

FEDERAL HOUSING ADMINISTRATION  
MEMORANDUM

DATE June 12, 1935.

TO: Honorable Mariner S. Eccles  
Federal Reserve Board  
SUBJECT: Washington, D. C.

Dear Mr. Eccles:

I know you will be interested in the attached press release, which shows that last week the Federal Housing Administration went to new high ground.

Incidentally, today is the biggest single day on the modernization and repair program; namely, a total of 3,524 modernization loans for \$1,339,659. This is without the effect of the new \$50,000 insurable limit, the rules and regulations of which are just now reaching the field and the results of which will probably be apparent in another week or so.

We are encouraged to believe that the progress the Federal Housing Administration is making is contributing materially to the recovery program and the effect in the near future will be even more pronounced.

Stewart McDonald  
Acting Administrator

FEDERAL HOUSING ADMINISTRATION  
1001 Vermont Avenue, N. W.  
WASHINGTON, D. C.

ACTING FEDERAL HOUSING ADMINISTRATOR STEWART McDONALD REPORTS RECORD WEEK.

Acting Federal Housing Administrator Stewart McDonald announced today that the week ended Saturday, June 8, was far ahead of all previous weeks since the beginning of the Federal Housing Administration's program.

A total of \$10,272,933 was submitted for insurance according to reports received at the Washington office of the Federal Housing Administration.

The progress made by the Federal Housing Administration in the last two months was shown by Mr. McDonald by comparing these figures with those for the first week in April, which on the same basis totaled \$4,966,228, or an increase of more than 100 per cent of the total of \$10,272,933.

During the first week in June, \$7,085,000 of these covered applications for insurance of mortgage loans on dwellings, with approximately 34 per cent specified as covering new construction.

The remainder of \$3,187,933 applied to the insurance of modernization credit loans made by banks and other financial institutions throughout the United States for 7,770 loans to individual property owners. As Mr. McDonald points out this total amount for additions, alterations, repairs and improvements is work done almost immediately in the city or town in which the loan is made. And the amount of stimulation to the building industry and local employment can readily be measured. In fact a great many committees have reported that there is no longer any idleness whatever in certain building trades in their territories.

To this will be added the construction of new dwellings contracted for and covered by the home mortgage insurance, which accounts for 34 per cent of the total sum of \$7,085,000, and which is entirely exclusive of the low cost housing projects either insured or under consideration. The activity of Federal Housing Administration as far as contributing to new building is apparent.

The Federal Housing Administration does not operate on government capital, but serves as a channel through which private funds may with safety flow back into a normal construction market.

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