had declined to 1.85 percent.

As an example of the dwindling return on investments, the findings of a survey conducted by the Federal Home Loan Bank of Cincinnati show that associations in that region conform to the general trend. Dividends of less than 3 percent were becoming more widespread. Although only 169 associations paid less than 3 percent on December 31, 1943, the number had climbed to 216 associations a year later. In Ohio, for example, there is a very definite tendency to lower the rate to 2½ percent. Other states of the same District showed similar characteristics. The survey shows that, as of June 30, 1943, out of the 310 reporting associations in Ohio, 177 were paying above 2½ percent; by the end of 1944, however, only 94 of these planned to pay above that rate. These 94, representing a third of



the reporting number, have only 13.34 percent of the reporting assets. Of the 310 reporting associations, 140 with 59.52 percent of the assets, propose to pay 2 percent or less at the year-end.

For the Coming Year

On the basis of previous trends, the outlook for savings in 1945 would seem to be that of continued growth. However, there may be a further slackening in the rate of advance, some deceleration having been noted in 1944.

With public opinion placing heavy emphasis upon safety, it would also seem that liquidity may be expected to play a large part in determining the flow of funds into the various types of savings institutions, with the rate of return on savings secondary.

Since the Treasury Department does not anticipate any change in the general trend of interest rates, it would seem that private lending institutions may continue the general downward movement of interest rates paid on savings entrusted to them.

A Forward Look

■ THE popular predictions which were being made last summer and fall about an early VE Day with its accompanying reconversions to a civilian economy, are conspicuously absent in 1945 forecasts. A more sober and realistic, although by no means a pessimistic view, is characteristic of this season's crystal gazers. But whether victory is a long or a short way off, it is safe to anticipate that plans for the Nation's economy at the outset of the year will be based on the assumption of a long, hard struggle ahead. At the same time, the groundwork that has already been laid for reconversion planning will be kept flexible enough to be accommodated to developments. Despite the uncertainties, it is possible to discern a pattern of the future with questions of timing rather than of direction being the most unpredictable factors.

The President's budget message for the coming fiscal year took cognizance of this fact. In asking for $70 billion ($17 billion less than in the previous year) he pointed out that, since this estimate of need was based on the assumption that fighting in both Europe and Asia would continue at least through June 1946, spending could be sharply cut if Germany should collapse before that time. Coming before total reconversion to peacetime production, this decline in Government spending would mean "smaller individual incomes and corporate profits." This will, of course, mean that tax receipts will fall off and, except for possible minor revisions, no reduction in present tax rates can be anticipated.

War Production

Because the bulk of our scheduled peaks in munitions production lie behind us and kinks in war output are being progressively ironed out, it would seem that industrial production may follow in 1945 the same general trend of last year. This high plateau of industrial output, sloping slightly downward from the all time-peak of late 1943 but still marked by high points in specific commodities, will probably continue at least until victory in Europe. Even with this anticipated over-all decline in war output, production will remain high and will inevitably cut further into civilian production as pressure must be put on less essential activities in order to get more special types of war goods. Because of this and the already depleted inventories of consumer goods, civilians will undoubtedly face their leanest year—one of growing inconveniences but not of real hardships.

The re-activation of certain munitions schedules, demanded at the turn of the year, covers only a small proportion of total war output and employees. Because of increased draft calls and civilian withdrawals, a slight decline in the labor force is anticipated. It is, particularly, a more efficient use of our existing supply of labor that the call for National Service legislation is intended to produce. If Germany capitulates this year, early industrial readjustments may bring a more significant downward movement in employment. The War Manpower Commission has estimated that 4,000,000 persons will be released from their present employment following the end of the war in Europe.

The situation with regard to Government controls will also be on an "if and when" basis for some time to come. While some of the present restrictions may be eased as war production is extensively reduced, others will have to be retained to protect production so long as certain materials and finished goods are still scarce and until we are safely launched on an orderly reconversion program.

If VE Day does come in 1945, Government disposal of surplus properties may be expected to swell in volume. Some supplies and inventories can be redirected to the Asiatic war and over-all requirements are expected to be less. Concentration on this fighting front may bring new problems, particularly in rail transportation, as the volume of shipments to West Coast ports is upped.

Housing

So long as available housing material and manpower must be conserved for only the most essential accommodations, there is little likelihood that priority controls will be lifted. Residential building, according to the War Production Board, is expected to decline approximately 28 percent from the 1944 volume with the bulk of the decrease occurring in Government-financed work. In dollar amount a total of about $500,000,000 is anticipated this year provided Germany stays in the war. This compares with $690,000,000 during 1944.

However, the year's picture would be altered by a German collapse in advance of 1946. In that event, the WPB currently anticipates that residential construction may attain a volume between $500,000,000 and $600,000,000. Post-war plans for home building have been receiving widespread attention inasmuch as this industry offers the best possibility for relatively large expansion. In his testimony before the Senate Subcommittee on Housing and Redevelopment, National Housing Administrator John B. Blandford, Jr., stated that this type of building after the war should be at an annual rate of four to five times the 1930–1939 average. With the 40-week work year and a somewhat broader definition of "off-site" employment, a preliminary estimate indicates that such a program would mean the employment of 4,500,000 workers compared with 1,476,000 so engaged in 1939. Groundwork for this development has been laid in the contemplated expansion of the H–2 and H–3 housing programs although they have been temporarily eclipsed by current war production.

That there will be a tremendous demand for housing as soon as it is possible to produce it is practically a foregone conclusion. Innumerable public and private surveys conducted last year provide ample evidence that a substantial portion of the vast backlog of accumulated savings is being earmarked for this purpose. How soon this demand may commence to be satisfied will depend on the available men and materials. The extent to which the need can be met will be in part determined by developments within the construction industry itself—that is, the availability of good quality housing at moderate prices.

The Mortgage-Lending Picture

Mortgage lenders will probably be faced with much the same basic conditions in 1945 as last year. Although the mortgage volume may be slightly higher (depending in part on the volume of new construction) unless the European war comes to an abrupt halt and a speedy reconversion is accomplished, existing properties will doubtless continue to form the backbone of the lending business. Even then it is probable that loans for modernization and repair will for a time exceed the volume of construction lending. Competition will be exceedingly keen; the volume of recordings is expected to increase again; and indications are that property prices will go still higher, although a temporary relapse is possible after VE Day. The average interest rate on mortgage loans may be expected to continue its decline and some further reduction in dividend rates is probably in the cards.

The GI Bill of Rights, providing as it does for a stipulated Government guarantee on loans to be made by private enterprise, will be a factor of growing importance to mortgage lenders as the year progresses. Whether or not there is a partial demobilization during 1945, an increasing number of returning veterans will be anxious to avail themselves of the credit facilities of this Act. Activity in this respect is already growing and the extent of this business, properly handled with due regard to the interests of both the veteran and the lending agent, will loom large.

Savings and Loan Outlook

With regard to liquidity, the savings and loan industry has never been in a better position than at the present. With the outstanding home-mortgage debt being rapidly reduced by heavy prepayments and with the substantial inflow of private capital (both of which may be expected to continue throughout the year) associations will be in good shape to provide the home-mortgage credit needed when construction can be resumed on an increasing scale.

The prudence of the recent course of action in lowering dividend rates and building up reserves will stand them in good stead during the days when repurchases may increase and lending volume rise. Further prudence and business acumen will be demanded in resisting the too apparent inflationary

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movement in real estate. The sound position of the industry and the future of our entire economy stand to gain or lose on the basis of self-imposed restraints that will continue to be necessary in this or any other post-war year.

On the whole, the major obligations and opportunities of the savings and loan industry will remain essentially unchanged this year. Until final victory is won, emphasis on the sale and purchase of war bonds will continue to be the order of the day. The drive for greater individual savings will continue to be a major consideration. As the reconversion program is able to unfold, renewed emphasis will undoubtedly be placed on the earmarking of funds for future homes. Associations will also continue to explore the possibilities of meeting post-war problems through the further development of new lending plans.

Honor Roll of the Sixth War Loan

■ GOING more than half again higher than the original quota, total sales of $21,947,000,000 in Government securities during the Sixth War Loan made that the largest sales program in the history of the world, exceeding the drive last summer by over $1,000,000,000. Of this amount, sales to individuals accounted for $5,882,000,000, or 27.2 percent, as compared with $6,351,000,000, or 30.8 percent, in the Fifth War Loan.

Every state made its total quota in the Sixth War Loan and the oversubscription was widely distributed. Of the states with the largest percentage of oversubscriptions, New Hampshire, West Virginia and North Carolina led with sales exceeding 200 percent of quotas. West Virginia was also among those leading in the Fifth War Loan. Of the six states having quotas of $500,000,000 or more, New Jersey led with an oversubscription of 72 percent. New York, the state with the largest quota ($4,226,000,000) exceeded its quota by 58 percent.

Only six states failed to top their goals established for individuals.

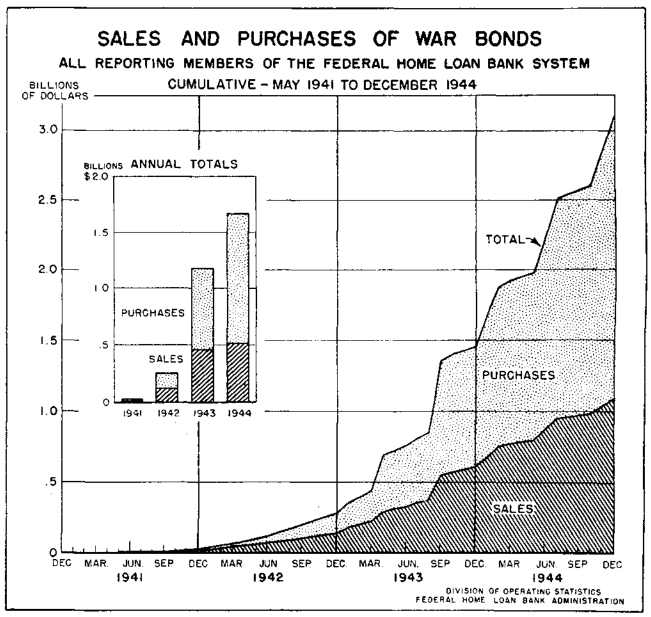
Activity of Members

With 2,647 institutions reporting, the membership of the Federal Home Loan Bank System accounted for $513,958,000 in the sale of Government bonds and the purchase of these securities for their own account during the Sixth War Loan, covering the months of November and December. This figure, standing 5 percent below the volume of sales and purchases reported for the Fifth Drive last summer, brought the cumulative total of such transactions since January 1, 1943, to $2,842,640,000.

The drop in over-all activity in the Sixth War Loan as compared with the preceding Drive resulted from a 23-percent decline in the volume of sales to individuals which offset a gain of more than 2 percent for purchases. Sales by members during the two-month period totaled $123,987,000 as compared with $158,621,000 recorded in the Fifth War Loan.

Purchases of Government securities by members for their own accounts during the Sixth Drive amounted to $389,262,000, bringing their purchases over the past two years to $1,877,135,000. Government security portfolios of all reporting members amounted to $1,502,351,000, or 25.9 percent of assets, at the end of December. This compares with a ratio of 21.9 percent at the end of October and 23 percent of reporting assets at the end of the Fifth War Loan.

The *Honor Roll* for the Sixth War Loan printed below consists of 170 institutions reporting sales to others of war bonds and stamps equal to or in excess of 10 percent of resources.



NO. 1—BOSTON

First Federal Savings and Loan Association, Providence, R. I.
Windsor Locks Building and Loan Association, Windsor Locks, Conn.

NO. 2—NEW YORK

Berkeley Savings and Loan Association, Newark, N. J.
Bronxville Federal Savings and Loan Association, Bronxville, N. Y.
First Federal Savings and Loan Association, Port Washington, N. Y.
Haddon Heights Victory Savings and Loan Association, Haddon Heights, N. J.
Hastings-on-Hudson Savings and Loan Association, Hastings-on-Hudson, N. Y.
Maywood Savings and Loan Association, Maywood, N. J.
Oneida Federal Savings and Loan Association, Oneida, N. Y.
Pequannock and Wayne Building and Loan Association, Mountain View, N. J.

NO. 3—PITTSBURGH

Brentwood Federal Savings and Loan Association, Pittsburgh, Pa.
First Federal Savings and Loan Association, Wilkes-Barre, Pa.
Friendly City Federal Savings and Loan Association, Johnstown, Pa.
Matoaca Building and Loan Association, Philadelphia, Pa.
Mid-City Federal Savings and Loan Association, Philadelphia, Pa.
United Federal Savings and Loan Association, Morgantown, W. Va.

NO. 4—WINSTON-SALEM

Baxley Federal Savings and Loan Association, Baxley, Ga.
Brevard Federal Savings and Loan Association, Brevard, N. C.
Canton Building and Loan Association, Canton, N. C.
Douglas Federal Savings and Loan Association, Douglas, Ga.
Elkin-Jonesville Building and Loan Association, Elkin, N. C.
First Federal Savings and Loan Association, Andalusia, Ala.
First Federal Savings and Loan Association, Bessemer, Ala.
First Federal Savings and Loan Association, Charleston, S. C.
First Federal Savings and Loan Association, Cordele, Ga.
First Federal Savings and Loan Association, Decatur, Ala.
First Federal Savings and Loan Association, Sumter, S. C.
First Federal Savings and Loan Association, Waycross, Ga.
Fort Hill Federal Savings and Loan Association, Clemson, S. C.
Gate City Building and Loan Association, Greensboro, N. C.
Hamlet Building and Loan Association, Hamlet, N. C.
Home Building and Loan Association, Easley, S. C.
Lake City Federal Savings and Loan Association, Lake City, Fla.
Lexington County Building and Loan Association, West Columbia, S. C.
Lithuanian Federal Savings and Loan Association, Baltimore, Md.
Mitchell County Building and Loan Association, Spruce Pine, N. C.
Mutual Building and Loan Association, Charlotte, N. C.
Mutual Building and Loan Association, Durham, N. C.
Mutual Building and Loan Association, Martinsville, Va.
Newton County Building and Loan Association, Covington, Ga.
Richmond County Building and Loan Association, Rockingham, N. C.
Southern Pines Building and Loan Association, Southern Pines, N. C.
Tifton Federal Savings and Loan Association, Tifton, Ga.
Woodruff Federal Savings and Loan Association, Woodruff, S. C.
Wyman Park Federal Savings and Loan Association, Baltimore, Md.

No. 5—CINCINNATI

Athens Federal Savings and Loan Association, Athens, Tenn.
Citizens Building and Loan Association, Coshocton, Ohio
Columbia Federal Savings and Loan Association, Hamilton, Ohio
Commercial Building and Loan Company, Portsmouth, Ohio
Cookeville Federal Savings and Loan Association, Cookeville, Tenn.
Falls Savings and Loan Association, Cuyahoga Falls, Ohio
First Federal Savings and Loan Association, Bucyrus, Ohio
First Federal Savings and Loan Association, Canton, Ohio
First Federal Savings and Loan Association, Galion, Ohio
First Federal Savings and Loan Association, Hopkinsville, Ky.
First Federal Savings and Loan Association, Sidney, Ohio
First Federal Savings and Loan Association, Van Wert, Ohio
Fulton Building and Loan Association, Fulton, Ky.
Hancock Savings and Loan Company, Findlay, Ohio
Home Federal Savings and Loan Association, Cincinnati, Ohio
Home Loan and Savings Company, Coshocton, Ohio
Indian Village Federal Savings and Loan Association, Gnadenhutten, Ohio
Industrial Federal Savings and Loan Association, Alliance, Ohio
Lincoln Heights Savings and Loan Company, Cleveland, Ohio
Louisville Home Federal Savings and Loan Association, Louisville, Ky.
McKinley Federal Savings and Loan Association, Niles, Ohio
Morristown Federal Savings and Loan Association, Morristown, Tenn.
New Carlisle Federal Savings and Loan Association, New Carlisle, Ohio
Newport Federal Savings and Loan Association, Newport, Tenn.
North Hill Savings and Loan Company, Akron, Ohio
Provident Building and Loan Association, Cleveland, Ohio
Union County Federal Savings and Loan Association, Marysville, Ohio
Versailles Building and Loan Company, Versailles, Ohio
West Jefferson Building and Loan Company, West Jefferson, Ohio
Wm. H. Evans Building and Loan Association, Akron, Ohio

NO. 6—INDIANAPOLIS

Capitol Savings and Loan Company, Lansing, Mich.
Detroit Federal Savings and Loan Association, Detroit, Mich.
Dowagiac Savings and Loan Association, Dowagiac, Mich.
Griffith Federal Savings and Loan Association, Griffith, Ind.
Iron Savings and Loan Association, Iron River, Mich.
Liberty Savings and Loan Association, Whiting, Ind.
Logansport Building and Loan Association, Logansport, Ind.
Monon Building, Loan and Savings Association, Monon, Ind.
Ottawa County Building and Loan Association, Holland, Mich.
Peoples Federal Savings and Loan Association, Royal Oak, Mich.

NO. 7—CHICAGO

Amery Federal Savings and Loan Association, Amery, Wis.
Central Federal Savings and Loan Association, Milwaukee, Wis.
Consolidated Savings and Loan Association, Milwaukee, Wis.
First Federal Savings and Loan Association, Barrington, Ill.
Jugoslav Savings and Loan Association, Chicago, Ill.
Kenosha Building and Loan Association, Kenosha, Wis.
Kinnickinnic Federal Savings and Loan Association, Milwaukee, Wis.
Marshfield Building and Loan Association, Marshfield, Wis.
Mt. Vernon Loan and Building Association, Mt. Vernon, Ill.
Naperville Building and Loan Association, Naperville, Ill.
National Savings and Loan Association, Chicago, Ill.
Reliance Building and Loan Association, Milwaukee, Wis.
United Savings Association, Taylorville, Ill.
Zaporoze Building and Loan Association, Chicago, Ill.

NO. 8—DES MOINES

Aberdeen Federal Savings and Loan Association, Aberdeen, S. Dak.
Decorah Building and Loan Association, Decorah, Iowa
Dubuque Building and Loan Association, Dubuque, Iowa
First Federal Savings and Loan Association, St. Paul, Minn.
Guthrie & Adair County Building and Loan Association, Stuart, Iowa
Independence Savings and Loan Association, Independence, Mo.
Montivideo Building and Loan Association, Montevideo, Minn.
Perry Federal Savings and Loan Association, Perry, Iowa
Standard Federal Savings and Loan Association, Kansas City, Mo.

NO. 9—LITTLE ROCK

Amory Federal Savings and Loan Association, Amory, Miss.
Atlanta Federal Savings and Loan Association, Atlanta, Tex.
Batesville Federal Savings and Loan Association, Batesville, Ark.
Corsicana Federal Savings and Loan Association, Corsicana, Tex.
Cuero Federal Savings and Loan Association, Cuero, Tex.
Davy Crockett Federal Savings and Loan Association, Crockett, Tex.
Electra Federal Savings and Loan Association, Electra, Tex.
Equitable Building and Loan Association, Fort Worth, Tex.
First Federal Savings and Loan Association, Belzoni, Miss.
First Federal Savings and Loan Association, Corpus Christi, Tex.
First Federal Savings and Loan Association, Las Vegas, New Mex.
First FederalSavings and Loan Association, Lubbock, Tex.
First Federal Savings and Loan Association, Paris, Tex.
First Savings and Loan Association, El Paso, Tex.
Gladewater Federal Savings and Loan Association, Gladewater, Tex.
Graham Federal Savings and Loan Association, Graham, Tex.
Guaranty Savings and Homestead Association, New Orleans, La.
Home Building and Loan Association, Plainview, Tex.
Inter-City Federal Savings and Loan Association, Louisville, Miss.
Jennings Federal Savings and Loan Association, Jennings, La.
Morrilton Federal Savings and Loan Association, Morrilton, Ark.
Mutual Building and Loan Association, Las Cruces, New Mex.
Nashville Federal Savings and Loan Association, Nashville, Ark.
Olney Federal Savings and Loan Association, Olney, Tex.
Peoples Building and Loan Association, Little Rock, Ark.
Piggott Federal Savings and Loan Association, Piggott, Ark.
Pocahontas Federal Savings and Loan Association, Pocahontas, Ark.
Ponchatoula Homestead Association, Ponchatula, La.
Quanah Federal Savings and Loan Association, Quanah, Tex.
Rapides Building and Loan Association, Alexandria, La.
Riceland Federal Savings and Loan Association, Stuttgart, Ark.
Roswell Building and Loan Association, Roswell, New Mex.
San Antonio Building and Loan Association, San Antonio, Tex.
St. Tammany Homestead Association, Covington, La.
Sulphur Springs Loan and Building Association, Sulphur Springs, Tex.
Teche Federal Savings and Loan Association, Franklin, La.
Tucumcari Federal Savings and Loan Association, Tucumcari, New Mex.

NO. 10—TOPEKA

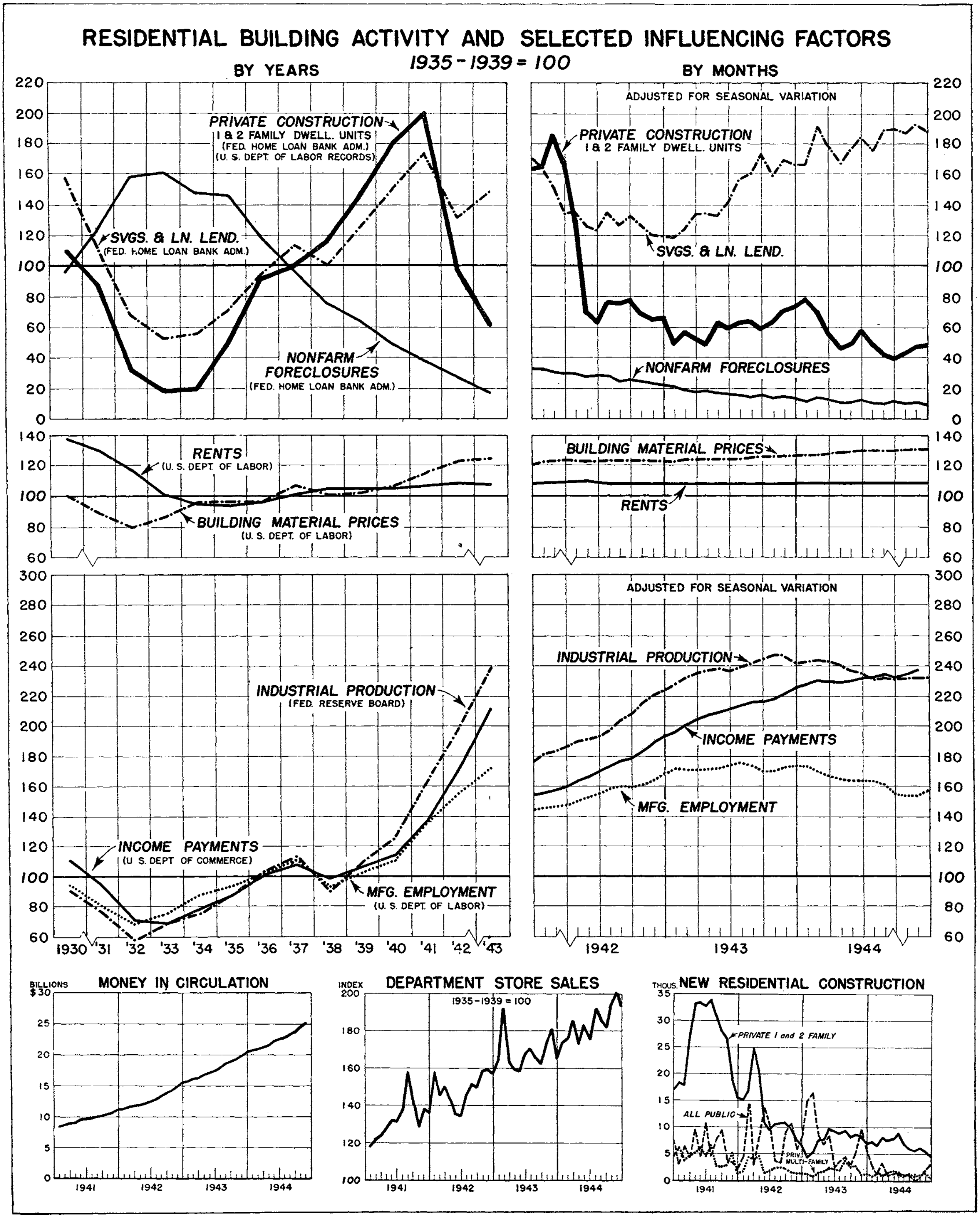
Brighton Federal Savings and Loan Association, Brighton, Colo.
Broken Arrow Federal Savings and Loan Association, Broken Arrow, Okla.
Capitol Federal Savings and Loan Association, Topeka, Kans.
Century Building and Loan Association, Trinidad, Colo.
Erie Building and Loan Association, Erie, Kans.
First Federal Savings and Loan Association, Beloit, Kans.
First Federal Savings and Loan Association of Dawson County, Cozad, Nebr.
First Federal Savings and Loan Association, Lamar, Colo.
First Federal Savings and Loan Association, Lincoln, Nebr.
First Federal Savings and Loan Association of Sumner County, Wellington, Kans.
First Federal Savings and Loan Association, WaKeeney, Kans.
Home Federal Savings and Loan Association, Ada, Okla.
Home Federal Savings and Loan Association, Tulsa, Okla.
Mutual Building and Loan Association, Emporia, Kans.
Prudential Building and Loan Association, Great Bend, Kans.
Reserve Building and Loan Association, Oberlin, Kans.
Schuyler Federal Savings and Loan Association, Schuyler, Nebr.

NO. 11—PORTLAND

First Federal Savings and Loan Association, Portland, Oreg.
First Federal Savings and Loan Association, Salt Lake City, Utah
First Federal Savings and Loan Association, The Dalles, Oreg.
Umpqua Savings and Loan Association, Roseburg, Oreg.

NO. 12—LOS ANGELES

California Savings and Loan Company, San Francisco, Calif.
Central Federal Savings and Loan Association, San Diego, Calif.
Citrus Belt Building and Loan Association, Riverside, Calif.
Newport Balboa Federal Savings and Loan Association Newport Beach, Calif.


RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
1935-1939 = 100
BY YEARS
BY MONTHS
ADJUSTED FOR SEASONAL VARIATION
PRIVATE CONSTRUCTION
1 & 2 FAMILY DWELL. UNITS
(FED. HOME LOAN BANK ADM.)
(U. S. DEPT. OF LABOR RECORDS)
SVGS. & LN. LEND.
(FED. HOME LOAN BANK ADM.)
NONFARM FORECLOSURES
(FED. HOME LOAN BANK ADM.)
RENTS
(U. S. DEPT. OF LABOR)
BUILDING MATERIAL PRICES
(U. S. DEPT. OF LABOR)
INDUSTRIAL PRODUCTION
(FED. RESERVE BOARD)
INCOME PAYMENTS
(U. S. DEPT. OF COMMERCE)
MFG. EMPLOYMENT
(U. S. DEPT. OF LABOR)
1930 '31 '32 '33 '34 '35 '36 '37 '38 '39 '40 '41 '42 '43
1942 1943 1944
MONEY IN CIRCULATION
BILLIONS $30
DEPARTMENT STORE SALES
INDEX
1935-1939 = 100
NEW RESIDENTIAL CONSTRUCTION
THOUS.
PRIVATE 1 and 2 FAMILY
ALL PUBLIC
PRIV. MULTI-FAMILY
1941 1942 1943 1944

HIGHLIGHTS

I. The index of total industrial production in December remained unchanged for the third consecutive month, although the manufacturing component rose 1 point.

II. A total of 8,200 family-dwelling units were started in December—3 percent above the November level but 43 percent less than in December 1943.

III. A relatively high level of new mortgages made by all savings and loan associations was maintained in December despite a 6-percent decline from November activity.
A. Of the $111,000,000 in new loans made, three-fourths went for the purchase of existing homes and one-eighth for refinancing.
B. Because the decrease in total new lending was more than normal, the seasonally adjusted index dropped from 193 to 188 percent of the 1935–1939 average.

IV. Mortgage recordings of $20,000 or less also declined more than seasonally in December with all types of mortgagees sharing in the 9-percent drop.

V. Foreclosures on nonfarm properties rose 5 percent to 4,275 in the final quarter of 1944. The seasonally adjusted indexes for this period were: October—10.2, November—11.4, December—10.9.

VI. Advances made in December by the 12 FHL Banks amounted to $47,132,000, the highest during any comparable month.
A. Repayments of $16,947,000 were second only to the all-time peak of December 1934.
B. Advances outstanding—$130,563,000—were the second highest in any month of 1944.

VII. The net increase during December in the share-account balance of all savings and loan associations was $116,300,000.

☆ ☆ ☆ ☆

BUSINESS CONDITIONS—War manufacture gains in December

The total industrial-production level remained the same in December as it had been since September—232 percent of the 1935–1939 seasonally adjusted index of the Federal Reserve Board. This was 9 points below the 241 percent shown during the closing month of 1943.

The composite index for last December was based on divergent trends in manufacturing and minerals. In line with the increased emphasis on the production of war matériel, the manufacture of durable goods increased 2 points while that of non-durable goods advanced 1 point, bringing the manufacturing index up from 248 to 249 percent of the 1935–1939 base period. On the other hand, a sharp drop in coal production during December resulted in a 6-point decline in the index for minerals which went from 143 to 137 percent of the base average.

Employment in non-agricultural industries showed a rise paralleling the gain in output. From a total of 43,390,000 in November it rose to 43,480,000 during December, according to the U. S. Department of Labor. Still there were approximately 1 million fewer people so employed than there had been during December 1943.

Department store sales rebounded from the low point recorded in the last week of December, and during the week ending January 13 reached 165 percent of the 1935–1939 average, as reported in the Federal Reserve Board's seasonally adjusted index. This was considerably in excess of the 145 shown in mid-January 1944.

Currency in circulation has declined steadily from the record volume of $25,320,000,000 (daily average) reported by the Federal Reserve Board for the week ending December 30. On January 20, 1945, it amounted to $25,211,000,000, about $5,000,000,000 less than at the same time in 1944.

War expenditures increased 19 percent from November to December. The $7,835,000,000 reported by the U. S. Treasury for the latter month was the largest sum spent in any month since June 1944.

Wholesale prices for the week ended January 20 stood at 130.1 after a fractional increase in each of the preceding weeks of the month (converted to 1935–1939=100 from the U. S. Department of Labor's 1926 base). A year ago this index stood at 127.8.

[1935–1939=100]

Type of index	Dec. 1944	Nov. 1944	Percent change	Dec. 1943	Percent change
Home construction (private)[1]	47.0	46.3	+1.5	74.0	−36.5
Foreclosures (nonfarm)[1]	10.9	11.4	−4.4	13.6	−19.9
Rental index (BLS)	108.3	108.2	+0.1	108.1	+0.2
Building material prices	130.0	130.0	0.0	126.6	+2.7
Savings and loan lending [1]	188.4	192.6	−2.2	165.4	+13.9
Industrial production [1]	232.0	232.0	0.0	241.0	−3.7
Manufacturing employment [1]	157.5	r 155.0	+1.6	173.0	−9.0
Income payments [1]	238.6	r 237.5	+0.5	224.7	+6.2

r Revised.
[1] Adjusted for normal seasonal variation.

BUILDING ACTIVITY—Monthly construction up slightly

Privately financed residential construction provided less than 5,000 dwelling units during December, a drop of one-fifth from the preceding month which was, however, largely seasonal in nature. Not since the depth of the depression has the monthly volume of private residential construction been at a lower level.

Public construction, which tended downward during the first three quarters of 1944, reaching a low of 150 units in September, has, due to changes in the requirements of the Army and Navy, been increasing in recent months. About 3,200 publicly financed units were placed under contract in December compared with slightly more than 1,600 in the preceding month.

Total construction in urban areas provided 8,200 family dwelling units in December, a small gain of 3 percent over the preceding month but a decline of 43 percent from December 1943. [TABLES 1 and 2.]

BUILDING COSTS—Upward trend continues

The cost of constructing the standard 6-room frame house continued its upward trend, rising fractionally during December. Both materials and labor were contributing factors, registering slight increases from November. The indexes for materials, labor and total cost now stand at 131.6, 139.7 and 134.3 (1935–1939=100).

The index of wholesale building material prices, as measured by the U. S. Department of Labor (1926 base converted to 1935–1939=100) remained stable from November to December, standing at 130 percent. However, between December 1943 and last year-end, this index showed an increase of 2.7 percent.

Construction costs for the standard house

[Average month of 1935–1939=100]

Element of cost	December 1944	November 1944	Percent change	December 1943	Percent change
Material	131.6	r 131.5	+0.1	127.6	+3.1
Labor	139.7	r 139.5	+0.1	136.0	+2.7
Total	134.3	r 134.2	+0.1	130.5	+2.9

r Revised.

Of the 14 cities for which building costs were available in December, half registered increases, four recorded declines, and three showed no change in comparison with the indexes for the last reporting period. [TABLES 3, 4 and 5.]

MORTGAGE LENDING—Seasonally adjusted index drops

Although the new mortgage-lending activity of savings and loan associations fell off slightly in December, the volume for the month was relatively high, aggregating approximately $111,000,000. Almost three-fourths of this —$81,500,000—was loaned for the purchase of existing homes, and $13,600,000, or one-eighth, for the purpose of refinancing home mortgages.

That the drop in total lending from November to December (6 percent) was greater than "normal" is evident in the fact that the seasonally adjusted index of savings and loan lending dropped from 193, a 12-year high, to 188 (average month 1935–1939 = 100). By way of comparison, the $98,000,000 of new loans made by all associations in December 1943 yielded an index of 165. [TABLES 6 and 7.]

New mortgage loans distributed by purpose

[Dollar amounts are shown in thousands]

Purpose	Dec. 1944	Nov. 1944	Percent change	Dec. 1943	Percent change
Construction	$5,244	$4,635	+13.1	$10,904	−51.9
Home purchase	81,508	90,182	−9.6	64,656	+26.1
Refinancing	13,555	13,265	+2.2	12,550	+8.0
Reconditioning	2,127	2,507	−15.2	2,290	−7.1
Other purposes	8,704	7,785	+11.8	7,172	+21.4
Total	111,138	118,374	−6.1	97,572	+13.9

MORTGAGE RECORDINGS—Greater-than-seasonal drop experienced

During December approximately $360,000,000 of nonfarm mortgages of $20,000 or less were recorded throughout the country. This represented a more-than-seasonal drop of 9 percent from the preceding month to which all types of mortgage lenders contributed. Recording volumes of savings and loans, banks and trust companies and mutual savings banks were down about 10 percent while the declines of other types of lenders ranged from 4 percent for those in the "other" or miscellaneous group to 8 percent for individuals.

The dollar volume of recordings in December 1944 was about 9 percent higher than in the same month of 1943, and 36 percent greater than in December 1942. However, it fell 8 percent short of the volume which was recorded for the same 1941 month. [TABLES 8 and 9.]

Mortgage recordings by type of mortgagee

[Dollar amounts are shown in thousands]

Type of lender	Percent change from Nov. 1944	Percent of Dec. 1944 amount	Cumulative recordings (12 months)	Percent of total recordings
Savings and loan associations	−10. 3	33. 5	$1, 563, 678	33. 9
Insurance companies	−6. 6	5. 3	256, 173	5. 6
Banks, trust companies	−9. 7	18. 0	877, 762	19. 0
Mutual savings banks	−10. 0	3. 8	165, 054	3. 6
Individuals	−7. 7	26. 5	1, 134, 054	24. 6
Others	−3. 8	12. 9	613, 908	13. 3
Total	−8. 5	100. 0	4, 610, 629	100. 0

FEDERAL ASSOCIATIONS—Assets rise in month and year

At the end of 1944, assets of the 1,464 Federal associations were estimated at $3,168,731,000. This represented a gain of $109,175,000, or 4 percent, over November when the number of associations was the same. The annual increase during 1944 amounted to $55,300,000, or 21 percent. This compares with an advance of 14 percent which was registered during 1943.

Progress in number and assets of Federals

[Dollar amounts are shown in thousands]

Class of association	Number		Approximate assets	
	Dec. 31, 1944	Nov. 30, 1944	Dec. 31, 1944	Nov. 30, 1944
New	633	633	$1, 074, 521	$1, 028, 119
Converted	831	831	2, 094, 210	2, 031, 437
Total	1, 464	1, 464	3, 168, 731	3, 059, 556

FLOW OF PRIVATE REPURCHASABLE CAPITAL

New investments by the public in shares of savings and loan associations during December amounted to approximately $181,000,000, while withdrawals were $64,600,000. In the same month of 1943, an estimated $150,800,000 was invested and $56,100,000 repurchased. For each $100 invested in share accounts, $36 was drawn out in December 1944 compared with $37 for the same month of the preceeding year.

The net increase for the month in the share-account balance was approximately $116,300,000. Of this amount, insured associations accounted for $96,300,000; uninsured members $9,600,000; and nonmembers $10,400,000. In December of 1943 the excess of new investments over repurchases amounted to $94,700,000 with insured associations having a net increase of $80,600,000; uninsured members, $7,300,000; and nonmembers, $6,800,000. The repurchase ratio for insured associations, although fractionally higher than in 1943, remained at a low level—32 percent. Uninsured members decreased their ratio 4 points to 54 percent while nonmembers, with a 41-percent ratio, showed the greatest improvement from December 1943, a reduction of nearly 13 points.

Share investments and repurchases, December 1944

[Dollar amounts are shown in thousands]

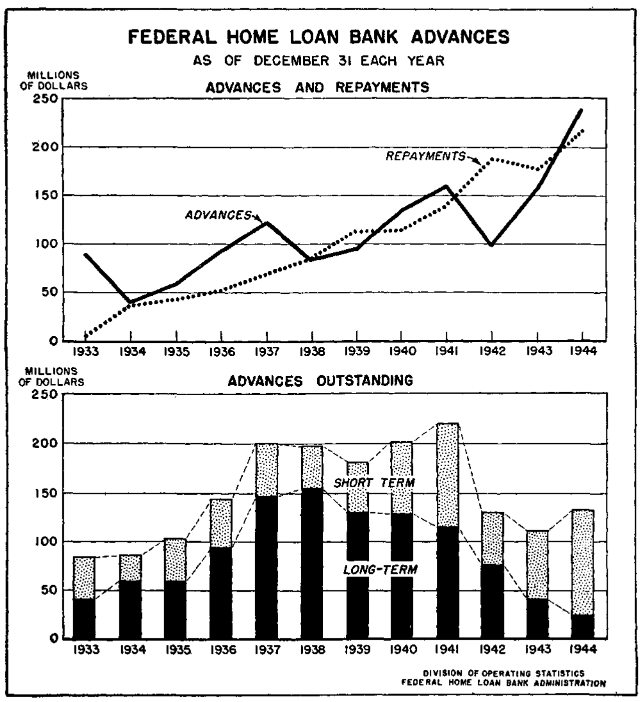
Item and period	All associations	All insured associations	Uninsured members	Nonmembers
Share investments:				
First 12 months 1944	$1,896,254	$1,484,420	$246, 860	$164, 974
First 12 months 1943	1,524,139	1,150,731	211, 746	161, 662
Percent change	+24	+29	+17	+2
December 1944	180, 928	142, 291	21, 124	17, 513
December 1943	150, 818	118, 496	17, 747	14, 575
Percent change	+20	+20	+19	+20
Repurchases:				
First 12 months 1944	$1,021,577	$754, 929	$160, 366	$106, 282
First 12 months 1943	908, 954	623, 722	157, 963	127, 269
Percent change	+12	+21	+2	−16
December 1944	64, 641	45, 985	11, 497	7, 159
December 1943	56, 092	37, 885	10, 409	7, 798
Percent change	+15	+21	+10	−8
Repurchase ratio: (percent)				
First 12 months 1944	53. 9	50. 9	65. 0	64. 4
First 12 months 1943	59. 6	54. 2	74. 6	78. 7
December 1944	35. 7	32. 3	54. 4	40. 9
December 1943	37. 2	32. 0	58. 7	53. 5

Federal Home Loan Bank System

■ COMBINED assets of all savings and loan members of the FHLB System rose considerably above the 1943 total of $5,539,000,000, amounting to $6,415,000,000 at the end of the year. Thus, for the first time, combined assets topped the $6 billion mark. The gain over last year's figure amounted to 15.8 percent, bringing the total increase since the year-end of 1941, when this country entered the war, to about $1,617,000,000.

This year's developments conform to the trend toward fewer, but larger institutions, since the number of savings and loan members declined from 3,748 at the end of 1943 to 3,659 in December 1944. The increase in average asset size of these members for the first six months of the year was the greatest since the early years of the System; and the year-end figures reflect a continuation of the up-swing. Average asset size in December 1943 was $1,497,000; last year's average of $1,753,000 shows a rise of 17.2 percent. The membership of the System included 3,659 savings and loan associations, 22 savings banks, and 18 life insurance companies. The proportion of these types of institutions has remained fairly stable. Assets of *all* members totaled $7,266,000,000.

The total of new advances made by the Federal Home Loan Banks during 1944 was $239,254,000; well above the former peak established in 1941. In accordance with the figures of the past few years, a large majority of advances were made on a short-term basis.



The effect of the war loan drives on advances has been considerable. For example, from June 30 to July 8 (during the Fifth War Loan) advances increased from $128.3 million to $145.3 million; from this peak they fell to $95.2 million by September 30. The 12 Banks, it is estimated, advanced $150 million during the three war loan drives in 1944; more than 90 percent of the advances made during that period were on a short-term basis.

Repayments of $218,759,000 rose above the $176,070,000 reported during 1943. Last year's figure was $29,064,000 above the former peak of repayments in 1942.

Advances outstanding totaled $130,563,000 at the end of this year, up $20,495,000 from the $110,068,000 total of 1943. This was a gain of 18.6 percent over last year; although 40.5 percent below the $219,446,000 high reported in 1941. The Los Angeles Bank, with the largest total of advances outstanding at the end of 1944, also showed the greatest gain from 1943—up $10,674,000 to $26,104,000. Only four Banks—Boston, New York, Cincinnati and Topeka—showed declines in advances outstanding at the end of the year.

Combined Statement of Operations

Operations of the Banks in the calendar year 1944 provided a net income of $3,320,584, a decrease of $596,390 from the 1943 total of $3,916,974. The principal contributing income factors were: substantial reductions in interest on advances, and profits on sale of investments, which were, to some degree, offset by an increase in interest on investments. Increases in debenture expenses, Federal Home Loan Bank Administration assessment, retirement fund and several other expense items also contributed to the reduced net income.

Dividends ranging from 1 percent to 2 percent were declared for the year. Nine Banks declared dividends at the same rate as in 1943; two Banks lowered dividends slightly, while one raised the rate for the first half of the year; and then, during the second six months, lowered the rate to its previous level. The return to the Reconstruction Finance Corporation provided 1.10 percent on its capital stock holdings in the Banks compared with 1.12 percent in 1943 and 1.17 in 1942 and 1941.

Statement of Condition of the Federal Home Loan Banks as of December 31, 1944

Balance sheet items	Consolidated	Combined	Boston	New York	Pittsburgh	Winston-Salem	Cincinnati
ASSETS							
Cash	$27,323,235.41	$30,322,745.31	$6,559,225.13	$2,597,738.18	$2,087.345.68	$2,563,732.36	$3,267,795.71
Investments	144,046,478.01	144,046,478.01	9,911,140.70	26,878,229.03	8,671,968.69	8,003,305.94	24,912,525.03
Advances outstanding	130,562,949.10	130,562,949.10	6,375,779.00	11,997,082.90	12,911,899.75	9,745,212.50	8,279,964.29
Accrued interest receivable	805,869.08	806,383.09	55,354.77	147,568.45	69,497.55	51,286.25	104,150.44
Deferred charges	8,590.63	8,590.63	817.11	1,674.46	754.33	520.58	573.61
Other assets	265,790.02	265,790.02	10,222.69	3,262.40	23,826.80	10,990.17	74,789.36
TOTAL ASSETS	$303,012,912.25	$306,012,936.16	$22,912,539.40	$41,625,555.42	$23,765,292.80	$20,375,047.80	$36,639,798.44
LIABILITIES AND CAPITAL							
Deposits	$28,772,517.51	$31,772,517.51	$803,644.37	$7,026.887.24	$827,532.25	$468,600.00	$5,696,856.04
Accrued interest payable	226,978.31	227,002.22	11,733.67	32,228.47	28,293.52	1,429.16	13,271.52
Dividends payable	1,020,372.36	1,020,372.36	93,205.75	----------	149,068.68	155,482.71	145,270.00
Accounts payable	25,192.54	25,192.54	567.62	3,295.43	1,706.70	1,104.50	10,792.13
Debentures outstanding	66,500,000.00	66,500,000.00	2,000,000.00	7,000,000.00	6,000,000.00	2,000,000.00	5,000,000.00
TOTAL LIABILITIES	$96,545,060.72	$99,545,084.63	$2,909,151.41	$14,062,411.14	$7,006,601.15	$2,626,616.37	$10,866,189.69
Capital stock—paid-in value	$188,546,400.00	$188,546,400.00	$18,752,100.00	$25,612,400.00	$15,088,700.00	$15,712,600.00	$23,411,200.00
Surplus—reserved	10,849,717.78	10,849,717.78	630,584.85	1,229,137.49	728,332.02	1,049,083.91	1,678,821.23
Undivided profits	7,071,733.75	7,071,733.75	620,703.14	721,606.79	941,659.63	986,747.52	683,587.52
TOTAL CAPITAL	$206,467,851.53	$206,467,851.53	$20,003,387.99	$27,563,144.28	$16,758,691.65	$17,748,431.43	$25,773,608.75
TOTAL LIABILITIES AND CAPITAL	$303,012,912.25	$306,012,936.16	$22,912,539.40	$41,625,555.42	$23,765,292.80	$20,375,047.80	$36,639,798.44

Balance sheet items	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	Portland	Los Angeles
ASSETS							
Cash	$1,649,504.91	$6,192,245.01	$970,681.38	$1,090,330.83	$717,634.87	$1,657,924.08	$968,587.17
Investments	11,759,251.34	12,866,460.41	10,249,964.43	8,164,627.47	7,578,253.81	7,764,955.13	7,285,796.03
Advances outstanding	10,045,013.25	20,209,066.16	11,785,358.25	5,781,131.00	3,908,170.00	3,420,023.67	26,104,248.33
Accrued interest receivable	64,643.99	64,910.19	70,109.12	47,001.00	59,169.03	29,923.11	42,769.19
Deferred charges	702.12	986.78	649.41	500.17	508.67	488.81	414.58
Other assets	64,351.82	70,649.79	2,029.82	3,635.61	1.00	161.75	1,868.81
TOTAL ASSETS	$23,583,467.43	$39,404,318.34	$23,078,792.41	$15,087,226.08	$12,263,737.38	$12,873,476.55	$34,403,684.11
LIABILITIES AND CAPITAL							
Deposits	$3,719,454.02	$5,300,737.19	$3,160,923.08	$525,500.00	$429,365.82	$1,245,594.42	$2,567,423.08
Accrued interest payable	24,921.07	25,113.68	24,482.36	9,208.10	4,604.07	7,194.49	44,522.11
Dividends payable	99,629.39	104,159.30	57,971.60	56,591.24	48,704.13	38,747.92	71,541.64
Accounts payable	432.55	4,621.40	973.06	737.50	500.54	344.68	116.43
Debentures outstanding	5,000,000.00	11,000,000.00	7,000,000.00	2,000,000.00	1,000,000.00	3,000,000.00	15,500,000.00
TOTAL LIABILITIES	$8,844,437.03	$16,434,631.57	$10,244,350.10	$2,592,036.84	$1,483,174.56	$4,291,881.51	$18,183.603.26
Capital stock—paid-in value	$13,616,900.00	$21,027,400.00	$11,677,600.00	$11,349,700.00	$9,847,800.00	$7,820,600.00	$14,629,400.00
Surplus—reserved	569,193.82	1,076,969.85	795,600.63	592,290.37	379,379.22	720,602.25	1,399,722.14
Undivided profits	552,936.58	865,316.92	361,241.68	553,198.87	553,383.60	40,392.79	190,958.71
TOTAL CAPITAL	$14,739,030.40	$22,969,686.77	$12,834,442.31	$12,495,189.24	$10,780,562.82	$8,581,595.04	$16,220,080.85
TOTAL LIABILITIES AND CAPITAL	$23,583,467.43	$39,404,318.34	$23,078,792.41	$15,087,226.08	$12,263.737.38	$12,873,476.55	$34,403,684.11

Dividends declared during the year amounted to $2,055,421, of which $679,858 went to members and $1,375,563 to the RFC. This represented a gain of $33,900 over the 1943 payments.

In the Indianapolis District, members now own more than half of the stock of the Bank. As of July 7, 1944, stock in the Bank owned by the Government was $6,557,400, compared with the $6,595,200 held by member institutions. Thus, Indianapolis became the first Federal Home Loan Bank to have stock holdings of the members exceed those of the Government.

Total combined resources of the 12 Banks rose by $11,537,000 (about 3.9 percent) and, at the end of the year, they amounted to $306,013,000. The gain in consolidated debentures outstanding totaled $2,200,000, as those at the year-end, series A and B, due January 15, 1945, totaled $66,500,000. Current assets of the Banks represented 290 percent of their current liabilities at the end of 1944, compared with 272 percent in 1943.

Debenture financing during the year was limited to one public offering of seven months at 0.85 percent in an amount of $44 million, and two private sales to several commercial banks in an aggregate amount of $36.5 million. Two series of debentures totaling $78.3 million matured during 1944.

Members' time and demand deposits with the Banks totaled $28,744,393, a decline of $789,348 from the preceding year's figure. This reversed the upward movement established in 1943, when $4,098,000 was gained.

Interest Rates

During 1944, there was some variation in interest rates on advances by the Federal Home Loan Banks, and new forms of advances were established in several Districts. Boston set an interest rate of 2 percent on advances for five years for "GI" loans. The New York Bank instituted a uniform rate of 2½ percent on all advances. In the Pittsburgh District a 2½ percent rate on a new form of amortized advance secured for a term up to five years or unsecured for a term not exceeding one year, was established. The Indianapolis Bank set a uniform rate of 2 percent on long-term advances. Chicago abandoned its 2¼ percent short-term amortized advance.

Interest rates paid by the New York Bank on members' time deposits over 30 days were raised from ½ percent to 1 percent. Portland established, for the first time, an interest rate on time deposits, paying at ½ percent over 90 days. Interest rates paid by the Los Angeles Bank on deposits over 90 days were raised from ½ to 1 percent.

Interest rates on advances [1] and on deposits

Federal Home Loan Bank	Rates on deposits over 90 days	Rates on advances Jan. 1, 1945	Type of advance
	Pct.	*Pct.*	
Boston [2]	------	1½	Short-term advances amortized within 1 year, or without amortization when secured by Government bonds.
		2	On advances for 5 years, for defense housing purposes, not exceeding 10% of member's assets, amortized at not less than 5% quarterly.
		2	On advances for 5 years for G. I. loans, such advances to be amortized at a rate of 5% quarterly.
		2½	All other advances.
New York [2]	------	2½	All advances.
Pittsburgh [2]	------	1½	Short-term secured advances amortized quarterly for purchase of Government securities during war loan drives.
		2	Secured advances up to 5 years with quarterly amortization of 2½% for purpose of repurchasing HOLC share investments.
		2½	On advances up to 5 years, advances exceeding 1 year to be collateralized and amortized 2½% quarterly. Within certain limits unsecured advances may be made for a term not to exceed 1 year.
		3	All other advances.
Winston-Salem	½	2	All advances.
Cincinnati	½	1½	On advances not exceeding 1 year secured by (1) obligations of or guaranteed by the Government (2) other acceptable collateral, advances so secured not to exceed current redemption price of Series F and G savings bonds held by member.
		2	All other advances.
Indianapolis [3]	------	1½	On advances not exceeding 6 months.
		2	On advances not exceeding 1 year, but in excess of 6 months.
		2	On long-term advances.
Chicago	½	1½	On short-term advances amortized in equal monthly or quarterly instalments, such advances must not exceed in the aggregate 10% of the gross assets of borrowing member.
		2	On short-term advances which exceed 10% of member's gross assets or which are unamortized.
		3	On long-term advances.
Des Moines [4]	------	1½	On secured advances not exceeding 6 months, without amortization requirement, for purchase of Government bonds. Such advances, together with other type of short-term advances to a member shall not exceed 40% of its line of credit.
		2	Advances not exceeding 1 year.
		2½	Advances exceeding 1 year.
Little Rock	½	2	All advances.
Topeka	½	2½	All advances.
Portland	½	2	Advances collateralized by Government obligations.
		2	On unsecured advances not exceeding 6 months, for the retirement of Treasury or HOLC monies during the month of January 1945, renewal of such loans to be on a secured basis.
		3	All other advances.
Los Angeles	1	1½	On 1 year secured advances for purchase of or in an amount equal to the purchase price or par value, whichever is less, of Government obligations purchased since September 1, 1943.
		2	On secured advances for purchase of or in an amount equal to the purchase price or par value, whichever is less, of Government obligations purchased since January 1, 1942. (Foregoing advances limited to $100,000 or 60% of line of credit, whichever is greater.)
		2½	All other advances.

[1] Rates on advances to nonmembers are ½ percent higher, except Cincinnati which charges 1 percent more.
[2] This Bank also pays interest on deposits remaining over 30 days.
[3] This Bank also pays interest on deposits over 60 days.
[4] This Bank also pays interest on deposits over 45 days.

Current Operations

The volume of advances made in December 1944 was $47,132,000, the highest of any comparable month, and a contrast to the $12,626,000 reported in December of the preceding year, which had been the lowest for any December since 1935. Advances in December last year topped those in November by $16,395,000. Repayments during the month were second only to the December 1943 all-time peak, reaching $16,947,000, a gain of $6,075,000 over November 1944. Only three Banks—Boston, New York and Topeka—showed an excess of repayments over advances during the month.

Advances outstanding were the second highest of any month during last year, totaling $130,563,000, well in excess of the $100,378,000 reported in the preceding month. [TABLE 12.]

Dividends declared by the Federal Home Loan Banks during 1944

Federal Home Loan Bank	Rate per annum [1]	Members	R. F. C.	Total
	Percent			
Boston	1	$60,816.19	$124,675.00	$185,491.19
New York	1	64,274.37	189,632.00	253,906.37
Pittsburgh [2]	1	37,605.68	111,463.00	149,068.68
Winston-Salem [2]	1	63,400.71	92,082.00	155,482.71
Cincinnati	1–1¼	114,771.84	143,726.63	258,498.47
Indianapolis	1½	97,484.08	98,661.00	196,145.08
Chicago	1½–1	79,541.53	177,173.75	256,715.28
Des Moines	1	40,459.82	73,949.00	114,408.82
Little Rock	2–1	37,893.45	131,586.00	169,479.45
Topeka	1	24,303.80	73,336.00	97,639.80
Portland	1	17,570.15	59,600.00	77,170.15
Los Angeles	1	41,736.61	99,679.00	141,415.61
Total	------	679,858.23	1,375,563.38	2,055,421.61

[1] Where two rates are shown they represent declarations for first and last halves of 1944.
[2] Dividends declared as of December 31, 1944 for the calendar year 1944; other Banks declared semi-annual dividends as of June 30 and December 31.

Federal Savings and Loan Insurance Corporation

FOR the year ending December 31, 1944, the Federal Savings and Loan Insurance Corporation has witnessed continued progress in the insurance program started 10½ years ago. The Corporation had outstanding a coverage of $4,134,000,000 on the insured accounts of over 4,000,000 investors in 2,466 institutions throughout the country. Total assets of these associations increased $830,000,000, or 20 percent, during the year to a total of nearly $5,013,000,000. Private share capital rose $760,000,000 to a total of $4,334,000,000, which was equivalent to 86 percent of the total resources of these institutions. The growth in liquid assets continued with marked increases in U. S. Government obligations.

During the year, 36 additional savings and loan associations with assets of $30,138,000 were insured by the Federal Savings and Loan Insurance Corporation, while insurance for 17 previously insured associations was canceled due to sale or transfer of assets, merger with other insured associations or voluntary liquidation. At the end of December, approximately two-fifths of all operating savings and loan associations with more than two-thirds of the aggregate assets were insured.

U. S. Government security holdings in insured associations continued to register substantial gains during 1944. These Government securities represented 24 percent of total assets as of December 31, 1944, compared to 14 percent a year ago. This increase in the liquidity position of insured associations is due primarily to the current policy of building up resources to meet the demand for post-war homes, and is a result of the large inflow of private capital, the heavy prepayments on loans, and the limited outlets for new investments. It also reflects the vigorous participation of insured associations in the war-financing program. During 1944, insured associations not only increased their own holdings of Government securities but sold approximately $448,000,000 in war bonds to the public.

The resources of the Federal Savings and Loan Insurance Corporation also increased during 1944. Its gross assets amounted to $155,807,000 on December 31 as compared with $146,821,000 at the end of 1943—an increase of $8,986,000. The reserves and surplus of the Corporation have been built up to $53,270,000. During the past 12 months, gross income from operations amounted to $8,087,000, while operating expenses totaled $508,000—6.3 percent of gross income.

During the year, action was taken by the Corporation to prevent default of three insured associations with combined net assets of $6,097,000 involving 7,200 investors. Cash disbursements by the Corporation in these cases amounted to nearly $193,000. A total of 28 associations have been rehabilitated by the Corporation since its creation, with aggregate disbursements for this purpose amounting to approximately $5,374,000 as of December 31, 1944, of which $176,000 has been recovered by the Corporation.

Federal Savings and Loan Insurance Corporation

Condensed Statement of Condition

December 31, 1944

☆ ☆ ☆

Assets		
Cash in U. S. Treasury		$1, 517, 990. 07
Accounts receivable		1, 339, 102. 19
Includes insurance premiums of $1, 318,049.20, payable subsequent to December 31, 1944.		
Investments		150, 602, 817. 43
U. S. Government obligations and securities fully guaranteed by U. S.		
Accrued interest on investments		457, 741. 88
Subrogated accounts:		
In insured institutions in liquidation	$2, 510, 143. 52	
Less:		
Allowance for losses	620, 373. 27	
		1, 889, 770. 25
Total Assets		155, 807, 421. 82
Liabilities and Capital		
Accounts payable		$62, 869. 08
Deferred income		2, 474, 569. 72
Represents insurance premiums not yet credited to earnings.		
Capital:		
Capital stock	100, 000, 000. 00	
Reserve fund as provided by law [1]	22, 298, 471. 82	
Special reserve for contingencies	28, 500, 000. 00	
Unallocated income	2, 471, 511. 20	
		153, 269, 983. 02
Total Liabilities and Capital		155, 807, 421. 82

[1] In institutions in default the Corporation estimates a loss of $2,274.00 on insured accounts aggregating $19,180.83, pending settlement or not claimed.

No insured association was placed in liquidation during the year. Of the seven insured associations which have been placed in liquidation thus far, five are still in the process of liquidation. At the end of December, 99.7 percent of the estimated dollar amount of the insured claims of share investors in these associations had been settled. In settlement, new share accounts totaling more than $6,674,000 were issued by other insured institutions, while accounts totaling $13,200 were settled through the payment of cash and debentures. The receivership of one association was terminated during the year, which brings the total number of liquidations completed thus far to two cases. In the case completed in 1944, the Corporation received liquidating dividends aggregating 93.3 percent compared to 47.6 percent in the case closed earlier. As to the five cases still in liquidation, it is estimated that the Corporation will recover approximately 91 percent of the funds disbursed in the payment of insurance. [TABLE 13.]

FORECLOSURES—Greater activity in last quarter

During the final quarter of 1944, foreclosures on nonfarm properties in the United States gained 5 percent over the preceding quarter. They numbered 4,275 in the last three months of the year compared with 4,082 during the previous quarter. By months, 1,317 foreclosures occurred in October, 1,503 in November, and 1,455 in December. The seasonally adjusted indexes for these months were, in order: 10.2, 11.4, and 10.9 (average month 1935–1939=100). [TABLE 15.]

FSLIC Bulletin No. 16

AMENDMENT TO THE RULES AND REGULATIONS FOR INSURANCE OF ACCOUNTS WITH RESPECT TO LOANS ON REAL ESTATE SITUATED MORE THAN 50 MILES FROM AN INSURED INSTITUTION'S PRINCIPAL OFFICE AND GUARANTEED UNDER THE SERVICEMEN'S READJUSTMENT ACT.

(Approved and effective January 25, 1945.)

The newly adopted amendment reads as follows:

"Section 301.11 of the Rules and Regulations for Insurance of Accounts is hereby amended, effective January 25, 1945, by adding at the end of subparagraph (4) of paragraph (d) the following sentence:

'The foregoing percentages of lending to appraised value are increased as to loans to be used in purchasing residential property or in constructing a dwelling on unimproved property to the extent of the guarantee by the Administrator of Veterans' Affairs under Title III of the Servicemen's Readjustment Act of 1944, and any amendments thereto.' "

This action, being of an emergency character, became effective upon adoption and filing with the Federal Register on January 25, 1945.

The foregoing amendment does not extend the lending territory in which an insured institution may now be authorized to make loans. It permits an insured institution which has been authorized heretofore to make loans on real estate situated more than 50 miles from its principal office to increase the percentages of lending to appraised value as to such loans to be used in purchasing residential property or in constructing a dwelling on unimproved property to the extent of the guarantee by the Administrator of Veterans' Affairs under Title III of the Servicemen's Readjustment Act and any amendments.

DIRECTORY CHANGES

DECEMBER 16, 1944—JANUARY 15, 1945

Key to Changes

*Admission to Membership in Bank System
**Termination of Membership in Bank System
#Federal Charter Granted
##Cancelation of Federal Charter
ϕInsurance Certificate Granted
ϕϕInsurance Certificate Canceled

DISTRICT NO. 2

NEW YORK:
Mount Vernon:
*ϕMount Vernon Savings and Loan Association, 40 East First Street.

DISTRICT NO. 3

PENNSYLVANIA:
Greensburg:
*Greensburg Building and Loan Association, 11 East Otterman Street.
Pittsburgh:
ϕMozart Savings and Loan Association, 14 Wabash Street.
**The Ten Cent Tutor Building and Loan Association of the West End, 14 Wabash Street (merger with Mozart Savings and Loan Association, Pittsburgh).
**Twenty-Seventh Ward Building and Loan Association, 111 Pius Street (merger with Suburban Savings and Loan Association, Pittsburgh).
Verona:
ϕThe Verona Building and Loan Association, 736 Allegheny River Boulevard.

DISTRICT NO. 9

TEXAS:
Galveston:
**Texas Prudential Insurance Company.
San Antonio:
**The Great American Life Insurance Company, Great American Life Building.

DISTRICT NO. 10

COLORADO:
Denver:
ϕThe Silver State Savings and Loan Association, 654 Seventeenth Street.

DISTRICT NO. 12

CALIFORNIA:
Berkeley:
ϕCommunity Savings and Loan Association, 2033 Shattuck Avenue.

Table 1.—**BUILDING ACTIVITY**—Estimated number and valuation of new family dwelling units provided in all urban areas in December 1944, by Federal Home Loan Bank District and by state

[Source: U. S. Department of Labor]

[Dollar amounts are shown in thousands]

Federal Home Loan Bank District and state	All residential structures				All private 1- and 2-family structures			
	Number of family dwelling units		Permit valuation		Number of family dwelling units		Permit valuation	
	Dec. 1944	Dec. 1943	Dec. 1944	Dec. 1943	Dec. 1944	Dec. 1943	Dec. 1944	Dec. 1943
UNITED STATES	8,185	14,340	$22,041	$41,825	4,521	7,125	$12,683	$24,029
No. 1—Boston	34	76	139	301	34	76	139	301
Connecticut	9	53	50	243	9	53	50	243
Maine	-	-	-	-	-	-	-	-
Massachusetts	19	19	73	50	19	19	73	50
New Hampshire	-	-	-	-	-	-	-	-
Rhode Island	6	2	16	7	6	2	16	7
Vermont	-	2	-	1	-	2	-	1
No. 2—New York	128	268	432	988	38	132	164	523
New Jersey	122	225	408	781	32	89	140	316
New York	6	43	24	207	6	43	24	207
No. 3—Pittsburgh	20	620	64	1,993	17	344	58	1,228
Delaware	-	32	-	96	-	32	-	96
Pennsylvania	12	584	45	1,896	12	308	45	1,131
West Virginia	8	4	19	1	5	4	13	1
No. 4—Winston-Salem	742	1,707	1,593	4,873	707	771	1,504	1,991
Alabama	70	241	54	364	70	103	54	29
District of Columbia	167	215	561	618	167	41	561	149
Florida	256	147	538	325	224	147	457	325
Georgia	77	84	59	121	77	68	59	120
Maryland	107	720	274	1,923	104	220	266	589
North Carolina	28	11	38	45	28	11	38	45
South Carolina	23	118	16	366	23	118	16	366
Virginia	14	171	53	1,111	14	63	53	368
No. 5—Cincinnati	218	947	685	3,138	218	423	685	1,525
Kentucky	16	22	49	54	16	22	49	54
Ohio	78	724	369	2,546	78	200	369	933
Tennessee	124	201	267	538	124	201	267	538
No. 6—Indianapolis	145	1,299	660	5,503	145	795	660	3,879
Indiana	30	80	121	334	30	76	121	327
Michigan	115	1,219	539	5,169	115	719	539	3,552
No. 7—Chicago	520	696	2,493	2,677	516	432	2,485	1,918
Illinois	494	333	2,371	1,525	494	329	2,371	1,505
Wisconsin	26	363	122	1,152	22	103	114	413
No. 8—Des Moines	347	76	1,043	260	156	76	643	260
Iowa	14	56	47	220	14	56	47	220
Minnesota	120	2	568	5	120	2	568	5
Missouri	213	14	428	23	22	14	28	23
North Dakota	-	-	-	-	-	-	-	-
South Dakota	-	4	-	12	-	4	-	12
No. 9—Little Rock	1,448	1,846	2,477	3,047	1,414	1,183	2,431	1,700
Arkansas	65	81	47	53	65	81	47	53
Louisiana	426	29	936	43	410	29	917	43
Mississippi	94	65	55	14	94	65	55	14
New Mexico	22	76	20	200	22	76	20	200
Texas	841	1,595	1,419	2,737	823	932	1,392	1,390
No. 10—Topeka	184	380	435	1,745	167	324	385	1,571
Colorado	17	2	47	1	17	2	47	1
Kansas	72	9	151	15	72	9	151	15
Nebraska	49	32	183	122	32	12	133	46
Oklahoma	46	337	54	1,607	46	301	54	1,509
No. 11—Portland	269	1,521	1,099	5,119	228	901	907	3,823
Idaho	11	13	18	47	11	13	18	47
Montana	9	1	22	1	6	1	10	1
Oregon	58	220	145	1,091	58	204	145	1,034
Utah	101	266	497	906	63	266	317	906
Washington	84	1,021	402	3,074	84	417	402	1,835
Wyoming	6	-	15	-	6	-	15	-
No. 12—Los Angeles	4,130	4,904	10,921	12,181	881	1,668	2,622	5,310
Arizona	55	27	219	35	55	27	219	35
California	4,059	4,869	10,670	12,114	810	1,633	2,371	5,243
Nevada	16	8	32	32	16	8	32	32

Table 2.—**BUILDING ACTIVITY**—Estimated number and valuation of new family units provided in all urban areas of the United States

[Source: U. S. Department of Labor]

[Dollar amounts are shown in thousands]

Type of construction	Number of family dwelling units					Permit valuation				
	Monthly totals			Annual totals		Monthly totals			Annual totals	
	Dec. 1944	Nov. 1944	Dec. 1943	1944	1943	Dec. 1944	Nov. 1944	Dec. 1943	1944	1943
Private construction	4,969	6,314	8,462	92,602	119,714	$13,818	$17,472	$27,974	$285,696	$374,260
1-family dwellings	3,953	4,832	6,132	71,235	78,750	11,292	13,411	21,176	220,026	260,155
2-family dwellings [1]	568	612	993	9,438	16,234	1,391	1,729	2,853	30,983	45,559
3- and more-family dwellings [2]	448	870	1,337	11,929	24,730	1,135	2,332	3,945	34,687	68,546
Public construction	3,216	1,636	5,878	18,496	90,742	8,223	4,363	13,851	48,937	197,950
Total urban construction	8,185	7,950	14,340	111,098	210,456	22,041	21,835	41,825	334,633	572,210

[1] Includes 1- and 2-family dwellings combined with stores.
[2] Includes multi-family dwellings combined with stores.

Table 3.—**BUILDING COSTS**—Index of building costs for the standard house in representative cities in specific months [1]

[Average month of 1935-1939=100]

Federal Home Loan Bank District and city	1945	1944				1943	1942	1941	1940	1939
	Jan.	Oct.	July	Apr.	Jan.	Jan.	Jan.	Jan.	Jan.	Jan.
No. 2—New York:										
Atlantic City, N. J			137.5	138.4	136.9	125.4	122.7	118.7	105.4	97.4
Camden, N. J	143.2		143.6	140.7	138.8	r 138.1	r 139.7	117.1	108.5	101.9
Newark, N. J	159.7		159.3	157.1	154.5	155.5	136.5	113.2	106.6	103.5
Albany, N. Y	148.0		143.8	140.4	140.6	r 130.2	124.6	112.3	102.2	99.5
Buffalo, N. Y	143.4		142.1	140.0	135.8	128.2	123.7	108.8	100.6	102.0
White Plains, N. Y			149.1	148.7	141.5	129.0	124.3	112.7	100.1	99.1
No. 6—Indianapolis:										
Evansville, Ind		125.3	125.3	125.3	125.3	126.4	r 122.3	r 112.3	107.1	102.5
Indianapolis, Ind*	146.5	146.5	146.4	143.5	143.0	125.4	122.6	115.0	98.5	102.9
South Bend, Ind		143.4	143.4	143.4	143.4	132.5	128.4	115.3	102.9	96.2
Detroit, Mich*	152.3	152.1	152.6	149.6	148.4	128.2	119.6	112.0	101.9	108.3
Grand Rapids, Mich		131.1	131.1	131.1	131.1	128.6	r 121.9	116.1	99.6	107.0
No. 8—Des Moines:										
Des Moines, Iowa*	120.9	121.1	121.1	118.4	118.3	116.3	113.8	105.2	102.6	101.6
Duluth, Minn			125.7	123.3	122.9	118.5	110.8	104.5	104.9	101.2
St. Paul, Minn			124.6	121.9	121.9	119.1	114.7	108.1	107.8	107.9
Kansas City, Mo			137.6	137.6	138.0	r 129.7	r 118.7	r 110.8	r 107.0	r 103.2
St. Louis, Mo*	126.7	124.6	123.0	123.4	119.5	120.8	120.5	108.7	100.1	98.7
Fargo, N. Dak*	125.0	124.3	125.1	124.7	123.9	121.1	111.5	102.6	102.6	99.1
Sioux Falls, S. Dak*	130.3	130.6	130.4	127.7	127.7	125.9	117.4	105.5	102.2	105.1
No. 11—Portland:										
Boise, Idaho*	134.5	133.8	133.6	133.2	133.2	125.9	120.9	111.6	105.6	103.2
Great Falls, Mont			118.8	118.8	118.8		111.6	105.1	102.3	102.9
Portland, Oreg*	145.9	146.1	142.5	142.6	140.1	134.9	114.6	100.1	97.9	99.4
Salt Lake City, Utah*	130.0	130.0	126.8	126.8	123.3	119.7	118.3	103.8	103.1	100.5
Seattle, Wash*	138.9	138.9	134.6	133.7	131.5	124.4	122.7	107.0	102.9	102.2
Spokane, Wash			122.9	122.9	122.9	121.8	115.4	110.8	101.4	96.4
Casper, Wyo			111.7	111.7	111.7		103.6	101.7	101.5	101.9

* Indexes of January 1941 and thereafter have been revised in order to use retail material prices collected by the Bureau of Labor Statistics.

r Revised.

[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 wideboard siding with brick and stucco as features of design. Best quality materials and workmanship are used.

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 wallpaper nor other wall nor ceiling finish on interior plastered surface, lighting fixtures, refrigerators, water heaters, ranges, screens, weather stripping, nor window shades.

The index reflects the changes in material and labor costs in the house described above. Allowances for overhead and profit, which were previously included in the total costs, were based upon a flat percentage of the material and labor costs and therefore did not affect the movements of the series; no such allowances are included, now that the index is expressed in relative terms only.

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 3 months from the same dealers, and current wage rates are obtained from the same reputable contractors and operative builders. The Bureau of Labor Statistics furnishes building material prices for some cities. Although shortages of materials and priority restrictions preclude the actual construction of this house under wartime conditions, tests indicate that the indexes measure fairly closely the cost changes for smaller frame structures that now can be built.

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

[Average month of 1935–1939=100]

Element of cost	Dec. 1944	Nov. 1944	Oct. 1944	Sept. 1944	Aug. 1944	July 1944	June 1944	May 1944	Apr. 1944	Mar. 1944	Feb. 1944	Jan. 1944	Dec. 1943
Material	131.6	[r] 131.5	131.4	[r] 131.2	131.3	131.0	130.7	130.3	129.7	129.1	128.8	127.8	127.6
Labor	139.7	[r] 139.5	[r] 138.5	[r] 138.5	137.3	137.3	137.5	137.3	137.0	136.8	136.5	136.1	136.0
Total cost	134.3	[r] 134.2	[r] 133.8	[r] 133.7	133.3	133.1	133.0	132.7	132.2	131.7	131.4	130.6	130.5

[r] Revised.

Table 5.—**BUILDING COSTS**—Index of wholesale prices of building materials in the United States

[1935–1939=100; converted from 1926 base]

[Source: U. S. Department of Labor]

Period	All building materials	Brick and tile	Cement	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
1942: December	122.8	108.6	103.4	150.2	123.3	118.8	103.5	111.4
1943: December	126.6	110.1	102.7	164.3	127.0	120.6	103.5	111.2
1944: January	126.7	110.3	102.7	164.4	127.2	120.6	103.5	111.2
February	126.9	110.2	102.7	165.3	127.7	120.6	103.5	111.2
March	127.5	110.4	102.7	167.8	128.4	120.6	103.5	111.2
April	128.6	110.4	103.1	170.8	128.4	120.6	103.5	111.2
May	129.2	110.6	105.8	171.5	128.7	121.4	103.5	111.4
June	129.4	110.7	105.8	171.5	130.0	121.4	103.5	111.4
July	129.4	110.8	105.8	171.7	129.7	121.4	103.5	111.5
August	129.5	110.8	105.8	171.9	129.7	121.4	103.5	111.6
September	129.5	111.7	106.3	171.5	129.7	121.4	103.5	111.7
October	129.9	115.3	107.0	171.3	130.3	121.4	103.5	111.7
November	130.0	115.6	107.2	171.3	130.7	121.4	103.5	111.7
December	130.0	115.9	107.0	171.3	130.7	121.4	103.5	111.7
Percent change:								
December 1944—November 1944	0.0	+0.3	−0.2	0.0	0.0	0.0	0.0	0.0
December 1944—December 1943	+2.7	+5.3	+4.2	+4.3	+2.9	+0.7	0.0	+0.4

Table 6.—**MORTGAGE LENDING**—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
1942	$190,438	$573,732	$165,816	$41,695	$78,820	$1,050,501	$412,828	$476,080	$161,593
December	8,472	41,440	12,768	2,199	5,749	70,628	27,381	32,751	10,496
1943	106,497	802,371	167,254	30,441	77,398	1,183,961	511,757	539,299	132,905
December	10,904	64,656	12,550	2,290	7,172	97,572	43,647	43,972	9,953
1944	95,243	1,064,017	163,813	30,751	100,228	1,454,052	669,433	648,670	135,949
January	7,872	55,000	9,976	1,521	6,609	80,978	37,076	35,456	8,446
February	11,195	66,138	11,955	1,960	6,916	98,164	44,144	44,139	9,881
March	9,127	81,846	14,422	2,266	8,469	116,130	53,883	50,686	11,561
April	13,484	85,568	13,491	2,679	7,421	122,643	57,045	54,212	11,386
May	7,338	98,872	14,415	2,967	8,931	132,523	59,229	60,141	13,153
June	9,663	103,276	14,963	2,957	9,850	140,709	64,474	63,851	12,384
July	7,078	93,232	13,871	2,841	8,014	125,036	57,164	56,539	11,333
August	7,589	105,050	14,152	3,067	8,816	138,674	64,400	61,377	12,897
September	5,923	101,884	14,495	3,160	8,993	134,455	63,489	59,162	11,804
October	6,095	101,461	15,253	2,699	9,720	135,228	61,965	60,945	12,318
November	4,635	90,182	13,265	2,507	7,785	118,374	54,978	52,241	11,155
December	5,244	81,508	13,555	2,127	8,704	111,138	51,586	49,921	9,631

Table 7.—LENDING—Estimated volume of new loans by savings and loan associations

[Dollar amounts are shown in thousands]

Federal Home Loan Bank District and class of association	New loans: December 1944	New loans: November 1944	New loans: December 1943	Cumulative new loans (12 months): 1944	Cumulative new loans (12 months): 1943	Cumulative new loans (12 months): Percent change
UNITED STATES	$111, 138	$118, 374	$97, 572	$1, 454, 052	$1, 183, 961	+22.8
Federal	51, 586	54, 978	43, 647	669, 433	511, 757	+30.8
State member	49, 921	52, 241	43, 972	648, 670	539, 299	+20.3
Nonmember	9, 631	11, 155	9, 953	135, 949	132, 905	+2.3
Boston	8, 316	8, 958	8, 445	106, 780	98, 773	+8.1
Federal	3, 327	3, 642	2, 266	40, 898	28, 768	+42.2
State member	4, 021	4, 047	4, 983	52, 504	54, 266	−3.2
Nonmember	968	1, 269	1, 196	13, 378	15, 739	−15.0
New York	11, 590	11, 899	7, 826	133, 035	89, 296	+49.0
Federal	4, 126	4, 298	2, 199	43, 253	22, 961	+88.4
State member	5, 971	5, 737	4, 038	68, 146	46, 028	+48.1
Nonmember	1, 493	1, 864	1, 589	21, 636	20, 307	+6.5
Pittsburgh	10, 104	11, 023	7, 924	123, 055	101, 098	+21.7
Federal	4, 960	5, 486	3, 475	56, 972	40, 900	+39.3
State member	3, 302	3, 829	2, 790	41, 872	33, 252	+25.9
Nonmember	1, 842	1, 708	1, 659	24, 211	26, 946	−10.1
Winston-Salem	13, 702	14, 585	12, 465	171, 441	143, 218	+19.7
Federal	6, 740	7, 163	7, 042	89, 135	72, 997	+22.1
State member	6, 141	6, 489	4, 686	71, 861	56, 804	+26.5
Nonmember	821	933	737	10, 445	13, 417	−22.2
Cincinnati	17, 231	19, 965	15, 259	249, 679	212, 964	+17.2
Federal	7, 188	8, 612	5, 752	104, 716	83, 070	+26.1
State member	8, 752	9, 713	8, 183	124, 925	113, 232	+10.3
Nonmember	1, 291	1, 640	1, 324	20, 038	16, 662	+20.3
Indianapolis	6, 001	6, 901	5, 085	81, 198	70, 442	+15.3
Federal	3, 244	3, 470	2, 591	40, 339	36, 149	+11.6
State member	2, 521	3, 185	2, 271	37, 159	30, 433	+22.1
Nonmember	236	246	223	3, 700	3, 860	−4.1
Chicago	12, 349	12, 630	9, 548	163, 857	119, 363	+37.3
Federal	5, 239	5, 215	3, 634	68, 405	46, 551	+46.9
State member	6, 020	6, 188	4, 825	81, 701	58, 878	+38.8
Nonmember	1, 090	1, 227	1, 089	13, 751	13, 934	−1.3
Des Moines	6, 779	7, 279	5, 568	91, 443	66, 706	+37.1
Federal	3, 393	3, 896	2, 995	47, 686	33, 970	+40.4
State member	2, 489	2, 386	1, 627	31, 989	23, 320	+37.2
Nonmember	897	997	946	11, 768	9, 416	+25.0
Little Rock	5, 118	5, 568	5, 358	75, 042	61, 133	+22.8
Federal	2, 569	2, 733	1, 961	32, 940	25, 048	+31.5
State member	2, 474	2, 768	3, 305	41, 193	35, 066	+17.5
Nonmember	75	67	92	909	1, 019	−10.8
Topeka	5, 226	5, 779	4, 189	70, 149	57, 371	+22.3
Federal	3, 006	3, 127	2, 231	37, 264	31, 898	+16.8
State member	1, 520	1, 644	1, 102	19, 570	16, 672	+17.4
Nonmember	700	1, 008	856	13, 315	8, 801	+51.3
Portland	3, 745	3, 766	3, 538	47, 196	44, 624	+5.8
Federal	2, 269	2, 410	2, 056	30, 422	27, 652	+10.0
State member	1, 355	1, 285	1, 341	15, 133	15, 059	+0.5
Nonmember	121	71	141	1, 641	1, 913	−14.2
Los Angeles	10, 977	10, 021	12, 367	141, 177	118, 973	+18.7
Federal	5, 525	4, 926	7, 445	77, 403	61, 793	+25.3
State member	5, 355	4, 970	4, 821	62, 617	56, 289	+11.2
Nonmember	97	125	101	1, 157	891	+29.9

Table 8.—RECORDINGS—Estimated nonfarm mortgage recordings, $20,000 and under

DECEMBER 1944

[Thousands of dollars]

Federal Home Loan Bank District and state	Savings and loan associations	Insurance companies	Banks and trust companies	Mutual savings banks	Individuals	Other mortgagees	Total
UNITED STATES	$120, 568	$19, 182	$64, 807	$13, 662	$95, 568	$46, 440	$360, 227
Boston	10, 908	366	3, 090	6, 465	5, 461	2, 199	28, 489
Connecticut	1, 377	243	1, 174	929	1, 542	626	5, 891
Maine	579	15	230	644	525	51	2, 044
Massachusetts	7, 670	92	1, 087	3, 826	2, 383	1, 226	16, 284
New Hampshire	318	12	137	466	332	24	1, 289
Rhode Island	772	4	386	321	483	254	2, 220
Vermont	192	--------	76	279	196	18	761
New York	10, 215	1, 900	5, 319	5, 336	13, 715	5, 863	42, 348
New Jersey	3, 371	758	2, 876	435	3, 706	2, 036	13, 182
New York	6, 844	1, 142	2, 443	4, 901	10, 009	3, 827	29, 166
Pittsburgh	9, 081	1, 579	5, 834	512	5, 009	3, 840	25, 855
Delaware	211	113	152	30	231	86	823
Pennsylvania	8, 071	1, 160	4, 589	482	4, 204	3, 566	22, 072
West Virginia	799	306	1, 093	--------	574	188	2, 960
Winston-Salem	14, 133	2, 180	4, 932	126	14, 455	3, 359	39, 185
Alabama	500	208	396	--------	870	252	2, 226
District of Columbia	2, 542	279	433	--------	1, 646	453	5, 353
Florida	1, 463	523	821	--------	5, 307	598	8, 712
Georgia	1, 793	249	1, 090	--------	1, 335	460	4, 927
Maryland	3, 763	132	939	126	1, 566	258	6, 784
North Carolina	1, 995	491	325	--------	1, 226	553	4, 590
South Carolina	397	198	368	--------	686	271	1, 920
Virginia	1, 680	100	560	--------	1, 819	514	4, 673
Cincinnati	20, 372	1, 724	8, 772	584	4, 914	3, 983	40, 349
Kentucky	2, 173	332	864	--------	259	146	3, 774
Ohio	17, 468	844	7, 129	584	4, 066	1, 310	31, 401
Tennessee	731	548	779	--------	589	2, 527	5, 174
Indianapolis	6, 203	2, 101	5, 954	45	2, 797	1, 640	18, 740
Indiana	3, 842	824	2, 322	45	953	584	8, 570
Michigan	2, 361	1, 277	3, 632	--------	1, 844	1, 056	10, 170
Chicago	12, 520	1, 095	6, 002	26	5, 855	6, 684	32, 182
Illinois	9, 220	635	3, 876	--------	3, 447	6, 156	23, 334
Wisconsin	3, 300	460	2, 126	26	2, 408	528	8, 848
Des Moines	7, 629	2, 331	5, 478	144	4, 625	3, 287	23, 494
Iowa	1, 893	249	1, 302	--------	681	326	4, 451
Minnesota	2, 897	907	1, 257	144	1, 350	591	7, 146
Missouri	2, 527	1, 113	2, 687	--------	2, 288	2, 328	10, 943
North Dakota	172	54	57	--------	119	18	420
South Dakota	140	8	175	--------	187	24	534
Little Rock	7, 693	2, 315	1, 474	--------	6, 221	2, 904	20, 607
Arkansas	458	49	296	--------	446	39	1, 288
Louisiana	1, 905	146	114	--------	1, 243	164	3, 572
Mississippi	322	86	232	--------	442	98	1, 180
New Mexico	113	2	115	--------	237	7	474
Texas	4, 895	2, 032	717	--------	3, 853	2, 596	14, 093
Topeka	6, 587	776	1, 843	--------	4, 511	1, 431	15, 148
Colorado	874	51	292	--------	2, 152	430	3, 799
Kansas	1, 622	100	469	--------	390	260	2, 841
Nebraska	1, 237	300	392	--------	380	158	2, 467
Oklahoma	2, 854	325	690	--------	1, 589	583	6, 041
Portland	3, 725	437	2, 877	424	3, 147	1, 717	12, 327
Idaho	290	50	92	--------	348	67	847
Montana	340	15	134	--------	268	47	804
Oregon	1, 046	148	289	32	1, 301	252	3, 068
Utah	304	153	509	--------	257	171	1, 394
Washington	1, 647	71	1, 696	392	707	1, 174	5, 687
Wyoming	98	--------	157	--------	266	6	527
Los Angeles	11, 502	2, 378	13, 232	--------	24, 858	9, 533	61, 503
Arizona	198	33	319	--------	1, 038	57	1, 645
California	11, 238	2, 337	12, 835	--------	23, 567	9, 462	59, 439
Nevada	66	8	78	--------	253	14	419

Table 9.—**MORTGAGE RECORDINGS**—Estimated volume of nonfarm mortgages recorded

[Dollar amounts are shown in thousands]

Period	Savings and loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgagees		All mortgagees	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent
1943	$1,237,505	32.1	$279,866	7.2	$752,228	19.5	$152,369	3.9	$857,681	22.2	$581,752	15.1	$3,861,401	100.0
December	101,176	30.6	22,188	6.7	66,699	20.1	12,227	3.7	76,432	23.1	52,267	15.8	330,989	100.0
1944	1,563,678	33.9	256,173	5.6	877,762	19.0	165,054	3.6	1,134,054	24.6	613,908	13.3	4,610,629	100.0
January	89,887	29.8	20,585	6.8	62,180	20.6	9,731	3.2	72,600	24.0	46,966	15.6	301,949	100.0
February	101,705	32.8	18,753	6.1	60,346	19.5	9,294	3.0	72,246	23.3	47,300	15.3	309,644	100.0
March	121,210	32.9	22,660	6.1	70,570	19.2	11,255	3.1	89,136	24.2	53,409	14.5	368,240	100.0
April	127,429	34.5	19,671	5.3	72,438	19.6	12,338	3.4	89,466	24.2	47,926	13.0	369,268	100.0
May	139,748	34.5	21,794	5.4	79,083	19.5	14,882	3.7	95,730	23.6	53,858	13.3	405,095	100.0
June	145,893	34.6	22,215	5.3	79,453	18.8	15,536	3.7	99,140	23.5	59,394	14.1	421,631	100.0
July	138,762	33.7	24,707	6.0	80,858	19.7	15,261	3.7	98,194	23.9	53,354	13.0	411,136	100.0
August	149,835	34.8	22,646	5.2	83,094	19.3	15,920	3.7	104,215	24.2	55,066	12.8	430,776	100.0
September	146,151	35.1	22,432	5.4	77,000	18.5	15,447	3.7	104,479	25.1	50,676	12.2	416,185	100.0
October	148,131	35.0	20,985	5.0	76,181	18.0	16,552	3.9	109,767	26.0	51,223	12.1	422,839	100.0
November	134,359	34.1	20,543	5.2	71,752	18.2	15,176	3.9	103,513	26.3	48,296	12.3	393,639	100.0
December	120,568	33.5	19,182	5.3	64,807	18.0	13,662	3.8	95,568	26.5	46,440	12.9	360,227	100.0

Table 10.—**SAVINGS**—Sales of war bonds [1]

[Thousands of dollars]

Period	Series E	Series F	Series G	Total	Redemptions
1941 [2]	$1,622,496	$207,681	$1,184,868	$3,015,045	$13,601
1942	5,988,849	652,044	2,516,065	9,156,958	245,547
1943	10,344,369	745,123	2,639,908	13,729,402	1,506,894
December	727,558	24,081	101,378	853,017	200,840
1944					
January	1,084,637	126,825	486,942	1,698,404	180,965
February	2,102,345	157,422	521,702	2,781,469	177,980
March	575,714	22,933	110,347	709,054	261,549
April	605,709	19,306	113,528	738,543	230,614
May	624,253	15,287	111,088	750,628	271,597
June	1,349,794	115,119	377,284	1,842,197	241,278
July	1,686,509	101,082	337,459	2,125,050	220,145
August	499,357	17,807	85,272	602,436	272,125
September	590,827	15,953	85,286	692,066	277,445
October	598,570	13,653	82,871	695,094	394,846
November	806,817	42,680	173,858	1,023,355	376,053
December	1,855,300	124,669	405,880	2,385,849	358,572

[1] U. S. Treasury War Savings Staff. Actual deposits made to the credit of the U. S. Treasury.
[2] Prior to May 1941: "Baby Bonds."

Table 11.—**FHA**—Home mortgages insured [1]

[Premium paying; thousands of dollars]

Period	Title II		Title VI (603)	Total insured at end of period [2]
	New	Existing		
1943: December	$747	$17,401	$42,979	$5,426,073
1944: January	592	18,397	49,003	5,494,065
February	249	13,795	40,616	5,548,725
March	250	12,729	41,620	5,603,324
April	130	13,200	36,793	5,653,447
May	81	18,319	37,739	5,709,586
June	81	17,768	34,238	5,761,673
July	82	18,322	42,322	5,822,399
August	90	20,256	48,166	5,890,911
September	79	19,967	42,592	5,953,549
October	40	21,941	43,354	6,018,884
November	54	21,646	38,053	6,078,637
December	31	18,269	36,573	6,133,510

[1] Figures represent gross insurance written during the period and do not take account of principal repayments on previously insured loans.
[2] Includes Title I, Class 3, amounts that were shown prior to January 1943.

Table 12.—**FHL BANKS**—Lending operations and principal assets and liabilities

[Thousands of dollars]

Federal Home Loan Bank	Lending operations December 1944		Principal assets December 31, 1944			Capital and principal liabilities December 31, 1944			Total assets [1] Dec. 31, 1944
	Advances	Repayments	Advances outstanding	Cash [1]	Government securities	Capital [2]	Debentures	Member deposits	
Boston	$1,904	$5,889	$6,376	$6,559	$9,911	$20,003	$2,000	$804	$22,913
New York	549	934	11,997	2,598	26,878	27,563	7,000	7,025	41,626
Pittsburgh	2,198	748	12,912	2,087	8,672	16,759	6,000	717	23,765
Winston-Salem	4,604	760	9,745	2,564	8,003	17,748	2,000	466	20,375
Cincinnati	1,645	1,224	8,280	3,268	24,913	25,774	5,000	4,694	36,640
Indianapolis	3,255	1,138	10,045	1,650	11,759	14,739	5,000	3,719	23,583
Chicago	9,934	4,367	20,209	6,192	12,866	22,970	11,000	5,292	39,404
Des Moines	3,551	339	11,786	971	10,250	12,834	7,000	1,661	23,079
Little Rock	1,695	384	5,781	1,090	8,165	12,495	2,000	25	15,087
Topeka	376	408	3,908	718	7,578	10,781	1,000	429	12,264
Portland	2,485	158	3,420	1,658	7,765	8,582	3,000	1,246	12,873
Los Angeles	14,936	598	26,104	969	7,286	16,220	15,500	2,567	34,403
December 1944 (combined total)	47,132	16,947	130,563	30,324	144,046	206,468	66,500	28,645	306,012
November 1944	30,737	10,872	100,378	44,189	164,300	206,528	66,500	37,007	310,284
December 1943	12,626	18,914	110,068	31,785	151,843	198,982	64,300	29,534	294,476

[1] Includes interbank deposits.
[2] Capital stock, surplus, and undivided profits.

Table 13.—**INSURED ASSOCIATIONS**—Progress of institutions insured by the FSLIC

[Dollar amounts are shown in thousands]

Period and class of association	Number of associations	Total assets	Net first mortgages held	Cash	Government bond holdings	Private repurchasable capital	Government share capital	Federal Home Loan Bank advances	Operations: New mortgage loans	Operations: New private investments	Operations: Private repurchases	Operations: Repurchase ratio
ALL INSURED												
1942: March	2,358	$3,335,101	$2,774,108	$161,801	$52,584	$2,612,736	$185,664	$167,535	$56,934	$56,701	$47,086	83.0
June	2,374	3,461,228	2,827,956	219,374	70,852	2,736,258	185,783	170,066	58,642	72,788	26,152	35.9
September	2,386	3,513,096	2,866,497	193,817	116,035	2,834,079	169,202	125,308	61,508	68,082	40,114	58.9
December	2,398	3,651,598	2,871,641	256,470	193,452	2,983,310	169,167	113,977	46,705	91,029	30,219	33.2
1943: March	2,415	3,690,918	2,868,410	260,749	241,818	3,105,080	120,138	66,970	61,139	83,403	48,955	58.7
June	2,428	3,880,999	2,918,577	276,785	376,177	3,270,834	119,252	78,155	76,899	103,939	33,704	32.4
September	2,440	4,037,926	2,971,411	186,954	580,087	3,389,891	69,920	118,153	87,878	83,970	60,019	71.5
December	2,447	4,182,728	3,009,025	302,556	581,651	3,573,896	69,693	100,340	70,973	118,496	37,885	32.0
1944: March	2,452	4,327,868	3,035,201	228,303	788,854	3,710,356	50,868	90,103	87,163	104,494	56,693	54.3
June	2,461	4,583,568	3,117,585	239,936	954,934	3,922,705	50,832	118,743	105,245	127,945	46,560	36.4
September	2,460	4,713,875	3,202,359	256,250	997,983	4,092,609	37,721	86,840	101,658	122,016	56,102	46.0
December	2,466	5,012,662	3,259,819	269,701	1,227,451	4,333,739	37,701	123,466	83,408	142,291	45,985	32.3
FEDERAL												
1942: March	1,461	2,137,579	1,832,341	99,247	28,775	1,667,983	150,776	123,748	36,325	37,377	30,000	80.3
June	1,464	2,205,921	1,849,400	141,617	41,022	1,735,932	150,776	127,623	35,279	47,495	14,794	31.1
September	1,466	2,214,101	1,861,062	116,834	70,196	1,788,000	136,518	92,943	37,987	44,589	24,745	55.5
December	1,467	2,299,895	1,853,868	164,430	117,339	1,882,051	137,208	84,135	27,381	58,937	16,530	28.0
1943: March	1,467	2,300,638	1,839,302	156,792	146,537	1,953,846	96,109	46,820	37,850	54,824	30,238	55.2
June	1,468	2,426,079	1,865,991	170,730	235,524	2,060,502	96,109	56,553	46,730	68,235	19,586	28.7
September	1,471	2,523,737	1,896,312	109,181	369,954	2,135,010	55,021	87,648	54,100	53,138	37,274	70.1
December	1,466	2,617,431	1,915,771	183,038	373,325	2,257,002	55,021	74,780	43,647	76,677	21,569	28.1
1944: March	1,466	2,709,897	1,927,122	135,664	509,170	2,346,042	39,957	63,892	53,883	68,276	36,182	53.0
June	1,465	2,881,276	1,972,881	48,913	620,016	2,488,785	39,948	84,602	64,474	83,856	25,969	31.0
September	1,464	2,961,860	2,024,635	151,862	652,085	2,599,565	29,562	60,877	63,489	79,126	35,570	45.0
December	1,464	3,168,731	2,058,045	166,764	810,013	2,760,927	29,647	90,257	51,586	93,400	26,049	27.9
STATE												
1942: March	897	1,197,522	941,767	62,554	23,809	944,753	34,888	43,787	20,609	19,324	17,086	88.4
June	910	1,255,307	978,556	77,757	29,830	1,000,326	35,007	42,443	23,363	25,293	11,358	44.9
September	920	1,298,995	1,005,435	76,983	45,839	1,046,079	32,684	32,365	23,521	23,493	15,369	65.4
December	931	1,351,703	1,017,773	92,040	76,113	1,101,259	31,959	29,842	19,324	32,092	13,689	42.7
1943: March	948	1,390,280	1,029,108	103,957	95,281	1,151,234	24,029	20,150	23,289	28,579	18,717	65.5
June	960	1,454,920	1,052,586	106,055	140,653	1,210,332	23,143	21,602	30,169	35,704	14,118	39.5
September	969	1,514,189	1,075,099	77,773	210,133	1,254,881	14,899	30,505	33,778	30,832	22,745	73.8
December	981	1,565,297	1,093,254	119,518	208,326	1,316,894	14,672	25,560	27,326	41,819	16,316	39.0
1944: March	986	1,617,971	1,108,079	92,639	279,684	1,364,314	10,911	26,211	33,280	36,218	20,511	56.6
June	996	1,702,292	1,144,704	91,023	334,918	1,433,920	10,884	34,141	40,771	44,089	20,591	46.7
September	996	1,752,015	1,177,724	104,388	345,898	1,493,044	8,159	25,963	38,169	42,890	20,532	47.9
December	1,002	1,843,931	1,201,774	102,937	417,438	1,572,812	8,054	33,209	31,822	48,891	19,936	40.8

Table 14.—**SAVINGS**—Held by institutions

[Thousands of dollars]

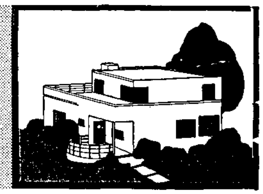
End of period	Insured savings and loans [1]	Mutual savings banks [2]	Insured commercial banks [3]	Postal savings [4]
1942: March	$2,612,736			$1,305,427
June	2,736,258	$10,354,533	$14,889,560	1,315,523
September	2,834,079			1,357,718
December	2,983,310	10,620,958	15,704,991	1,417,406
1943: March	3,105,080			1,492,966
June	3,270,834	11,104,707	16,897,124	1,577,526
September	3,389,891			1,683,497
December	3,573,896	11,707,025	18,572,406	1,787,994
1944: March	3,710,356			1,905,864
June	3,922,705	12,428,026	20,543,888	2,034,136
September	4,092,609			2,197,701
December	4,333,739	13,331,811		2,336,872

[1] Private repurchasable capital as reported to the FHLB Administration.
[2] *Month's Work*. All deposits.
[3] FDIC. These figures have been revised to show total time deposits of individuals, partnerships and corporations. While it is still safe to assume that individual savings make up the greater portion of the more inclusive classification, it is no longer possible to get an accurate picture of their relationship.
[4] Balance on deposit to credit of depositors, including unclaimed accounts December total is unaudited.

Table 15.—**FORECLOSURES**—Estimated nonfarm real-estate foreclosures, by Federal Home Loan Bank Districts

Federal Home Loan Bank District	Foreclosures: Dec. 1944	Foreclosures: Nov. 1944	Foreclosures: Oct. 1944	Foreclosures: Dec. 1943	Cumulative (12 months): 1944	Cumulative (12 months): 1943	Cumulative (12 months): Percent change
UNITED STATES	1,455	1,503	1,317	1,818	17,547	25,699	−31.7
Boston	179	152	136	161	2,069	2,666	−22.4
New York	355	376	366	483	4,747	6,787	−30.1
Pittsburgh	271	314	173	351	3,080	4,361	−29.4
Winston-Salem	193	248	146	224	1,996	3,010	−33.7
Cincinnati	129	124	158	163	1,583	2,123	−25.4
Indianapolis	44	27	35	28	361	519	−30.4
Chicago	51	55	88	94	870	1,449	−40.0
Des Moines	54	55	54	134	894	1,635	−45.3
Little Rock	50	19	29	51	439	905	−51.5
Topeka	62	75	72	58	715	981	−27.1
Portland	8	9	6	13	112	242	−53.7
Los Angeles	59	49	54	58	681	1,021	−33.3

THE HOME FRONT

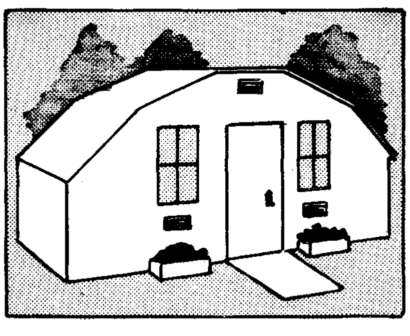


Paper house for emergency use

The Institute of Paper Chemistry has conducted research with respect to the development of a paper house which would be satisfactory for emergency use, according to a recent *Technical Bulletin* of the National Housing Agency. The specifications for the dwelling were that it should be: light in weight, so that it might be transported by air; strong and durable to resist weather conditions for at least a year's occupancy; and easily and quickly put together and taken apart.

The model house, which has been developed and constructed, has dimensions of 8 feet in width by 16 feet in length. The ceiling is 8 feet high at the center, and six and one-half feet high at the ends—sufficient to hold double deck beds. The walls are composed of 21 fireproofed panels, with two panels containing fixed windows with ventilating louvres, and a door panel in both front and rear walls.

The house was put together and erected in an hour, and disassembled in less than half an hour. Its total weight amounts to about one-half ton. Estimated cost of materials in the model came to about $51.50. Proposed equipment includes double deck bunks at each end, a small stove, paper window shades and window curtains, a paper rug, and paper cups and dishes. The house has been tested by wind and rain without showing signs of damage, but further tests will be undertaken to determine livability and weathering qualities.



Limit set on manufacture of plumbing and heating tanks

In order to keep quarterly production at a minimum so that manpower may be used in the production of other essential equipment, the War Production Board has set a limit on the manufacture of plumbing and heating tanks. Only 25 percent of a yearly quota may be produced during any one calendar quarter. The previous order, L–199, had only established a quota for the entire year. These quotas, 70 percent of 1941 unit production of range boilers and expansion tanks, and 75 percent of 1941 unit production of storage tanks, remain unchanged by this new regulation.

Amendments to rent regulations issued

An amendment to the rent regulations has been issued by the Office of Price Administration, prohibiting the practice of requiring a tenant to buy furniture and other equipment in order to rent living accommodations. The amendment is directed against the use of tie-in agreements as a means of evading rent ceilings. In a number of cases throughout the country, OPA has succeeded in obtaining injunctions against landlords who use this device to break the ceilings. Some newspapers have been cooperating with the agency, by refusing to accept rental advertisements in which purchasing the furniture was a condition to the renting.

Another provision in this amendment is the exemption of rooms in clubs, fraternity and sorority houses from rent control upon OPA authorization. Exemption can be obtained only if the club is a non-profit organization, recognized as such by the Bureau of Internal Revenue. Rooms may be rented only to members, guests, and members of clubs with which this club has reciprocal arrangements. If fraternity or sorority houses are certified as operating for the benefit of students and not for profits as a commercial enterprise, and if the rooms are rented only to members, they too may be exempt from rent control.

Controls over lumber tightened

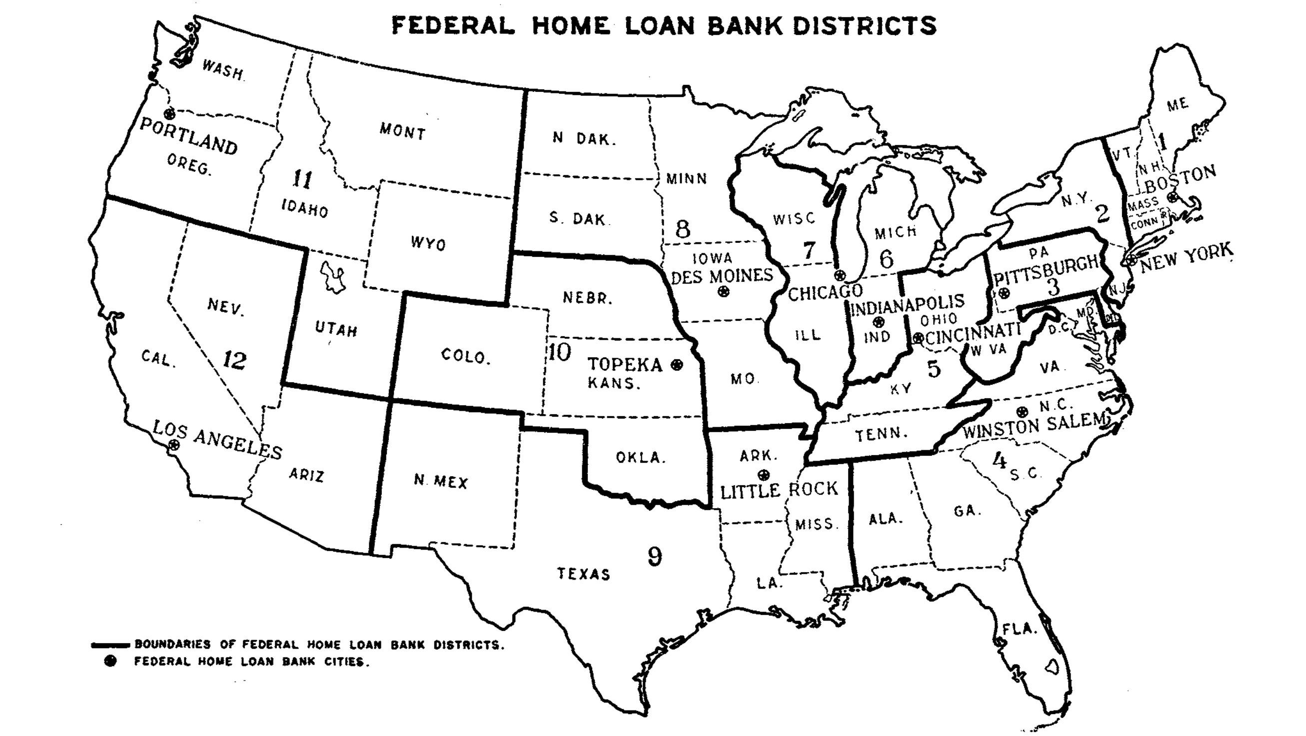
New controls have been instituted by the War Production Board which cover all but three percent of lumber output. This has been made necessary by continued high demand, and by the decline in production. During the next three months, production, it is expected, will fall well below the output of the first quarter of 1944.

Order L–335 and eight accompanying directions were amended to reduce the amount of lumber that may be sold without control—on uncertified orders—and to establish additional controls over certain types and grades now critically short. Too, smoother flow of lumber from producer to consumer, and more equitable distribution of lumber on uncertified sales, are provided for in the amended directions which have been issued.

Mills which turn out less than 100,000 board feet per year are the only producers exempted from the new regulations. These smaller mills produce only about 3 percent of the total lumber supply. Each mill covered by L–335 will be allowed to ship lumber on certified order only except when specifically authorized by the WPB; and authorization will be granted only when certified orders cannot be obtained.

Commercial rents in New York frozen

On January 24, the New York legislature passed a bill freezing commercial rents at no higher than 15 percent above the levels of March 1, 1943. When Governor Dewey signed the bill, he requested that the committee which drafted it continue its studies, and that it report before the end of the session whether or not an emergency also exists in office and retail store rentals. The new law does not deal with these two categories.



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