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Security Maps for Analysis of Mortgage Lending Areas

A MORTGAGE lending institution can be no sounder than the security behind its investment. If this is true it follows that the condition of an institution cannot be revealed by its balance sheet alone, however carefully and honestly prepared. To obtain an adequate picture, the balance sheet must be supplemented by a security map of the institution's lending area. Such a map would grade each neighborhood according to the degree of risk it imposes on an investment. It would show the location of every mortgage loan made by the institution, the concentration of loans, and the type of property securing them. It would thus reveal at a glance the nature and soundness of an institution's assets. In a sense it would serve as a summarized appraisal of all the properties securing an institution's loans.

The practical value of such maps in guiding lending policies and collection policies is being demonstrated to mortgage institutions throughout the country by the Mortgagee Rehabilitation Division of the Federal Home Loan Bank Board. As a result, several hundred institutions which had never previously considered such an approach to their mortgage problem have begun to develop and maintain security maps. They will thus be in a better position than ever before to know in what neighborhoods they ought to seek loans and in what neighborhoods they are over loaned. They will have a practical basis for determining the proportion of appraised value and the term of years for which they can afford to lend in any given neighborhood. They will have a constant reminder of the proportion of their investments in commercial and in residential properties. They will have a guide to help determine collection policies—to indicate where they can afford to be lenient and where even a short period of delinquency may spell loss to the investment.

Technic for Making a Security Map

Experienced mortgage men mentally grade residential neighborhoods on the basis of their experience. Their judgments are frequently extremely shrewd but the method has several drawbacks. It can be used only by the man with years of experience in a territory. It offers no objective check to reveal possible error. It is apt to be too sweeping and not recognize differences between sub-areas within a district.

The best method of grading residential neighborhoods as lending areas is to make a scientific analysis of the entire community and of each neighborhood within it and to supplement such an analysis with a real property inventory. The community and neighborhood analysis would cover such basic factors as employment, transportation, relation to industry and commerce, natural or created hazards, population trends, competition from other neighborhoods, and standard of development for residential purposes. Standards for making such an analysis have been presented in the series of articles on "Neighborhood Standards as They Affect Investment Risk" beginning in the August 1935 issue of the Review.

A real property inventory would show by blocks the number and type and construction of dwellings, their age and condition of repair, the material used in their construction, and the presence or absence of modern conveniences. It would show the number of persons occupying each dwelling, their length of residence, age and race, the number of roomers and of extra families. It would show the number of vacancies, whether owner occupied or rented, whether mortgaged, and the rental value.

With such information for every block in a city it is obvious that a home-financing institution would have a solid basis for determining the desirability and risk of investment in every neighborhood. It is probable that the increased competition for mortgage loans and the necessity of reducing risk to a minimum will in time compel the making and maintenance of such property surveys.[1] Pending that time, however, and even as a step toward it, lending institutions will find it profitable to make security maps based on less detailed information.

Instructions for Making Security Maps

The Mortgagee Rehabilitation Division has prepared simple instructions for the making of security maps of residential neighborhoods from information available to any experienced mortgage lender. It is probable that institutions with extensive loans on commercial properties would want a separate map for commercial areas. The Division recognizes four broad categories of lending areas, ranging from most desirable to least desirable. Each category is represented by a different color, so that the map may be read at a glance. The definition of these four categories is summarized as follows:

"A" *Best:* These areas, often spoken of by real-estate men as "hot spots", are just as clear in $5,000 neighborhoods as they are in $25,000 neighborhoods. Generally, "A" areas are comparatively new, well-located, uniformly developed; construction is sound and the pride of ownership is evidenced by the well-maintained properties; the type of dwellings is modern. In normal times, sales in these sections are active and sales resistance is low. If there is any appreciable amount of new construction in the town, these areas will be getting a substantial amount of it.

"B" *Still desirable*: The dwellings in "B" areas are generally 10 to 15 years old, and as a rule "B" areas were formerly districts of great activity with intensive further development not in evidence. For that reason, they fall into the classification of stable or still desirable. The duration of this classification is often governed by surrounding influences and type of inhabitants. In other words, no general rule regarding age of property can be laid down, but the same principle of pride in ownership applies here as in the "A" areas. There usually comes a time in the life of these communities when, either because of the encroachment of business or infiltration of a less desirable class of people, these areas begin to change their character. The original occupants begin to move out to other areas, and when this happens, to a certain degree the area is definitely declining in desirability and should be classified as a "C" area. The "B" areas are districts in which a mortgage man would make a substantial long-time loan.

Another situation exists where a subdivision has not been entirely successful in its development from a building standpoint. Even though it is nicely laid out, it cannot be classified as an "A" area. The fact that such districts have not been successful may be due to certain influences, such as proximity of a railroad or lack of transportation. Such factors create sales resistance. A sales promoter may have built a few substantial homes in the neighborhood in an effort to establish that type of construction, but if later construction did not follow the example set, the area certainly cannot be classified as an "A" area. The best part of the property would be given a "B" rating and that on the fringe probably a "C" rating.

"C" *Definitely declining*: Again, no general limit as to age of property can be set down. The influences which cause original owners to move to another community may develop more quickly in some sections than in others. In almost every city there are areas only 5 or 6

[1] Real property surveys have been made in the last three years in more than 120 cities. Partial lists of the cities surveyed were published in the Federal Home Loan Bank Review in October 1934 and in November 1935. Mortgage institutions situated in cities where surveys have been made would undoubtedly find the results a great aid in making security maps.

years old that may be classified as declining; for example, sections where there has been considerable "jerry" building. The depreciation of this type of property is rapid. A study of the characteristics of buyers in a given neighborhood may reveal that they are not what we would consider stable purchasers, and, either through lack of pride or inadequate income, do not take care of their property as well as those in the "A" and "B" areas. Dwellings in such areas depreciate fast.

Where there is a definite trend in type of population to a lower grade, areas should also be classed as "C". If proper precautions are taken, safe loans can probably be made in such "C" areas.

"D" *Hazardous*: These are the areas which are usually definitely affected by detrimental influences. "D" areas are more inclusive than so-called slum areas and as a general rule are made up of older sections of the town. These sections contain an undesirable element. It is not impossible to make safe loans in *some* parts of these "D" areas, but the percentage of the loans to the present value of the property certainly should be conservative. There are certain "D" areas, especially the slum areas, in which a good mortgage man would probably not consider any loans at all.

Often in trying to determine the boundaries between the "B" and the "C", and the "C" and "D" areas, the person preparing the map may be inclined to think that two intervening classifications are necessary. It is recognized that undoubtedly each of the four classifications could be broken down. However, more than four gradations would render a map unduly confusing.

Probably the chief difficulty in making security maps is to know what to do with areas which are either not developed at all or are only slightly developed. If it is believed that a district at the end of 10 or 15 years will still be only sparsely populated and that its scattered population constitutes a detrimental influence (because a great many possible purchasers, especially women, are afraid to live in a community which is not reasonably well built up), the area would have to be designated "C" or "D".

Current Investments in Mortgages by Leading Life Insurance Companies

DURING the first six months of 1936, 47 leading life insurance companies invested $154,865,390 in new urban mortgages as compared to $60,976,294 during the comparable period in 1935 (chart and table 1). These figures are based on weekly reports published by the Wall Street Journal. The extent to which life insurance companies are returning to the urban mortgage field is indicated by table 2. In the low year 1934, these 47 leading companies assigned only 2.7 percent of their currently available funds to mortgages on urban properties. For 1935 the percentage rose to 6.2 and for the first half of 1936 to 9.8. Considerable and steady as this rise has been, the proportion of current investments in urban mortgages is still well below the

CHART I.—VOLUME OF MORTGAGE LOANS ON CITY PROPERTY MADE BY INSURANCE COMPANIES—CUMULATIVE BY WEEKS

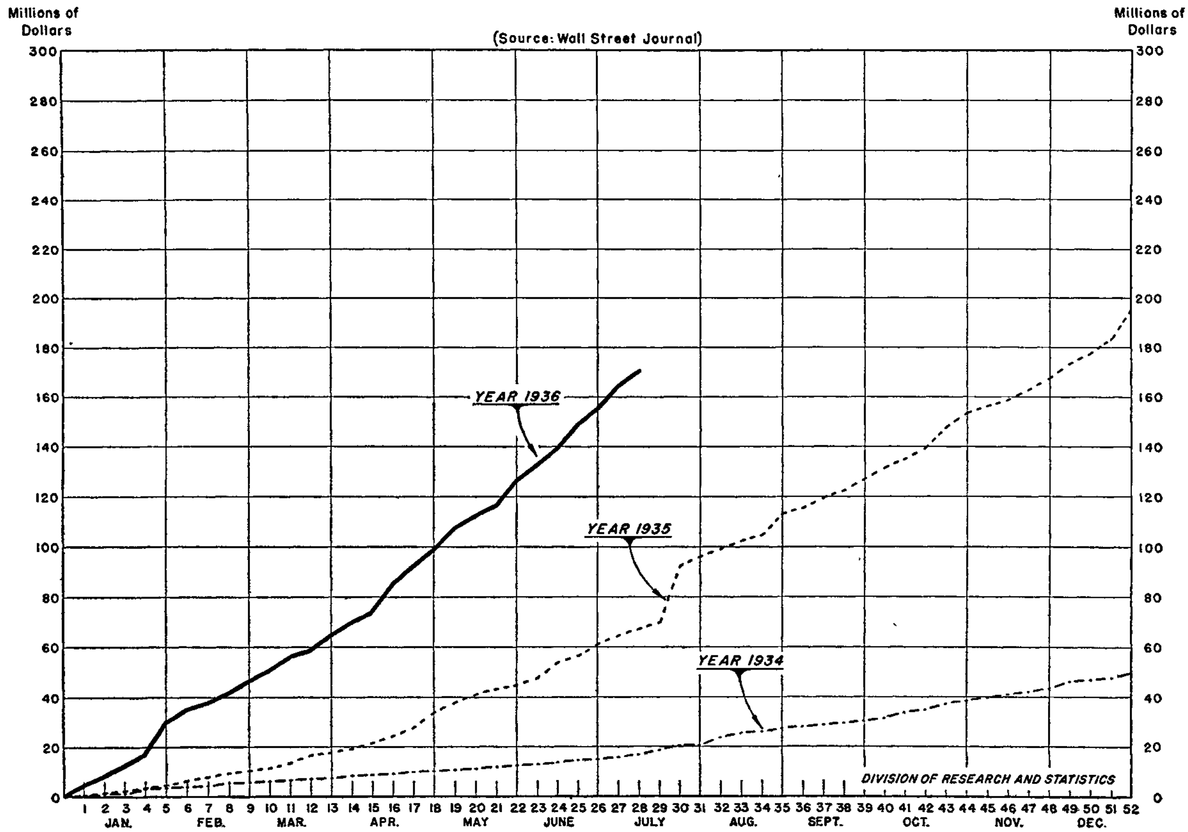

figure of 49.1 percent for the last six months of 1928.

The proportion of investments in farm mortgages during 1936 has failed to increase appreciably over the low of the past three years, the average for the first six months of this year remaining below 2 percent of total investments. During April and May there was an increase in the proportion of railroad and public utility securities purchased, with a corresponding decrease in the proportion of government securities. But government securities remain the principal field of investment with a monthly average of 51.6 percent of total investments during the first half of 1936.

TABLE 1.—*Investments in new mortgages on urban property made by leading life insurance companies, by months, 1935–36*

[Source: Weekly reports of 47 life insurance companies taken from the Wall Street Journal]

Month	1935	1936
January	$4, 827, 574	$29, 576, 632
February	5, 503, 067	16, 503, 838
March	7, 184, 725	18, 340, 164
April	9, 610, 016	33, 997, 138
May	17, 639, 142	27, 801, 424
June	16, 211, 770	28, 646, 194
July	35, 096, 603	....
August	16, 822, 722	....
September	13, 739, 733	....
October	26, 673, 515	....
November	13, 891, 287	....
December	28, 051, 244	....
Yearly total	195, 251, 398	154, 865, 390

TABLE 2.—*Percentage distribution of new investments by leading life insurance companies, 1928–36*

Source: 1928–33, weekly reports of 25 companies in New York Evening Post and Wall Street Journal. 1934–36, weekly reports of 47 companies in Wall Street Journal]

Period	Total	Mortgages		Railroad securities	Public utilities	Government securities	Miscellaneous securities
		Farm property	Dwellings and business property				
1928 (6 months)	100. 0	11. 1	49. 1	10. 6	13. 6	10. 1	5. 5
1929	100. 0	8. 7	43. 3	8. 4	7. 4	11. 3	20. 9
1930	100. 0	10. 1	44. 8	9. 9	15. 4	11. 1	8. 7
1931	100. 0	7. 6	36. 5	10. 3	20. 4	20. 1	5. 1
1932	100. 0	9. 3	31. 3	1. 1	9. 9	44. 0	4. 4
1933	100. 0	3. 5	3. 7	3. 5	6. 5	80. 4	2. 4
1934	100. 0	1. 6	2. 7	5. 9	7. 2	76. 6	6. 0
1935	100. 0	1. 4	6. 2	3. 8	16. 5	62. 9	9. 2
1936							
January	100. 0	2. 8	14. 7	7. 3	13. 7	58. 6	2. 9
February	100. 0	2. 0	11. 0	9. 7	10. 6	49. 4	17. 3
March	100. 0	1. 3	5. 2	4. 2	18. 1	68. 1	3. 1
April	100. 0	2. 2	11. 1	13. 6	33. 5	28. 9	10. 7
May	100. 0	1. 9	11. 2	17. 3	17. 2	42. 0	10. 4
June	100. 0	1. 5	9. 0	7. 4	16. 4	59. 3	6. 4
6 months average	100. 0	1. 9	9. 8	9. 7	19. 3	51. 6	7. 7

Standard Reports and Accounting System for Savings and Loan Associations

SINCE the standard report forms for savings and loan associations were first made available, in November 1935, 30 States and Hawaii have taken advantage of the offer of the Federal Home Loan Bank Board to supply them to State supervisors. Presumably these States have used the standard forms for the annual reports of institutions under their supervision. The States supplied with the forms are: Alabama, Arkansas, Colorado, Connecticut, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Oklahoma, Oregon, Rhode Island, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia and Wyoming.

In addition, the Board has adopted the standard forms for the annual reports of all Federal savings and loan associations and of all State associations reporting to the Federal Home Loan Banks and to the Federal Savings and Loan Insurance Corporation. They are also used for all applications for membership, insurance, and conversion to Federal charter.

After months of careful work, these forms were drawn up and approved by (1) representatives of the National Association of State Supervisors of Building and Loan Associations, (2) members of the Accounting Division Committee of the United States Building and Loan League, and (3) representatives of the Federal Home Loan Bank Board. The forms were reproduced in the REVIEW for December 1935.

BENEFITS OF STANDARD REPORT FORMS

THE use of the standard report forms means a considerable saving in time and expense to the associations concerned, as it permits them to make identical reports to all supervisory authorities. Equally important are the benefits to management. Financial statements are the final test of past managerial policy and a primary guide to future policy. To get the most benefit from them, however, the manager must be able to compare the reports of his association with those of his competitors; he needs standard ratios by which to compare his association with an average one or with an ideal one. Such comparisons are possible only to the extent that the reports are uniform.

Furthermore, the standardization of reports greatly facilitates the collection of statistical data on a nation-wide scale. The lack of adequate statistical information for news services, for advertising, and for legislative activity, has long handicapped the trade associations in the savings and loan field, a difficulty due mainly to the absence of uniform reports.

For statistical purposes, reports should not only be uniform but should be made on the same date, preferably the end of the calendar year. As was pointed out in the REVIEW for April 1936, however, there is an unfortunate lack of uniformity in this respect. Only when all the associations of the country make uniform reports on a uniform date will the savings and loan business be able to give the nation a comprehensive and accurate picture of the service it is rendering.

Need for Standard Accounting System

The widespread adoption of standard report forms has greatly accelerated another long-needed improvement, the development and use of a uniform accounting system. Many associations found that their accounting records did not readily yield the information called for by the reports. For the first time, many managers realized the inadequacy of their accounts.

Most savings and loan associations have developed from small beginnings, when very simple financial records were sufficient. The secretary usually had a rudimentary knowledge of bookkeeping sufficient to meet the needs of the association. As the association grew, the accounting system usually developed in a haphazard fashion. New accounts and new methods were adopted as the need for them arose. The result in many instances has been an illogical and cumbersome system yielding the minimum amount of information necessary to meet the requirements of the business and of the law.

A few States have made some effort to secure uniform accounting practices among their associations but in general the associations have been allowed full discretion in the matter. As a result, the use of the single entry system, the absence of a general ledger, and similar violations of good accounting practice have been all too common, in spite of the fact that many associations have had completely adequate accounting systems.

Improper financial practices are undoubtedly often due to a poor accounting system rather than to dishonesty. Associations, for example, that have had difficulty in collecting interest, have been known to charge the unpaid interest to the share accounts of the borrowers and to take the amount into current earnings. Other associations have treated profit on real estate sold, whether realized or not, as current earnings but charged losses on such sales to the reserves. Still others have capitalized all real-estate expenses in order to show larger earnings. Such practices, which inevitably lead to trouble, and even to disaster, could in large part be prevented by a proper accounting system.

Need for Improved Accounting Practices

There is no more effective aid to good management than a sound accounting system. While periodic reports show the manager where his business is, the accounting system shows how it arrived there. It sooner or later discloses managerial mistakes and thus provides a measure of control against their repetition. It is the surest protection against careless or dishonest practices. An adequate accounting system is also the management's best defense if questions arise as to its competency or honesty. The manager should be able from his accounting records to give a complete and satisfactory explanation of every transaction.

From the point of view of the directors of a financial institution, also, a sound accounting system is essential. Without it and without the comprehensive reports it makes possible the directors cannot possibly be informed of exactly what is going on in their institution. They are thus unable to discharge their responsibilities properly. The distress to which the depression reduced so large a number of financial institutions made many directorates realize that they had been ignorant of the real condition of their institutions.

Another important advantage of a sound accounting system is that an association will never outgrow it. With minor adjustments it will fit the needs of the association at all stages of growth.

The raising of the accounting practices of all associations to the highest possible level concerns all savings and loan men interested in the continued progress of their business. The experiences of recent years have shown that the strong, well-managed institutions must suffer from the mistakes of the weak and poorly managed.

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Desirability of a Uniform Accounting System

The raising of the general level of accounting practices in the savings and loan business is probably dependent upon the adoption of a standard system, which is sufficiently flexible to be adjusted to the particular needs of individual institutions. Inasmuch as the accounting problems and operations of all associations are fundamentally similar, differing only in details, it is possible for the smallest association to receive the benefit of the services of the best accountants in the savings and loan field at very slight cost through the medium of a standard system.

To fit the special needs of each State, supervisors of savings and loan associations might find it necessary to supplement the standard system with special requirements. The Federal Home Loan Bank Board has already supplemented in this manner the standard accounting system in use by Federal savings and loan associations.

The standardization of accounting practices at the highest possible level will help to produce a more unified, homogeneous business and greater uniformity of business practices. It should be possible for the ordinary layman to recognize a building and loan association wherever he comes into contact with it or by whatever name it may locally be called. That this is not possible at the present time, in spite of the fundamental unity of functions of all associations, is due to superficial differences in practices that might well be eliminated.

Standardization of accounting practices is necessary if the standard report forms are to have their full significance. Although the reports of two associations carry identical items, there can be no assurance that they mean the same thing in every instance unless the underlying accounting practices have been the same.

Finally, a uniform accounting system facilitates supervisory examinations. The fact that the examiners are familiar with the system in operation results in a considerable saving in time and trouble. If the examination fee is in proportion to the time consumed, this will mean a direct monetary saving to the association. Even when there is a flat fee for examinations, it is probably safe to say that in the long run the size of the fee is dependent upon the average time that an examination requires. Another and perhaps more important benefit lies in the fact that the more easily and quickly an examination can be made, the less disturbance there will be in the routine activities of the association. Standardization should also increase the effectiveness of the examinations both by providing the examiners with a greater amount of information and enabling them more readily to develop standards for appraising the condition of an association.

A series of questions will immediately occur to the officers of an association that is considering revising its accounting system. What will be the initial cost of making the change? How great will be the work and inconvenience involved? Will the new system require more time and be more expensive to operate?

The answers to these questions depend largely on the system that is already in use. The trouble and expense of making the change will be determined by the amount of difference between the old and the new systems. For many associations the new system probably will require more daily routine operations than the old. But this will be compensated in large part by the ease with which official reports can be compiled and other information obtained. The time required by the bookkeeper in recording the daily transactions is not, however, the true measure of the cost of an accounting system. The expense must be compared with the benefits obtained. Measured in this way, the cost of installing and operating an adequate accounting system is one of the most profitable investments an association can make.

Neighborhood Standards as They Affect Investment Risk

This is the twelfth in a series of articles defining the neighborhood standards essential to safety of investment.

MUCH can be learned about the future of a residential neighborhood from the size and shape of the lots. Excessively deep lots encourage the building, sooner or later, of additional houses in the rear yards, an operation which has transformed many urban home neighborhoods into slums. Excessively narrow lots frequently compel the construction of houses three or more rooms deep. That means blind and airless rooms—factors which also point the neighborhood toward progressively lower uses and eventual blight. These retrograde developments of neighborhoods are facts of common experience and are universally deplored. Yet this major reason for them—the size and shape of the lots—has been almost wholly disregarded.

It is impossible to make an accurate appraisal of a neighborhood, particularly as security for a long-term investment, unless due weight is given the design of the lots. The lot exercises a controlling influence on the quality of life possible in the house, and so on its desirability as a home and value as an investment. It determines whether rooms may have the light and cross ventilation essential to health or the size and arrangement essential to efficiency and comfort. It determines whether there will be space for the amenities of a grass plot and garden or safe play space for small children. These are qualities essential to satisfactory home ownership and the lack of them has been largely responsible for the steady migration from city to suburbs and the deterioration of the intown neighborhoods deserted. Incidentally, the particular irony of this situation is that many of the suburban developments repeat the same evils which their purchasers fled the city to escape. The 6-foot space often left between suburban houses is merely a trap for filth and noise and a thief of privacy.

The Blighting Effect of the Narrow Lot

THE rigid tradition of the narrow lot has proved a curse to American home neighborhoods. Many authorities consider it a major cause of the low quality of much of our housing. The late Henry Wright, architect and leader in housing improvement, wrote: "In the first category of factors leading to slums is the fact that no small part of our housing accommodations . . . are poorly planned and virtually obsolete at the outset. The primary cause of such bad planning is the long-established practice of subdividing land into narrow lots.

"No house can be wider than its lot. If the technician is to make a start toward improving the dwelling, he must begin by widening it."

The slavish and unimaginative adherence to the long narrow lot goes hand in hand with the blind devotion to the gridiron street pattern, the wastes of which were discussed in an earlier article in this series (see REVIEW for April 1936). It is probable that more imaginative and efficient street planning for home neighborhoods is the first requisite to more imaginative and efficient lot planning.

In appraising a residential neighborhood as security for a long-term investment, the home-financing institution will need some definite standard of desirable lot size and shape. In other words, it will want to know what lot design will make possible the quality of life in the home which experience has shown that owners demand. The practical standard is expressed in terms of space between houses and of land coverage. The Committee on City Planning and Zoning of the President's Conference on Home Building and Home Ownership laid down the rule that *there should be a minimum of 15 feet as side yards between houses.* In districts of 1- and 2-family free-standing dwellings, *the building should not cover more than 25 percent of the lot.* In multiple-dwelling districts, *the rentable floor area of a building should not exceed the area of the lot.*

Row houses, of course, have no side yards. The width of lot essential for such houses is, however, prescribed by the universal rule that *no dwelling should ever be more than two rooms deep.*

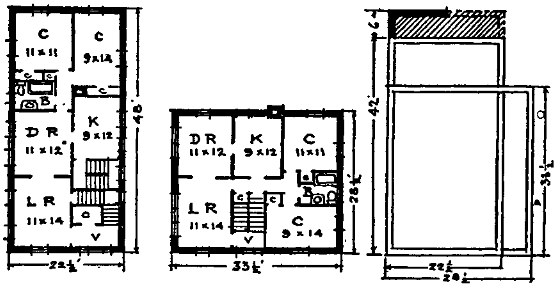
Can America Afford Space for Homes?

The seeming generosity of these space standards for homes, because they are so out of line with the manner in which we have housed our people, must sound impossibly expensive. Experience indicates, however, that the cost of land is primarily determined by the intensity of permitted use. For instance, Harvey Wiley Corbett, writing of his experience in building the Bush Terminal Building in London, said that land values in New York are three times as high as those of similarly favored locations in London simply because in New York the law permits building three times as high. There is evidence from many cities in this country that the customary width of the customary lot, whether it be 14 feet, 30 feet, or 40 feet, makes little difference in its cost.

However, the late Henry Wright has furnished technical proof that the broad front lot permits housing of lower cost than the long narrow lot. This is made possible because of the saving in space and walls in a square house as compared with a rectangular house. In a house 33½ feet wide by 28½ feet deep (954 square feet), rooms can be placed exactly identical in size and shape as those in a house 22½ feet wide and 48 feet deep (1,080 square feet), with a saving of 126 square feet of space and of approximately 17 feet in outside wall. This saving is illustrated in the accompanying chart taken from Mr. Wright's book "Rehousing Urban America".

ADVANTAGES AND SAVINGS OF BROAD-FRONT HOUSE PLAN AS COMPARED WITH NARROW-FRONT PLAN

[Source: Rehousing Urban America, by Henry Wright]



THE LEFT-HAND AND CENTER PLANS HAVE ROOMS OF IDENTICAL SIZE. IN THE PLAN AT THE RIGHT THE SPACE SAVED BY THE BROAD-FRONT PLAN IS EQUAL TO THE HATCHED AREA, AND THE WALL SAVED IS EQUAL TO THE BLACK AREA.

"Not only", wrote Mr. Wright, "would the building appear considerably more valuable and be better arranged, but at a saving of only 20 cents per cubic foot for the area saved, it would permit the use of the necessary additional frontage at $75 per front foot. This ignores the possibility of rearranging his (the builder's) land so as to reduce the depth of his lot by one-third, which would amount to at least 1,600 square feet of land at, say, a base price of 20 cents a square foot; this would just neatly balance the $825 added for the eleven feet of frontage, leaving the building saving pure 'velvet'."

Lot Problem in Developed Areas

Long narrow houses are still being built on long narrow lots in new subdivisions, but they wouldn't be if lending institutions would refuse to finance them. They constitute a risk which no sound institution needs to take.

As for built-up intown areas, the problem is, as usual, different and more difficult. Lending institutions hold mortgages on narrow dwellings three and more rooms deep. Since the depression, they even hold title to thousands of such properties. So long as these houses remain standing the neighborhood is condemned to present or ultimate blight. What can the home-financing institutions do about it?

The problem is, of course, part and parcel of the general problem of neighborhood rehabilitation which presses so urgently on our cities and on our mortgage financing institutions. An attempt to present practical technical, economic, and legal solutions will be made in subsequent articles in this series.

An Analysis of Construction Loan Applications

HOW much of the specific business that a mortgage-lending institution spends money to get fails to materialize? Believing that an answer to that question might suggest means both of increasing its business and reducing its unprofitable expenses, a large savings and loan association made an analysis of its applications for construction loans over a recent 3-month period. The results are summarized in the accompanying table.

Of the 190 applications for construction loans submitted to the association during the three months, it made commitments on 158, or 83 percent. Forty-five days after the close of the 3-month period, 87, or 55 percent, of the 158 commitments had become actual loans, 3 had been formally declined by the applicants, and the remaining 68 commitments had yet to be acted upon by the borrower. As the association's records indicate that further action on commitments 60 days old is extremely unlikely, the 68 uncompleted loans, in addition to the 3 declined by applicants, represent business lost to the association.

The association believed that the percentage of its applications which culminated in loans was comparatively high and would rank favorably with that of home-financing institutions generally. Nevertheless, it was interested in finding some means of reducing the costs of making field inspections and appraisals on many properties which failed for one reason or another to meet established loan requirements.

Further analysis of the figures indicates that 82 percent of the inactive commitments are for smaller amounts than requested by the applicant; whereas, 73 percent of the "full" commitments have been promptly accepted by borrowers. This would indicate that the percentage of acceptances depends mainly on whether or not the amount granted meets the stated requirements of the borrower.

The question, therefore, arises as to why the association found itself unable to commit itself for the full amount requested by 67 percent of its acceptable applicants. In some instances undoubtedly the borrower was proposing to take on a heavier burden than his financial resources would permit. However, indications are that the majority of the reductions in commitments were made because of inadequate treatment of the house plan, design, or specifications or because the proposed expenditure on the house was out of line with the justifiable housing cost in the neighborhood in which it was to be built.

As a result of this analysis it has been suggested to the association that the retention of a larger percentage of desirable loans and the elimination of much fruitless expense are problems which a home-building service within the association could do much to solve. For one thing, the advisory and supervisory facilities of that service could undoubtedly revise some of these projects which do not meet accepted technical standards on first presentation to conform to such standards. However, the home-building service plan offers a more positive cure for this condition. It would largely eliminate inadequate plans from the beginning. The provision of such an authentic and responsible technical service for the home builder would lead home builders to turn to it in increasing numbers rather than to the old sources of haphazard technical misinformation. Thus the association could with safety make loans to that proportion of appraised value essential to meet the needs of most home builders of small incomes. Finally, the home-building service plan would undoubtedly do much to eliminate the practice of "shopping" for loans on the part of construction loan applicants.

It is believed that other associations would find an analysis similar to that here described a source of illuminating operative facts.

Analysis of applications for construction loans made to a savings and loan association during a 3-month period in 1936

	Number of applications	Percent of total
Loans applied for	190	....
Loans authorized:		
For full amount	52	32.9
For reduced amount	106	67.1
Total	158	100.0
Accepted by borrowers:		
For full amount	38	[3] 73.1
For reduced amount	49	[3] 46.2
Total	87	[3] 55.1

	Number of applications	Percent of total
Awaiting borrowers' action:[1]		
For full amount	12	17.6
For reduced amount	56	82.4
Total	[2] 68	100.0
Range of loans authorized:		
$5,100 or less	45	28.5
5,200–$7,500	52	32.9
7,600–12,000	30	19.0
12,100 or more	31	19.6

[1] These commitments are available for 30 days but in some cases borrowers are permitted to take up these loans as late as 90 days after commitment date.
[2] Three loans granted in May were declined by applicants.
[3] Percentages of total loans authorized in same category.

Monthly Lending Activity of Savings and Loan Associations

DURING June, 2,856 savings and loan associations, representing every State, reported total new loans for all purposes of $41,364,200. The number of associations actually making loans during the month was 2,094, while 762 reported no loans made. Combined assets of all reporting associations (for the most part, as of June 30, 1936) were $2,440,144,400.

The accompanying table breaks down by States and by Federal Home Loan Bank Districts the number and volume of loans and the purposes for which they were made. For the United States as a whole, the reporting associations made mortgage loans on 1- to 4-family nonfarm homes to 15,774 borrowers in the amount of $35,430,900. Analyzing these nonfarm home loans by purpose, we find 29.9 percent in dollar amount was for new construction; 33.9 percent, for the purchase of homes; 27.9 percent, for refinancing; and 8.3 percent, for reconditioning.

These percentages may be compared with the distribution of a slightly smaller volume of loans made in May when 2,660 reporting associations devoted 29.2 percent in dollar amount for new construction and 28 percent for refinancing.

Because of the great value of these reports to the savings and loan business in making it possible to present the public with a current figure of business done, all associations are urgently requested to cooperate in making a full monthly return possible.

Monthly lending activities and total assets, as reported by 2,856 building and loan associations in June 1936

[Source: Monthly reports from building and loan associations to the Federal Home Loan Bank Board]

[Dollar amounts are shown in thousands of dollars]

Federal Home Loan Bank District and State	Number of associations: Submitting reports	Number of associations: Reporting loans made	Construction: Number	Construction: Amount	Home purchase [1]: Number	Home purchase [1]: Amount	Refinancing and reconditioning [2]: Number	Refinancing and reconditioning [2]: Amount: Refinancing	Refinancing and reconditioning [2]: Amount: Reconditioning	Loans for all other purposes: Number	Loans for all other purposes: Amount	Total loans all purposes: Number	Total loans all purposes: Amount	Total assets, June 30, 1936 [3]
			Loans made in June according to purpose — Mortgage loans on 1- to 4-family nonfarm homes											
UNITED STATES	2, 856	2, 094	3, 273	$10, 606. 5	4, 932	$12, 015. 7	7, 569	$9, 901. 1	$2,907.6	2, 853	$5, 933. 3	18, 627	$41, 364. 2	$2,440,144. 4
No. 1—Boston	160	137	165	599. 0	582	1, 631. 6	571	653. 4	284. 5	219	340. 0	1, 537	3, 508. 5	285, 055. 5
Connecticut	34	22	32	104. 6	30	87. 5	66	130. 4	39. 0	12	12. 9	140	374. 4	22, 289. 1
Maine	17	15	21	53. 1	34	64. 1	47	20. 1	17. 7	21	11. 8	123	166. 8	10, 031. 6
Massachusetts	84	80	81	370. 4	332	1, 078. 9	316	335. 8	171. 2	91	240. 5	820	2, 196. 8	211, 449. 9
New Hampshire	14	11	5	12. 4	42	74. 2	53	51. 6	22. 9	39	35. 4	139	196. 5	13, 379. 9
Rhode Island	5	5	16	39. 5	135	302. 9	66	61. 6	27. 6	42	22. 3	259	453. 9	24, 180. 2
Vermont	6	4	10	19. 0	9	24. 0	23	53. 9	6. 1	14	17. 1	56	120. 1	3, 724. 8
No. 2—New York	382	180	319	1, 316. 6	289	1, 024. 8	385	685. 9	216. 0	281	651. 4	1, 274	3, 894. 7	391, 693. 3
New Jersey	262	84	38	142. 7	54	195. 4	96	141. 9	46. 9	102	521. 8	290	1, 048. 7	202, 988. 0
New York	120	96	281	1, 173. 9	235	829. 4	289	544. 0	169. 1	179	129. 6	984	2, 846. 0	188, 705. 3

[1] Loans for home purchase include all those involving both a change of mortgagor and a new investment by the reporting institution on a property already built, whether new or old.

[2] Because many refinancing loans also involve reconditioning it has been found necessary to combine the number of such loans, though amounts are shown separately.

Amounts shown under refinancing include solely new money invested by each reporting institution and exclude that part of all recast loans involving no additional investment by the reporting institution.

[3] Assets are reported principally as of June 30, 1936. A few reports have been submitted as of the first of the year.

Federal Home Loan Bank District and State	Number of associations: Submitting reports	Number of associations: Reporting loans made	Loans made in June according to purpose — Mortgage loans on 1- to 4-family nonfarm homes — Construction: Number	Construction: Amount	Home purchase: Number	Home purchase: Amount	Refinancing and reconditioning: Number	Refinancing and reconditioning: Amount — Refinancing	Refinancing and reconditioning: Amount — Reconditioning	Loans for all other purposes: Number	Loans for all other purposes: Amount	Total loans all purposes: Number	Total loans all purposes: Amount	Total assets, June 30, 1936
No. 3—Pittsburgh	324	164	59	$157.4	251	$600.5	325	$362.4	$135.1	58	$95.5	693	$1,350.9	$137,426.4
Delaware	11	10	4	10.7	12	42.9	8	21.4	2.0	7	4.6	31	81.6	6,228.9
Pennsylvania	293	137	36	92.8	203	501.1	239	273.8	106.1	43	77.2	521	1,051.0	120,813.7
West Virginia	20	17	19	53.9	36	56.5	78	67.2	27.0	8	13.7	141	218.3	10,383.8
No. 4—Winston-Salem	264	234	558	1,779.0	581	1,305.5	797	1,083.4	306.7	488	1,247.0	2,424	5,721.6	212,254.5
Alabama	14	12	17	19.3	32	47.7	38	33.9	14.5	14	25.1	101	140.5	13,366.6
District of Columbia	16	16	104	620.5	85	324.6	141	302.8	46.7	234	870.2	564	2,164.8	96,987.1
Florida	43	39	109	461.3	57	157.3	91	162.5	49.1	31	91.1	288	921.3	11,441.3
Georgia	34	32	71	117.5	54	112.0	85	107.6	23.8	30	27.6	240	388.5	9,055.4
Maryland	45	33	31	133.5	100	234.5	80	131.6	34.6	26	42.2	237	576.4	26,926.2
North Carolina	48	45	113	191.3	119	207.5	186	127.1	90.6	79	95.9	497	712.4	28,978.0
South Carolina	31	30	67	116.7	17	36.1	64	55.1	16.5	27	44.4	175	268.8	6,940.5
Virginia	33	27	46	118.9	117	185.8	112	162.8	30.9	47	50.5	322	548.9	18,559.4
No. 5—Cincinnati	362	270	324	1,108.3	910	2,515.8	1,112	1,490.4	472.4	377	1,050.1	2,723	6,637.0	425,920.4
Kentucky	58	49	50	141.7	122	297.2	191	237.0	76.1	99	110.8	462	862.8	42,220.2
Ohio	270	193	184	791.2	758	2,168.7	737	1,053.5	325.3	263	919.0	1,942	5,257.7	373,408.9
Tennessee	34	28	90	175.4	30	49.9	184	199.9	71.0	15	20.3	319	516.5	10,291.3
No. 6—Indianapolis	158	126	152	411.0	307	524.7	757	593.0	251.7	199	259.7	1,415	2,040.1	157,530.6
Indiana	115	90	80	144.8	244	373.7	609	381.8	209.6	129	96.1	1,062	1,206.0	95,777.9
Michigan	43	36	72	266.2	63	151.0	148	211.2	42.1	70	163.6	353	834.1	61,752.7
No. 7—Chicago	313	239	218	737.5	406	1,110.9	984	1,554.9	393.8	248	309.6	1,856	4,106.7	217,479.4
Illinois	230	170	80	284.3	316	869.2	822	1,328.4	311.1	207	235.8	1,425	3,028.8	157,966.2
Wisconsin	83	69	138	453.2	90	241.7	162	226.5	82.7	41	73.8	431	1,077.9	59,513.2
No. 8—Des Moines	206	170	229	743.7	293	676.9	663	969.1	181.7	163	352.6	1,348	2,924.0	121,019.8
Iowa	51	43	35	73.8	67	120.5	144	135.5	32.4	31	30.6	277	392.8	20,662.8
Minnesota	44	36	57	205.7	70	177.1	190	328.8	64.5	57	227.8	374	1,003.9	21,951.6
Missouri	86	71	123	441.8	137	352.1	265	438.9	51.9	65	82.0	590	1,366.7	71,899.0
North Dakota	17	15	6	7.6	14	21.8	49	56.6	22.9	7	11.9	76	120.8	5,037.2
South Dakota	8	5	8	14.8	5	5.4	15	9.3	10.0	3	0.3	31	39.8	1,469.2
No. 9—Little Rock	236	198	324	850.9	349	727.9	423	385.9	157.8	206	654.6	1,302	2,777.1	120,123.2
Arkansas	40	35	37	81.3	33	57.4	81	62.1	22.2	37	46.6	188	269.6	8,702.5
Louisiana	59	50	68	207.6	204	493.3	88	107.9	39.9	83	486.1	443	1,334.8	62,578.5
Mississippi	22	16	9	13.6	5	8.0	34	12.0	11.5	6	6.6	54	51.7	3,124.1
New Mexico	11	7	10	20.8	1	1.5	8	18.0	1.0	5	11.5	24	52.8	815.1
Texas	104	90	200	527.6	106	167.7	212	185.9	83.2	75	103.8	593	1,068.2	44,903.0
No. 10—Topeka	186	154	218	648.6	426	721.9	549	585.2	212.7	284	439.2	1,477	2,607.6	138,103.2
Colorado	32	25	38	143.8	55	117.0	61	100.6	21.3	18	19.8	172	402.5	9,716.9
Kansas	78	67	76	195.7	139	220.5	232	223.2	81.8	106	155.7	553	876.9	42,255.9
Nebraska	31	23	25	86.7	94	145.3	150	134.3	76.6	72	108.5	341	551.4	40,975.5
Oklahoma	45	39	79	222.4	138	239.1	106	127.1	33.0	88	155.2	411	776.8	45,154.9
No. 11—Portland	125	105	231	607.0	241	487.4	560	835.8	191.2	184	278.0	1,216	2,399.4	80,968.2
Idaho	10	9	39	103.2	23	53.6	50	40.7	32.9	22	14.1	134	244.5	4,327.6
Montana	12	11	17	38.3	31	49.5	36	23.6	12.5	26	44.0	110	167.9	8,931.5
Oregon	27	24	56	133.2	33	101.2	171	413.2	50.6	49	71.2	309	769.4	18,011.4
Utah	10	7	12	32.5	28	65.5	31	41.0	5.2	5	5.5	76	149.7	7,829.6
Washington	54	45	100	284.5	115	194.4	255	294.7	85.5	75	118.2	545	977.3	38,123.1
Wyoming	12	9	7	15.3	11	23.2	17	22.6	4.5	7	25.0	42	90.6	3,745.0
No. 12—Los Angeles	140	117	476	1,647.5	297	687.8	443	701.7	104.0	146	255.6	1,362	3,396.6	152,569.9
Arizona	1	1	6	31.8	0	0.0	10	16.3	0.0	0	0.0	16	48.1	308.4
California	136	114	467	1,606.0	287	652.5	429	676.7	103.4	140	243.3	1,323	3,281.9	150,882.4
Nevada	1	0	0	0.0	0	0.0	0	0.0	0.0	0	0.0	0	0.0	63.6
Hawaii	2	2	3	9.7	10	35.3	4	8.7	0.6	6	12.3	23	66.6	1,315.5

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Residential Construction Activity and Real-Estate Conditions in the United States

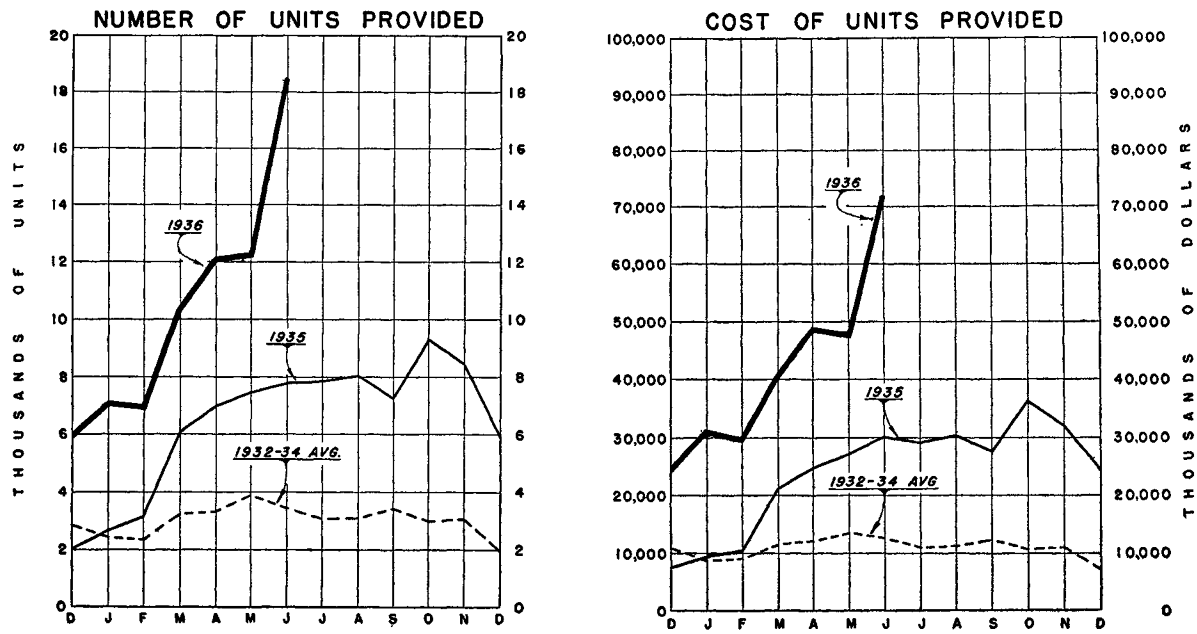
RESIDENTIAL building activity, as measured by the estimated number of family-dwelling units provided by permits issued in all cities of 10,000 or more population, was greater in June than in any month since the fall of 1929. The estimated number of housekeeping-dwelling units authorized reached 18,478, compared with 12,254 in May (chart 1 and table 1). This increase of 51 percent in June over May is the more remarkable in view of the usual decrease at this season of the year. In five of the last seven years, the number of units for which permits have been granted has been lower in June than in May.

Compared with June of 1935, the increase in number of dwelling units was 137.4 percent and the increase in total cost, 138.4 percent. Translated into dollars, the estimated cost of the June 1936 residential construction is $71,688,700 as compared with $30,071,300 in June of last year.

All types of dwellings registered substantial increases between May and June. However, the 248-percent increase in multifamily dwellings, containing three or more

CHART 1.—NUMBER AND COST OF FAMILY DWELLING UNITS FOR WHICH PERMITS WERE GRANTED, BY MONTHS, IN CITIES OF 10,000 OR MORE POPULATION; 1936 COMPARED WITH SELECTED PERIODS

[Source: Federal Home Loan Bank Board. Compiled from residential building permits reported to U. S. Department of Labor]



units, was far in excess of that of other types. Multifamily units accounted for 44 percent of all units authorized as compared with 23 percent in May. In the various boroughs of New York City alone, permits were granted for apartment houses costing over $23,000,000 which largely accounts for the great jump in multifamily units.

Building Activity by Federal Home Loan Bank Districts

The distribution of this increase in building by Federal Home Loan Bank Districts and States is revealed in table 2. It will be seen that New York, accounting for 7,805 family-dwelling units, is far in the lead of all other States, its nearest competitor being California with 1,944 units. Michigan is third, followed closely by Texas and the District of Columbia.

Chart 2 compares graphically the rate of building (as distinguished from volume of building) among Federal Home Loan Bank Districts. On this basis also the New York District took a commanding lead, the rate being in excess of 60 units per 100,000 population. Because the New York rate lifted the national rate to so high a level, this District and the Los Angeles, Winston-Salem, and Little Rock Districts were the only ones to show a rate in excess of the average for the United States. Compared with May, the rate of residential building activity fell slightly in June in the Pittsburgh, Des Moines, Portland, and Los Angeles Districts.

Foreclosures and Other Real-estate Conditions

With this issue the Review inaugurates a new chart intended to furnish a more graphic comparison of residential construction with real-estate foreclosures in 75 large urban counties, housing rentals, and industrial production (chart 3). All of these activities are shown in comparison to a base line of 100 for the year 1926. The following brief table gives the story of the charts in percentages of this base.

	June 1936	May 1936	Percent change	June 1935	Percent change
Residential construction	31.7	19.5	+62.6	13.3	+138.3
Industrial production	95.4	93.6	+1.9	79.7	+19.7
Rentals	76.6	76.1	+.7	69.0	+11.0
Foreclosures	279.0	279.0	0	395.0	−29.4

It will be noted that rentals, as measured by the National Industrial Conference

Table 1.—*Number and estimated cost of new family-dwelling units provided in all cities of 10,000 population or over in the United States, in June 1936* [1]

[Source: Federal Home Loan Bank Board. Compiled from residential building permits reported to U. S. Department of Labor]

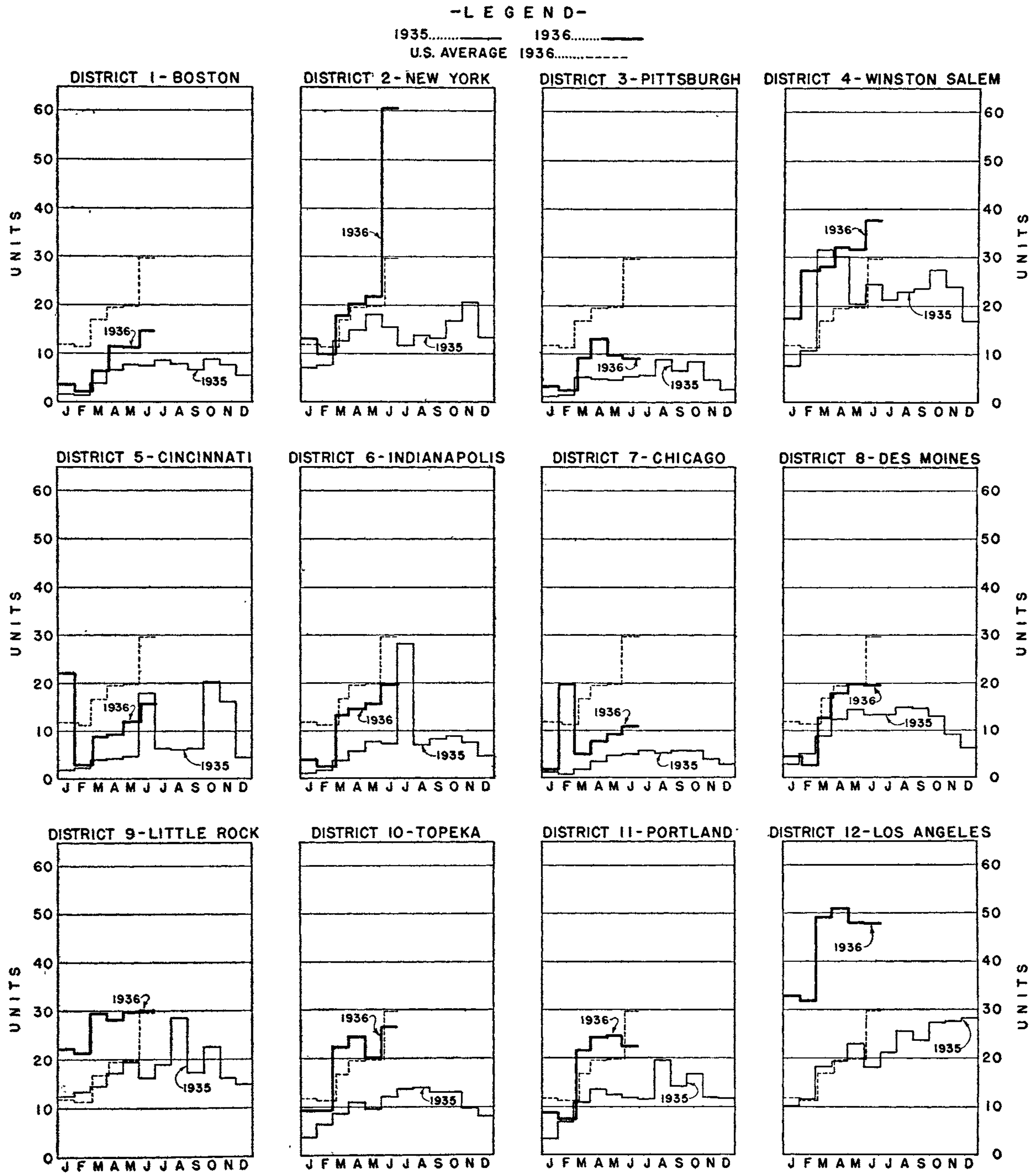
Type of structure	Number of family units provided			Total cost of units (thousands of dollars)			Average cost of family units		
	June 1936	June 1935	Percent change	June 1936	June 1935	Percent change	June 1936	June 1935	Percent change
All housekeeping dwellings	18,478	7,783	+137.4	$71,688.7	$30,071.3	+138.4	$3,880	$3,864	+0.4
Total 1- and 2-family dwellings	10,281	5,428	+89.4	43,800.2	22,384.0	+95.7	4,260	4,124	+3.3
1-family dwellings	9,498	4,961	+91.5	41,364.8	21,056.4	+96.4	4,355	4,244	+2.6
2-family dwellings	688	416	+65.4	2,090.0	1,143.7	+82.7	3,038	2,749	+10.5
Joint home and business [2]	95	51	+86.3	345.4	183.9	+87.8	3,636	3,606	+0.8
3- and more-family dwellings	8,197	2,355	+248.1	27,888.5	7,687.3	+262.8	3,402	3,264	+4.2

[1] Estimate is based on reports from communities having approximately 95 percent of the population of all cities with population of 10,000 or over.
[2] Includes only 1- and 2-family dwellings with business property attached.

CHART 2.—RATE OF RESIDENTIAL BUILDING IN THE UNITED STATES AND IN EACH FEDERAL HOME LOAN BANK DISTRICT, BY MONTHS

Represents the estimated number of family dwelling units provided per 10,000 population; based upon building-permit records for all cities of 10,000 or more inhabitants.

[Source: Federal Home Loan Bank Board. Compiled from reports to U. S. Department of Labor]



Board, rose 0.7 percent in June to 76.6 percent of the 1926 average. Although residential construction rose in June to 31.7 percent of the 1926 average, it is still low as compared with industrial production, which stood at 95.4 percent.

The preliminary index of foreclosures in metropolitan counties for June remained at 279, unchanged from the May figure. An increase of 2.5 percent is normal for June. The June figure is 29 percent under the figure for June 1935. For the first six months, the number of foreclosures was 28 percent less than in the first half of 1935. Of 75 urban counties included in the preliminary index, 42 reported a greater number of foreclosures in June than in May, and 33 reported a decrease.

CHART 3.—COMPARISON OF RESIDENTIAL REAL ESTATE CONDITIONS AND INDUSTRIAL PRODUCTION IN THE UNITED STATES

[1926-100]

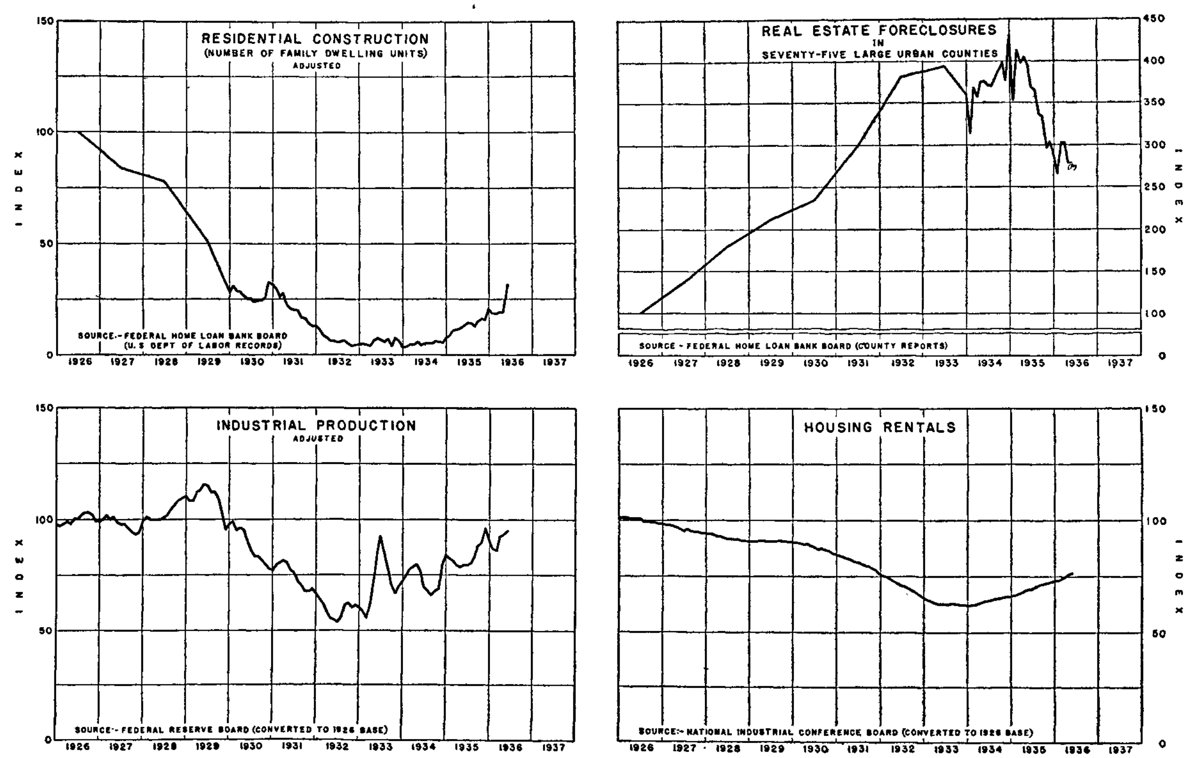


TABLE 2.—*Number and estimated cost of new family-dwelling units provided in all cities of 10,000 population or over, in June 1936, by Federal Home Loan Bank Districts and by States*

[Source: Federal Home Loan Bank Board. Compiled from residential building permits reported to U. S. Department of Labor]

Federal Home Loan Bank Districts and States	All residential dwellings				All 1- and 2-family dwellings			
	Number of family-dwelling units		Estimated cost (thousands of dollars)		Number of family-dwelling units		Estimated cost (thousands of dollars)	
	June 1936	June 1935	June 1936	June 1935	June 1936	June 1935	June 1936	June 1935
UNITED STATES	18, 478	7, 783	$71, 688. 7	$30, 071. 3	10, 281	5, 428	$43, 800. 2	$22, 384. 0
No. 1—Boston	801	437	3, 405. 7	2, 185. 0	784	422	3, 361. 5	2, 144. 8
Connecticut	139	104	785. 8	507. 5	139	95	785. 8	482. 4
Maine	57	34	140. 9	92. 0	51	28	113. 5	76. 9
Massachusetts	423	220	1, 871. 7	1, 290. 0	412	220	1, 854. 9	1, 290. 0
New Hampshire	67	30	184. 9	105. 8	67	30	184. 9	105. 8
Rhode Island	105	58	386. 0	180. 8	105	48	386. 0	180. 8
Vermont	10	1	36. 4	8. 9	10	1	36. 4	8. 9
No. 2—New York	8, 105	2, 042	30, 352. 9	7, 863. 0	1, 283	949	6, 091. 1	4, 189. 5
New Jersey	300	260	1, 848. 5	1, 380. 8	300	232	1, 848. 5	1, 342. 0
New York	7, 805	1, 782	28, 504. 4	6, 482. 2	983	717	4, 242. 6	2, 847. 5
No. 3—Pittsburgh	544	302	2, 690. 2	1, 417. 6	482	281	2, 485. 2	1, 343. 2
Delaware	87	3	364. 4	12. 9	51	3	214. 4	12. 9
Pennsylvania	372	241	1, 932. 1	1, 218. 1	360	224	1, 912. 1	1, 147. 7
West Virginia	85	58	393. 7	186. 6	71	54	358. 7	182. 6
No. 4—Winston-Salem	1, 875	1, 197	6, 839. 7	3, 949. 0	1, 302	784	5, 230. 2	2, 926. 3
Alabama	81	183	162. 4	433. 3	81	25	162. 4	56. 8
District of Columbia	725	388	2, 999. 0	1, 646. 9	237	153	1, 544. 0	1, 049. 3
Florida	353	219	1, 237. 0	544. 5	329	209	1, 188. 1	524. 4
Georgia	127	95	470. 0	276. 9	111	92	450. 0	269. 8
Maryland	134	39	539. 5	156. 8	134	39	539. 5	156. 8
North Carolina	209	96	683. 7	307. 9	198	96	663. 4	307. 9
South Carolina	98	76	255. 1	194. 4	82	73	211. 1	186. 4
Virginia	148	101	493. 0	388. 3	130	97	471. 7	374. 9
No. 5—Cincinnati	881	991	4, 113. 0	3, 968. 4	679	303	3, 459. 8	1, 370. 4
Kentucky	119	64	377. 9	242. 8	91	64	315. 1	242. 8
Ohio	645	876	3, 443. 0	3, 626. 6	487	188	2, 889. 8	1, 028. 6
Tennessee	117	51	292. 1	99. 0	101	51	254. 9	99. 0
No. 6—Indianapolis	948	340	4, 763. 4	1, 751. 4	940	340	4, 751. 4	1, 751. 4
Indiana	174	66	612. 8	286. 7	166	66	600. 8	286. 7
Michigan	774	274	4, 150. 6	1, 464. 7	774	274	4, 150. 6	1, 464. 7
No. 7—Chicago	718	312	3, 881. 1	1, 540. 1	691	312	3, 805. 2	1, 540. 1
Illinois	341	118	2, 254. 1	681. 7	341	118	2, 254. 1	681. 7
Wisconsin	377	194	1, 627. 0	858. 4	350	194	1, 551. 1	858. 4
No. 8—Des Moines	715	470	2, 658. 1	1, 697. 7	681	448	2, 593. 9	1, 652. 3
Iowa	162	76	544. 4	301. 0	157	76	539. 7	301. 0
Minnesota	258	118	1, 196. 7	459. 2	254	115	1, 186. 2	449. 6
Missouri	224	226	795. 9	813. 5	202	207	753. 9	777. 7
North Dakota	21	14	57. 7	51. 8	18	14	50. 7	51. 8
South Dakota	50	36	63. 4	72. 2	50	36	63. 4	72. 2

TABLE 2.—*Number and estimated cost of new family-dwelling units provided in all cities of 10,000 population or over, in June 1936, by Federal Home Loan Bank Districts and by States*—Continued

Federal Home Loan Bank Districts and States	All residential dwellings				All 1- and 2-family dwellings			
	Number of family-dwelling units		Estimated cost (thousands of dollars)		Number of family-dwelling units		Estimated cost (thousands of dollars)	
	June 1936	June 1935	June 1936	June 1935	June 1936	June 1935	June 1936	June 1935
No. 9—Little Rock	978	518	$2, 546. 7	$1, 381. 5	907	486	$2, 426. 9	$1, 302. 6
Arkansas	29	18	94. 2	75. 1	29	18	94. 2	75. 1
Louisiana	84	55	266. 0	143. 6	80	55	259. 0	143. 6
Mississippi	66	14	141. 3	43. 2	66	14	141. 3	43. 2
New Mexico	34	8	70. 5	27. 0	28	8	63. 5	27. 0
Texas	765	423	1, 974. 7	1, 092. 6	704	391	1, 868. 9	1, 013. 7
No. 10—Topeka	533	239	1, 549. 6	834. 5	442	225	1, 471. 4	805. 4
Colorado	172	53	483. 3	239. 1	95	53	425. 3	239. 1
Kansas	120	52	359. 8	174. 6	110	52	350. 2	174. 6
Nebraska	61	35	220. 2	138. 3	57	35	209. 6	138. 3
Oklahoma	180	99	486. 3	282. 5	180	85	486. 3	253. 4
No. 11—Portland	367	189	1, 164. 4	572. 9	345	189	1, 135. 0	572. 9
Idaho	25	25	82. 5	75. 7	25	25	82. 5	75. 7
Montana	51	29	134. 3	64. 3	47	29	122. 3	64. 3
Oregon	56	22	200. 9	72. 1	53	22	196. 4	72. 1
Utah	50	28	112. 1	102. 3	44	28	110. 1	102. 3
Washington	173	67	602. 2	171. 4	164	67	591. 3	171. 4
Wyoming	12	18	32. 4	87. 1	12	18	32. 4	87. 1
No. 12—Los Angeles	2, 013	746	7, 723. 9	2, 910. 2	1, 745	689	6, 988. 6	2, 785. 1
Arizona	54	10	183. 5	37. 4	38	10	159. 0	37. 4
California	1, 944	732	7, 462. 0	2, 856. 8	1, 692	675	6, 751. 2	2, 731. 7
Nevada	15	4	78. 4	16. 0	15	4	78. 4	16. 0

Indexes of Small-House Building Costs

THE August costs of building the same typical 6-room house in the group of cites which previously reported in February and May are published in the accompanying table. Some of the May and February figures represent slight revisions of those published in the May REVIEW. It is believed that as correspondents have become familiar with the complex reporting system major errors have been ironed out and reliable base figures established for each city so that variations in subsequent months will represent a true movement up or down in small-house building costs.

Of the 25 cities on which reports for both months are available, 9 reported an upward movement of 1 percent or more in building costs between May and August; 2 reported a drop of 1 percent or more; and 14 reported no variations or variations of less than 1 percent. The largest increase of 8.5 percent, or 1.9 cents per cubic foot, was reported by Detroit, Michigan. The increase was largely in labor costs and was said to be due to increased building activity in that city.

St. Paul, Minnesota reported an increase of 4.5 percent, or 1 cent per cubic foot. Two cities registering a drop of more than 1 percent were Boise, Idaho and Camden, New Jersey.

Comparing costs for August between cities, we find the low of 21.1 cents per cubic foot in Camden, New Jersey and a high of 27.3 cents for Great Falls, Montana. It is perhaps worthy of comment that the four Atlantic Coastal cities with water access to the sea, namely, Washington, Baltimore, Philadelphia, and Camden, are reporting uniformly low building costs.

Special attention is called to the description of the standard house on which costs are obtained, appearing as a footnote to the accompanying table. It should be emphasized that the cubic-foot costs reported do not represent the cost of building a completed house in any of the cities. The purpose of the reports is rather to give a true picture of *movements* of costs within each city and a reliable comparison of costs among all cities.

Total costs and cubic-foot costs of building the same standard house in representative cities in February, May, and August, 1936 [1]

NOTE.—These figures are subject to adjustment.

[Source: Federal Home Loan Bank Board]

Federal Home Loan Bank Districts, States, and cities	Total building cost			Cubic-foot cost		
	August	May	February	August	May	February
No. 2—New York:						
New Jersey:						
Atlantic City	$5,685	$5,727	$5,860	$0.237	$0.239	$0.244
Camden	5,073	5,176	5,128	.211	.216	.214
Newark	5,637	5,616	5,600	.235	.234	.233
New York:						
Albany	5,340	5,195	5,218	.222	.216	.217
Buffalo	5,690	5,494	5,497	.237	.229	.229
Syracuse	5,526	5,526	5,574	.230	.230	.232
White Plains	5,775	5,713	5,650	.241	.238	.235
No. 6—Indianapolis:						
Indiana:						
Evansville	5,585	5,570	....	.233	.232	....
Indianapolis	5,697	5,749	5,733	.237	.240	.239
South Bend	5,844	5,839	5,889	.243	.243	.245
Michigan:						
Detroit	5,677	5,234	5,162	.237	.218	.215
Grand Rapids	5,161	5,161	....	.215	.215	....
No. 8—Des Moines:						
Iowa:						
Des Moines	6,053	5,995	5,928	.252	.250	.247
Minnesota:						
Duluth	5,549	5,580	....	.231	.233	....
St. Paul	5,520	5,283	5,282	.230	.220	.220
Missouri:						
Kansas City	5,311	5,304	5,229	.221	.221	.218
St. Louis	5,915	5,968	5,989	.246	.249	.250
North Dakota:						
Fargo	5,565	5,510	5,475	.232	.230	.228
South Dakota:						
Sioux Falls	5,742	5,719	5,673	.239	.238	.236
No. 11—Portland:						
Idaho:						
Boise	5,607	5,784	5,750	.234	.241	.240
Montana:						
Great Falls	6,554	6,436	6,418	.273	.268	.267
Oregon:						
Portland	5,307	5,277	5,299	.221	.220	.221
Utah:						
Salt Lake City	5,829	5,829	5,778	.243	.243	.241
Washington:						
Seattle	5,644	5,540	5,528	.235	.231	.230
Spokane	5,760	5,760	....	.240	.240	....
Wyoming:						
Casper	6,277	....	....	.262	....	....

[1] The house on which costs are reported is a detached 6-room home of 24,000 cubic-feet volume. Living room, dining room, kitchen, and lavatory on first floor; 3 bedrooms and bath on second floor. Exterior is wideboard siding with brick and stucco as features of design. Best quality materials and workmanship are used throughout.

The house is *not* completed ready for occupancy. It includes all fundamental structural elements, an attached 1-car garage, an unfinished cellar, an unfinished attic, a fireplace, essential heating, plumbing, and electric wiring equipment, and complete insulation. It does *not* include wall-paper nor other wall nor ceiling finish on interior plastered surfaces, lighting fixtures, refrigerators, water heaters, ranges, screens, weather stripping, nor window shades.

Reported costs include, in addition to material and labor costs, compensation insurance, an allowance for contractor's overhead and transportation of materials, plus 10 percent for builder's profit.

Reported costs do *not* include the cost of land nor of surveying the land, the cost of planting the lot, nor of providing walks and driveways; they do not include architect's fee, cost of building permit, financing charges, nor sales costs.

In figuring costs, current prices on the same building materials list are obtained every 3 months from the same dealers, and current wage rates are obtained from the same reputable contractors and operative builders.

	Combined	Boston	New York	Pittsburgh	Winston-Salem
ASSETS					
Cash:					
On hand	$51, 778. 17	$500. 00	0	$1, 000. 00	$10. 00
On deposit with U. S. Treasurer	4, 429, 061. 46	173, 589. 88	$254, 026. 80	52, 109. 23	595, 419. 46
On deposit with other Federal Home Loan Banks	3, 800, 000. 00	400, 000. 00	1, 000, 000. 00	0	600, 000. 00
On deposit with commercial banks	1, 698, 386. 93	305, 416. 82	141, 569. 03	28, 714. 10	14, 480. 16
Total cash	9, 979, 226. 56	879, 506. 70	1, 395, 595. 83	81, 823. 33	1, 209, 909. 62
Loans outstanding:					
Members	118, 579, 707. 90	3, 518, 784. 57	16, 113, 360. 04	12, 440, 437. 03	8, 826, 208. 68
Nonmembers	3, 400. 00	0	0	0	0
Direct to home owners	3, 730. 10	0	0	0	0
Total loans outstanding	118, 586, 838. 00	3, 518, 784. 57	16, 113, 360. 04	12, 440, 437. 03	8, 826, 208. 68
Accrued interest receivable:					
Members	318, 952. 58	1, 819. 76	68, 070. 84	55, 393. 46	38, 370. 66
Other Federal Home Loan Bank deposits	5, 584. 70	21. 86	185. 80	0	1, 071. 04
Securities	124, 343. 55	46, 487. 27	1, 794. 30	1, 277. 16	1, 185. 16
Other	1, 839. 86	0	0	0	0
Total accrued interest	450, 720. 69	48, 328. 89	70, 050. 94	56, 670. 62	40, 626. 86
Investments, U. S. Government	13, 722, 084. 31	4, 420, 000. 00	257, 235. 95	143, 222. 65	103, 996. 79
Stock subscriptions receivable, members	332, 675. 00	31, 225. 00	12, 550. 00	20, 650. 00	16, 150. 00
Deferred charges:					
Prepaid assessment, F. H. L. B. B	7, 555. 34	1, 540. 67	0	0	2, 513. 83
Prepaid bond & insurance premium	7, 877. 18	558. 15	864. 76	598. 10	362. 50
Other	1, 221. 51	0	920. 84	0	66. 50
Total deferred charges	16, 654. 03	2, 098. 82	1, 785. 60	598. 10	2, 942. 83
Other assets:					
Accounts receivable	5, 242. 55	0	0	1, 889. 77	507. 65
Other	788. 59	0	0	0	154. 89
Total other assets	6, 031. 14	0	0	1, 889. 77	662. 54
Total assets	143, 094, 229. 73	8, 899, 943. 98	17, 850, 578. 36	12, 745, 291. 50	10, 200, 497. 32
LIABILITIES AND CAPITAL					
Liabilities:					
Deposits:					
Members, time	8, 205, 489. 68	1, 204, 444. 73	1, 392, 300. 00	104, 214. 67	223, 600. 00
Members, demand	1, 152, 053. 53	0	0	0	0
Applicants	123, 525. 00	4, 250. 00	20, 650. 00	16, 150. 00	4, 625. 00
Other Federal Home Loan Banks	3, 800, 000. 00	0	0	700, 000. 00	0
Members' loan prepayments	208, 514. 52	0	0	46, 060. 02	0
Accrued interest:					
Members' deposits	11, 804. 27	4, 555. 13	957. 94	697. 31	24. 07
Other Federal Home Loan Bank deposits	2, 169. 58	0	0	2, 103. 83	0
Dividends payable:					
U. S. Government	351, 289. 23	39, 750. 00	0	96, 000. 00	0
Members	111, 137. 51	15, 805. 70	0	18, 280. 24	0
Total dividends	462, 426. 74	55, 555. 70	0	114, 280. 24	0
Accounts payable	4, 986. 49	0	0	0	0
Total liabilities	13, 970, 969. 81	1, 268, 805. 56	1, 413, 907. 94	983, 506. 07	228, 249. 07
Capital:					
Capital stock, issued and outstanding:					
Fully paid:					
Members	26, 043, 400. 00	2, 156, 200. 00	3, 515, 200. 00	1, 869, 000. 00	2, 220, 000. 00
U. S. Government:					
Subscriptions, authorized	124, 741, 000. 00	12, 467, 500. 00	18, 963, 200. 00	11, 146, 300. 00	9, 208, 200. 00
Subscriptions, uncalled	25, 399, 000. 00	7, 167, 500. 00	6, 463, 200. 00	1, 546, 300. 00	1, 708, 200. 00
	99, 342, 000. 00	5, 300, 000. 00	12, 500, 000. 00	9, 600, 000. 00	7, 500, 000. 00
Partially paid:					
Members	702, 300. 00	71, 400. 00	45, 200. 00	38, 400. 00	31, 400. 00
Total capital stock outstanding	126, 087, 700. 00	7, 527, 600. 00	16, 060, 400. 00	11, 507, 400. 00	9, 751, 400. 00
Surplus:					
Reserves:					
As required under section no. 16 of act	1, 677, 255. 01	82, 522. 21	236, 772. 55	172, 910. 80	123, 056. 10
Surplus, unallocated	1, 358, 304. 91	21, 016. 21	139, 497. 87	81, 474. 63	97, 792. 15
Total surplus	3, 035, 559. 92	103, 538. 42	376, 270. 42	254, 385. 43	220, 848. 25
Total capital	129, 123, 259. 92	7, 631, 138. 42	16, 436, 670. 42	11, 761, 785. 43	9, 972, 248. 25
Total liabilities and capital	143, 094, 229. 73	8, 899, 943. 98	17, 850, 578. 36	12, 745, 291. 50	10, 200, 497. 32

condition as at June 30, 1936

Cincinnati	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	Portland	Los Angeles
$6,497.38	0	$40,675.51	$25.00	$25.00	$25.00	0	$3,020.28
860,991.71	$800,157.65	598,109.07	38,328.77	330,171.35	223,145.90	$165,114.52	337,897.12
0	0	0	0	0	0	1,800,000.00	0
194,422.61	546,286.84	227,861.76	56,428.71	0	10,002.01	19,750.00	153,454.89
1,061,911.70	1,346,444.49	866,646.34	94,782.48	330,196.35	233,172.91	1,984,864.52	494,372.29
20,576,290.96	6,389,683.44	20,141,668.81	7,192,262.09	8,331,450.46	6,108,935.50	3,016,172.29	5,924,454.03
0	0	0	0	0	0	0	3,400.00
0	0	0	0	0	0	0	3,730.10
20,576,290.96	6,389,683.44	20,141,668.81	7,192,262.09	8,331,450.46	6,108,935.50	3,016,172.29	5,931,584.13
55,798.81	2,118.64	40,103.98	17,373.12	26,926.49	3,573.98	8,078.22	1,324.62
0	1,076.50	0	0	0	0	3,229.50	0
11,458.32	20,940.70	1,169.49	6,960.97	16,422.64	3,114.58	7,547.15	5,985.81
0	1,833.33	0	0	0	0	0	6.53
67,257.13	25,969.17	41,273.47	24,334.09	43,349.13	6,688.56	18,854.87	7,316.96
1,004,453.06	2,373,531.75	226,611.18	856,866.54	1,940,000.00	300,000.00	1,424,575.00	671,591.39
81,275.00	46,250.00	70,400.00	6,800.00	7,000.00	15,450.00	2,900.00	22,025.00
0	0	3,500.84	0	0	0	0	0
1,020.80	487.52	1,278.90	500.82	586.13	544.23	541.69	533.58
159.17	0	0	0	0	0	0	75.00
1,179.97	487.52	4,779.74	500.82	586.13	544.23	541.69	608.58
269.35	126.00	0	0	423.80	57.50	150.00	1,818.48
0	15.81	587.33	0	0	0	30.56	0
269.35	141.81	587.33	0	423.80	57.50	180.56	1,818.48
22,792,637.17	10,182,508.18	21,351,966.87	8,175,546.02	10,653,005.87	6,664,848.70	6,448,088.93	7,129,316.83
885,100.00	1,558,739.61	2,597,090.67	220,000.00	0	20,000.00	0	0
562,570.94	41,722.07	0	0	129,591.92	51,815.57	87,838.92	278,514.11
10,250.00	20,350.00	6,150.00	12,250.00	675.00	375.00	0	27,800.00
1,900,000.00	200,000.00	1,000,000.00	0	0	0	0	0
162,454.50	0	0	0	0	0	0	0
148.69	0	4,440.84	920.87	0	59.42	0	0
0	0	65.75	0	0	0	0	0
127,757.00	45,000.00	0	0	42,782.23	0	0	0
54,962.59	15,031.54	0	0	7,057.44	0	0	0
182,719.59	60,031.54	0	0	49,839.67	0	0	0
0	0	0	4,451.17	0	0	0	535.32
3,703,243.72	1,880,843.22	3,607,747.26	237,622.04	180,106.59	72,249.99	87,838.92	306,849.43
5,580,400.00	2,024,700.00	2,942,800.00	1,229,000.00	1,447,300.00	1,105,800.00	584,300.00	1,368,700.00
12,775,700.00	6,577,400.00	14,173,900.00	7,394,900.00	8,772,400.00	7,333,600.00	5,960,000.00	9,967,900.00
0	577,400.00	0	894,900.00	0	2,033,600.00	300,000.00	4,707,900.00
12,775,700.00	6,000,000.00	14,173,900.00	6,500,000.00	8,772,400.00	5,300,000.00	5,660,000.00	5,260,000.00
202,400.00	83,900.00	94,200.00	13,200.00	14,000.00	35,000.00	5,800.00	67,400.00
18,558,500.00	8,108,600.00	17,210,900.00	7,742,200.00	10,233,700.00	6,440,800.00	6,250,100.00	6,696,100.00
322,474.31	125,545.32	231,954.76	87,979.92	126,677.29	63,220.35	48,868.40	55,273.00
208,419.14	67,519.64	301,364.85	107,744.06	112,521.99	88,578.36	61,281.61	71,094.40
530,893.45	193,064.96	533,319.61	195,723.98	239,199.28	151,798.71	110,150.01	126,367.40
19,089,393.45	8,301,664.96	17,744,219.61	7,937,923.98	10,472,899.28	6,592,598.71	6,360,250.01	6,822,467.40
22,792,637.17	10,182,508.18	21,351,966.87	8,175,546.02	10,653,005.87	6,664,848.70	6,448,088.93	7,129,316.83

Growth and Lending Operations of the Federal Home Loan Banks

AS OF June 30, 1936, nine of the twelve Federal Home Loan Banks declared dividends for the first six months of 1936 totaling $713,404 (table 1). The Chicago, Winston-Salem, and Des Moines Banks will probably follow their customary practice of giving consideration to the declaration of dividends as of December 31 for the entire calendar year.

Since the organization of the Federal Home Loan Bank System on October 15, 1932, the 12 Federal Home Loan Banks have distributed earnings in the total amount of $5,381,553. Of this amount, $1,072,253 has gone to member stockholders and $4,309,300 to the Treasury. It may thus be pointed out that the Government's investment in the Federal Home Loan Banks, which on June 30 amounted to $99,342,000, has not only contributed substantially to the strengthening of the Nation's home-financing structure and increased materially the volume of funds available for home financing, but has also yielded a satisfactory return.

As of June 30, 1936, the total surplus of the Banks amounted to $3,035,560, of which $1,677,255 represented a total reserve for contingencies and $1,358,305 represented unallocated surplus. In view of the present financial position of the Banks and their earning capacity, it would appear that for some time to come the Banks will be in a satisfactory position to declare dividends.

Increase in Advances Outstanding

WITH a net increase of $7,665,000 in advances outstanding to member institutions during June, the Federal Home Loan Banks registered their greatest activity since 1933 and reached a new peak in the use of their credit facilities. At the end of the month advances outstanding totaled $118,587,000.

No changes in interest rates were reported by the Federal Home Loan Banks during July, but a change was made by the Indianapolis Bank at the end of June which came too late to be reported in the July issue of the REVIEW. Effective July 1, the Indianapolis Bank reduced its rate on all long-term advances to members from 3½ percent to 3 percent.

TABLE 1.—*Federal Home Loan Bank System—Dividends paid or declared through June 30, 1936*

Federal Home Loan Bank	As of June 30, 1936				Cumulative total through June 30, 1936		
	Rate (per-centum per annum)	Government	Members	Total	Government	Members	Total
Boston	1.5	$39, 750. 00	$15, 805. 70	$55, 555. 70	$248, 137. 72	$60, 934. 93	$309, 072. 65
New York	2.0	125, 000. 00	34, 662. 66	159, 662. 66	645, 284. 94	162, 307. 32	807, 592. 26
Pittsburgh	2.0	96, 000. 00	18, 280. 24	114, 280. 24	513, 578. 10	96, 590. 48	610, 168. 58
Winston-Salem	....	....	....	....	306, 142. 46	88, 289. 81	394, 432. 27
Cincinnati	2.0	127, 757. 00	54, 962. 59	182, 719. 59	798, 014. 85	283, 463. 23	1, 081, 478. 08
Indianapolis	1.5	45, 000. 00	15, 031. 54	60, 031. 54	330, 795. 14	103, 866. 45	434, 661. 59
Chicago	....	....	....	....	530, 405. 48	96, 048. 74	626, 454. 22
Des Moines	....	....	....	....	207, 587. 67	36, 587. 94	244, 175. 61
Little Rock	1.0	42, 782. 23	7, 057. 44	49, 839. 67	331, 994. 62	62, 192. 56	394, 187. 18
Topeka	1.0	26, 423. 47	5, 414. 74	31, 838. 21	134, 949. 51	29, 353. 50	164, 303. 01
Portland	1.0	28, 067. 75	2, 770. 53	30, 838. 28	145, 690. 88	19, 339. 41	165, 030. 29
Los Angeles	1.0	22, 365. 57	6, 272. 83	28, 638. 40	116, 719. 00	33, 278. 58	149, 997. 58
Total	....	553, 146. 02	160, 258. 27	713, 404. 29	4, 309, 300. 37	1, 072, 252. 95	5, 381, 553. 32

TABLE 2.—*Growth and trend of lending operations*

Month	Members: Number	Members: Assets[1] (000 omitted)	Loans advanced (cumulative) (000 omitted)	Loans advanced (monthly) (000 omitted)	Repayments (monthly) (000 omitted)	Balance outstanding at end of month (000 omitted)	Borrowing capacity[2] (000 omitted)
December 1932	118	$216, 613	$837	$837	....	$837	....
December 1933	2, 086	2, 607, 307	90, 835	7, 102	$859	85, 442	....
December 1934	3, 072	3, 305, 088	129, 545	2, 904	3, 360	86, 658	....
December 1935	3, 468	3, 131, 019	188, 675	8, 414	2, 708	102, 795	....
1936							
January	3, 501	3, 160, 048	193, 746	5, 071	5, 065	102, 800	....
February	3, 527	3, 193, 280	197, 530	3, 784	3, 642	102, 942	....
March	3, 543	3, 204, 696	202, 041	4, 511	4, 095	103, 358	....
April	3, 587	3, 234, 130	207, 878	5, 837	3, 222	105, 972	....
May	3, 610	3, 249, 671	215, 085	7, 207	2, 258	110, 922	....
June	3, 641	3, 272, 166	226, 645	11, 560	3, 895	118, 587	$869, 000

[1] Assets of member institutions are reported when they join the System and are subsequently brought up to date once a year as periodic reports are received either from the institutions or from State building and loan supervisors.

[2] Based upon the potential stock holdings and the legal borrowing capacity of member institutions.

NOTE.—All figures, except loans advanced (monthly) and repayments, are as of the end of month.

TABLE 3.—*Interest rates, Federal Home Loan Banks: rates on advances to member institutions* [1]

Federal Home Loan Bank	Rate in effect on Aug. 1	Type of loan
	Percent	
1. Boston	3	All advances.
2. New York	3¼	All advances for 1 year or less.
	3¾	All advances for more than 1 year shall be written at 4 percent, but interest collected at 3¾ percent during 1936.
3. Pittsburgh	3½	All advances for 1 year or less. All advances for more than 1 year are to be written at 4 percent, but until further notice credit will be given on all outstanding advances for the difference between the written rates of 5, 4½, or 4 percent and 3½ per centum per annum.
4. Winston-Salem	3½	All advances, with the provision that the interest rate may be increased to not more than 4½ percent after 30-days written notice.
5. Cincinnati	3	All advances.
6. Indianapolis	3	All secured advances.
	3½	All unsecured advances, none of which may be made for more than 6 months.
7. Chicago	3	All secured advances are to be written at 3½ percent, but interest collected at 3 percent.
	3½	All unsecured advances.
8. Des Moines	3–3½	On all advances up to $1,000,000, the interest rate shall be 3½ percent. If the balance of loans outstanding to any one member equals or exceeds $1,000,000, the interest rate thereon shall be at the rate of 3 percent.
9. Little Rock	3	All advances.
10. Topeka	3	Do.
11. Portland	3	All advances to members secured by mortgages insured under Title II of National Housing Act.
	3½	All advances for 1 year or less. All advances for more than 1 year to be written at 4 percent, but interest collected at 3½ percent so long as short-term advances carry this rate.
12. Los Angeles	3	All advances.

[1] On May 29, 1935, the Board passed a resolution to the effect that all advances to nonmember institutions upon the security of insured mortgages, insured under Title II of the National Housing Act, "shall bear interest at rates of interest one half of 1 percentum in excess of the current rates of interest prevailing for member institutions."

Federal Savings and Loan System

DUE to a change in the method of tabulating monthly reports from Federal savings and loan associations, it is not possible to make a comparison between the activities of identical associations in May and June. The accompanying table 1 records the combined activities of only 983 associations in June as compared with 1,006 in May.

However, in spite of the fact that the June figures are for a smaller number of associations, they show $19,354,700 loaned on mortgages as compared with $17,890,596 in May. These 983 institutions registered a net increase of $3,359,300 in private share investments during June and considerable increases in both Home Owners' Loan Corporation investments in their securities and advances obtained from the Federal Home Loan Banks.

In an early issue the REVIEW will begin the monthly publication of the activities of several hundred identical Federal savings and loan associations. Such a comparative table will serve as an index both of home-financing activity by thrift institutions and of the accumulation of private savings available for home financing.

During June, 7 new Federal associations were chartered and 19 old-established building and loan associations were converted from State to Federal charter. Five charters were cancelled during the month. These changes brought the total of all associations as of June 30 to 1,135 with combined assets of $639,102,101.

TABLE 1.—*Monthly operations of reporting Federal savings and loan associations during May and June 1936*

	May	June
Number of associations reporting	1, 006	983
Share liability at end of month:		
Private share accounts (number)	534, 200	559, 384
Paid on private subscriptions	$360, 612, 280	$394, 134, 200
Treasury and H. O. L. C. subscriptions	89, 950, 600	94, 443, 100
Total	450, 562, 880	488, 577, 300
Private share investments during month	....	7, 423, 300
Repurchases during month	3, 900, 353	4, 064, 000
Net increase in private investments during month	....	3, 359, 300
Mortgage loans made during month:		
a. Reconditioning	1, 375, 287	1, 314, 200
b. New construction	5, 553, 269	5, 910, 700
c. Refinancing	5, 183, 302	5, 167, 700
d. Purchase of homes	4, 287, 540	5, 082, 700
e. Other purposes	1, 491, 198	1, 879, 400
Total	17, 890, 596	19, 354, 700
Mortgage loans outstanding end of month	404, 721, 811	436, 712, 700
Borrowed money as of end of month:		
From Federal Home Loan Banks	35, 555, 666	39, 885, 500
From other sources	2, 122, 650	2, 508, 900
Total	37, 678, 316	42, 394, 400
Total assets, end of month	....	606, 811, 400

TABLE 2.—*Progress in number and assets of Federal savings and loan associations*

	Number at 6-month intervals					Number		Assets	
	Dec. 31, 1933	June 30, 1934	Dec. 31, 1934	June 30, 1935	Dec. 31, 1935	May 31, 1936	June 30, 1936	May 31, 1936	June 30, 1936
New	57	321	481	554	605	632	637	$91, 685, 670	$92, 550, 271
Converted	2	49	158	297	418	482	498	483, 275, 604	546, 551, 830
Total	59	370	639	851	1, 023	1, 114	1, 135	574, 961, 274	639, 102, 101

ADVERTISING OPPORTUNITIES

THE payment of dividends affords an excellent opportunity to crystallize the good-will of present investors, on which the future growth of any association so largely depends. A Federal association in Tennessee seized the opportunity afforded by its midyear declaration of dividends to send to its various classes of shareholders the announcement reproduced on this page. An association in Texas has adopted the special check for dividend payments, which is also reproduced and which illustrates an admirable type of institutional advertising.

IT IS with sincere pleasure that we invite you to call and have the dividend, paid or credited on your savings account in your pass book. Dividends have been so scarce lately with many companies, that we believe your regular dividend from us deserves more than passing notice. We hope you will regard it as as the result of a successful investment and that our financial relations may continue for many years.

FIRST FEDERAL SAVINGS AND LOAN
ASSOCIATION OF SPRINGFIELD

TELEPHONE 726 **SPRINGFIELD, TENN.**

Gibraltar Savings & Building Association

DIVIDEND CHECK

GIBRALTAR

"Gibraltar-ize Your Savings"

№ 11846

HOUSTON, TEXAS, 193

WE ARE HAPPY TO HAND YOU THIS DIVIDEND CHECK

PAY TO THE ORDER OF GIBRALTAR'S RECORD OF DIVIDEND PAYMENTS TWICE YEARLY IS UNBROKEN. $

SAFETY AND VALUE INSURED UP TO $5000 BY AN INSTRUMENTALITY OF THE UNITED STATES GOVERNMENT. DOLLARS

TO THE CITY NATIONAL BANK
35-69 HOUSTON, TEXAS

Cashier
THERE IS A GIBRALTAR PLAN FOR EVERY FAMILY.

Secretary
GIBRALTAR LOANS ARE BUILDING HOUSTON HOMES.

Federal Savings and Loan Insurance Corporation

DURING the monthly period June 15–July 15, the number of shareholders whose savings up to $5,000 are insured in savings and loan associations passed the million mark. The total on July 15 was approximately 1,046,803. To appreciate the national significance of this protection of so large a number of savers from fear and panic, it is only necessary to think of what distress for investors and institutions alike would have been prevented had the insurance been in force in 1930 and after.

During the June–July period, 55 associations were added to the roster of insured associations, bringing the total to 1,365, with combined assets of approximately $924,584,423. Twenty-two were State-chartered associations, 23 were Federal associations converted from State charters, and 10 were new Federals. In addition, applications for insurance were made by 44 associations with combined assets of $46,968,060. Up to July 15, 1,704 applications had been filed by associations whose assets totaled $1,274,567,408.

Reports From Insured Associations

THE familiar story of the effectiveness of insurance in stopping withdrawals and attracting investments is echoed in letter after letter received from insured associations that had been on notice. Of equal significance to many institutions is the positive gain in public confidence which share insurance has brought about even in strong associations that have always paid out on demand. The following extracts will serve as illustrations.

From a Missouri association:

> Since conversion we have had more funds offered than we could use. . . .
>
> As soon as our conversion was made known to the public, and the fact that shareholders' investments were insured, it seems that the people had a renewed confidence, although our association never had a withdrawal list at any time that was not met promptly.
>
> However, we feel that the public has become insurance conscious and is not interested in the dividend rate as long as the investment is safe.

From a Minnesota association:

> Our position is such that we were not particularly in need of new funds. In fact, our cash reserves have been long and we therefore made no effort to publicize the fact of the insurance feature in connection with our accounts. However, the public has become pretty well aware of the fact and we are being offered new money almost daily and are taking what we can use, and we unquestioningly attribute this fact to our recent conversion to a Federal charter and the insurance of shares attached to our new set-up.

From an association in greater New York City:

> We have only had the insurance for a few months, but during that time have already noticed an entirely different attitude on the part of our present members. Withdrawals have ceased to a great extent, and we are also securing many new accounts.

After commenting on the changed attitude of their members toward withdrawals and the increase in new accounts, a California association makes the following comments:

> For the past few years there has been a growing demand on the part of our investors for the withdrawal of their interest at each stated interest period. During the recent interest period there was a sharp decrease in these demands and in a great many cases there was an increase in deposits.
>
> We feel that the insurance of accounts will be an absolute necessity for all associations providing they want to attract new investors or to hold their present accounts.

Typical of the experience of associations which had been on notice is the following letter from an Ohio association:

In filing application for insurance of shares last October we did so after making personal investigation of many associations who had provided for insurance of accounts and also interviewed a great number of building and loan executives who did not regard insurance of accounts as being necessary. We finally came to the conclusion that as provision had been made for insurance of bank accounts it would be absolutely necessary for building and loan associations to procure similar insurance if they expected to continue as live loaning organizations.

This company had been restricting withdrawals for several years prior to last February and we found that we were slowly liquidating the institution, were not able to provide any kind of a loan service to the community.

Upon announcement that accounts were now insured up to $5,000 by the Federal Savings and Loan Insurance Corporation this picture showed a decided change. At the time we insured we removed all restrictions of withdrawal and while it is true that we experienced heavy withdrawals, this demand has lessened and during the month of May we showed a slight gain in resources. We feel that insurance has been the answer to our problem. We are now making new loans, our customers are able to withdraw amounts that in many cases have been sadly needed and it is a pleasure to the management to again function as a live institution.

We ourselves were very much surprised that beginning immediately upon announcement of insurance of shares to see new money coming into the institution.

Progress of the Federal Savings and Loan Insurance Corporation—Applications received and institutions insured

APPLICATIONS RECEIVED

	Cumulative number at specified dates					Assets (as of date of application)	
	Dec. 31, 1934	June 30, 1935	Dec. 31, 1935	June 15, 1936	July 15, 1936	June 15, 1936	July 15, 1936
State-chartered associations	53	188	351	494	521	$653, 143, 227	$693, 469, 011
Converted F. S. and L. A.	134	360	480	539	553	560, 441, 792	567, 053, 461
New F. S. and L. A.	393	517	575	627	630	14, 014, 329	14, 044, 936
Total	580	1, 065	1, 406	1, 660	1, 704	1, 227, 599, 348	1, 274, 567, 408

INSTITUTIONS INSURED [1]

	Cumulative number at specified dates					Number of shareholders	Assets	Share and creditor liabilities
	Dec. 31, 1934	June 30, 1935	Dec. 31, 1935	June 15, 1936	July 15, 1936	July 15, 1936	July 15, 1936	July 15, 1936
State-chartered associations	4	45	136	228	250	410, 181	$338, 317, 565	$296, 771, 285
Converted F. S. and L. A.	108	283	406	470	493	551, 338	512, 018, 718	470, 184, 814
New F. S. and L. A.	339	512	572	612	622	85, 284	74, 248, 140	72, 536, 171
Total	451	840	1, 114	1, 310	1, 365	1, 046, 803	924, 584, 423	839, 492, 270

[1] Beginning May 15, figures on number of associations insured include only those associations which have remitted premiums. Earlier figures include all associations approved by the Board for insurance.

Number of shareholders, assets, and share and creditor liabilities of insured associations are as of latest obtainable date and will be brought up to date after June 30 and December 31 each year.

Home Owners' Loan Corporation

FOLLOWING the completion of the refinancing activities of the Home Owners' Loan Corporation, the work of the Reconditioning Division will fall into three categories: (1) the completion of reconditioning of many properties on which mortgages have been refinanced; (2) the reconditioning of acquired properties; and (3) where necessary, the protection of the Corporation's investments in properties securing its mortgages, including particularly repairs required by insurance losses.

In connection with many loans refinanced toward the close of operations, money was placed in escrow to cover necessary reconditioning. As of July 1, 1936, there were pending approximately 6,000 cases on which reconditioning contracts were yet to be let and some 25,000 cases on which construction work was in progress.

As of July 1, 1936, there were pending several thousand cases involving various stages of reconditioning of properties which had been abandoned by their owners and required repairs to protect the Corporation's investment, or which were owned by the Corporation or in process of acquisition. Also, to protect the interests of the Corporation, the Reconditioning Division is supervising many cases of repair of properties on which insurance losses have been suffered due to fire or flood.

The experience of all private mortgage lenders indicates that in the liquidating of its 1,018,048 loans the Corporation is bound to obtain a considerable number of properties. To protect its own investments, as well as property values generally, the Corporation will carefully avoid wholesale "dumping", that is, the immediate sale of all acquired properties for what they will bring. Instead, every effort will be made to protect the interests of all concerned in the disposal of each parcel. In such a constructive program the maintenance of acquired properties assumes major importance. It will be the duty of the Reconditioning Division to advise on and supervise proper reconditioning.

TABLE 1.—*Reconditioning Division—Summary of all reconditioning operations through July 16, 1936*

Period	Number of applications received for reconditioning loans	Total contracts executed		Total jobs completed	
		Number	Amount	Number	Amount
June 1, 1934 through June 18, 1936	674, 824	359, 571	$70, 758, 041	330, 514	$62, 762, 215
June 19, 1936 through July 16, 1936 [1]	470	4, 435	990, 724	10, 200	2, 286, 477
Grand total through July 16, 1936	675, 294	364, 006	71, 748, 765	340, 714	65, 048, 692

[1] The figures for this period are subject to correction.

NOTE.—Prior to the organization of the Reconditioning Division on June 1, 1934, the Corporation had completed 52,269 reconditioning jobs amounting to approximately $6,800,000.

TABLE 2.—*H. O. L. C. subscriptions to shares of savings and loan associations—Requests and subscriptions* [1]

	Uninsured State-chartered members of the F. H. L. B. System		Insured State-chartered associations		Federal savings and loan associations		Total	
	Number (cumulative)	Amount (cumulative)	Number (cumulative)	Amount (cumulative)	Number (cumulative)	Amount (cumulative)	Number (cumulative)	Amount (cumulative)
Requests:								
Dec. 31, 1935	27	$1, 131, 700	33	$2, 480, 000	553	$21, 139, 000	613	$24, 750, 700
Apr. 30, 1936	52	2, 432, 700	88	7, 077, 500	1, 119	40, 560, 100	1, 259	50, 070, 300
May 31, 1936	56	2, 568, 700	111	9, 120, 100	1, 296	48, 458, 600	1, 463	60, 147, 400
June 30, 1936	60	2, 506, 700	130	10, 636, 200	1, 478	56, 880, 600	1, 668	70, 023, 500
July 20, 1936	61	2, 536, 700	138	11, 101, 200	1, 576	60, 191, 400	1, 775	73, 829, 300
Subscriptions:								
Dec. 31, 1935	2	100, 000	24	1, 980, 000	474	17, 766, 500	500	19, 846, 500
Apr. 30, 1936	18	1, 055, 000	73	5, 985, 000	1, 056	38, 121, 600	1, 147	45, 161, 600
May 31, 1936	18	627, 000	93	7, 797, 600	1, 198	45, 018, 100	1, 309	53, 442, 700
June 30, 1936	21	689, 000	118	9, 636, 600	1, 392	52, 817, 100	1, 531	63, 142, 700
July 20, 1936	24	744, 000	129	10, 451, 600	1, 488	56, 541, 100	1, 641	67, 736, 700

[1] Refers to number of separate investments, not to number of associations in which investments made.

TABLE 3.—*Foreclosures authorized and properties acquired by the Home Owners' Loan Corporation*

Period	Foreclosures authorized	Foreclosures stopped [1]	Properties acquired by voluntary deed and foreclosure [2]
Prior to 1935	30	0	6
1935			
Jan. 1 through June 30	536	7	72
July 1 through Dec. 31	3, 904	190	1, 115
1936			
January	1, 281	27	334
February	1, 544	49	450
March	3, 190	60	516
April	4, 367	88	669
May	4, 687	138	964
June	8, 113	121	1, 439
Grand total to June 30, 1936	27, 651	680	5, 557

[1] Due to payment of delinquencies by borrowers after foreclosure proceedings had been entered.
[2] Does not include 1,564 properties bought in by H. O. L. C. at foreclosure sale but awaiting expiration of the redemption period before title and possession can be obtained.
In addition to the total of 5,557 completed cases, 31 properties were sold at foreclosure sale to parties other than H. O. L. C.

Board Appoints a New Chief Examiner

THE Federal Home Loan Bank Board has appointed John W. Ballard to succeed Paul A. Warner as Chief Examiner, following Mr. Warner's resignation to accept the presidency of a savings institution in Ohio.

Mr. Ballard joined the Federal Home Loan Bank System in November 1934, and has served on the Review Committee continuously since that time. He is widely known in the building and loan profession in his own State of Texas and elsewhere. For the past two years he has worked extensively with the Accounting Division of the United States Building and Loan League and the National Association of Building and Loan Supervisors upon uniform financial statements and uniform reports. He is a graduate of New York University, is a certified public accountant, a member of the American Institute of Accountants, and has had extensive experience in building and loan auditing.

Resolutions of the Board

I.—AMENDING THE RULES AND REGULATIONS FOR FEDERAL SAVINGS AND LOAN ASSOCIATIONS GOVERNING THE PURCHASE OF MORTGAGES BY ASSOCIATIONS

The Board adopted the following resolution on July 16:

Be it resolved, That pursuant to the authority vested in the Federal Home Loan Bank Board by Section 5 (a) of the Home Owners' Loan Act of 1933 (48 Stat. 128, 129, et seq.), Section 33, subsection (b) of the Rules and Regulations for Federal Savings and Loan Associations is hereby amended to read as follows:

"(b) Any association may purchase mortgages or other first liens on real estate in the ordinary course of business on the same basis that it would make loans, but shall generally pursue the practice of lending its funds originally. No association shall purchase any mortgage or other asset of an affiliated institution or an institution in liquidation except with the approval of the Board."

II.—AMENDING THE RULES AND REGULATIONS FOR FEDERAL SAVINGS AND LOAN ASSOCIATIONS GOVERNING ORGANIZING AND OPERATING EXPENSES OF ASSOCIATIONS

The Board adopted the following resolution on July 17:

Be it resolved, That, pursuant to the authority vested in the Federal Home Loan Bank Board under Section 5 (a) of the Home Owners' Loan Act of 1933 (48 Stat. 128, 129, et seq.), Section 19 of the Rules and Regulations for Federal Savings and Loan Associations is hereby amended to read as follows:

"Sec. 19. Federal savings and loan associations shall be organized and operated as economically as practicable. Reasonable organization and operating expenses may be incurred and set up as an asset item for a temporary period, providing the same are amortized within a reasonable time. The budget of such organization expenses, together with the estimated operating expenses for the first year of operations, must be approved by the Governor or Deputy Governor before any portion of such expenses can be accounted for as an asset item. Any association carrying organization and operating expense as an asset item shall apply to the retirement of such account any repurchase fees received by it. In addition, at each dividend period, it shall apply to the amortization of such expenses at least 10 percent of all other net earnings, after ordinary operation expenses, bonuses on installment thrift shares, and reserves are provided for, before declaring any dividends."

III.—AMENDING THE PROCEDURE FOR INVESTMENT BY HOME OWNERS' LOAN CORPORATION IN SECURITIES OF SAVINGS AND LOAN ASSOCIATIONS TO REQUIRE SPECIFIC USE OF ASSOCIATIONS' BORROWING CAPACITY AS A CONDITION OF OBTAINING INVESTMENTS BY THE CORPORATION

To increase the volume of funds available for home financing the Board desires to encourage eligible institutions to apply for Home Owners' Loan Corporation investments in their securities. Accordingly, the Board on July 23 set up the following liberal specifications of the use an applicant association shall have made of its borrowing capacity as a condition of obtaining investment from the Corporation:

Be it resolved by the Federal Home Loan Bank Board, That the paragraph immediately preceding section 4 of Procedure for Investment by Home Owners' Loan Corporation in Securities of Savings and Loan Associations, approved by the Board September 13, 1935, is hereby amended as follows:

"It will be the policy of the Corporation by such purchases to make funds available for the encouragement of local home financing in the community to be served and for the reasonable financing of homes in such community. It is expected that substantially all of such funds will be employed in the financing of homes. Applicants for such funds whose total assets are less than $100,000 may apply for investment by the Corporation at any time. Applicants for such funds whose total assets exceed $100,000 shall first use at least 10 percent of their borrowing capacity to secure funds. Such applicant which shall have used 10 percent of its borrowing capacity shall be eligible for investments by the Corporation in amounts which at no time exceed sums borrowed by applicant in addition to the aforesaid 10 percent of its borrowing capacity until the applicant has exhausted 30 percent of its borrowing capacity, which percentage shall be the maximum use of its borrowing capacity required at any time to qualify the applicant for further approval of investments by the Corporation."

IV.—AMENDING THE PROCEDURE FOR INVESTMENT BY HOME OWNERS' LOAN CORPORATION IN SECURITIES OF SAVINGS AND LOAN ASSOCIATIONS LIMITING THE PERCENTAGE OF APPRAISED VALUE ASSOCIATIONS BENEFITING BY SUCH INVESTMENT MAY LEND

The Board adopted the following resolution on July 28:

Be it resolved, That the procedure for the investment by Home Owners' Loan Corporation in securities of savings and loan associations, approved September 13, 1935, as amended, is hereby amended by the addition of a new paragraph, as follows:

"6. No investment will be made in the shares, certificates, or deposits of an institution authorized by law, its charter, or bylaws to lend in excess of 80 percent of the value of real estate securing its loans, unless such institution commits itself to Home Owners' Loan Corporation in writing not to lend in excess of 80 percent of the value of the real estate securing its loans while Home Owners' Corporation has an investment in its shares, certificates, or deposits, nor will such investment be made in such institution after its next regular stockholders meeting unless its bylaws are amended limiting its lending to such percentage of value."

Directory of Member, Federal and Insured Institutions

Added during June–July

I.—INSTITUTIONS ADMITTED TO MEMBERSHIP IN THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN JUNE 22, 1936, AND JULY 18, 1936 [1]

(Listed by Federal Home Loan Bank Districts, States, and cities)

DISTRICT NO. 1

MASSACHUSETTS:
- Taunton:
  - Mechanics' Co-operative Bank, 308 Bay Street.

DISTRICT NO. 2

NEW JERSEY:
- New Brunswick:
  - Property Owners' Building & Loan Association of New Brunswick, New Jersey, 46 Paterson Street.
- Summit:
  - Overlook Building & Loan Association, 401 Springfield Avenue.
- Vineland:
  - Fidelity Building & Loan Association of Vineland, N. J., 7 North Sixth Street.
- Wanaque:
  - Wanaque Borough Building & Loan Association.

NEW YORK:
- Olean:
  - Olean Savings & Loan Association, 126 North Union Street.

DISTRICT NO. 3

PENNSYLVANIA:
- Morton:
  - Morton Building & Loan Association.
- Philadelphia:
  - Gorgas Building & Loan Association, 332 Rector Street.
  - Mantua Building Association, No. 2, 1523 North Twenty-sixth Street.
  - Southwark Building & Loan Association, 1505 Walnut Street.
  - Varsity Building & Loan Association, 1622 North Broad Street.
- Pittsburgh:
  - Crescent Building & Loan Association of Northside, Pittsburgh, Pa., 1219 Spring Garden Avenue.
  - Modern Building & Loan Association of Pittsburgh, 40 St. Nicholas Building.
  - Union Workingmen's Premium, Building & Loan Association of East Pittsburgh, Pa., 347 Electric Avenue.

DISTRICT NO. 4

ALABAMA:
- Robertsdale:
  - Baldwin County Building & Loan Association.

DISTRICT NO. 5

OHIO:
- Covington:
  - Covington Building & Loan Association.
- Delphos:
  - Citizens Building & Loan Association, 153 West Third Street.

DISTRICT NO. 6

INDIANA:
- East Chicago:
  - Industrial Savings & Loan Association of Indiana Harbor, 900 East Chicago Avenue.
- South Bend:
  - Indiana Savings & Loan Association of South Bend, 122 North Main Street.

MICHIGAN:
- Holland:
  - Ottawa County Building & Loan Association of Holland, Michigan.

DISTRICT NO. 7

ILLINOIS:
- Carlinville:
  - Carlinville Loan & Building Association.
- Chicago:
  - Krakow Building & Loan Association, 2702 South Kildare Avenue.
- Freeport:
  - American Building & Loan Association of Freeport.
- Gibson City:
  - Gibson Savings & Loan Association, 127 Sangamon Avenue.
- Springfield:
  - Sangamon Building & Loan Association.

WISCONSIN:
- Milwaukee:
  - Modern Mutual Building & Loan Association, 436 West Wisconsin Avenue.

DISTRICT NO. 8

MINNESOTA:
- Austin:
  - Austin Building & Loan Association.
- St. Paul:
  - Ben Franklin Building Loan Association, 92 East Fourth Street.

MISSOURI:
- Springfield:
  - Greene County Building & Loan Association, 418–420 East Commercial Street.

DISTRICT NO. 9

TEXAS:
- Fort Worth:
  - Fort Worth Building & Loan Association of Fort Worth, 209 West Eighth Street.

DISTRICT NO. 10

KANSAS:
- Pleasanton:
  - Linn County Savings & Rural Credit Association.

DISTRICT NO. 12

CALIFORNIA:
- Huntington Park:
  - Southeast Building & Loan Association, 2640 Florence Avenue.
- Los Angeles:
  - Coast Mutual Building Loan Association, 530 West Sixth Street.

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN JUNE 22, 1936, AND JULY 18, 1936

INDIANA:
- Marion:
  - Guaranty Building & Loan Company, 110 West Third Street (partial consolidation with First Federal Savings & Loan Association of Marion).

NEW JERSEY:
- Bound Brook:
  - Middlebrook Building & Loan Association (partial consolidation with Bound Brook Building & Loan Association).

TENNESSEE:
- Knoxville:
  - Home Building & Loan Association, 317 Clinch Avenue (partial consolidation with Home Federal Savings & Loan Association of Knoxville).

[1] During this period 6 Federal savings and loan associations were admitted to membership in the System.

II.—FEDERAL SAVINGS AND LOAN ASSOCIATIONS CHARTERED BETWEEN JUNE 22, 1936, AND JULY 18, 1936

DISTRICT NO. 2

NEW YORK:
- Long Beach:
  - Long Beach Federal Savings & Loan Association, 20 West Park Street.

DISTRICT NO. 3

PENNSYLVANIA:
- Ardmore:
  - Lower Merion Federal Savings & Loan Association, 2 East Lancaster Avenue (converted from Lower Merion Building & Loan Association).
- Erie:
  - First Federal Savings & Loan Association of Erie, 608 Commerce Building (converted from Erie Systematic Building & Loan Association).

WEST VIRGINIA:
- New Martinsville:
  - Doolin Federal Savings & Loan Association of New Martinsville (converted from Doolin Building & Loan Association).

DISTRICT NO. 4

ALABAMA:
- Birmingham:
  - Woodlawn Federal Savings & Loan Association of Birmingham, 404 North Twenty-first Street (converted from Woodlawn Building & Loan Association).

FLORIDA:
- Jacksonville:
  - Jacksonville Federal Savings & Loan Association, 307 St. James Building.

GEORGIA:
- Statesboro:
  - First Federal Savings & Loan Association of Statesboro, Box 565.
- Vidalia:
  - Vidalia Federal Savings & Loan Association.

VIRGINIA:
- Lynchburg:
  - First Federal Savings & Loan Association of Lynchburg, 205 Ninth Street (converted from Lynchburg Mutual Building & Loan Association, Inc.).

DISTRICT NO. 5

KENTUCKY:
- Covington:
  - Columbia Federal Savings & Loan Association of Covington, Seventh & Main Streets (converted from Columbia Building Association).

OHIO:
- Lakewood:
  - Midwest Federal Savings & Loan Association of Lakewood (converted from Midwest Savings & Loan Company).
- Marysville:
  - Citizens Federal Savings & Loan Association of Marysville, 122 East Fifth Street (converted from Citizens Home & Savings Company of Marysville, Ohio).
- Miamisburg:
  - Mutual Federal Savings & Loan Association of Miamisburg, 607 East Central Avenue (converted from Mutual Building & Loan Company of Miamisburg, Ohio).
- Norwood:
  - Elsmere Federal Savings & Loan Association of Norwood, 3936 Main Avenue (converted from Elsmere Building & Loan Company).

TENNESSEE:
- Memphis:
  - Shelby County Federal Savings & Loan Association of Memphis, 128 North Court Avenue.

DISTRICT NO. 6

INDIANA:
- Peru:
  - First Federal Savings & Loan Association of Peru, Corner Broadway & Fifth Street (converted from Home Savings & Loan Association of Peru).
- Tipton:
  - First Federal Savings & Loan Association of Tipton, 120 North Main Street (converted from Home Savings & Loan Association).

MICHIGAN:
- Ludington:
  - Ludington Federal Savings & Loan Association, 204 North James Street.
- Mount Clemens:
  - Mount Clemens Federal Savings & Loan Association.

DISTRICT NO. 7

ILLINOIS:
- Belvidere:
  - Belvidere Federal Savings & Loan Association, 215 South State Street (converted from Belvidere Building & Loan Association).
- Chicago:
  - North West Federal Savings & Loan Association of Chicago, 5752 Irving Park Boulevard (converted from Parkside Building & Loan Association).
  - South Side Federal Savings & Loan Association of Chicago, 7754 South Racine Avenue.
  - Talman Federal Savings & Loan Association of Chicago, 2641 West Fifty-first Street (converted from Talman Building & Loan Association).
- Sparta:
  - Sparta Federal Savings & Loan Association, 109 West Broad Street (converted from Sparta Building & Loan Association).

WISCONSIN:
- Amery:
  - Amery Federal Savings & Loan Association.

DISTRICT NO. 9

MISSISSIPPI:
- Clarksdale:
  - First Federal Savings & Loan Association of Clarksdale, Second Street (converted from Clarksdale Building & Loan Association).

DISTRICT NO. 10

OKLAHOMA:
- Broken Arrow:
  - Broken Arrow Federal Savings & Loan Association (converted from Broken Arrow Building & Loan Association).

DISTRICT NO. 12

CALIFORNIA:
- Huntington Park:
  - First Federal Savings & Loan Association of Huntington Park, 2701 Florence Avenue (converted from Southeast Building & Loan Association).
- Los Angeles:
  - Los Angeles Federal Savings & Loan Association, 740 South Spring Street (converted from Los Angeles Mutual Building & Loan Association).
  - Wilshire Federal Savings & Loan Association of Los Angeles, 4157 West Fifth Street.
- Pasadena:
  - Atlas Federal Savings & Loan Association of Pasadena, 664 Elliott Drive.
- San Bernardino:
  - Santa Fe Federal Savings & Loan Association, 479 Fourth Street (converted from Santa Fe Guarantee Building & Loan Association).
- South Pasadena:
  - First Federal Savings & Loan Association of South Pasadena, 1418 Owley Street.

CANCELATIONS OF FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTERS BETWEEN JUNE 22, 1936, AND JULY 18, 1936

ALABAMA:
- Birmingham:
  - Anchor Federal Savings & Loan Association, 116 North Twenty-first Street (consolidated with First Federal Savings & Loan Association of Alabama).

TENNESSEE:
- Gallatin:
  - First Federal Savings & Loan Association of Gallatin (charter canceled by reason of dissolution and transfer of assets to First Federal Savings & Loan Association of Springfield).

III.—INSTITUTIONS INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION BETWEEN JUNE 22, 1936, AND JULY 18, 1936 [1]

DISTRICT NO. 2

NEW YORK:
- Albany:
  - Central Savings & Loan Association, 302 Central Avenue.
- Hastings-On-Hudson:
  - Hastings-On-Hudson Building Co-operative Savings & Loan Association, 541 Warburton Avenue.

[1] During this period 29 Federal savings and loan associations were insured.

NEW YORK—Continued.
Olean:
Olean Savings & Loan Association, 126 North Union Street.

DISTRICT NO. 3

PENNSYLVANIA:
Philadelphia (Tacony):
Forty-First Ward Building & Loan Association, 6964 Torresdale Avenue.

DISTRICT NO. 4

GEORGIA:
Buford:
Gwinnett County Building & Loan Association.
MARYLAND:
Baltimore:
Beverly Hills Building & Loan Association of Baltimore City, Inc., 2917 Arlington Avenue.
NORTH CAROLINA:
Mount Airy:
Workman's Building & Loan Association of Mount Airy, N. C., Incorporated, 111 North Main Street.

DISTRICT NO. 5

OHIO:
Akron:
Industrians Savings & Loan Company, 1207–09 East Market Street.
Toledo:
Auburndale Savings & Loan Company, 3237 Monroe Street.

DISTRICT NO. 6

INDIANA:
East Chicago:
Industrial Savings & Loan Association of Indiana Harbor, 900 East Chicago Avenue.
Greenfield:
Greenfield Building & Loan Association, 14 West Main Street.

DISTRICT NO. 8

MISSOURI:
Springfield:
Greene County Building & Loan Association, 418–420 East Commercial Street.

DISTRICT NO. 9

TEXAS:
Fort Worth:
Fort Worth Building & Loan Association of Fort Worth, 209 West Eighth Street.

DISTRICT NO. 10

COLORADO:
Grand Junction:
Mutual Savings & Building Association, 119 North Fifth Street.
KANSAS:
Wichita:
Commercial Savings & Loan Association, 108 North Topeka Avenue.

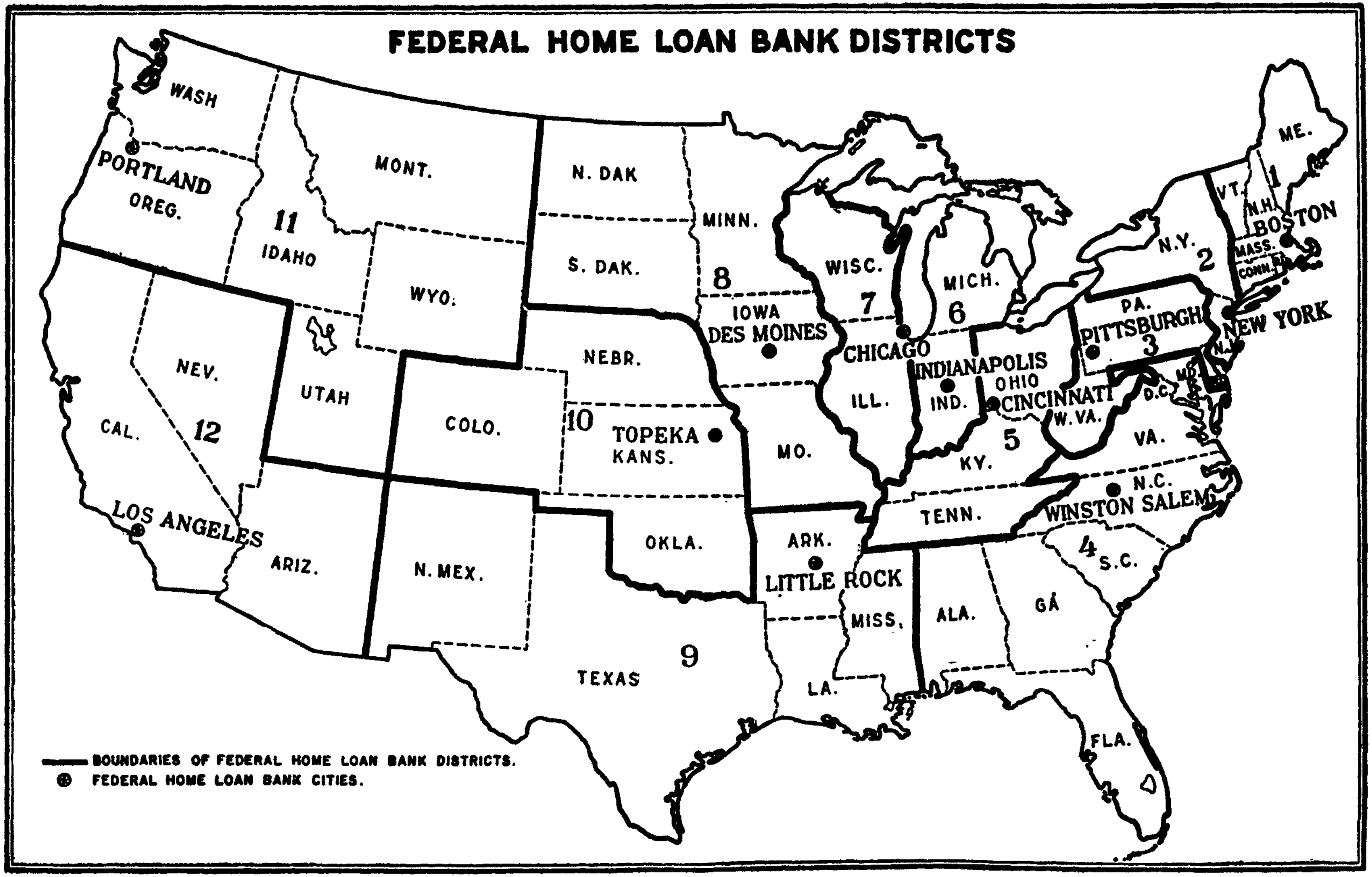
DISTRICT NO. 11

WASHINGTON:
Seattle:
First Savings & Loan Association, 4850 Rainier Avenue (formerly Southern Savings & Loan Association).

DISTRICT NO. 12

ARIZONA:
Phoenix:
Western Building & Loan Association, Security Building.
CALIFORNIA:
Ontario:
Euclid Guarantee Building & Loan Association, 109 West "A" Street.
Turlock:
Turlock Guarantee Building-Loan Association, 216 West Main Street.

U. S. GOVERNMENT PRINTING OFFICE: 1936


FEDERAL HOME LOAN BANK DISTRICTS
WASH
PORTLAND
OREG.
11
IDAHO
MONT.
WYO.
N. DAK
S. DAK.
MINN.
8
IOWA
DES MOINES
WISC.
7
CHICAGO
MICH.
6
ME.
VT.
N.H.
1
BOSTON
MASS.
CONN.
N.Y.
2
PA.
PITTSBURGH
3
NEW YORK
N.J.
MD.
D.C.
INDIANAPOLIS
IND.
OHIO
CINCINNATI
W. VA.
5
VA.
KY.
ILL.
NEBR.
UTAH
NEV.
12
CAL.
COLO.
10
TOPEKA
KANS.
MO.
LOS ANGELES
ARIZ.
N. MEX.
OKLA.
ARK.
LITTLE ROCK
TENN.
N.C.
WINSTON SALEM
4
S.C.
MISS.
ALA.
GA.
TEXAS
9
LA.
FLA.
BOUNDARIES OF FEDERAL HOME LOAN BANK DISTRICTS.
FEDERAL HOME LOAN BANK CITIES.