

September 21, 1935

TO: MR. J. M. DAIGER

TITLE I

13,795 Financial Institutions have accepted Contracts of Insurance. 5,741 are actively engaged in making insured Modernization and Repair Loans.

To date the Federal Housing Administration has insured 420,873 Modernization and Repair Notes for the total sum of \$158,245,237. Of this amount, 514 notes above the \$2,000 limit for \$2,718,245 have been insured.

It is estimated that 76% of Modernization and Repair work stimulated by the FHA program is done for cash. Based on reports received from the field, it is estimated that 848,579,862 dollar value of work has been completed since the inauguration of the program last August.

3,782 Community Chairman have been appointed and 7,275 communities have already organized Better Housing Committees. These committees are composed of public spirited citizens at no expense to the Government. As a result of their work 11,267,978 personal calls have been made on house-holders and 539,319,000 dollar value of work has been pledged and completed.

Of the \$158,245,237 of notes insured 286 claims have been paid for \$117,640., which represents a loss to date of less than .076 percent. Present indications are that of the amount of claims paid approximately 25% will be ultimately recovered.

TITLE II

Though Title II did not get underway until late spring due to necessary legislative changes, to date 43,884 mortgages have been selected for appraisal for the total sum of \$171,207,675. Of this amount, it is estimated that 29% will be rejected and the remainder accepted for insurance. Of the remaining amount, approximately 39% will be for the construction of new homes.

Of the above, 21,076 mortgages for the sum of \$87,470,440 have already met the requirements and building standards of the Federal Housing Administration and have been definitely accepted for insurance.

7,004 Financial Institutions with 2,606 branches have become approved mortgages and 2,991 are now actively engaged in making insured mortgage loans. With the liquidity provided by the cooperation of large insurance companies, the Federal Home Loan Bank Board, and the RFC Mortgage Company, together with the benefits of the Banking Act of 1935 more active participation is evident each day.

One foreclosure for \$3000 has been started up to this date.

LOW COST HOUSING

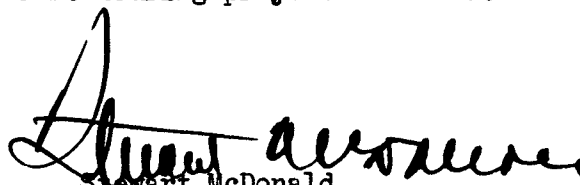
To date 146 proposals for Low Cost Housing projects have been received for the total sum of \$298,218,307. A large number of these were ineligible for FHA insurance and consequently 85 projects for the sum of \$171,278,505 have been rejected. 49 projects for \$105,652,928 are now subject to examination.

12 projects representing \$21,286,874 have been Accepted for Insurance. One project, in Clarendon, Virginia, has already been completed and the demand for apartments was so great that an addition costing \$1,395,000 is now being made.

Section 207 of the National Housing Act provides in part:

"The Administrator may also insure first mortgages, other than mortgages defined in Section 201 (a) of this title, covering property held by Federal or State instrumentalities, private limited dividend corporations, or municipal corporate instrumentalities of one or more States, formed for the purpose of providing housing for persons of low income which are regulated or restricted by law or by the Administrator as to rents, charges, capital structure, rate of return, or methods of operation."

The insurance with respect to any low-cost housing project shall not exceed \$10,000,000.

  
Stewart McDonald  
Administrator.