

Insured Mortgage **P** *Portfolio*



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FEDERAL HOUSING ADMINISTRATION
WASHINGTON 25, D. C.

An Old Subdivision Redesigned

By N. I. Blegen

FHA Director for South Dakota

Some cities still have on their outskirts land that was subdivided years ago and never developed. Frequently when urban expansion reaches such an area the old layout is found to be undesirable by modern standards. The FHA is prepared to advise owners in replanning such areas.

The land planning service offered by the Federal Housing Administration is in my opinion one of the most beneficial features of the entire FHA program.

Well-planned, suitably protected neighborhoods are not a luxury but a necessity for homes in all price ranges. Good planning does not add to the cost of land development; on the contrary, it reduces costs by eliminating unnecessary streets, avoiding excessive grading, obtaining the maximum number of salable lots, and in other ways. Even more importantly, it helps to promote orderly city growth, to stabilize the local real estate market, and to maintain property values.

The successful developer is more than a subdivider of land or a builder of houses. He is a creator of communities that are major elements in the pattern of city growth. His subdivisions should not only have an initial appeal that will attract purchasers, but should fit into the over-all pattern and be so designed that property values will be maintained. Neighborhood disintegration, which is one of the chief factors involved when properties depreciate rapidly in value, can be retarded, if not actually eliminated, through the application of

certain fundamental principles of planning and development.

The FHA through its land planning service has contributed materially to the increased understanding and practice of these principles. FHA land planning service takes the form of a review of proposed subdivision plans submitted to its insuring offices for approval, and the giving of information, advice, and suggestions to sponsors on request. This service is not intended to supplant the detailed services of private land planning technicians, and the FHA strongly urges that subdivision developers use the services of such technicians in working out their plans.

The principles of adequate land planning can be applied alike to the development of raw land—the transformation of farm land to residential subdivisions in the course of city growth—and, sometimes with even greater satisfaction, to the redesign of land already platted. There exist today in cities throughout the Nation many acres of platted land that have never been developed because the platting is so unsuited to the land that development would be highly impractical or actually impossible.

Bel Aire Addition, Sioux Falls, S. Dak.



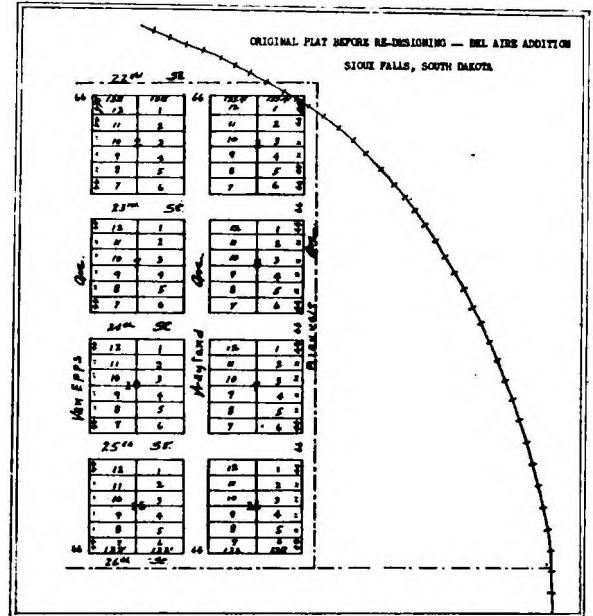
Bel Aire Addition, a group of 140 homes in Sioux Falls, S. Dak., provides an illustration of FHA cooperation in the replanning of an old subdivision.

The story of Bel Aire Addition had its beginning in 1890, when the plat of what was then known as Spicer's Second Addition, occupying part of the same site, was filed of record. It was laid out in typical gridiron style. After the plat was filed, the property lay untouched for nearly 60 years, apparently because of the cost that would have been involved in developing the recorded plan.

In the fall of 1949, Warren O. Young of Sioux Falls, who had bought the property and planned to complete the development, came to the local FHA insuring office to discuss financing for his project. Representatives of the office went out with him to inspect the site.

The area was in the logical path of city growth, which had already carried residential development to the edge of the site and had caused the city to acquire a school site in the neighborhood. Spicer's Addition was high, rolling land, with an excellent view of the Big Sioux River valley to the east. The site had been laid out in 8 gridiron blocks of 12 lots each, and was bounded on the east by the proposed extension of Blauvelt Avenue, which marked the city limits. Blauvelt Avenue at that time was dedicated 33 feet wide from Twenty-second to Twenty-sixth Streets, but neither it nor any of the streets shown on the Spicer's Addition plat had been cut through. To the north and east of the proposed addition a railroad right-of-way described an arc of detracting influence. Within this arc, and lying adjacent to the proposed addition and just outside the city limits, on the opposite side of Blauvelt Avenue, was a triangular piece of land belonging to another owner.

The location of the Spicer's Addition property was admirable for residential development, but the disadvantages of the gridiron plan were immediately apparent. With such a layout the view from many of the lots was almost entirely lost. The street plan ignored the topography. Land waste was in abundant evidence, and it could be seen that the cost of installing streets, sidewalks, and utilities, and of doing the grading necessary to produce building sites would be excessive. Also obvious, as shown on the original plat reproduced on this page, was the impossibility of continuing the subdivision to the east. The arc of the railroad right-of-way made



any such continuation completely out of the question.

Preliminary inspection and study of the area by the FHA disclosed a twofold problem: on the one hand, the complete unsuitability of the existing plat as a basis for development of the site, and, on the other hand, the fact that the triangular piece of ground between the gridiron and the railroad right-of-way, which logically should be included in any plan for the subdivision, was not owned by Mr. Young, and was not for sale. This situation made the problem unusually difficult to solve.

It was suggested to the sponsor that study of the area should include this unplatted triangular piece of land even though it had another owner and was outside the city limits. Its inclusion would eliminate the problem of having lots located on a city-limit street and facing out into unrestricted and undeveloped land the future use of which was uncertain.

The sponsor undertook to try to work out an arrangement with the owner of this property. In the meantime he and his engineer, Mr. Kenneth Benson, in consultation with FHA land planners, studied the problem thoroughly and developed a new layout for the entire area. Mr. Benson then prepared a final detailed plan on the basis of the new layout.

The sponsor decided, after consultation with his attorneys, to file of record a plan for the entire area, with the triangular piece of ground adjoining

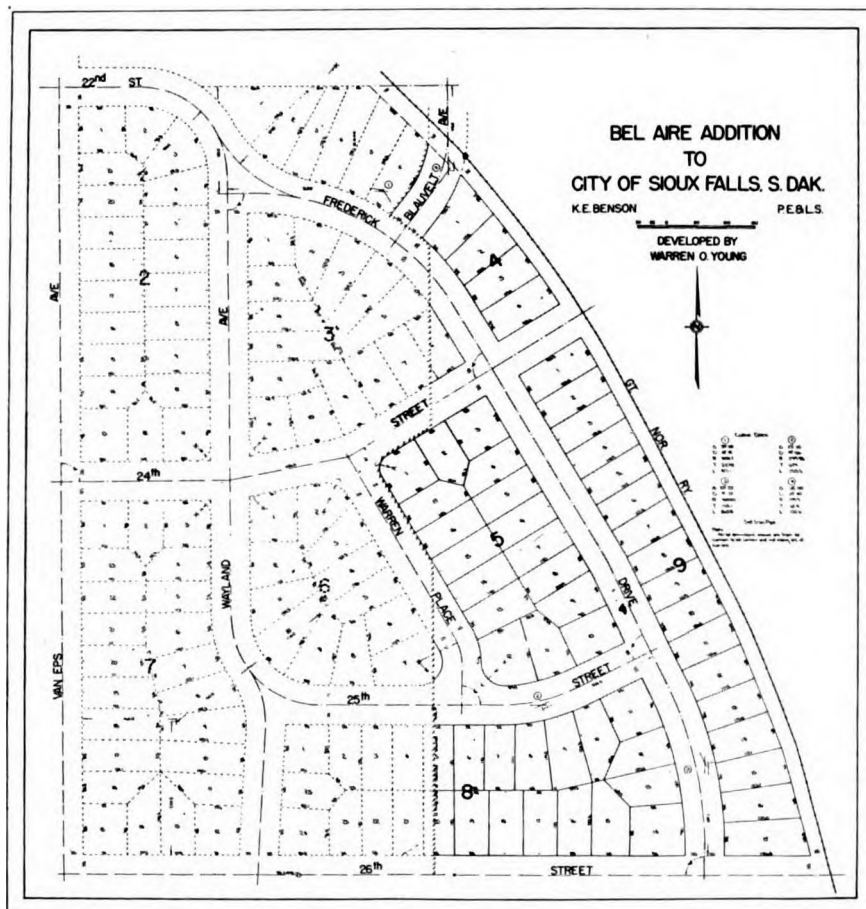
the sponsor's property shown on the recorded plat in dotted lines and identified as possible future platting. On this basis the old plat was vacated and the new plat filed of record, and construction was begun along the west side of the property.

In the new design, the gridiron plan of continuously intersecting streets was disregarded and a plan of curving streets was laid out to follow the contour of the ground, taking full advantage of the topography. The new plan, as shown on this page, made possible a considerable reduction in the number of cross streets and street intersections, which are always an expensive item, and also resulted in lower costs of installing utilities, streets, sidewalks, curbs, gutters, and paving. It provides a typical example, in fact, of the savings that can be effected by proper planning. Costs of clearing, grading, draining, and other land improvements were reduced by nearly 30 percent under those that would have been incurred in developing the original plan.

In addition, the new plan produced a greater number of lots and made it possible to place many of the houses so that they have an unobstructed view of the Big Sioux River valley.

Development continued until the spring of 1951, at which time the portion of the property that had been included in the former gridiron plan as Spicer's Second Addition was nearly completed. In the meantime, Mr. Young, with cooperation from the Sioux Falls office of the FHA, negotiated with the owner of the additional triangle. The merits of the development plan were pointed out to the owner, and he agreed to cooperate in carrying out the street pattern suggested. Subsequently Mr. Young succeeded in buying the triangular piece of ground, and continued with the development of the subdivision as a whole.

The Honorable Henry Saure, mayor of Sioux Falls, Mr. Bert Yeager, city street commissioner, and Mr. Reuben Bragstad, city engineer, cooperated





One of the 4 basic house designs used in Bel Aire Addition.

fully in the many problems involved in vacating existing streets and laying out new ones. They appreciated the fact that the proposed plan not only would be a vast improvement over the original gridiron plat but would also bring the entire area into use for residential purposes.

The sponsor had as his objective the provision of housing at the lowest price possible for the accommodations offered. The development of an efficient and economical site plan was of great help in attaining this objective.

The houses chosen for the subdivision are of a more or less basic two-bedroom type that has been used quite extensively in Sioux Falls. Typical lot

A 4-room house with space for second-floor expansion.



size is 55 by 115 feet. Placement of the structures on the lots was studied carefully by the sponsor in close consultation with the architectural section of the local FHA insuring office, in order to obtain the best results in site utilization, relation of one house to another, orientation, and view. Screen planting, added to proper planning, reduced the detracting influence of the railroad right-of-way to a minimum.

The dwellings are of frame construction with full basements, plastered walls, hardwood floors, and a good variation of exterior design. The sponsor did not include garages in the sales prices, but provided driveways for off-street parking. As can be seen from the air view of the subdivision on page 3, many owners have added garages. Nearly all dwellings were designed to provide for a future third bedroom on the second floor. Many purchasers have been able to do most, if not all, of the work of completing the second floor at a cost of only a few hundred dollars.

The houses were in three sale-price groups—\$8,550, \$8,975, and \$9,550. The Union Savings Bank of Sioux Falls and the Home Savings Association of Sioux Falls, both FHA-approved mortgagees, participated in the financing.

The sponsor handled all subdivision development work and sales. Building contracts were let to Swift Bros., local Sioux Falls builders. Engineer's drawings, and other engineering and surveying work for the subdivision were prepared by Kenneth Benson, Sioux Falls registered engineer and land surveyor.

Today the subdivision is nearly complete, and, with the attractive planning and the installation of concrete curb and gutters, sidewalks, and asphalt streets, has become one of the most acceptable neighborhoods in Sioux Falls in its price range. Pride of individual ownership is becoming increasingly evident as the home owners landscape the properties and otherwise improve them.

Replanning and developing a previously platted and long undeveloped area is one of the most difficult but most rewarding types of subdivision effort. The Bel Aire subdivision is therefore a source of continuing satisfaction to all who participated in its development. The beneficiaries include the city, the surrounding neighborhoods, and, most directly, the home owners living in the subdivision, who will continue to reap the benefits of pleasant living and sustained high values.

The Title I Call Report for 1952

By Cornelius B. Bretsch

Financial Economist, FHA Division of Research and Statistics

The FHA obtains yearly, from institutions participating in the Title I property improvement loan insurance program, a report that provides a basis for estimating the adequacy of the unused insurance authorization and the probable volume of claims, and comparing institutional experience.

The annual Call Report for 1952 covered the largest volume of Title I loans outstanding at any given date since the inception of FHA insuring operations in August 1934.¹ In March of the current year, the FHA Commissioner directed call reports to 5,203 institutions that held Title I contracts of insurance under the 1950 Reserve or the 1947 Reserve, and also to those institutions holding Class 3 new-small-home loans outstanding under the 1939 Reserve. The 4,633 reporting institutions accounted for more than 98 percent of the loans insured under the various reserves; most of the non-reporting institutions probably had merged with larger institutions or held no Title I loans in port-

folio at the time the Call Report was requested.

A facsimile of the report form sent to all institutions is shown below. On the facsimile are summarized the number of loans outstanding, the original face amount, and the unpaid face amount outstanding, for all Title I loans and for those delinquent 90 days or more, with respect to Class 1 and Class 2 loans under the 1950 Reserve and under the 1947 Reserve. Class 3 new small-home loans are shown separately under the 1947 Reserve and the 1939 Reserve.

Loans Outstanding

The summarization of the 1952 Call Report showed that for the eighth consecutive year there

¹ See Vol. 16, No. 1, p. 9, *The Title I Call Report for 1951*.

FORM FH-10
Rev. 3-52

FHA CALL REPORT FOR 1952

REPORT OF FHA TITLE I (CLASSES 1, 2, AND 3) LOANS AND MORTGAGES OUTSTANDING AS OF MARCH 31, 1952

To: FEDERAL HOUSING ADMINISTRATION
WASHINGTON 25, D. C.

The following is a report showing the holdings, as of March 31, 1952 of this institution (including branches) of
(1) all FHA Title I property improvement loans (Classes 1 and 2) made after June 30, 1947 and still outstanding; and
(2) all FHA Title I (Class 3) new small home mortgages made after June 30, 1939 and still outstanding.

Form Approved
Regul. Bureau No. 42-8219-6

BEFORE FILLING OUT
THIS FORM, PLEASE
READ INSTRUCTIONS
ON REVERSE SIDE

Period	All loans and mortgages outstanding on March 31, 1952			Of the total loans outstanding, the following were delinquent 90 days or more on March 31, 1952		
	Number	Original Face Amount of Outstand- ing Loans	Unpaid Face Amount	Number	Original Face Amount of Delinquent Loans	Unpaid Face Amount
CLASS 1 AND CLASS 2 LOANS ONLY (1950 RESERVE) (Cl. 1 & 2 loans made on and after March 1, 1950)	2,552,083	1,487,099,916	958,396,820	23,117	15,422,619	10,148,057
CLASS 2 LOANS ONLY (1947 RESERVE) (Cl. 1 & 2 loans made between July 1, 1947 and Feb. 28, 1950, incl.)	653,150	418,345,315	92,771,237	19,346	14,010,655	4,918,176
CLASS 3 NEW HOME MORTGAGES ONLY (1947 RESERVE) (Cl. 3 mortgages made between July 1, 1947 and Feb. 28, 1950, incl.)	5,578	22,097,252	17,901,598	85	311,034	271,432
CLASS 3 NEW HOME MORTGAGES ONLY (1939 RESERVE) (Cl. 3 mortgages made between July 1, 1939 and June 30, 1944, incl.)	4,280	12,899,042	4,443,316	17	48,937	18,566
Total	3,215,091	1,940,441,525	1,073,512,971	42,565	29,793,245	15,356,231

U. S. TOTAL

CHECK TYPE OF INSTITUTIONS

National Bank

State chartered bank (all types)

Finance Company

Savings & Loan assn.

Other (specify)

(Authorized Signature) _____ (Official Title) _____

(Name of Financial Institution) _____ (City) _____ (State) _____

was an appreciable increase in the volume of Title I loans outstanding. The 3,215,091 loans reported outstanding at March 31, 1952, with an unpaid balance of \$1,073,512,971, included only 42,565 with an unpaid balance of \$15,356,231 that were seriously delinquent (in arrears 90 days or more).

The 1952 figures for volume of loans outstanding reflect an increase over 1951 amounting to 10.7 percent in number and 6.8 percent in unpaid face amount. The amount of delinquent loans, however, declined slightly, from \$16,253,000 in 1951 to \$15,356,000 in 1952, with highly significant declines in the delinquency ratios. Of the number of loans outstanding in 1951, 1.43 percent were delinquent as compared with 1.32 percent in 1952, while the related ratio based on unpaid face amount declined from 1.62 percent in 1951 to only 1.43 percent at March 31, 1952.

Loans Delinquent

One of the major purposes of the Call Report is the establishment of a major factor for use in estimating the claims for insurance that FHA will be called upon to settle within the following year. Ex-

perience has shown that nearly all loans delinquent 90 days or more result in claims for insurance. Therefore, it may be expected that the 42,565 loans reported 90 days or more in arrears with an unpaid balance of \$15,356,000 will eventually become claims for insurance.

The FHA has paid insurance claims totaling \$127,640,605 since the beginning of operations in 1934. Cash recoveries on these defaulted notes have amounted to \$48,907,085, and expected future recoveries of \$15,724,279 on notes now in process of collection will bring gross recoveries to \$64,631,364.

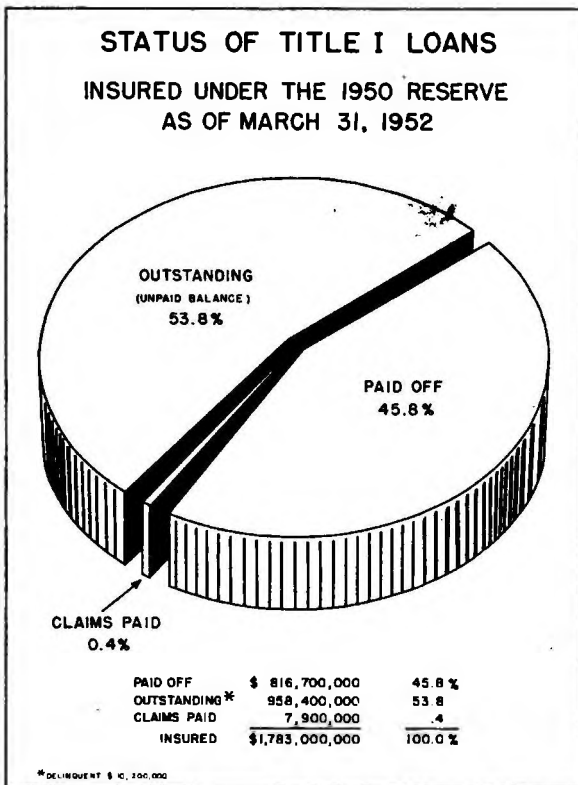
The chart on this page depicts graphically the status of Title I loans insured under the 1950 Reserve. It indicates that of the \$1,783,000,000 face amount of insurance written 53.8 percent was still outstanding at the date of the 1952 Call Report, 45.8 percent was paid off, and 0.4 percent represented insurance claims paid. Attention is invited to the fact that statistics of insuring operations which are used in the chart and also in Table 1 and Table 2 are based on reports tabulated 2 months following the date of the Call Report, allowing a 60-day time lag for the period between the making of the loan or the payment of claim and the FHA tabulation date in the Washington office.

Institutional Activity

Another major objective of the Call Report, and one of particular interest to individual lending institutions, is to provide breakdowns of outstanding and delinquent loans by type of institution. This summarization affords a single institution the opportunity of making an appraisal of loans held in portfolio by comparing its experience with that of institutions of the same type on a national basis.

Table 1 shows by type of institution the volume of loans insured, the reported unpaid balances of loans outstanding and loans delinquent, and insurance claims paid by FHA on defaulted Title I loans. The data cover operations under the 1947 and 1950 Reserves combined, and separately under the 1950 Reserve, as of March 31, 1952.

National banks, accounting for 49.7 percent of the total face amount of loans insured during the period covered in the table (July 1, 1947, to March 31, 1952), reported outstanding balances equal to 30.7 percent of the loan amount insured. It is significant that only 1.3 percent of the unpaid balance was reported delinquent. State banks ranked



second in insurance written, with 30.3 percent of the 5-year total, of which 31.2 percent was still unpaid as of March 31, including delinquent loans amounting to 1.5 percent of the outstanding balance. Finance companies, accounting for 15.5 percent of the insurance written, reported 19.4 percent of their loan amounts still outstanding, of which 1.5 percent was delinquent.

Under the 1950 Reserve, national banks and State banks together have financed nearly 85 percent of the total amount of loans insured—53 percent and 31.4 percent, respectively. Still outstanding at the

date of the 1952 Call Report were 53.4 percent and 54.2 percent of these loans. National banks showed 1 percent of their outstanding loans in arrears 90 days or more, while State banks followed closely with 1.1 percent delinquent.

An analysis of insuring operations since the end of World War II indicates a definite trend toward greater participation by commercial banks and savings and loan associations in the Title I program, while finance company participation has decreased steadily during the same period. (See Table 1.)

In Table 2 the average face amount of loans out-

Table 1.—Title I property improvement loans insured, unpaid balances outstanding and delinquent, and claims paid, as of Mar. 31, 1952

Type of institution	Loans insured				Unpaid balance of loans outstanding				Balance outstanding as percent of loans insured
	Number	Face amount	Percent	Average amount of insured loans	Number	Face amount	Percent	Average amount of insured loans	
1947 and 1950 Reserves ¹									
National bank	3,424,637	\$1,806,018,665	49.7	\$527	1,783,771	\$555,348,143	52.0	\$311	30.7
State chartered bank	1,983,443	1,099,410,854	30.3	554	993,063	343,189,964	32.1	346	31.2
Finance company	968,783	565,045,604	15.5	583	276,262	109,479,180	10.2	396	19.4
Savings and loan association	255,306	152,463,911	4.2	597	152,762	58,856,357	5.5	385	38.6
Other	18,502	12,173,994	.3	658	4,953	2,196,011	.2	443	18.0
All institutions	6,650,671	3,635,113,028	100.0	547	3,210,811	1,069,069,655	100.0	333	29.4
1950 Reserve only									
National bank	1,721,050	943,899,700	53.0	548	1,436,462	504,072,152	52.6	351	53.4
State chartered bank	1,000,662	560,470,981	31.4	560	780,224	303,940,089	31.7	390	54.2
Finance company	268,162	178,413,368	10.0	665	211,311	99,293,197	10.4	470	55.7
Savings and loan association	157,478	90,674,964	5.1	576	120,201	49,037,771	5.1	408	54.1
Other	12,881	9,515,736	.5	739	3,885	2,053,611	.2	529	21.6
All institutions	3,160,233	1,782,974,749	100.0	564	2,552,083	958,396,820	100.0	376	53.8

Type of institution	Unpaid balance of loans delinquent 90 days or more				Claims paid				Balance delinquent as percent of balance outstanding
	Number	Face amount	Percent	Average loan delinquent	Number	Amount	Percent	Average claim paid	
1947 and 1950 Reserves ¹									
National bank	20,742	\$7,366,863	48.0	\$355	56,280	\$20,762,800	40.4	\$369	1.3
State chartered bank	13,985	5,061,121	33.0	362	32,056	12,369,268	24.0	386	1.5
Finance company	4,311	1,613,495	10.5	374	45,045	17,048,083	33.1	378	1.5
Savings and loan association	3,419	1,257,948	8.2	368	2,807	1,187,806	2.3	423	2.1
Other	91	38,238	.3	420	243	94,537	.2	389	1.7
All institutions	42,548	15,337,665	100.0	360	136,431	51,462,494	100.0	377	1.4
1950 Reserve only									
National bank	11,374	4,982,854	49.1	438	10,745	4,558,928	58.0	424	1.0
State chartered bank	7,801	3,212,565	31.7	412	4,856	2,152,908	27.4	443	1.1
Finance company	1,907	1,067,733	10.5	560	1,383	751,725	9.5	541	1.1
Savings and loan association	1,997	860,422	8.5	431	751	357,227	4.5	476	1.8
Other	38	24,483	.2	644	68	41,003	.6	617	1.2
All institutions	23,117	10,148,057	100.0	439	17,803	7,864,791	100.0	442	1.1

¹ Class 3, 1947 Reserve not available by type of institution for loans insured and claims paid. As of Mar. 31, 1952, the 1939 Reserve Class 3 loans amounted to \$4,500,000 reported outstanding, and the 1944 Reserve, which was not requested in the Call Report, amounted to \$296,000 estimated under Classes 1 and 2.

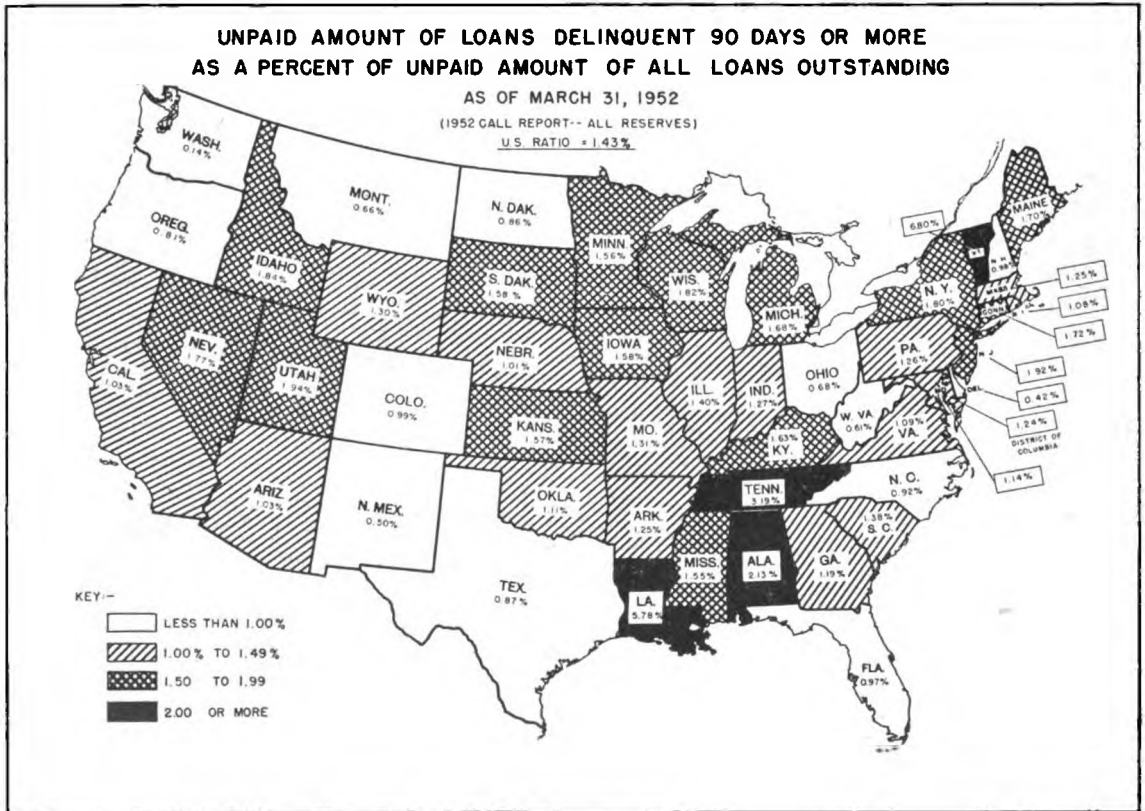
standing and the annual volume of claims paid are presented, with the claims shown as a percent of the outstanding loans by years since the beginning of operations. The best experience appears to have occurred in the years 1945 through 1947 and in 1951, during which periods claims did not exceed 1.2 percent of the average face amount of loans outstanding.

The chart presented below depicts by States the amount of loans delinquent 90 days or more as a percent of the face amount of total loans reported outstanding. Some adjustment has been made to show State location of properties with respect to larger inter-State loan operations. However, since all Call Report data are submitted according to the location of the head office of the lending institution, insufficient information renders impossible the re-allocation of all reports on the basis of State location of properties improved.

Table 2.—Trend of outstanding Section 2 loans, annual claims paid, and ratio of claims paid to loans outstanding, 1934–52¹

Year	Average face amount of loans outstanding	Annual amount of claims paid	Claims paid as percent of loans outstanding
1934	\$12,851,030		
1935	101,541,894	847,448	0.4
1936	270,087,794	5,884,885	2.2
1937	235,397,325	6,890,897	2.9
1938	158,101,318	6,016,306	3.8
1939	239,665,715	4,728,346	2.0
1940	311,314,156	6,543,568	2.1
1941	354,719,535	7,265,059	2.0
1942	291,903,562	7,132,210	2.4
1943	162,337,951	3,718,643	2.3
1944	117,137,759	1,939,261	1.7
1945	141,177,371	1,588,875	1.1
1946	246,303,648	2,435,964	1.0
1947	511,404,208	5,829,750	1.1
1948	761,151,179	14,345,659	1.9
1949	868,652,962	17,493,909	2.0
1950	941,555,770	18,168,052	1.9
1951	1,013,256,671	12,164,739	1.2
1952 ¹	1,110,387,238	5,047,034	1.2

¹ As of May 31, 1952 the actual claims paid as a percent of loans outstanding was 0.5 percent. The 1.2 percent shown above is based on an estimated claim amount for the 12 months of 1952.



Section 8 in New Hampshire

By William F. Baker

FHA Director for New Hampshire

Section 8 activity in New Hampshire has resulted in the production of low-cost housing on a basis highly satisfactory to owners, builders, and mortgagees. An interesting feature is the way many owners, by improving and adding to the basic house, have increased the value of the security

Interest in Section 8 was slow to develop in this area, but has increased rapidly in the last year.

In the late summer of 1951, Floyd Willey and Ralph Herbert, Manchester builders, sought advice from the local FHA office concerning the proposed development of a large tract of raw land, located only three miles from the city hall and having access to public sewer and water systems as well as to gas and electricity.

The Amoskeag Savings Bank, in Manchester, which has served this area for a century and which holds the largest portfolio of FHA-insured mortgages in the State, readily saw the sound possibilities of developing a portion of the tract with Title I, Section 8 financing and thereby making available as splendid building lots a substantial area beyond. Messrs. Willey and Herbert agreed to build an initial group of six units. The sale price for the basic house was set at \$5,300, and an insured mortgage in the amount of \$4,750 was to be taken from an acceptable owner-occupant by the Amoskeag Savings Bank.

At the time this article is being written, 20 commitments have been issued on properties in the development. Thirteen of the houses have been completed and the mortgages endorsed for insurance. It is planned that altogether 30 Section 8 units will be built at this site.

Type of Dwelling

The houses, each of which contains living room, kitchen, two bedrooms, and bath, are simply and attractively designed in the Cape Cod style that is so popular in New England. They are set on lots 70 by 100 feet in size, and have full basements. The basic house does not include a basement slab, a central heating plant, interior decoration, or landscaping.

The exterior is beveled pine siding on a concrete

block foundation, with an asphalt shingle roof. Interior walls are $\frac{3}{8}$ -inch sheetrock, unpainted.

The bathroom has a recessed tub, a lavatory, and a water closet, and in the kitchen is a 60-inch white enamel cabinet sink. All plumbing supply lines are type L copper tubing, and waste lines are extra heavy cast iron. Adequate enclosed cupboard space is provided. The living room floor is of No. 2 oak; other floors are pine. Closets have two-panel fir doors. The basement is entered from the outside by way of a bulkhead so located that a future service porch can enclose it entirely. Agricultural tile drains are laid around the concrete footings and connected with the combination sanitary and storm sewer. Blanket insulation 1 inch thick is provided in the exterior walls, with 2-inch batts over the ceiling. The families who occupied the houses during the past winter, which was exceptionally severe and long, reported that they were very comfortable with oil-burning space heaters.

Advantageous Location

The sponsors are fortunate in their hillside site, which enjoys a fine view and contains many good trees and rich and deep topsoil. Only those trees that interfere with construction are removed.

Busses to the center of Manchester, 3 miles away, run by the entrance to the development. An excellent open-air theater is very close by, and a neighborhood shopping center is located approximately half a mile away, toward the city. A public elementary school is about a mile away. The children are transported free to and from this school. All properties abut on a city street and are provided with city sewer and water, gas and electricity. The snow is plowed in winter and garbage is collected the year round, without special assessment.

The properties have been eagerly sought by prospective purchasers well before completion of construction, but the builders have declined to pass



The houses shown on this page are part of the Willey & Herbert development of 30 Section 8 homes in Manchester, N. H.

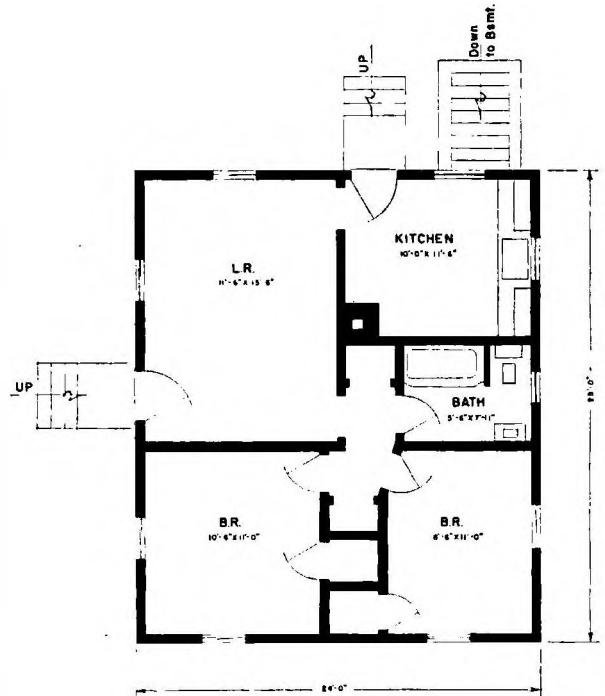
title until their work was complete. They have, however, agreed to make changes from the basic plan when the purchaser so desired. The additional cost of such changes is determined before work on them is begun, and after the purchaser has shown evidence of having cash to pay for them. Typical changes include rearrangement of the interior plan and the addition to the basic house of such features as porches, picture windows, and oil-fired forced hot-water heating plants.

Typical Mortgagors

The purchasers were carefully selected, and represent a fine cross section of the nationalities and religious creeds generally found in Manchester. They include automobile mechanics, Government employees, tannery workers, mill workers, shoe shop employees, and others. One owner is a young insurance executive. One of the tellers at the Amoskeag Savings Bank is a co-mortgagor.

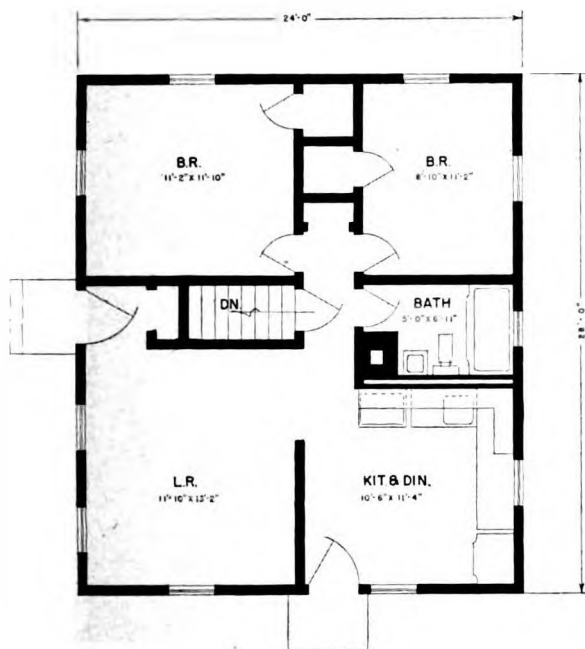
The income of the mortgagors is low by metropolitan standards, averaging approximately \$52 per week. Before buying one of these homes, the average owner lived in a cold-water tenement in a blighted section of the city and paid \$55 per month. In the basic house in this new development, he has invested \$550 and, with the established valuation for tax purposes of \$3,500, his tax bill is \$162 a year. If he is a veteran, he enjoys by State law a \$1,000 exemption. The total monthly payment to the Amoskeag Savings Bank, including taxes, mortgage insurance, fire insurance, and water, as well as interest and principal, approximates \$43 per month for a nonveteran and less than \$40 per month for a veteran.

The obvious interest and cooperation of the owners in further developing their properties exempli-





The first two houses completed in the 20-unit group being built with Section 8 financing by E. J. Roy in Manchester, N. H.



fies their pride of ownership. There can be no doubt that the difference between the \$55 paid previously for rent and the \$40 now invested in ownership, plus the satisfaction of accumulating equity instead of rent receipts, is a tremendous incentive.

Further Operations

The success of this venture has been influential in arousing interest on the part of other mortgagees and builders in Manchester and elsewhere in New Hampshire.

The Amoskeag Savings Bank readily agreed to finance a group of Title I, Section 8 homes to be constructed by another builder, E. J. Roy, at a location approximately 3 miles from the city hall in the opposite direction from the Willey and Herbert development. This builder has been very successful during

the past 6 years in erecting and selling homes ranging in price from \$7,500 to \$30,000.

The site of Mr. Roy's Section 8 operations offers many of the features found at the Willey & Herbert development described above—that is, availability of transportation, stores, schools, city streets, sewer, water, etc. The lots have 60-foot frontages and are 100 feet deep. The houses have the same exterior dimensions as the Willey & Herbert houses, 24 by 28 feet, and provide two bedrooms. The basic house at the Roy development is finished to a further degree than the Willey & Herbert basic house, has hardwood floors of a better grade in the bedrooms as well as in the living room, and is decorated inside. The house sells for \$5,300. For an additional \$300 an oil-fired gravity warm-air heating system is included.

Twenty Section 8 commitments have been issued on properties in the Roy development, and construction has been started on all the houses. Two have been completed at the time this article is written, and the mortgages have been endorsed for insurance.

Mr. Roy has contracted to build his basic house on lots owned individually elsewhere in Manchester, at his established price less the cost of the land. Several commitments have been issued on this basis, and endorsement for insurance is anticipated.

As of June 30, 1952, the Manchester office of the FHA had issued altogether 53 commitments for insurance under Section 8, totaling \$231,800. In contrast to the extensive developments produced in the large metropolitan areas, the number of units involved here will probably appear small; but the owners, builders, and mortgagees concerned believe this to be a very significant step towards providing a basic comfortable and attractive home at low cost for that very substantial group of the population whose incomes range between \$55 and \$65 per week.

Termination Experience of Section 203 Mortgages

By Mortimer Kaplan

Associate Chief, Actuarial and Financial Section
FHA Division of Research and Statistics

Termination experience for mortgage insurance is analogous to withdrawal and mortality experience for life insurance. This article explains the nature of the statistics on mortgage termination experience, presented for the first time in the FHA 1951 Annual Report, as a guide to their use.

In Section 2 of the Eighteenth Annual Report of the Federal Housing Administration, covering the 1951 insuring operations, there are presented for the first time statistics on the termination experience for mortgage insurance which is analogous to withdrawal and mortality experience for life insurance. It is the purpose of this article to explain how these statistics are organized and to serve as a guide to their use.

Basic statistics on termination experience have been compiled since the inauguration of the FHA mutual mortgage insurance program, but tables were not published until a sufficient amount of data could be accumulated. Organizing these data in accordance with accepted actuarial techniques standard for life insurance practice makes it possible to present survivorship, withdrawal, and mortality tables for mortgage insurance.

The statistics presented in Actuarial Schedules 1 and 2 are based on 1- to 4-family home mortgage insurance contracts in force and terminated under the provisions of Title II, Section 203, of the National Housing Act. They cover all such contracts written from 1935 through 1949 and exposed to their policy anniversaries in 1950 or at prior termination dates. In the first schedule, the number of mortgages in force and the number terminated are presented by policy year. In the second schedule, the various types of rates of termination are also presented by policy year. A policy year covers the annual period beginning with the date on which a mortgage contract is endorsed for insurance. Thus a mortgage insurance contract which has not passed its first anniversary is in force or exposed to the risk of termination during its first policy year. If the contract is terminated before this anniversary, it is terminated during its first policy year. The rate

of termination for the first policy year is the number of mortgages which are terminated during this policy year divided by the number of mortgages in force or exposed to the risk of termination at the beginning of the first policy year.

The survivorship table organized from FHA termination experience is presented in Actuarial Schedule 1 on this page. This table shows the number of mortgages surviving from an initial hypothetical group of 100,000 mortgages on 1- to 4-family homes at the beginning of each policy year for 15 policy years. The figures in this table are interpreted in the following manner.

From an initial group of 100,000 home mortgages, 2,850 mortgages terminate within the first policy year after the date of their insurance. This leaves 97,150 mortgages in force at the beginning of the second policy year. Of this number surviving at the beginning of the second policy year, 5,371

ACTUARIAL SCHEDULE 1.—Survivorship table of a group of 1- to 4-family home mortgages based on aggregate termination experience by policy year for Sec. 203 mortgages insured from 1935 through 1949 and exposed to policy anniversaries in 1950 or prior termination dates

Policy year	Mortgage survivors at the beginning of policy year	Annual termination rates	Mortgage terminations during the policy year
First	100,000	0.0285040	2,850
Second	97,150	.0552852	5,371
Third	91,779	.0804727	7,386
Fourth	84,393	.1074291	9,066
Fifth	75,327	.1344691	10,129
Sixth	65,198	.1537240	10,022
Seventh	55,176	.1636703	9,031
Eighth	46,145	.1654034	7,633
Ninth	38,512	.1628393	6,271
Tenth	32,241	.1740603	5,612
Eleventh	26,629	.1718533	4,576
Twelfth	22,053	.1876187	4,138
Thirteenth	17,915	.1628588	2,918
Fourteenth	14,997	.1714530	2,571
Fifteenth	12,426	.3595019	4,467

mortgages terminate during the second policy year after the date of their insurance. Subtracting this number from the 97,150 mortgages gives the number of mortgages surviving at the beginning of the third policy year.

The number of mortgages terminating in each policy year is derived from the annual termination rates shown in the schedule. The annual termination rate for the first policy year is 0.0285040. When this rate is applied against the 100,000 mortgages in force at the beginning of the first policy year, the product is 2,850 mortgages terminating during the first policy year. For the second policy year, the annual termination rate is 0.0552852. When this rate is applied against the 97,150 mortgages surviving to the beginning of the second policy year, the product is 5,371 mortgages terminating during the second policy year.

Actuarial Schedule 2, on this page, also organized from FHA termination experience, shows the component rates of the annual termination rates shown in Actuarial Schedule 1. Rates of prepayment in full, prepayment by supersession, and titles acquired and retained by mortgagees, by policy year, for mortgage insurance are analogous to withdrawal rates for life insurance. Rates of titles acquired by mortgagees and transferred to FHA, by policy year, are analogous to mortality rates for life insurance, because such title transfers represent insurance claims.

These component rates for the different types of termination by policy year are interpreted in the

same way as the total annual termination rates in the measurement of survivorship and termination during a policy year. For example, if 100,000 home mortgages are in force at the beginning of the seventh policy year, according to Schedule 2 a total number of 16,367 mortgages can be expected to terminate during the seventh policy year. This total number of terminations can be expected to include 14,982 prepayments in full, 1,342 prepayments by supersession, 20 foreclosures, of which 10 are retained by the mortgagee and 10 transferred to FHA, and 23 other terminations which are principally maturities.

The rates for the different types of termination are additive. The rate for prepayments in full for a given policy year can be combined with the rate for prepayments by supersession for the same policy year to give the total annual rate of prepayment for a given policy year. Likewise, the rates for titles acquired by mortgagees and retained by mortgagees can be combined with the rates for those transferred to FHA to give total annual foreclosure rates by policy year.

These annual rates of termination are "crude" or actual rates, as distinguished from "graduated" rates. They are based on numbers of mortgages only, and include mortgages with the various terms of financing eligible for insurance under the administrative rules and regulations for Title II, Section 203. Because this insurance program has not been in operation long enough for many of its longer

ACTUARIAL SCHEDULE 2.—Annual termination rates for 1- to 4-family home mortgages by type of termination, based on aggregate termination experience by policy year for Sec. 203 mortgages insured from 1935 through 1949 and exposed to policy anniversaries in 1950 or prior termination dates

Policy year	Type of termination					Total
	Prepayments in full	Prepayments by supersession	Titles acquired by mortgagees		Others	
			Retained by mortgagees	Transferred to FHA		
First.....	0.0206640	0.0076171	0.0000640	0.0001094	0.0000495	0.0285040
Second.....	0.020321	0.0121377	.0002687	.0008018	.0000449	.0552852
Third.....	.0639206	.0149662	.0003416	.0011522	.0000921	.0804727
Fourth.....	.0901844	.0158775	.0003532	.0008572	.0001548	.1074231
Fifth.....	.1184583	.0147199	.0001922	.0004949	.0006047	.1344691
Sixth.....	.1389111	.0141338	.0001503	.0002644	.0002644	.1537240
Seventh.....	.1498188	.0134175	.0001004	.0001021	.0002315	.1636703
Eighth.....	.1521806	.0126269	.0000848	.0000276	.0004835	.1654034
Ninth.....	.1500614	.0121849	.0000623	.0000148	.0005159	.1628393
Tenth.....	.1573770	.0110799	.0000329	.....	.0055705	.1740603
Eleventh.....	.1520691	.0094164	.0000244	.....	.0103434	.1718533
Twelfth.....	.1718613	.0083082	.0000330	.....	.0074162	.1876187
Thirteenth.....	.1458381	.0057405	.....	.....	.0112802	.1628588
Fourteenth.....	.1631155	.0056296	.0000713	.....	.0026366	.1714530
Fifteenth.....	.2647537	.0051142	.....	.....	.0893340	.3595019

term mortgages to mature, the rates for the later policy years are based on a smaller aggregate amount of experience than for earlier policy years. The rates of termination for the first policy year are based on the contracts endorsed for insurance in each calendar year from 1935 through 1949. For the second policy year, they are based on the endorsements in each calendar year from 1935 through 1948. Thus, for the fifteenth policy year, they are based on endorsements of calendar year 1935 only. With time, the accumulation of termination data will provide the merged experience of contracts through that policy year which will represent the longest maturity eligible for insurance under this program.

It should be noted that the rates of termination are influenced not only by the duration of the insurance contract, i. e., the number of policy years during which a contract is exposed to the risk of termination, but also by changes in economic conditions. Annual rates of prepayment can be expected to increase with duration: the smaller the outstanding balance of the loan, the greater the likelihood of prepayment. Annual rates of prepayment can also be expected to increase with high levels of incomes and savings. In the determination of the rates, the effects of such influences and others are merged.

One of the more important uses to which this

termination experience is put is in estimating the life expectancy of mortgages, i. e., that period of time during which they can, on the average, be expected to remain in force. The life expectancy of Section 203 mortgages on 1- to 4-family homes is indicated to be 7.55 years. This figure is based on the termination experience of these home mortgages observed over the 15-year period, and on a projection of this experience through five additional years to reflect the life expectancy for mortgages with maturities of 20 years. The termination experience covers all home mortgage insurance contracts written under Section 203 from 1935 through 1949 and exposed to their policy anniversaries in 1950 or at prior termination dates.

It is noteworthy that the war and postwar years have been a period of unusually high prepayments. The accumulation of additional termination experience in the future may well disclose longer life expectancies, both because of the longer mortgage terms in current contracts and because of the small probability that the prepayment experience of the past decade is likely to be repeated. For a 20-year mortgage with an interest rate of $4\frac{1}{4}$ percent and a life expectancy of 7.55 years, the mortgage interest for this period is approximately 52 percent of the total mortgage interest which would obtain if the mortgage had not been terminated prior to its maturity.

FHA Staff Appointments

Commissioner Walter L. Greene of the Federal Housing Administration has made the following new appointments to the executive staff of the FHA:

Assistant to the Commissioner, Edgar C. McIntosh, formerly Deputy Assistant Commissioner, Title I. Mr. McIntosh is trained in accounting and law, and has been with the FHA since 1934 in various capacities that have gained him a broad knowledge of all FHA programs.

Assistant Commissioner, Field Operations, Hugh Askew, formerly director of the FHA insuring office in Oklahoma City, Okla. Mr. Askew has been with the FHA for 17 years, and has played a major role in the development and growth of its operations. He is a veteran of both World Wars, and is active in veterans' affairs.

Assistant Commissioner, Cooperative Housing, Ward Cox, formerly Deputy Assistant Commissioner, Cooperative Housing. Before coming to the FHA in November 1950, Mr. Cox was Regional Housing Expediter for the nine Western States. He also has had wide business experience covering real estate, mortgage loans, and residential construction.

Insured Site-Fabrication Mortgages

By Hugh Askew

FHA Assistant Commissioner, Field Operations

Section 611 of the National Housing Act, which has been in effect since 1948, provides assistance to builders in obtaining production credit for large-scale building operations, with the object of achieving lower costs through the use of site fabrication and other cost reduction techniques.

Section 611 of the National Housing Act is perhaps less well known than some of the other provisions of the Act under which the volume of insurance has been greater.

This section became effective with the signing of the Housing Act of 1948 on August 10, 1948. It is one of the measures provided by Congress in recent years to encourage production by private industry of an increased volume of housing that families of limited income can afford to occupy. Its stated purpose is "to assist and encourage the application of cost-reduction techniques through large-scale modernized site construction of housing and the erection of houses produced by modern industrial processes." Large-scale operations, permitting the fabrication of building components at the site, the use of power machinery, and the training of crews of workmen for specific parts of the construction job on each house often result in economies not otherwise possible.

Section 611 authorizes the Federal Housing Administration to insure mortgages, including advances during construction, on projects of 25 or

more single-family dwellings approved by the FHA for mortgage insurance before construction is begun. A plant may be located on the mortgaged property for the fabrication or storage of building parts and materials, and subsequently removed with the consent of the Commissioner. The Act provides the following limitations on the maximum mortgage amount:

(a) Eighty-five percent of the FHA estimate of value of the completed project.

(b) An amount computed on the basis of \$5,950 or 85 percent of the valuation, whichever is less, with respect to each dwelling unit. The \$5,950 limitation may be increased to \$6,800 for a three-bedroom dwelling and to \$7,650 for a four-bedroom dwelling.

The mortgage is required to have a maturity satisfactory to the FHA Commissioner, and to provide for amortization by monthly payments. The mortgagor has the privilege of making full or partial prepayment without a prepayment charge. The interest rate on the blanket mortgage may not exceed 4 percent per annum. The FHA mortgage insur-

University Homes, Long Beach, Calif.—280 units financed with two mortgages of \$801,500 and \$1,009,800. Individual dwellings released from the blanket mortgage were financed under Section 203 of the National Housing Act.



ance premium is one-half of 1 percent annually on outstanding balances. The mortgagee is permitted to make an initial service charge of not more than 1½ percent of the original mortgage principal. The FHA charges an inspection fee computed at the rate of \$5 per \$1,000 of the mortgage insurance commitment.

FHA administrative rules provide that the mortgagor must establish, in a manner satisfactory to the FHA Commissioner, that in addition to the proceeds of the insured mortgage he has funds sufficient to assure completion of construction of the project. The Commissioner may require such funds, if any, to be deposited with the mortgagee and held in a special account, or deposited with an acceptable trustee or escrow agent under an agreement approved by the Commissioner which will require such funds to be expended for work and material on the physical improvements prior to the advance of any mortgage money.

The Commissioner may require the deposit with the mortgagee, or with an acceptable trustee or escrow agent under an appropriate agreement, of such cash as may be required for the completion of off-site public utilities and streets.

Advances during construction are made monthly, based on the cost of work completed by the various trades. The procedure is similar to that followed with Section 207 rental project mortgages. No payment for architectural or other fees is included in the construction advances. Ten percent of the cost is held back until 30 days after the project is completed.

The project must consist of readily marketable properties. Rental projects are not eligible for insurance under this section, since it is intended only as a means of providing production credit for the builder.

The individual dwellings may be released from the blanket mortgage as they are completed and sold, whether or not the entire project is completed, and the individual mortgages may be insured under Section 611. The 10 percent holdback is not required in connection with released properties. When the purchaser is an owner-occupant, the mortgage on the released property may be in the amount permitted under Section 203(b)(2)(D)—that is, not to exceed 95 percent of value nor \$6,650 for a structure with fewer than three bedrooms, \$7,600 for a

three-bedroom structure, and \$8,550 for a four-bedroom structure. The maximum interest rate and maturity may also be those provided under Section 203(b)(2)(D).

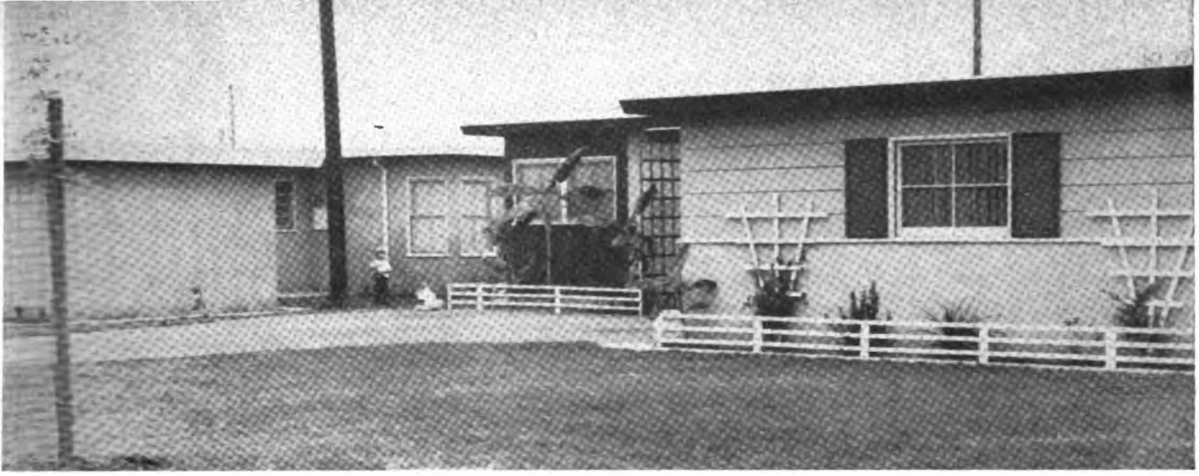
The Act provides that veterans are to be given occupancy preference.

In considering an application for insurance of a blanket mortgage under Section 611, the FHA emphasizes the importance of efficient planning of the constituent units and of the development as a whole. To enable the sponsors to have reasonable assurance, before making a heavy outlay for architectural services, that the general scheme will be acceptable, conferences between the sponsor and his architect, and members of the FHA underwriting staff are held before the formal application for insurance is filed. Sponsors are encouraged to bring to these meetings preliminary sketches of individual houses and of the over-all layout. Examination of such sketches may make it possible for FHA representatives to suggest improvements in the designs necessary to bring them into conformity with FHA requirements before the plans have progressed to the stage of working drawings.

The emphasis in Section 611 operations is on economy of construction. The use of cost-reduction techniques, however, is not incompatible with good design, and does not necessarily mean the production of rubber-stamp units in a monotonous pattern. When economy is sought through the use of repetitive plans and elevations, diversity in exterior appearance may be obtained in a number of ways. Roof types, location and design of porches and entrances, combinations of exterior details, texture and type of exterior finishing material, are among the items subject to variation in a standard design.

Similarly, the appearance of the development as a whole may be made more interesting by avoiding monotonous rows of dwellings. This can be done through the use of varied setbacks, court arrangements, curving streets, and well studied planning schemes. The submission of development plans rather than individual plot plans provides an opportunity to study the arrangement of dwellings and other improvements on a project basis.

Mortgages on the first projects financed under Section 611, representing 275 units of housing, were insured in 1949. Mortgages were insured on projects with a total of 473 units in 1950, and on projects



Allandra Park, Hawthorne, Calif.—161 units; mortgage of \$993,450 held by the Irving Trust Co., New York.

with 972 units in 1951. As of June 30, 1952, the FHA had insured a total of 22 mortgages aggregating \$11,170,000 and covering 1,839 dwellings. Of these mortgages, 11 had been terminated by prepayment in full, and the remaining 11, involving 754 units, were outstanding.

The mortgages so far insured have covered properties in 5 States—California, with 973 units; New York, with 556 units; Arizona, with 160 units; Georgia, with 125 units; and Louisiana, with 25 units.

Some typical Section 611 projects developed in California are illustrated here.

Cold-Brook Estates, Rotterdam, N. Y., with 416 units, is the largest project financed under Section 611. The FHA has insured on this project four separate mortgages totaling \$2,400,000, all of which have been terminated by prepayment.

The largest project in any State covered by a single Section 611 mortgage so far is San Antonio Manor in Long Beach, Calif., which has 239 units. The average project insured under this section has 83.6 units. Sigmond Pines in New Orleans is the only one with the minimum number of 25 units provided for in the Act.

The 76 Section 611 units in Parchester Village, northeast of San Francisco in Contra Costa County, Calif. (illustrated below), were built by Earle W. Smith, of Berkeley, Calif., to help meet an acute need in that area for homes available to racial minorities. The individual dwellings, which sold at prices ranging from \$7,000 to \$8,000, were acceptable for mortgage insurance under Section 203 of the National Housing Act, but were financed for the most part with Veterans' Administration Section 501 loans. The entire Parchester Village development, of which these Section 611 units form a part, consists of 409 homes, the remaining 333 having been financed under Section 203 or with Veterans' Administration guaranteed loans.

Although Section 611 has not proved to be as popular with builders as was anticipated (due possibly to lack of understanding of the advantages offered), it has resulted in a number of places in the building of homes of acceptable quality at very reasonable cost. It is therefore suggested that mortgagees and builders pursue the possibilities of this method of FHA-insured financing as a means of increasing their volume of lower-cost housing.

Parchester Village, Contra Costa County, Calif.—76 units; mortgage of \$387,540 held by the Irving Trust Co., New York.



Summary of FHA Operations

I. Quarterly Review

Applications for home mortgage insurance continued to be received during the second quarter of 1952 at a rate substantially higher than in 1951. Applications on rental and cooperative projects remained relatively low, as did starts and completions of living units under all FHA programs

Volume of Insurance

During the 3 months of April, May, and June 1952, the Federal Housing Administration insured nearly 467,000 loans and mortgages aggregating more than \$764 million, or some 10 percent more than the corresponding amount for the preceding quarter. Of this amount, all of which was advanced by privately owned financial institutions located throughout the United States and its Territories, some 54 percent was under the various FHA home mortgage programs, 31 percent under the property improvement provisions of Title I of the National Housing Act, and the remaining 15 percent under the several rental and cooperative project mortgage insurance programs.

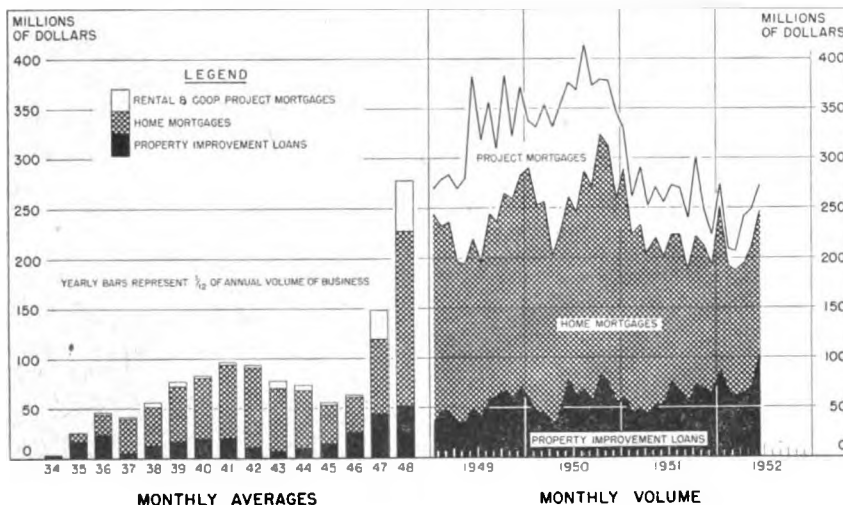
The home and project mortgages insured during the quarter were secured by some 67,000 individual dwelling units—about 20 percent less than the

84,000 units reported for the same period in 1951. The average mortgage in 1952 was \$7,819 per unit, compared with \$7,492 for the second quarter of 1951.

The volume of insurance written in the second quarter of 1952 is shown in Table I, together with comparable data for the first half of the current year and the first half of 1951. Relative to the 1951 volume, the figures for the first half of 1952 reveal marked increases in the volume of insurance written under the property improvement loan program, in the home mortgage activity reported under Section 8 and under the existing-home mortgage provisions of Sections 203 and 213, and in large-scale project operations under Sections 207 and 213. These increases, however, were relatively small when compared with the decreases reported for the Section 203 new-construction program and for all Title VI programs.

TOTAL DOLLAR VOLUME OF FHA INSURANCE WRITTEN

1934 - 1952



From the beginning of operations in 1934 through June 30, 1952, the Federal Housing Administration insured advances of housing credit aggregating more than \$27.4 billion, of which about \$15 billion remained outstanding at the end of June.

Volume of Applications

Continuing the upward trend reported in the Second-Quarter 1952 Portfolio, the 62,000 new-unit applications reported for the 3 months ending June 30 under the several home mortgage insurance programs brought the total for the first half of the year to about 127,000, or 20 percent above the 106,000 reported for the same period last year. For home mortgage applications involving existing construction, the comparable increase approximated 28 percent—from 75,000 units in the first 6 months of 1951 to 96,000 units this year. Rental

and cooperative project mortgage applications, however, have covered less than 29,000 units in 1952—only slightly more than half of the comparable 1951 volume. As is shown in Table II, this decrease is reflected in the figures for each of the project mortgage programs which have been continuously operative over this 2-year period.

Volume of Construction

The increasing volume of new-home mortgage applications described above is just beginning to be reflected in the number of units being started with FHA inspection (see second chart and Table II). The 61,000 units in 1- to 4-family structures placed under construction in the second quarter of 1952 exceeded the comparable 1951 figure by about 1,000 units, and brought the volume for the first half of

Table I.—Total FHA insurance written in second quarter 1952, and in first half of 1952 compared with first half of 1951

Program	April through June 1952			First half of 1952			First half of 1951		
	Number	Amount	Units	Number	Amount	Units	Number	Amount	Units
Property improvement loans:									
Title I: Sec. 21.....	416,445	\$237,045,838	(?)	817,959	\$150,390,159	(?)	645,591	\$305,054,544	(?)
Home mortgages:									
Title I:									
Sec. 8—new housing.....	1,238	6,252,750	1,238	2,879	14,004,500	2,879	1,885	8,640,525	1,885
Sec. 8—existing housing.....	41	192,300	41	126	593,950	126			
Title II:									
Sec. 203—new housing.....	20,931	176,552,750	22,066	44,820	376,414,100	47,089	92,756	715,656,600	94,190
Sec. 203—existing housing.....	26,128	211,074,950	27,263	52,061	419,447,150	54,385	45,708	337,154,050	48,109
Sec. 213—refinanced housing.....	729	6,728,250	729	783	7,103,100	783	68	547,650	68
Title VI:									
Sec. 603—new housing.....	5	41,200	5	5	36,900	5	23	184,400	23
Sec. 603—refinanced housing.....							16	68,150	16
Sec. 603-610—public housing disposition.....	7	38,200	9	16	101,500	27	423	3,085,650	998
Sec. 609 manufactured housing:									
Manufacturers' loans.....							2	175,000	66
Purchasers' loans.....	24	75,903	24	48	150,699	48	70	204,300	70
Sec. 611—site-fabricated housing:									
New release clause projects.....	1	811,243	125	1	811,243	125	6	4,372,250	720
Refinanced 1-family homes.....	39	291,900	39	51	382,950	51			
Title IX:									
Sec. 903—new defense housing.....	1,160	10,341,850	1,395	1,232	11,116,650	1,517			
Sec. 903—existing defense housing.....				3	18,450	3			
Total.....	50,303	412,401,296	52,934	102,028	830,181,192	107,038	140,930	1,069,981,370	146,118
Project mortgages:									
Title II:									
Sec. 207—new housing.....	11	11,640,100	1,862	25	20,868,000	3,300	30	9,997,800	1,690
Sec. 207—refinanced housing.....									
Sec. 213—new cooperative housing.....	20	28,671,950	3,152	36	52,453,157	5,700	13	25,485,068	2,795
Title VI:									
Sec. 608—new housing.....	5	12,737,407	1,560	14	20,181,639	2,509	203	159,802,259	20,511
Sec. 608—refinanced housing.....							3	6,228,281	864
Sec. 608-610—public housing disposition.....							1	35,000	10
Title VIII:									
Sec. 803—military housing.....	18	55,286,300	6,963	29	75,459,200	9,638	27	86,471,000	10,711
Title IX:									
Sec. 908—new defense housing.....	10	6,361,700	943	11	7,542,600	1,111			
Total.....	64	114,697,457	14,480	115	176,504,596	22,258	277	288,019,108	36,581
Grand total, all titles.....	466,812	764,144,591	67,414,920	1,020,102	1,457,075,947	129,296	786,798	1,663,055,322	182,699

¹ Based on amount of net proceeds.

² Not available.

³ Reflects amendments shown in final audits.

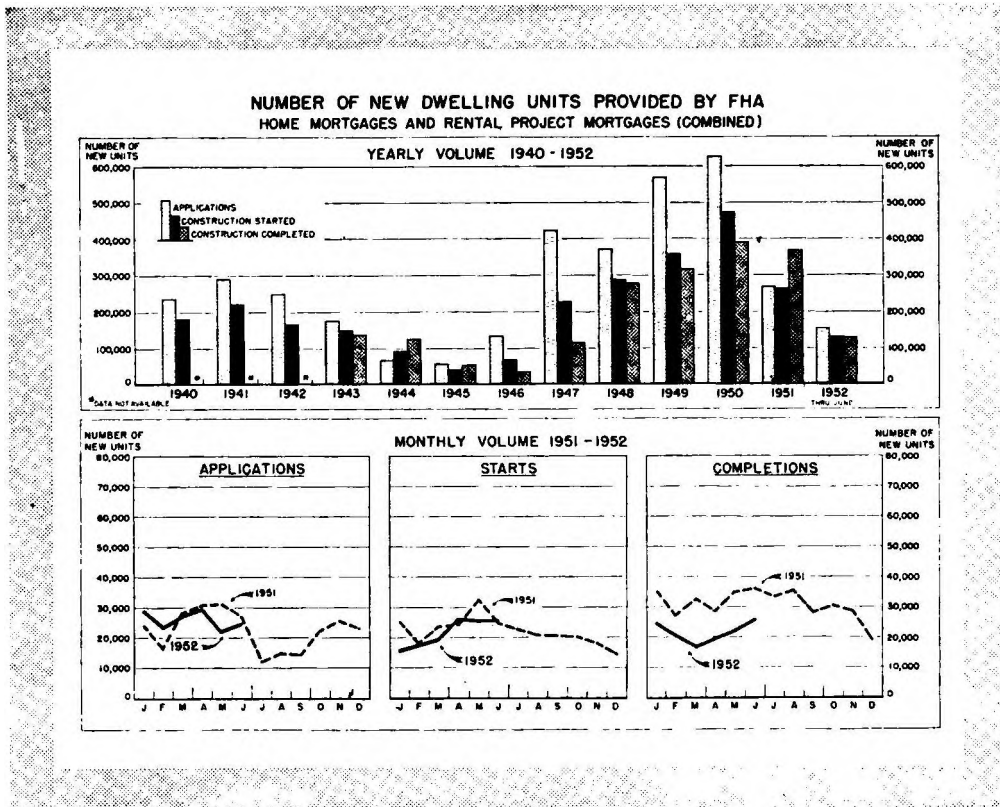
⁴ Excludes Sec. 2 of Title I.

1952 to 104,000—only 5,000 below the 1951 level. As the table shows, the project starts have covered only 26,000 units in 1952—about one-third below

last year's volume—while completions of both home and project units remain markedly below the number reported in the first half of 1951.

Table II.—New dwelling units provided under FHA in second quarter 1952, and in first half of 1952 compared with first half of 1951

Program	April through June 1952			First half of 1952			First half of 1951		
	Applica-tions	Const-ru-ction started	Const-ru-ction completed	Applica-tions	Const-ru-ction started	Const-ru-ction completed	Applica-tions	Const-ru-ction started	Const-ru-ction completed
1- to 4-family housing:									
Sec. 8	1,479	1,647	1,656	2,844	3,083	3,225	7,116	4,529	3,876
Sec. 203	51,416	50,962	40,951	103,818	86,100	72,612	97,948	104,202	125,817
Sec. 603			136		37	654	601	795	460
Sec. 611									
Sec. 903	8,956	8,781	3,208	19,955	15,177	3,491			
Total	61,851	61,390	45,951	126,617	104,397	79,982	105,665	109,526	130,166
Rental and cooperative project housing:									
Sec. 207	1,922	3,386	551	4,863	4,091	1,594	13,921	1,635	778
Sec. 213	4,125	3,746	1,853	5,233	6,081	2,763	21,583	2,823	112
Sec. 608	2,348	2,348	12,793	4,495	4,495	32,749	23,681	23,681	56,751
Sec. 803	6,312	6,695	6,392	13,166	10,563	12,065	15,826	10,388	6,985
Sec. 908	2,161	430	162	5,448	1,021	162			
Total	14,520	16,605	21,751	28,710	26,251	49,333	51,330	38,527	64,626
Grand total, all titles	76,371	77,995	67,702	155,327	130,648	129,315	156,995	148,053	194,792



II. Status of Funds and Foreclosures

Statements of financial condition of the various insurance funds of the Federal Housing Administration as of June 30, 1952, are as follows:

TITLE I INSURANCE FUND

Assets:	
Cash.....	\$24,696,518
Accrued income and accounts receivable.....	4,035,465
Mortgage notes receivable (less reserve for estimated future losses).....	390,493
Defaulted Title I notes (less reserve for estimated future losses).....	15,845,450
Real property (at cost less reserve for estimated future losses).....	117,046
Total assets.....	45,084,972
Liabilities:	
Accounts payable.....	571,430
Trust and deposit liabilities.....	8,986
Deferred credits—unearned premium income.....	21,976,282
Total liabilities.....	22,556,698
Capital and surplus.....	22,528,274
Total liabilities and capital.....	45,084,972

TITLE I HOUSING INSURANCE FUND

Assets:	
Cash.....	\$163,891
Accrued income and accounts receivable.....	5,152
Investments (amortized).....	957,621
Real property (at cost less reserve for estimated future losses).....	4,159
Total assets.....	1,130,823
Liabilities:	
Accounts payable.....	3,175
Accrued interest payable on debentures.....	92
Trust and deposit liabilities.....	136,724
Debentures payable.....	4,750
Deferred credits—unearned premium income.....	113,465
Total liabilities.....	258,206
Capital and surplus.....	872,617
Total liabilities and capital.....	1,130,823

MUTUAL MORTGAGE INSURANCE FUND

Assets:	
Cash.....	\$11,867,259
Accrued income and accounts receivable.....	2,190,619
Investments (amortized).....	194,236,253
Mortgage notes receivable (less reserve for estimated future losses).....	3,990,380
Real property (at cost less reserve for estimated future losses).....	1,661,024
Total assets.....	213,945,535
Liabilities:	
Accounts payable.....	1,773,225
Accrued interest payable on debentures.....	160,545
Trust and deposit liabilities.....	4,302,544
Debentures payable.....	10,060,286
Statutory reserves—net balances of group accounts available for contingent losses, expenses, other charges, and participations.....	122,213,270
Deferred credits—unearned premium and other income.....	20,812,519
Total liabilities.....	159,322,389
Capital and surplus.....	54,623,146
Total liabilities and capital.....	213,945,535

HOUSING INSURANCE FUND

Assets:	
Cash.....	\$713,282
Accrued income and accounts receivable.....	15,814
Investments (amortized).....	3,518,567
Mortgage notes receivable less reserve for estimated future losses).....	2,658,034
Mortgage notes acquired under terms of insurance (at cost less reserve for estimated future losses).....	1,302,351
Total assets.....	8,208,048

Liabilities:	
Accounts payable.....	\$41
Accrued interest payable on debentures.....	21,826
Trust and deposit liabilities.....	162,581
Debentures payable.....	1,492,350
Reserve for foreclosure costs—mortgage notes.....	14,109
Deferred credits—unearned fee and premium income.....	1,019,644
Total liabilities.....	2,710,551
Capital and surplus.....	5,497,497
Total liabilities and capital.....	8,208,048

WAR HOUSING INSURANCE FUND

Assets:	
Cash.....	\$21,745,507
Accrued income and accounts receivable.....	667,954
Investments (amortized).....	77,297,960
Mortgage notes receivable (less reserve for estimated future losses).....	24,933,792
Real property (at cost less reserve for estimated future losses).....	41,126,432
Mortgage notes acquired under terms of insurance (at cost less reserve for estimated future losses).....	23,027,443
Total assets.....	188,799,088
Liabilities:	
Accounts payable.....	46,346
Accrued interest payable on debentures.....	1,338,549
Trust and deposit liabilities.....	1,769,359
Debentures payable.....	62,587,950
Reserve for foreclosure costs—mortgage notes.....	278,130
Deferred credits—unearned fee, premium, and other income.....	12,925,576
Total liabilities.....	78,945,910
Capital and surplus.....	109,853,178
Total liabilities and capital.....	188,799,088

HOUSING INVESTMENT INSURANCE FUND

Assets:	
Cash.....	\$184,845
Accrued income and accounts receivable.....	1,459
Investments (amortized).....	802,043
Total assets.....	988,347
Liabilities:	
Accounts payable.....	2
Capital and surplus.....	988,345
Total liabilities and capital.....	988,347

MILITARY HOUSING INSURANCE FUND

Assets:	
Cash.....	\$1,184,647
Accrued income and accounts receivable.....	22,430
Investments (amortized).....	9,505,452
Total assets.....	10,712,529
Liabilities:	
Accounts payable.....	6,291
Deferred credits—unearned fee and premium income.....	1,190,468
Total liabilities.....	1,196,759
Capital and surplus.....	9,515,770
Total liabilities and capital.....	10,712,529

NATIONAL DEFENSE HOUSING INSURANCE FUND

Assets:	
Cash.....	\$1,708,402
Investments.....	900
Total assets.....	1,709,302
Liabilities:	
Accounts payable.....	6,357
Trust and deposit liabilities.....	556,402
Deferred credits—unearned fee and premium income.....	145,476
Total liabilities.....	708,235
Capital and surplus.....	1,001,067
Total liabilities and capital.....	1,709,302

Through June 30, 1952, a total of 4,911 of the 2,343,150 home mortgages insured under Section 203 of the National Housing Act had been foreclosed and the properties turned over to the FHA Commissioner. The Commissioner had sold 4,645 properties at prices that left a net charge of \$2,620,979 against the Mutual Mortgage Insurance Fund, representing 12 percent of the cost of acquisition (debentures and cash adjustments issued). More than offsetting this net charge were the prepayment premiums of \$18,195,011 received on insured mort-

gages paid in full prior to maturity. As of June 30, 1952, certificates of claim settled under the provisions of Section 203 totaled \$1,516,005, which represents \$382,873 paid and \$1,133,132 canceled; certificates of claim held in suspense pending final liquidation of mortgage notes amounted to \$396,202, of which it is estimated \$102,800 will be paid and \$293,402 canceled. The contingent liability for certificates of claim at June 30, 1952, totaled \$83,461.

With regard to the 494 projects insured under Sec-

Table III.—Status of mortgage insurance operations—June 1934 through June 1952

Item	Title I		Title II					
	1-family homes (Sec. 8)		1- to 4-family homes (Sec. 203)		Rental and release clause projects (Secs. 207-210)		Cooperative projects (Sec. 213)	
	Number of mortgages	Amount	Number of mortgages	Amount	Number of units	Amount	Number of units	Amount
Insurance written.....	9,393	\$44,398,800	2,343,150	\$13,638,142,485	54,092	\$240,419,104	15,076	\$137,631,597
Insurance terminated.....	46	204,700	1,009,708	4,695,196,403	38,018	143,906,788	1,013	9,066,290
In force (face amount).....	9,347	44,194,100	1,333,442	8,942,946,082	16,074	96,512,316	14,063	128,565,307
Amortized (estimated).....	9,347	826,918	1,333,442	990,415,272	16,074	6,174,723	14,063	79,065
Outstanding (net) (estimated).....	9,347	43,367,182	1,333,442	7,952,530,810	16,074	90,337,593	14,063	128,486,242

Item	Title VI							
	1- to 7-family homes (Sec. 603)		Rental projects (Sec. 608)		Manufactured housing (Sec. 609)		Site-fabricated housing (Sec. 611)	
	Number of mortgages	Amount	Number of units	Amount	Number of units	Amount	Number of units	Amount
Insurance written.....	627,913	¹ \$3,660,852,009	468,916	² \$3,440,092,967	1,717	³ \$4,617,452	1,896	\$11,593,288
Insurance terminated.....	270,736	¹ 1,316,885,554	27,350	² 149,806,276	1,609	³ 4,310,688	1,085	6,479,988
In force (face amount).....	357,177	¹ 2,343,966,455	441,566	² 3,290,286,691	108	³ 306,764	811	5,113,300
Amortized (estimated).....	357,177	308,931,056	441,566	101,569,473			811	3,262
Outstanding (net) (estimated).....	357,177	2,035,035,399	441,566	3,188,717,218	108	306,764	811	5,110,038

Item	Title VIII		Title IX			
	Military housing (Sec. 803)		1- and 2-family homes (Sec. 903)		Rental and release clause projects (Sec. 908)	
	Number of units	Amount	Number of mortgages	Amount	Number of units	Amount
Insurance written.....	51,990	\$116,234,660	1,235	\$11,135,100	1,111	\$7,542,600
Insurance terminated.....						
In force (face amount).....	51,990	416,234,660	1,235	11,135,100	1,111	7,542,600
Amortized (estimated).....	51,990	1,250,017	1,235	25,186		
Outstanding (net) (estimated).....	51,990	414,984,643	1,235	11,109,914	1,111	7,542,600

¹ Includes 3,342 mortgages for \$15,978,800 insured under Sec. 610 provision enacted Aug. 5, 1947, of which 176 mortgages in the amount of \$656,700 had been terminated, leaving 3,166 mortgages for \$15,322,100 in force.

² Includes 3,915 units (23 mortgages) for \$8,359,500 insured under Sec. 610 provision enacted Aug. 5, 1947, of which 970 units (5 mortgages)

in the amount of \$1,742,700 had been terminated, leaving 2,945 units (18 mortgages) for \$6,616,800 in force.

³ Includes 543 discounted purchasers' loans for \$1,195,270, of which 501 loans in the amount of \$1,363,506 had been terminated, leaving 42 loans for \$131,764 in force.

tions 207 and 210 through June 30, 1952, 17 foreclosed projects had been acquired and 1 mortgage note had been assigned to the Commissioner. All 17 acquired projects and the mortgage note had been sold, with a resultant net charge against the fund of \$47,113. Of the 77 (13,980 units) cooperative housing projects and 1,096 single-family mortgages insured under Section 213, one cooperative housing mortgage note (144 units) had been assigned to the Commissioner under the terms of insurance and was still held by FHA at June 30, 1952. Certificates of claim settled under the provisions of Sections 207 and 210 totaled \$251,928, which represents \$175,654 paid and \$76,274 canceled; certificates of claim held in suspense pending final liquidation of mortgage notes amounted to \$70,004, of which it is estimated \$28,720 will be paid and \$41,284 canceled. The contingent liability for the certificate of claim at June 30, 1952, was \$23,603.

Under the War Housing Insurance Fund 9,428 (12,292 dwelling units) of the 627,913 mortgages (695,061 units) on 1- to 7-family homes insured under Section 603 had been acquired by the Commissioner under the terms of insurance. Eight thousand two hundred and ninety-nine properties (10,950 units) had been sold at an estimated charge against the fund of \$2,129,429.

Of the 7,067 (468,916 units) rental housing projects insured under Section 608, 112 projects (7,053 units) and 74 mortgage notes (3,763 units) had been acquired by the Commissioner under the terms of insurance. Nine projects (1,012 units) and 1

mortgage note (42 units) had been settled with no loss to the fund; the remaining 103 acquired projects (6,041 units) and 73 mortgage notes (3,721 units) were still held by FHA.

Of the 10 (1,174 units) manufacturers' loans and 543 discounted purchasers' loans insured under Section 609, 2 manufacturers' notes (305 units) and 64 purchasers' notes had been assigned to the Commissioner under the terms of insurance. Through June 30, 1952, 1 manufacturer's loan (205 units) had been settled in part and 43 discounted purchasers' loans had been settled in full, 1 settled in part, and 20 written off as uncollectible, resulting in a loss to the fund of \$413,761 and leaving 1 manufacturer's loan (100 units) still held by FHA.

Certificates of claim settled under the provisions of Sections 603 and 608 totaled \$596,865, which represents \$318,875 paid and \$277,990 canceled; and certificates of claim held in suspense pending final liquidation of mortgage notes amounted to \$949,589, of which it is estimated \$410,162 will be paid and \$539,427 canceled. The contingent liability for certificates of claim at June 30, 1952 totaled \$1,679,477.

Gross income of the FHA was averaging over \$8,867,000 a month as the second quarter ended. Of this amount, \$4,820,000 was derived from operations under Title II, approximately \$1,398,000 from Title I, \$2,237,000 from Title VI, \$1,000 from Title VII, \$329,000 from Title VIII, and \$82,000 from Title IX.

III. Home and Project Mortgage Terminations and Defaults

At June 30 of this year, terminations of FHA insurance contracts on home mortgages were approaching the 1,300,000 mark, or about 43 percent of the total number of home mortgages insured by FHA through that date. On the other hand, multi-family project terminations numbered only 738, or less than 10 percent of the total insured.

To date, FHA insurance contracts have been terminated principally because of payment in full of the mortgage prior to maturity, or refinancing of the mortgage with the proceeds of either a new FHA or a non-FHA mortgage. To a lesser extent, terminations have occurred due to the maturing of the mortgage according to terms of the contract, or fore-

closure of the mortgage by the mortgagee institution on account of the mortgagor's default.

Section 203

Of the 2,350,000 mortgages insured under Section 203 through the end of June, slightly over 1,000,000, or 43 percent, had been terminated (see Table IV). About 98 percent of the terminations resulted from prepayments, including 14 percent which were refinanced and superseded by new FHA mortgages. Matured loans accounted for less than 1 percent of the Section 203 terminations, and less than 1 percent occurred through foreclosure.

The 344 Section 203 mortgages foreclosed in the

first 6 months of this year represented a yearly rate somewhat under the 760 foreclosed in 1951 and about the same as the 677 foreclosed in 1950. Of the 7,428 properties acquired by mortgagees since 1935, some 4,900 were transferred to FHA in exchange for debentures and certificates of claim. FHA had sold 4,645 of these properties at total prices which left a net charge against the insurance fund averaging about \$564 per property. At June 30, about 0.65 percent of the Section 203 mortgages in force were in default, compared with 0.85 percent at the end of 1951 and 0.82 percent at December 31, 1950.

Section 603

As shown in Table V, nearly 271,000 Section 603 mortgages had been terminated through the end of June this year, or 43 percent of all mortgages insured under this section since 1941. Prepayments accounted for 96 percent of the terminations, including 21 percent which were refinanced with new mortgages insured under Section 603. As might be expected, the default experience in the war and veterans' emergency programs under Section 603 is slightly less favorable than under the permanent,

long-range Section 203 program. About 4 percent of the Section 603 terminations were due to mortgage defaults, as against less than 1 percent of the terminated Section 203's. No Section 603 contracts have terminated by maturing of the mortgage.

Foreclosures of Section 603 mortgages in the first half of 1952 numbered 369, or a yearly rate slightly less than the 777 foreclosed in 1951 and less than half of the 1,933 foreclosures occurring in 1950. Of the cumulative total of 11,109 Section 603 mortgages foreclosed through midyear 1952, mortgagees transferred to FHA titles on 9,428 properties in exchange for debentures and certificates of claim. Of these, FHA sold 8,299 at a net loss of \$257 per property.

An examination of Table V clearly shows the relationships which existed between the volume of insurance written under the Section 603 program and the volume of foreclosures of these mortgages. With respect to the wartime program, the largest volumes of insurance were reported for 1943 and 1944, while reported foreclosures were greatest in 1944 and 1945. This same relationship is evident in the postwar period, when the great bulk of the mortgages were insured in 1948 and the largest

Table IV.—Sec. 203 home mortgages insured, terminated, and foreclosed, 1935—June 30, 1952, inclusive

Year	Mortgages insured		Terminated insurance contracts ¹			Cumulative foreclosures			Foreclosures in process at end of year		
	Annual	Cumulative	Annual	Cumulative		Total titles acquired by mortgagees ²	Percent of mortgages insured	Transferred to FHA	Insured mortgages in force at end of year ³	Number	Percent of mortgages in force
				Number	Percent of mortgages insured						
1935	23,397	23,397	95	95	0.41	2	0.01	0	23,302	(4)	(0)
1936	77,231	100,628	1,362	1,457	1.45	32	.03	13	99,171	(0)	(0)
1937	102,076	202,704	5,065	6,522	3.22	250	.12	111	196,182	(0)	(0)
1938	109,279	311,983	8,871	15,393	4.93	946	.30	435	296,590	548	0.18
1939	153,747	465,730	12,865	28,258	6.07	2,095	.45	1,188	437,472	808	.18
1940	168,293	634,023	22,829	51,087	8.06	3,517	.56	2,311	582,936	1,046	.18
1941	198,799	832,822	30,033	81,120	9.74	4,669	.56	3,356	751,702	750	.10
1942	149,635	982,457	37,340	118,460	12.06	5,241	.53	3,857	863,907	530	.06
1943	52,408	1,034,865	75,609	194,069	18.75	5,374	.52	4,025	840,796	164	.03
1944	46,677	1,081,542	103,595	297,664	27.52	5,403	.50	4,059	783,878	99	.01
1945	46,572	1,128,114	104,879	402,513	35.68	5,433	.48	4,066	725,571	102	.01
1946	66,858	1,194,972	123,734	526,277	41.04	5,471	.46	4,067	668,695	59	.01
1947	76,813	1,271,785	107,466	633,743	49.83	5,489	.43	4,067	638,012	62	.01
1948	133,280	1,405,065	86,293	720,036	51.25	5,528	.39	4,071	685,029	93	.01
1949	257,622	1,662,687	63,665	783,701	47.13	5,647	.34	4,108	878,986	302	.03
1950	338,125	2,000,812	97,144	880,845	44.02	6,324	.32	4,333	1,119,967	502	.04
1951	245,151	2,246,266	85,506	966,351	43.02	7,081	.32	4,710	1,279,915	515	.04
1952 (through June 30)	96,881	2,343,150	43,357	1,009,708	43.09	7,428	.32	4,911	1,333,412	470	.04

¹ Include mortgages prepaid in full prior to maturity, prepaid through supersession by another FHA-insured mortgage, matured contracts, and foreclosed mortgages with property transferred to FHA or retained by mortgagees.

² Include titles transferred to FHA and those retained by mortgagees with termination of mortgage insurance, and titles to 132 foreclosed properties which are subject to redemption or held by mortgagees pending final disposition.

³ Mortgages insured less terminations.

⁴ Not available.

⁵ Upon termination of the original insurance contract, 141,676 refinanced mortgages involving the same properties were insured by the FHA.

volumes of foreclosures reported in 1949 and 1950.

Section 603 mortgages in default at June 30 represented about 1.29 percent of the mortgages in force, or somewhat less than the 1.78 and 1.77 percents at the end of the two preceding years.

Multifamily Project Mortgages

Table VI shows that less than 10 percent of the FHA insurance contracts on multifamily project mortgages had been terminated by the end of June.

Most of the project mortgage terminations (70 percent) are a consequence of prepayments, including 4 percent which involved refinancing with new FHA-insured mortgages. Nearly 29 percent of the project mortgage terminations occurred because of defaults on the part of mortgagors. These "default"

terminations, however, represent less than 3 percent of the total project mortgages insured.

In all but 9 of the 214 project mortgage contracts terminated because of default, the mortgagees transferred title to the properties or assigned the mortgage notes to FHA. At the end of June, FHA had on hand 74 mortgage notes (on projects with 3,864 units) and 103 projects (containing 6,040 units). Reported in default were mortgages on 93 projects with 7,254 units, or about 1 percent of the mortgages in force.

The combination of projects in default plus cumulative acquisitions by FHA accounted for 3.8 percent of the total program at June 30, as compared with 3.4 percent at the end of 1951 and 3.1 percent at the end of 1950.

Table V.—Sec. 603 home mortgages insured, terminated, and foreclosed, 1941–June 30, 1952, inclusive

Year	Mortgages insured		Terminated insurance contracts ¹			Cumulative foreclosures			Foreclosures in process at end of year		
	Annual	Cumulative	Annual	Cumulative		Total titles acquired by mortgagees ²	Percent of mortgages insured	Transferred to FHA	Insured mortgages in force at end of year	Number	Percent of mortgages in force
				Number	Percent of mortgages insured						
1941	3,778	3,778							3,778		
1942	68,706	72,484	812	812	1.12	1	(3)	498	71,672	160	0.22
1943	113,659	186,143	3,250	4,062	2.18	842	0.45	3,040	182,081	156	.09
1944	100,320	286,463	8,207	12,269	4.28	3,604	1.26	5,102	274,194	721	.26
1945	50,244	336,707	12,979	25,248	7.50	5,737	1.70	6,100	311,459	827	.27
1946	14,034	350,741	54,174	79,422	22.64	6,534	1.86	6,116	271,319	50	.02
1947	64,574	415,315	62,030	141,452	34.06	6,696	1.61	6,232	273,863	79	.03
1948	164,364	579,679	35,013	176,465	30.44	6,980	1.21	6,739	403,214	170	.04
1949	44,799	624,478	24,796	201,261	32.23	8,044	1.29	8,374	423,217	979	.23
1950	2,698	627,176	34,689	235,950	37.62	9,977	1.59	9,428	391,226	665	.17
1951	589	627,893	24,287	260,237	41.45	10,740	1.71	9,428	367,656	383	.10
1952 (through June 30)	16	627,914	10,499	270,736	43.12	11,109	1.77		357,178	348	.10

¹ Include mortgages prepaid in full prior to maturity, prepaid by supersession by another FHA-insured mortgage, matured contracts, and foreclosed mortgages with property transferred to FHA or retained by mortgagees.

² Include titles transferred to FHA and those retained by the mortgagees with termination of mortgage insurance, and titles to 282 foreclosed

properties which are subject to redemption or held by mortgagees pending final disposition.

³ Less than 0.005 percent.

⁴ Reflects amendments shown in final audits.

⁵ Upon termination of the original insurance contract, 56,287 refinanced mortgages involving the same properties were insured by the FHA.

Table VI.—Status of FHA-insured multifamily project mortgages at June 30, 1952

Status	Total project mortgages ¹		Section 207 mortgages		Section 608 mortgages	
	Number	Units	Number	Units	Number	Units
Mortgages insured	7,806	590,089	494	54,092	7,044	465,001
Insurance contracts terminated	738	66,381	336	38,018	381	26,380
As a percent of mortgages insured	9.5	11.2	68.0	70.3	5.5	5.7
Default terminations ²	214	15,477	25	4,483	188	10,850
As a percent of mortgages insured	2.7	2.6	5.1	8.3	2.7	2.3
Total projects acquired by, or mortgage notes assigned to, FHA	205	15,092	18	4,135	186	10,813
Insured mortgages in force	7,068	523,717	158	16,074	6,660	438,621
Projects being acquired by mortgagee and mortgage notes being assigned to FHA	10	576			10	576
As a percent of mortgages in force	0.14	0.11			0.15	0.13

¹ Includes mortgages insured under Secs. 207, 213, 608, 608 pursuant to 610, 803, and 908.

² Includes mortgage notes assigned to FHA; projects acquired by FHA either through assignment of title by mortgagee or by FHA foreclosure of assigned mortgages; and projects retained by mortgagees after foreclosure.

Housing and Home Finance Agency

FEDERAL HOUSING ADMINISTRATION

WALTER L. GREENE, *Commissioner*

Insuring or Service Offices are maintained at

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Indiana: 36 South Pennsylvania St., Indianapolis 9.
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Iowa: Equitable Bldg., 604 Locust St., Des Moines 9.
Kansas: National Bank Bldg., Topeka.
Wheeler Kelly Hagny Bldg., Wichita.
Kentucky: Room 516, Post Office Bldg., Louisville 2.
Louisiana: 860 St. Charles Ave., New Orleans 12.
627 Spring St., Shreveport.
Maine: Exchange Bldg., Bangor.
Maryland: 915 Fidelity Bldg., Baltimore 1.
Massachusetts: Customhouse, State and India Sts., Boston 9.
Michigan: Third Floor, Penobscot Bldg., Detroit 26.
432 North Saginaw St., Flint.
516-518 Grand Rapids National Bank Bldg., Grand Rapids.
Minnesota: Produce Bank Bldg., 100 North Seventh St., Minneapolis 3.
Mississippi: 203A Lamar Life Bldg., Jackson 3.
Missouri: 315 North 7th St., St. Louis 1.
Federal Bldg., 911 Walnut St., Kansas City 6.
Montana: Securities Bldg., Main and Grand Sts., Helena.
Nevada: Lunsford Bldg., Reno.
Nebraska: Woodmen of the World Bldg., 14th and Farnam Sts., Omaha 2.
New Hampshire: Post Office Bldg., Manchester.
New Jersey: 151 Washington St., Newark 2.
Bank of New Jersey Bldg., New Brunswick.
Post Office Bldg., Camden 1.
New Mexico: Bass Bldg., 10th and Park Ave., Albuquerque.
U. S. Courthouse Bldg., El Paso, Tex.
New York: 70 East 10th St., New York 3.
The City and County Savings Bank Bldg., Albany 7.
Ellicott Square Bldg., 295 Main St., Buffalo 3.
Terminal Bldg., 65 Broad St., Rochester.
North Carolina: Guilford Bldg., Greensboro.
Robinson Bldg., Charlotte.
North Dakota: 203 Tenth St., North, Fargo.
Ohio: Old Post Office Bldg., Columbus 15.
1375 Euclid Ave., Cleveland 15.
Union Trust Bldg., Cincinnati 2.
413 Realty Bldg., 132 North Main St., Dayton.
Oklahoma: 900 Leonhardt Bldg., 228 Northwest 2d St., Oklahoma City 2.
Richard Bldg., 106 East 3d St., Tulsa.
Oregon: Lincoln Bldg., 208 Southwest Fifth Ave., Portland 4.
Pennsylvania: Robinson Bldg., Philadelphia 2.
New Post Office Bldg., Pittsburgh 19.
Puerto Rico: Banco Popular Bldg., P. O. Box 3592, San Juan 17.
Rhode Island: Old Colony House, 58 Weybosset St., Providence 3.
South Carolina: Federal Land Bank Bldg., Columbia 29.
South Dakota: Minnehaha Bldg., Sioux Falls.
Tennessee: 210 Federal Bldg., Memphis 1.
Post Office Bldg., P. O. Box 1468, Knoxville.
6th Floor, New U. S. Courthouse, Nashville 3.
Texas: Santa Fe Bldg., Dallas 2.
906-913 Electric Bldg., Fort Worth 2.
Post Office Bldg., Amarillo.
213 Broadway Bldg., Lubbock.
The Houston Title Bldg., 1220 Dallas Ave., Houston 2.
326 P. O. Bldg., Beaumont.
610 South Flores St., San Antonio Federal Center, San Antonio 5.
Utah: 210 Dooly Bldg., 109 West Second South St., Salt Lake City 1.
Vermont: Union Station, Burlington.
Virginia: Parcel Post Bldg., Richmond 19.
Flatiron Bldg., Norfolk 10.
Washington: Dexter-Horton Bldg., Seattle 4.
Review Bldg., Spokane 1.
204 South 11th St., Tacoma.
West Virginia: 304 Embleton Bldg., 922 Quarrier St., Charleston 1.
Wisconsin: Fourth Floor, Wisconsin-Broadway Bldg., Milwaukee 2.
Wyoming: 305 Fed. Bldg., P. O. Box 558, Cheyenne.

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