

FEDERAL HOUSING ADMINISTRATION
WASHINGTON, D. C.

STEWART McDONALD
ADMINISTRATOR

July 24, 1937

Honorable Marriner S. Eccles, Chairman
Federal Reserve System
Washington, D. C.

Dear Mr. Eccles:

Some of the high spots covering the operations of the Federal Housing Administration for the first six months of this year are exceedingly interesting.

In the volume of business done, California led all states by a very large margin -- with New York second and comfortably ahead of the next group of five states consisting of Pennsylvania, Illinois, Michigan, New Jersey and Ohio, all practically tied for third place. These are followed by Texas, Indiana and Florida running very close together for fourth place.

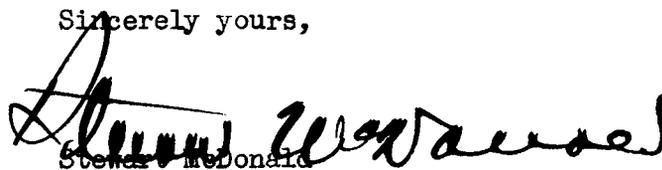
These ten states account for 70 percent of the total amount of mortgages selected for appraisal throughout the entire country for the first six months. Indeed, the first seven of these states account for 60 percent of all the business done by the Federal Housing Administration.

The percentage of new construction (meaning homes completed within one year of date of insurance) shows a wide divergence -- Florida with 71.7 percent being easily in first place. New York and Texas are tied with 68.2 percent and Michigan follows closely with 62.6 percent.

California was almost 50 percent new construction and New Jersey 45 percent, with Illinois and Pennsylvania about 35 percent, followed by Ohio next with 32.5 percent and Indiana last in this group with only 27.9 percent of the business done representing new construction, against an average of 48 percent for all the offices in the United States including Alaska and Hawaii.

I find this a very convenient and interesting analysis, and am sending it to you because it readily answers the questions most frequently put to me and gives a very clear and concise picture of our operations.

Sincerely yours,


Stewart McDonald
Administrator