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Federal Home Loan Bank Review

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The Schenectady Plan

THE people of Schenectady, New York, are apparently determined that the future development of their city shall not be dictated by chance. They have a comprehensive plan which has been developed by the City Housing Authority and which gives effect to the city plan. As the details are worked out and become ready to be put into effect, they are taken before the City Council for appropriate action. This plan has been designed not only to guide future expansion but to cure existing evils. Slums, blight, and congestion will be removed and the land put to new uses which will be both socially and economically more desirable. This comprehensive plan has been evolved with full awareness of the necessity for coordination between the long-time city plan, and the long-time regional, State, and Federal plans. It is based on the New York State Municipal Housing Authorities Law and will need the Federal financial assistance recently made available.

The Schenectady plan is composed of five principal parts. Particular emphasis has been placed on the necessity for keeping slum clearance separate from low-cost housing. They are of course closely integrated but are to be financed as separate projects. The elements of the Schenectady program are as follows:

1. Clearance and rehabilitation of slums.
2. Low-rent housing.
3. Rehabilitation of blighted area.
4. Creation of a belt of municipally owned land on the periphery of the city.
5. Provision for a continuous record, both social and economic, of the city. This will include a real-property inventory.

In January 1934, the State of New York passed the Municipal Housing Authorities Law. The City Council of Schenectady was quick to take advantage of this law; one month later, in February, they authorized the creation of a Housing Authority. After its organization the Schenectady Housing Authority immediately made plans to get the financial assistance offered by the Federal Government. Its applications for funds for both low-cost housing and slum clearance were made in cooperation with the New York State Board of Housing and were based on the city plan prepared by Harlan Bartholomew about 10 years earlier.

Clearance and Rehabilitation of Slum Area

As regards its slum area, Schenectady has a problem common to many metropolitan districts; only 10 percent of the total slum area is fit for re-use as a housing site. The remaining 90 percent has to be cleared of its unsightly and unsafe dwellings and some other use found for it. Schenectady set itself the further restriction that the new use of this land must be noncompetitive with private business, must be productive, and must constitute a public use.

The slum area of Schenectady covers about 100 acres of ground all of which is located in the main business and industrial section of the city. The re-use of this land was conditioned by the public needs for that area. The principal re-uses are for: Automobile parking areas, a consolidated bus terminal, a consolidated truck terminal, a secondary public market, and the coordination of the railroad freight terminals of the city in one area.

It will be seen that these uses are almost wholly concerned with solving traffic problems of one kind or another. Every city has the same problem before it: How to transport workers and goods to and from congested central areas.

Emphasis has been centered on traffic relief in Schenectady as the result of traffic and parking surveys covering a period of three years. One of the findings of this survey was that at the period of greatest accumulation, 7,702 automobiles were in the downtown area. Unfortunately, in that area there is parking space for only 2,700 automobiles. The resulting problem is obvious.

As a part of the program, it is proposed that as soon as the parking areas on the slum land are completed, *all curb parking will be prohibited.* This will apply to busses as well as to private cars. In addition to clearing the streets of curb parkers the plans include street broadening to further facilitate traffic flow. Parking in the public areas will be subject to a 15-cent charge with free transfer privileges to any other area and good until 6:30 P. M. It has been estimated that this charge will produce adequate revenue to pay for all capital charges, maintenance and operation. The revenue will be pledged to secure bonds which will be further secured by a first mortgage. Four of these parking areas will be operated by the Housing Authority and the fifth is proposed to be leased to the General Electric Company. All the other projects are expected to be self-supporting and self-liquidating and will be operated by the Authority.

In addition to the low charge for parking, another service is planned in the form of locker keys so that the owner of an automobile who parks it while he goes shopping can request delivery of the goods purchased to "Locker No. 5 at Such-and-Such Parking Place." Such delivery would be easily made, and, of course, free. The purpose here is to relieve the congestion which, it is believed, chokes off millions of dollars worth of retail trade. One estimate of the loss of retail trade resulting from traffic congestion is $20,000,000 annually.

The Schenectady City Housing Authority finds that the slum area which it is attacking resulted from an original zoning provision for too much commercial area in a much older city plan. That plan contemplated a considerably more rapid growth than the city experienced. The surplus commercial area eventually degenerated into a slum area that increased fire risks with consequent increases in fire insurance rates. The present plan contemplates a considerable saving in fire insurance costs through the slum clearance.

The result of these operations would dehouse about 180 families. Most of this number are owners who will buy or build in other sections of the city. The Authority, has, with the assistance of the city, forced demolition on sanitary grounds. The small number of families occupying this large area is due to the fact that the greater part of the structures had been already declared unfit for use and were unoccupied. The total cost of the slum rehabilitation projects is estimated at $2,265,000.

On the small habitable area of slum land the Authority is now erecting low-cost dwellings with the aid of the Housing Division of the Public Works Administration. For this purpose the Division allocated $1,500,000. The plans call for nine structures. The land has been cleared and the foundations built for three of this number. And although there have been delays and the plans have had to be redesigned to lower the cost, it is expected that construction will start during early 1937.

Long-Time Land Program

Perhaps the most interesting phase of the Schenectady city plan is the projected program for land use in blighted and open areas. This program is pioneering. It should be watched by everyone because it affords an empirical basis for judgment of the most advanced theories for city rehabilitation.

The possession of foreclosed properties by the city is the lever by which the long-

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An Example of Neighborhood Maintenance

DALLAS, Texas, presents one of the most interesting tests of the theory of maintaining a high standard for a large neighborhood (in order to protect the value of the individual houses and lots) to be found in the United States today. Special rather than usual conditions prepared the way for this test; therefore, a brief review of the record will be of interest.

Dallas, like many other municipalities, is not confined within the city limits. What we shall discuss is the real Dallas that spreads for miles beyond its city limits. Indeed, there are separate incorporated municipalities directly adjoining Dallas so that the stranger could not possibly know when he had passed from one into the other. For the purposes of this discussion all of these become part of the metropolitan center that must be considered an entity.

The population of this metropolitan area increased 58 percent during the decade, 1920–30, according to the U. S. Census. This was its period of most rapid growth although the increase in population had long been steady. For example the U. S. Census reports for 1910 a population of 120,000; and for 1930, 310,000.

The period of most rapid growth coincides with the development of large, new oil fields in various parts of Texas, and greatly stimulated prosperity and productivity within the enormous trade territory of the city. It is not accounted for by a few, large, local industries. This point is important because there was an interesting disproportion between the increase in local wage earners and the number of persons coming from farms, ranches, and especially very small towns, bringing newly acquired capital, and seeking the educational and social advantages of a large city. These people were accustomed to owning their own homes and expected to do so in Dallas and its environs. A very large proportion of them were in the market for building sites rather than homes already constructed. They wanted large lots and some assurance in the form of restrictions and zoning that other construction in the neighborhood would be of high standard. As a result of this demand for space, hundreds of acres of neighboring farm and pasture land became city additions. The growth, as is usual under such circumstances, was mainly in one direction; in this case, north. Not narrowly north in a thumblike projection, but broadly, more in the shape of a whole hand. At its tip, the projection of the residential section was about thirteen miles from the business center of Dallas proper.

While probably not unique, this was certainly something unusual as to area of zoned and restricted residential development.

Restrictions are not new and neither is zoning but Dallas got the full benefit of the experiences (often disappointing) of numerous older cities. Moreover, it applied the lessons of this experience to a new territory large enough to give restrictions and zoning a better than fair chance to show their value.

A large proportion of the new homes was of brick or stone. The period during which they were constructed was one marked by new conceptions of the possibilities of residential architecture. None of the atrocious architecture of the eighties and nineties had marred this open prairie land. It began

with the best. There were no out-moded public service facilities to be torn up and replaced at great expense. The newcomers began at the grass roots. The builders were not thinking primarily of real-estate values because very few of these buyers and builders expected to sell their properties. Social values were their guide.

Then came the depression. A few official figures will suffice to show what it did to residential construction. According to the record of building permits for the city proper 11,000 new family dwelling units were provided in 1930; this dropped to 1,000 in 1931; to 950 in 1932; to 300 in 1933; rose to 304 in 1934; and to 329 in 1935. Since then the increase has been impressive.

Thousands of incomes were sharply reduced and many of the owners of the new homes lost both income and capital. Real-estate values were reduced, of course, and the real-estate market almost disappeared. Maintenance of many of these homes was, perforce, neglected. But they had been for the most part well constructed in the first place and damage was relatively quite small. These houses offered no expensive fringe of shoddy, gingerbread decoration to the sun and rain and sleet. With lawns and trees trimmed they kept their excellent appearance. With the restrictions and the zoning rules they could not fall victims to encroaching retail enterprises or hand laundries or dry cleaning establishments or three or even five or six times during the Scores of these houses changed hands two or three or even five or six times during the depression. But the restrictions and the zoning survived, and with them the high quality of the neighborhood. This test is the more interesting because protection of market value was not the original purpose of the safeguards. Consideration for social values brought the restrictions and the zoning into being.

Finally the depression ended. Dallas has been prosperous for more than a year. What happened to this large and new residential district as better times returned? Well, it resumed growing and its values were restored with amazing rapidity.

There remains a comparison to be made with much older sections of Dallas that basked in glory before anyone thought much about the preservation of entire neighborhoods from deterioration. The once envied homes of those relatively small neighborhoods, if they were blighted during the depression, have not recovered their values. They go on deteriorating. Their only hope is that industry or commerce will claim them or the ground on which they stand for new uses.

HERE IS AN EXCELLENT ADVERTISEMENT.

Insurance of Joint Accounts and Trust Accounts

IN CONNECTION with the insurance of joint accounts and of trust accounts (under the provisions of Section 1 of the Rules and Regulations for Insurance of Accounts) many insured institutions have made inquiries as to the scope of the insurance of joint accounts and trust accounts. So that there may be a better understanding, the following analysis, with illustrations, has been prepared by the Legal Department of the Federal Savings and Loan Insurance Corporation:

Without prejudice of the rights and without modification of the duties of the Insurance Corporation with respect to the settlement of insurance in accordance with law, the following illustrations are given of the insurability by the Federal Savings and Loan Insurance Corporation of individual, joint, and trust accounts in a single insured institution. On the date of default of an insured institution, the status of ownership of an insured account is determined in accordance with the investment contract and the law of the State in which the contract is made, as affected by the law of the State or States having jurisdiction over the activities of the contracting parties. Ownership, as so determined, will control the settlement of insurance pursuant to Title IV of the National Housing Act.

Joint Accounts With a Right of Survivorship

WHETHER or not a particular account is a joint account depends upon the investment contract and the law of the State governing the contract between the joint owners. In the following examples, it is assumed that a joint account with the right of survivorship, and not a tenancy in common, is created by an investment by two or more persons in an account designated as held by two or more persons "as joint tenants". To create by contract a joint account with a right of survivorship, when permitted by State law, the certificates evidencing the investment should certify that, for example, John Doe and Richard Roe, as joint tenants, with a right of survivorship and not as tenants in common hold the account.

A, B, and C may, at the same time, hold the following accounts in a single insured institution and each account will be insured by the Federal Savings and Loan Insurance Corporation up to $5,000:

Account No. 1:	A	A holds such account and is the member.
Account No. 2:	B	B holds such account and is the member.
Account No. 3:	C	C holds such account and is the member.
Account No. 4:	A, B, and C as joint tenants	A, B, and C hold such account and are deemed one member as though they formed a partnership.
Account No. 5:	A and B as joint tenants	A and B hold such account and are deemed one member as though they formed a partnership.
Account No. 6:	A and C as joint tenants	A and C hold such account and are deemed one member as though they formed a partnership.
Account No. 7:	B and C as joint tenants	B and C hold such account and are deemed one member as though they formed a partnership.

The insurance statute limits the insurance to any one insured member in any one insured institution to $5,000. An insured member of an insured institution may be

either an individual, a partnership, an association, or a corporation. Under the Rules and Regulations for Insurance of Accounts, a joint account is insured as a partnership account and the joint holders of such account constitute one member as though they were a partnership. In regard to the joint accounts mentioned above, a different member of the institution holds each such joint account on the basis stated, to wit: A and B constituting a single member is a different member from A and C constituting a single member. But there is no difference, for insurance purposes, between Account No. 5, above, and "B and A as joint tenants." One member, namely, A and B as though they formed a partnership, holds both accounts; and insurance on the aggregate amount of money invested in these two accounts will be limited to $5,000.

It is to be noted, however, that if all the joint holders of a joint account die except one, the joint account would cease to exist and the individual account which would remain in its stead would be treated in the same manner as any other individual account; i. e., if the survivor already held an individual account of $5,000, his total insurance would be limited to $5,000 regardless of how many individual accounts such individual holds. But until there is a death or the joint account is otherwise terminated, the insured status of a joint account is on the partnership basis.

A husband and a wife as joint tenants with a right of survivorship create a tenancy by the entirety. It would be well for the certificate of investment to state the marital relationship.

The laws of each State should be examined to be sure that the investment contract for a joint account creates under State law the legal relations intended by the parties.

An association proposing to open a joint account with a right of survivorship should protect itself by obtaining a written agreement signed by the joint account holders that the association is authorized to act without further inquiry in accordance with writings bearing the signature of any one of the joint account holders and that any one of the joint account holders who shall first act shall have power to act in all matters related to the membership in the association or with regard to the joint account, whether the other person or persons jointly owning the account be living or not. Such an agreement should authorize the association to pay the withdrawal or repurchase or redemption value of such joint account in whole or in part to any one of the joint account holders who shall first act, and that any such payment or a receipt or acquittance signed by any one of the joint account holders shall be a valid and sufficient release and discharge of the association.

Trust Accounts

It is also to be noted that insured accounts may be held in trust. Since the beneficiaries and not the trustees of trust accounts are the real insured parties in interest, for the purpose of insurance, the beneficiaries and not the trustees are insured. Under the Rules and Regulations for Insurance of Accounts, one trustee may, therefore, hold as trustee any number of insured accounts for any number of disclosed beneficiaries provided the accounts of such beneficiaries are carried separately. If there is but one individual, association, or corporation that is the beneficiary of the trust, the account is insured as an individual, association, or corporation account respectively; and if there are joint owners with the right of survivorship, who are beneficiaries of a trust account, the account is insured as a partnership account. Further to illustrate this matter, a trust account entitled "X as trustee for A" is insured as an individual account on the same basis as Account No. 1, above, would be insured; likewise, the trust account entitled "X as trustee for A, B, and C as joint tenants" is insured as a partnership account on the same basis as Account No. 4, above, would be insured. The maximum insur-

ance on the aggregate amount of money invested in Account No. 1, above, and "X as trustee for A" would be $5,000. For insurance purposes, the beneficial interest in both of such accounts is held by the same person, namely, by A. Likewise, the maximum insurance on the aggregate amount of money invested in Account No. 4, above, and "X as trustee for A, B, and C as joint tenants" would be $5,000. For insurance purposes, the beneficial interest in both of such accounts is held by the same persons, namely, by A, B, and C as though they formed a partnership.

For insurance purposes, there is no difference between different accounts held by the same person whether absolutely or beneficially under a trust; and the total insurance to any one member, irrespective of how many different accounts such member holds (either absolutely or beneficially under a trust or trusts) in any single insured institution, is limited to $5,000. Therefore, if A holds Account No. 1, above, in which account A has invested $4,000, and if A also holds some other account in this same institution in which account A has invested $3,000, the maximum insurance on the $7,000 so invested is $5,000.

The laws of some States contain special provisions with regard to trust accounts in savings and loan associations and each insured institution should provide for obtaining appropriate special agreements required or permitted by such special provisions of State law if the association proposes to take advantage thereof in connection with issuing trust accounts.

Accounts Held by Tenants in Common

Tenants in common hold by several and distinct titles, with unity of possession. No privity of estate exists between them. The qualities of their estates may be different and their interest in the account may be unequal. Each tenant in common is, for insurance purposes, a different member of an insured institution. Subject to the limitation that the total insurance which any insured member may have in any one insured institution is an aggregate amount not in excess of the $5,000, whether the insured member has one or more insurable accounts, the interest of a tenant in common in such an account is insured to the same extent as it would have been had the value of his interest in such amount been represented by a separate account. *Example:* A and B hold an account of $10,000 as tenants in common and A's undivided interest in such account is $4,000 and B's undivided interest is $6,000. If A holds no other account, his undivided interest of $4,000 would be insured. If A holds another account of $2,000, A's total insurance would be $5,000, $1,000 of the $4,000 undivided interest in the account held as a tenant in common or $1,000 of the individual account of $2,000 being uninsured. Whether or not B holds any other account in the association his total insurance would be $5,000.

In order that the records of each insured institution will show the amount of insurance of each tenant in common, if any, the following records are necessary: When and if an account for tenants in common is opened, each tenant in common must certify in writing either the dollar amount of undivided interest of each tenant in common in such account or must certify the proportion which the undivided interest of each tenant in common bears to the whole account. Whenever additional payments are made on such account held by tenants in common, a signed statement must be obtained from the person making such payment as to whether such payment increases the undivided interest of such tenant in common or of another tenant in common or increases the undivided interest of each tenant in common in the proportion fixed by the prior certificate of each of the tenants in common stating the proportion of the account each tenant in common holds. To create a teenancy in common the certificate of investment should certify that

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Appraisal Methods and Policies

This is the fifth in a series of articles.

THE value of improved real property is dependent upon the future benefits it offers. One of the most important of these is the ability to produce income which is variable according to the type of property and its use. This article will deal with the value of this particular future benefit.

The method of determining its value is a process of capitalization which means the determination of the present worth of a series of future incomes. For example, assume that an investor buys a $1,000 bond, bearing 5-percent interest, and maturing in 20 years. What he has actually bought is a claim to an income of $50 per year for 20 years, and a lump sum of $1,000 at the end of that time. What is that claim worth to him? It depends upon the rate at which he discounts the future, or his rate of "time preference", as the economist expresses it. What is the $50 which he will receive a year from today worth to him now? If it should be $47.62, then his rate of discount would be 5 percent, as that sum at 5-percent interest would amount to $50 at the end of the year. The present worth of the whole series of future incomes can be determined by discounting them, for the proper lengths of time, by this rate. This analysis of capitalization, however, is based upon the assumption that the bond will be worth the full amount of the original investment at the expiration of the 20-year period and the income remain constant during that period. The application of the capitalization principle to real property is somewhat different because the principal may not be a fixed asset and the income may be variable.

There are two general forms of capitalization which are known as the "net method", used primarily for the investment or income type of property, and the "gross method", which may be used for the type of properties having other amenities than income alone.

Net Capitalization Method

THE capitalization of net income is dependent upon the predicted future gross income, less carrying charges and operating expense, which is known as the "net income". The present value of any property is based on the net income which it is expected to produce in the future and the estimated value of the lot at the expiration of the useful life of the improvement. Past income is not a basis for calculation, but is an indication of the expected future income. The net income is established by deducting from the gross income the expenses and carrying charges over the same period of years; these expenses and carrying charges are the amounts to be expended for taxes, maintenance, depreciation, insurance, management, loss for vacancies, and utilities, such as light, power, and water.

Having determined the net income, the probable number of years it will continue, and the value of the lot when the building has been removed, the appraiser must next decide what rate of capitalization he should use. The proper one is the rate which investors in property of that type commonly expect and demand. If they will not invest in property unless the price is such that they will receive 6-percent net return,

then that becomes the prevailing rate of capitalization. It varies with different localities and with different types of property. In general, it varies inversely with the supply of investment funds and the security of real-estate values. Ample funds and a high degree of security result in a low capitalization rate, and vice versa.

This capitalization method is best suited to the use of professional appraisers and to the appraising of income-producing properties. Its logical basis when applied to income-producing property is unassailable but it involves a thorough knowledge and wide experience on the part of the one making the analysis in the operation and management of this type of property. It is not considered to be a fair method of capitalizing the income of small residential properties, for they are not bought and sold on the basis of the income which they produce.

Gross Capitalization Method

The gross capitalization method may be used very successfully in estimating the value of rental for small-income properties, provided sufficient consideration is given to the hazards involved in establishing the capitalization rate.

Every careful student of real-estate values knows that the capitalization rate varies with different kinds of property and in different communities. Generally the rate is higher for property which is subject to a rapid rate of depreciation. With such property the rent is high in proportion to the value because the rent includes a considerable allowance for depreciation. Thus a lower rate may be used for properties occupied by the owners or by a high class of tenants, as compared to properties occupied by a poor class of tenants which would cause rapid depreciation and present a greater hazard to the property and the income. A cheaply built house may for a period of years rent for as much as a well constructed one, but its sale value is considerably less, which difference can be taken into account by using a higher capitalization rate for the cheaper house.

The fair capitalization rate for any particular piece of property depends upon a number of factors. The first thing that must be considered is the rate of return demanded by investment capital on any ordinary secure investment. The effect of all the various hazards involved in this particular investment in comparison with the hazards of the ordinary secure investment must be given due consideration.

It might be well to enumerate some of the hazards of the ordinary residential property, which are abnormal depreciation of the improvements, downward trend of a neighborhood causing a rapid decrease in income, loss of rents by vacancies, loss of income through poor collections, abnormally high or low carrying charges. Any one of these may materially affect the capitalization rate for the property. For example, invested capital might demand 6-percent return on an ordinary investment which is not subject to any special hazard other than the ordinary market and economic conditions. However, because of the existence of one or more of the above-mentioned hazards, which are prevalent in real property investment, it would be necessary to return a gross of considerably more than 6 percent in order to give the investor an average fair return on his money.

If the appraisal is being made for the purpose of determining the present market price, the current gross rental is used as a basis for capitalization. If, however, the purpose is to determine the value upon which a long-term mortgage loan may safely be made, the average rental is used as a basis for capitalization. The establishment of an average of the past rentals, projected into the future, may be comparatively safe. If the appraisal is being made during a period of depression when rents are abnormally low, the use of the average rental would indicate a higher value for the property than would the current rental.

This contention assumes that within the next few years rents and sale prices will rise to their former levels. This assumption may be invalidated, however, by a continuing decline or by the maintenance of a new low level of realty values. Therefore, during a period of depression the higher value indicated by the use of the average of past rentals, rather than the current rental, should be accepted only if it is well supported by other evidences of value. On the other hand, it is the part of conservatism during a period of high prices to use the average of past rentals rather than the current rental, as the probable decline of prices will thereby be anticipated.

The appraiser should be sure that the rental used as a basis of capitalization represents the true rental of the property, neither too high nor too low, as judged by the prevailing standards of the community. The rent that a tenant who has some freedom of choice in the matter may be reasonably expected to pay is the fair basis for capitalization. In the great majority of cases, however, this will be the same as the rent actually paid, as the rental market is usually a competitive one. If the property has not been rented in recent years, or possibly never, its rental value must be determined by comparing it with similar properties which are rented.

The gross capitalization method of estimating value is subject to much the same criticism that was advanced against the comparative method of establishing market price. It considers only present and past rentals, whereas the value of the property is really dependent upon future rentals. It can be dependable only to the extent that the former correctly forecast the latter.

This method is most applicable to low- and medium-priced residences. It is usually difficult to ascertain the proper ratio for high-priced properties, for they are not usually rented. Moreover, in the relatively few cases in which they are rented, there is not likely to be any one prevailing ratio between the rental and the value of the property, because there are too few such cases to establish a stabilized market.

The methods of capitalizing the income from small residential properties have been only fairly accurate, either on a net or gross basis. The amenities involved in the ownership of small residential properties are an indeterminate factor and cannot be capitalized. These amenities must be represented by a reduced rate of return on the investment, the amount of which is controlled by the amenities afforded to any particular owner. This does not mean that capitalization of income from this type of property has no place in the estimating of appraised value—it is beyond a doubt a very valuable study because any property, even though occupied by the owner, is always a potential rental property whose value is dependent in part upon the income which it will produce.

Insurance of Accounts

(Continued from page 189)

John Doe and Richard Roe as tenants in common hold the account.

Associations which propose to open joint accounts held by tenants in common should require such tenants in common to sign necessary agreements to provide for the release of the association upon the signature of one joint accountholder, if that be permissible under State law and deemed desirable by the insured institution. In any event, upon execution of an application for such a joint account, the tenants in common should be required to stipulate expressly in what manner and by what signatures the association is to be released in connection with such joint account.

Administrative Rulings, Board Resolutions, and Counsel's Opinions

ANY member may obtain from a Federal Home Loan Bank a copy of any administrative ruling, Board resolution, or the complete text of any opinion of the Legal Department of the Board, the digest of which is printed in the REVIEW.

DIGEST OF A–B–C BOOK OPINION

DIVIDENDS—Payment of, on inactive share accounts. Fed. Charter K, Sec. 9.

An inactive share account, within the meaning of Section 9, Charter K, for Federal savings and loan associations, is one, the participation value of which is $5 or less, upon which no payments have been made and upon which no application for repurchase has been filed during the six months period for which dividends are to be declared. See A–B–C Book, C–138, dated February 9, 1937.

BONDS FOR OFFICERS, DIRECTORS, AND EMPLOYEES—ON "DIFFERENT BASIS." Fed. Regulation. Sec. 12; Ins. Regulation Sec. 15.

The provision of Section 12 (b) of the Rules and Regulations for Federal Savings and Loan Associations, (Section 15 (b) of the Rules and Regulations for Insurance of Accounts) that, under circumstances therein named, "The Board may approve a bond on a different basis" does not contemplate the approval of fidelity bonds in lesser *amounts* than those provided by Section 12 (a) of the Rules and Regulations for Federal Savings and Loan Associations and by Section 15 (b) of the Rules and Regulations for Insurance of Accounts. See A–B–C Book, A–139, dated February 4, 1937.

DIVIDENDS—Payments of, on share accounts repurchased. Fed. Charter E, Secs. 7, 10; Fed. Charter K, Secs. 9, 12.

Charter E (Sec. 7) and Charter K (Sec. 9) provide for the declaration and payment of dividends as of June 30 and December 31 of each year. Charter K expressly provides that all dividends shall be declared as of said dates. That is the correct construction also of Charter E. Charter E (Sec. 10) and Charter K (Sec. 12) provide that dividends upon a share account to the extent of the amount of the application to repurchase all or part thereof, shall be discontinued while such share account remains upon the repurchase list. Unless a repurchase application and payment is made on June 30 or December 31, dividends may not be paid on shares repurchased to the date of repurchase. The appropriate method of calculation of dividends when part of a share account has been noticed for repurchase is set forth expressly in Section 9 of Charter K. Such formula for the calculation of dividends is also applicable to Charter E. (Full text of opinion in A–B–C Book, C–140, dated February 17, 1937.)

POWERS OF ASSOCIATION—Investment in "Other securities". Charter E, Sec. 11, Charter K, Sec. 13.

A Federal savings and loan association, whether it operates under either Charter E or Charter K, cannot legally invest in securities other than obligations of, or obligations guaranteed as to principal and interest by, the United States, obligations of Federal Home Loan Banks, and stock of a Federal Home Loan Bank. As yet the Federal Home Loan Bank Board has not approved any other types of securities for

investment by such association and cannot legally approve any other types of security for investment by such associations unless Section 5 of the Home Owners' Loan Act of 1933 is amended to give the Federal Home Loan Bank Board this authority. Other securities, which have been legally acquired by a converted association before such conversion or which are legally acquired in a salvage operation, but which are not legal investments for a Federal savings and loan association, can be held for a reasonable time and, in a salvage operation, can be exchanged for any other securities. When such securities are once sold for cash, proceeds of such sale must be used for the purposes and in the manner provided for in the association's charter and by-laws. See A–B–C Book, C–141, dated February 18, 1937.

POWERS OF FEDERAL ASSOCIATION—Purchase of real estate. Fed. Charter E, Sec. 18; Fed. Charter K, Sec. 3.

The power to purchase real estate by a Federal association operating under Charter E or Charter K is found in the provision in each of such charters permitting such an association to do such things as may be incidental to or necessary for the accomplishment of the objects and purposes of its incorporation, which are to promote thrift and to provide for the sound and economical financing of homes in the community to be served. Such associations also have power to wind up, dissolve, merge, consolidate or reorganize in the manner provided by law and the rules and regulations made thereunder. Each proposed purchase of real estate must be consistent with the objects, purposes, and powers of the association and must be incidental to or necessary for the accomplishment of such objects and purposes. The following real-estate purchases are legal: (1) an office building within the charter limitations; (2) at a foreclosure or analagous sale if the association has a lien or claim on such real estate; (3) a purchase and concurrent sale when the purpose is to provide the funds for home or other real-estate financing within the limitations which affect real-estate loans; (4) real estate acquired in satisfaction of a debt, or in connection with salvaging the value of other property, or in exchange for other real estate owned; (5) the purchase, approved by the Federal Home Loan Bank Board, of all or part of the assets (including real estate) of another institution. See A–B–C Book, C–145, dated February 19, 1937.

POWERS OF FEDERAL ASSOCIATION—To operate safe deposit vaults. Fed. Charter E, Sec. 18; Fed. Charter K, Sec. 3.

The power of any Federal association to operate a safe deposit vault business can be found only in the provision in its charter permitting it to do such things as may be incidental to or necessary for the accomplishment of the objects and purposes of its incorporation, which are to promote thrift and to provide for the sound and economical financing of homes in the community to be served. Each proposed operation of safe deposit vaults must be tested as to its consistency with the objects and purposes of the association and it must be incidental to or necessary for the accomplishment of such objects and purposes. The conduct of a safe deposit vault business as incidental to the promotion of thrift must be deemed remote to such object and not incidental to such purpose unless there be no other means available within the community of satisfying a substantial and existent demand on the part of the members for such services. See A–B–C Book, C–147, dated February 19, 1937.

POWERS OF FEDERAL ASSOCIATION—To organize a subsidiary. Fed. Charter E, Sec. 18; Fed. Charter K, Sec. 3.

The power of any Federal association to organize a subsidiary corporation can be

found only in the provision in its charter permitting such association to do such things as may be incidental to or necessary for the accomplishment of the objects and purposes of its incorporation, which are to promote thrift and to provide for the sound and economical financing of homes in the community to be served. Any Federal association also has power to wind up, dissolve, merge, consolidate or reorganize in the manner provided by law and the rules and regulations made thereunder. Each proposed organization of a subsidiary corporation must be consistent with the objects, purposes and powers of the association and must be incidental to or necessary for the accomplishment of such objects and purposes. If the business to be transacted by such subsidiary corporation is lawful business to be conducted by the association and the use of a subsidiary corporation to conduct such lawful business is necessary or so much more advantageous as to be almost necessary, the organization of the subsidiary corporation would be legal. See A–B–C Book, C–146, dated February 19, 1937.

MORTGAGE LOANS—Commissions to directors, officers, employees of a Federal Association, prohibited. Fed. Reg. 39 (c).

Commissions to directors, officers or employees for writing insurance on the security underlying loans of a Federal association are not prohibited by Fed. Reg. 39 (c). An insurance premium is a proper initial charge in connection with the making of a loan under the Regulations. See A–B–C Book, C–144, dated February 19, 1937.

RESERVE ACCOUNTS (other than reserve for bonus) of Federal associations, required transfers to, Fed. Charter E, Sec. 7; Fed. Charter K, Sec. 9; Fed. Reg. 33, 46; Ins. Reg. 11 (a), 11 (c).

A Federal association operating under Charter E must transfer at each dividend date to its reserve account an amount equivalent to 5 percent of the earnings for that period after provision for expenses, until said reserve account is equal to 5 percent of the total amount paid in on its shares (including credited dividends), and if at any time said reserve account is below said 5 percent such credits shall thereafter be made until such account is brought back to said 5 percent. Unless it has designated its charter reserve as its Federal insurance reserve account, such association must also during each calendar year credit to its Federal insurance reserve account an amount equal to at least three-tenths of 1 percent of the aggregate of its insured accounts at the beginning of such calendar year. Such credit shall be made until such reserve account shall equal an amount at least 5 percent of all insured accounts, and if at any time said reserve account is below said 5 percent annual credits shall thereafter be made until said reserve account is brought back to said 5 percent. Any such association which has so designated its charter reserve as its Federal insurance reserve account, must transfer to such reserve account during each calendar year, an amount equal to at least three-tenths of 1 percent of the aggregate of its insured accounts at the beginning of such calendar year, or credit thereto at each dividend date an amount equal to at least 5 percent of the earnings for that period (after provision for expenses), whichever is greater. Such credits shall be made until such reserve account shall equal an amount at least 5 percent of all insured accounts or 5 percent of the total amount paid in on its shares (including credited dividends), whichever amount shall be the greater, and if at any time said reserve account is below such greater amount, such annual credits shall thereafter be made until such account is brought back to such greater amount.

A Federal association operating under Charter K must maintain the Federal insurance reserve account by sufficient credits on each dividend date, and, if and whenever its aggregate reserves, including the

Federal insurance reserve but excluding bonus reserve, are not equal to 10 percent of its share capital, shall transfer, at each dividend date, to reserves (other than bonus reserve) a credit equivalent to at least 5 percent of its net earnings for that period or three-twentieths of 1 percent of the aggregate of its insured accounts at the beginning of such calendar year, whichever amount is greater.

Every Federal association shall maintain a reserve for uncollected interest equivalent to all interest in default more than 90 days and interest on all loans shall be accrued monthly. The Board may require that a special reserve be set up equal to the depreciation in value of the assets of a Federal association. See A–B–C Book, C–148, dated February 19, 1937.

MORTGAGE LOANS—Prepayment of, Fed. Charter E, Sec. 12; Fed. Charter K, Sec. 14; Fed. Reg. Sec. 40.

1. Under Section 12 of Charter E, a borrower is given a right to pay off his loan before maturity in whole, but not in part, in which event the association is privileged to charge interest on the unpaid balance before such prepayment, not exceeding 90 days beyond the date of such prepayment. Such an association may waive the collection of such penalty interest. Neither the charter nor the rules and regulations require that the loan contract make provision for charging such penalty interest. Charter E is silent with respect to the right of a borrower to make a partial prepayment of a loan. Such subject is, therefore, controlled solely by the principles of contract law, i. e., any such association may accept from borrowers partial prepayments on account of their loans upon such terms as it negotiates with such borrowers.

2. A borrower from an association operating under Charter K has a right under Section 14 thereof to make prepayments on account of his loan which prepayments prepay the loan in whole or in part. Such prepayments may be made without penalty except that when any such prepayment of all or any part of a loan equals or exceeds 20 percent of the original principal amount of the loan, such association is privileged under said Section 14 to charge interest in an amount equal to not more than 90 days' interest on the amount of such prepayment; provided, however, such loan contract makes provision for charging such penalty interest. However, such association may waive the collection of such penalty interest.

3. If an association operating under either Charter E or Charter K incorporates into a loan contract a provision whereby the stipulated rate of interest may be increased three years or more after date of the loan on at least four months' written notice to the borrower, the loan contract shall also contain a provision that in the event of such an increase in the stipulated rate of interest, the borrower may prepay the loan within such notice period without the payment of any additional interest or any other penalty. (Full text of opinion, A–B–C Book, C–149, dated February 17, 1937.)

CHARTER E—Disposition after amendment by Charter K. Fed. Charter K, Sec. 6.

A Federal association which has obtained Charter K as an amendment to Charter E should retain the original Charter E issued to it because Section 6 of Charter K requires that outstanding share accounts created under Charter E shall continue to be known and treated as provided in Charter E until exchanged for investment or savings share accounts. See A–B–C Book, C–151, dated January 16, 1937. The Board has informally indicated that it did not desire the surrender of Charter E to it. The Governor recommends that each such association make a notation on Charter E: "This charter has been amended by the issuance of Charter No. ____ (Exhibit K of the Rules and Regulations for Federal Savings and Loan Associations) by the Federal Home Loan Bank Board on _____19____."

VOTING RIGHTS OF MEMBERS—Proxies (Limitation) Fed. Charter E, Sec. 4; Fed. Charter K, Sec. 4.

Members of association operating under Charter K may vote by proxy as they may vote in person. The use of proxies by members of associations operating under Charter E is limited by Section 4 of such Charter, so that no one individual, acting as proxy for one or more members, may cast more than 10 percent of the total vote eligible to be cast in the election. The granting of a proxy to vote under Charter K is not limited by any rules other than those of the Common Law affecting the granting of powers of attorney generally. A proxy, as any other power of attorney, is revocable by the maker at will. See A–B–C Book, C–150, dated January 8, 1937.

(Continued on page 215)

Schenectady Plan

(Continued from page 184)

time land program can be executed. The city obtains these properties by foreclosing delinquent tax liens and acquiring a valid court title to them. Negotiations are being made for the Housing Authority to take over these foreclosed properties. These properties are located principally in two sections: the blighted areas on the edge of slums, and the improved but uninhabited areas on the outskirts of the city.

Replanning for residences will start in the blighted areas. These areas are fortunately located; the blighting effect is produced by the proximity of slums and the age of the houses, most of which are frame. With the removal of the slum menace the incentive to further blight will be partially eliminated. The Authority, with the assistance of the projected long-term Federal and State programs, proposes to clear these areas gradually, to replan them, and make them available for private rebuilding. It is felt that once they are cleared and replanned private capital will flow into their reconstruction.

Out of the total of 4,096 parcels of land subject to foreclosure, 3,955 are located in six periphery wards. These are parcels which were improved at the cost of the taxpayer but which were never occupied. The city now plans to make good use of them. As the Mohawk River constitutes the western boundary of the city, the possession of these plots by the Authority will set up a municipal land reserve in an almost continuous belt about the city. Thus the Authority will be in a position, working with the City Planning Commission, to direct scientifically the future growth of the city.

In a recent article, Mr. Miles R. Frisbie, Executive Director of the Schenectady Municipal Housing Authority, and Mr. F. W. Fisch, its Chief Engineer, emphasize the timeliness of present-day city planning as follows:

"To this Authority it seems that the new laws, making possible this accumulation of municipal lands in the hands of housing authorities, offers an opportunity of significant potentialities for municipal planning and city rehabilitation."

In view of the steadying effect of rational planning on mortgage investments, the effort Schenectady is making will be of keen interest to savings and loan associations. By providing a real property survey and other statistical information, the city helps financing institutions ascertain true mortgage risk; by guarding residential values through reconstruction it measurably lessens mortgage risk.

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Indexes of Small-House Building Costs

BETWEEN November 1936 and February 1937 the costs of building the same typical 6-room house increased in all but 1 of the 23 cities making comparable reports for the two periods. Reports from 1 city showed no change in building costs; reports from 2 cities showed increases of less than 1 percent; and reports from the remaining 20 cities showed increases of more than 1 percent. These general, and in some cases drastic, increases in costs have been principally due to materials costs. Labor costs rose in only 5 out of the 23 cities.

The largest increase of 9.4 percent, or 1.9 cents per cubic foot, was reported by Philadelphia, Pennsylvania. Memphis, Tennessee, reported an increase of 7.3 percent; San Diego, California, of 6.7 percent; and San Antonio, Texas, of 6.3 percent.

Comparing costs for February between cities we find the highest costs reported by

Total costs and cubic-foot costs of building the same standard house in representative cities in specific months [1]

NOTE.—These figures are subject to correction.

[Source: Federal Home Loan Bank Board]

Federal Home Loan Bank Districts, States, and cities	Total building cost					Cubic-foot cost				
	1937	1936				1937	1936			
	February	November	August	May	February	February	November	August	May	February
No. 3—Pittsburgh:										
Delaware:										
Wilmington	$5,406	$5,258	$5,259	$5,290	$5,213	$0.225	$0.219	$0.219	$0.220	$0.217
Pennsylvania:										
Harrisburg	5,668	5,408	5,405	5,439	5,371	.236	.225	.225	.227	.224
Philadelphia	5,483	5,010	4,929	4,870	4,584	.228	.209	.205	.203	.191
Pittsburgh	6,179	5,920	5,433	5,405	5,474	.257	.247	.226	.225	.228
West Virginia:										
Charleston	5,696	5,696	5,564	5,477	5,476	.237	.237	.232	.228	.228
Wheeling	5,846	5,763	.....	.....	.....	.244	.240	.....	.....	.....

[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 wide-board 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.

Reno, Nevada, with $6,360, or 26.5 cents per cubic foot. San Francisco was second with $6,319. Both Cleveland and Columbus in Ohio, as well as Pittsburgh, Pennsylvania, reported costs in excess of $6,000.

Lowest costs were reported by Little Rock, Arkansas, with $5,195, or 21.6 cents per cubic foot. Although showing an increase in cost over the previous period of 3 percent and 7 percent respectively, Nashville and Memphis, Tennessee, were still among the cities of lowest costs. Nashville reported a total cost of $5,267 and Memphis of $5,462.

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 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 reporting cities.

Total costs and cubic-foot costs of building the same standard house in representative cities in specific months—Continued

Federal Home Loan Bank Districts, States, and cities	Total building cost					Cubic-foot cost				
	1937	1936				1937	1936			
	February	November	August	May	February	February	November	August	May	February
No. 5—Cincinnati:										
Ohio:										
Cincinnati	$5,849	$5,748	$5,932	$5,827	$5,809	$0.244	$0.239	$0.247	$0.243	$0.242
Cleveland	6,163	6,056	6,008	5,990	5,843	.257	.252	.250	.250	.243
Columbus	6,052	5,778	5,850	5,529	5,522	.252	.241	.244	.230	.230
Tennessee:										
Memphis	5,462	5,092	5,080	5,120	4,841	.228	.212	.212	.213	.202
Nashville	5,267	5,094	5,096	5,089	5,030	.219	.212	.212	.212	.210
No. 9—Little Rock:										
Arkansas:										
Little Rock	5,195	5,136	5,202	5,215	5,215	.216	.214	.217	.217	.217
Louisiana:										
New Orleans	5,601	5,395	5,124	5,075	5,075	.233	.225	.214	.211	.215
Shreveport	5,468	.....	.....	.....	.....	.228	.....	.....	.....	.....
Mississippi:										
Jackson	5,607	5,412	5,365	5,333	5,319	.234	.225	.224	.222	.222
New Mexico:										
Albuquerque	5,948	5,827	5,779	5,625	5,625	.248	.243	.241	.234	.234
Texas:										
Dallas	5,968	5,641	5,641	5,618	.....	.249	.235	.235	.234	.....
Houston	5,893	5,759	5,759	5,883	.....	.246	.240	.240	.245	.....
San Antonio	5,884	5,538	5,532	5,532	5,464	.245	.231	.231	.231	.228
No. 12—Los Angeles:										
Arizona:										
Phoenix	5,885	5,843	6,032	6,112	6,044	.245	.243	.251	.255	.252
California:										
Los Angeles	5,800	5,489	5,301	5,239	5,316	.242	.229	.221	.218	.221
San Diego	5,698	5,338	5,177	5,198	5,225	.237	.222	.216	.217	.218
San Francisco	6,319	6,222	6,151	6,017	.....	.263	.259	.256	.251	.....
Nevada:										
Reno	6,360	6,354	6,313	6,324	6,097	.265	.265	.263	.263	.254

Monthly Lending Activity of Savings and Loan Associations

DURING January, 2,491 savings and loan associations reported total new loans made for all purposes of $30,561,100. These associations represented every State except Nevada, as well as Hawaii and the District of Columbia. The number of reporting associations actually making loans during the month was 1,928. The combined assets of all associations (for the most part as of January 31, 1937) were $2,417,064,400.

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 11,256 borrowers in the amount of $27,419,700. In January the largest proportion of these loans was made for the purchase of homes. Of the total volume, 35.2 percent went for this purpose. New construction accounted for 32.2 percent, refinancing for 26.9 percent, and reconditioning for 5.9 percent.

Monthly lending activity and total assets as reported by 2,491 savings and loan associations in January 1937

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

[Dollar amounts are shown in thousands of dollars]

Federal Home Loan Bank Districts and States	Number of associates		Loans made in January according to purpose											Total assets Jan. 31, 1937[3]
			Mortgage loans on 1- to 4-family nonfarm homes							Loans for all other purposes		Total loans, all purposes		
			Construction		Home purchase[1]		Refinancing and reconditioning[2]							
								Amount						
	Submitting reports	Reporting loans made	Number	Amount	Number	Amount	Number	Refinancing	Reconditioning	Number	Amount	Number	Amount	
UNITED STATES	2,491	1,928	2,796	$8,828.4	3,699	$9,663.8	4,761	$7,370.7	$1,556.8	2,425	$3,141.4	13,681	$30,561.1	$2,417,064.4
No. 1—Boston	138	121	173	731.0	240	733.0	362	590.1	139.5	183	226.3	958	2,419.9	252,918.6
Connecticut	29	25	52	195.0	18	63.1	55	139.6	8.3	6	13.0	131	419.0	23,722.9
Maine	21	13	9	21.3	21	61.0	42	60.3	7.1	20	11.1	92	160.8	12,245.5
Massachusetts	68	64	82	425.5	132	444.7	201	267.3	104.5	99	131.1	514	1,373.1	175,088.2
New Hampshire	11	11	6	13.3	20	28.8	17	22.3	3.7	22	36.3	65	104.4	13,457.2
Rhode Island	5	4	18	64.5	40	115.3	35	65.9	8.8	30	25.4	123	279.9	25,319.6
Vermont	4	4	6	11.4	9	20.1	12	34.7	7.1	6	9.4	33	82.7	3,085.2
No. 2—New York	272	170	199	717.7	203	718.5	252	528.3	96.8	128	115.7	782	2,177.0	353,347.3
New Jersey	138	61	18	64.1	39	131.1	48	130.4	13.7	20	13.5	125	352.8	132,872.8
New York	134	109	181	653.6	164	587.4	204	397.9	83.1	108	102.2	657	1,824.2	220,474.5
No. 3—Pittsburgh	235	131	70	179.9	200	512.2	136	246.6	68.0	66	58.6	472	1,065.3	99,449.5
Delaware	7	6	3	4.4	11	35.0	4	8.5	0.8	12	6.8	30	55.5	6,134.0
Pennsylvania	208	108	48	140.7	176	434.3	102	192.5	56.2	39	40.6	365	864.3	83,093.8
West Virginia	20	17	19	34.8	13	42.9	30	45.6	11.0	15	11.2	77	145.5	10,221.7

[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 Jan. 31, 1937.

Monthly lending activity and total assets as reported by 2,491 savings and loan associations in January 1937—Continued

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

Federal Home Loan Bank Districts and States	Number of associates		Loans made in January according to purpose											Total assets Jan. 31, 1937
			Mortgage loans on 1- to 4-family nonfarm homes							Loans for all other purposes		Total loans, all purposes		
			Construction		Home purchase		Refinancing and reconditioning							
								Amount						
	Submitting reports	Reporting loans made	Number	Amount	Number	Amount	Number	Refinancing	Reconditioning	Number	Amount	Number	Amount	
No. 4—Winston-Salem	250	213	484	$1,535.6	541	$1,720.1	641	$1,043.5	$176.5	287	$323.2	1,953	$4,798.9	$218,981.7
Alabama	15	11	15	21.3	8	16.4	22	22.7	5.7	9	11.3	54	77.4	4,168.7
District of Columbia	12	12	80	418.9	181	878.1	103	299.0	29.6	74	41.3	438	1,666.9	103,286.3
Florida	46	43	116	460.8	50	178.2	81	136.2	26.0	41	111.7	288	912.9	19,534.5
Georgia	41	38	63	112.7	63	111.3	120	178.9	12.9	32	22.4	278	438.2	12,700.0
Maryland	39	22	29	117.5	67	200.1	44	86.5	11.2	12	15.3	152	430.6	29,121.5
North Carolina	40	37	86	186.9	87	167.7	127	141.4	54.9	77	72.7	377	623.6	24,636.5
South Carolina	32	29	61	140.9	44	96.7	72	83.3	11.0	16	20.1	193	352.0	8,868.1
Virginia	25	21	34	76.6	41	71.6	72	95.5	25.2	26	28.4	173	297.3	16,666.1
No. 5—Cincinnati	358	277	359	1,138.5	717	1,992.3	782	1,176.4	367.2	317	429.6	2,175	5,104.0	469,781.7
Kentucky	50	33	38	108.8	40	115.3	92	147.1	31.8	23	28.5	193	431.5	32,418.4
Ohio	275	212	229	843.4	648	1,816.5	554	852.4	271.8	274	370.3	1,705	4,154.4	423,635.0
Tennessee	33	32	92	186.3	29	60.5	136	176.9	63.6	20	30.8	277	518.1	13,728.3
No. 6—Indianapolis	149	129	171	514.6	310	543.8	474	518.3	108.8	195	237.8	1,150	1,923.3	187,663.0
Indiana	100	89	74	146.8	235	372.4	303	326.1	81.0	137	138.5	749	1,064.8	104,953.4
Michigan	49	40	97	367.8	75	171.4	171	192.2	27.8	58	99.3	401	858.5	82,709.6
No. 7—Chicago	253	192	116	298.3	266	745.6	470	916.3	134.5	199	306.3	1,051	2,401.0	176,949.0
Illinois	190	143	61	186.4	230	630.3	390	801.3	107.4	139	232.7	820	1,958.1	133,053.5
Wisconsin	63	49	55	111.9	36	115.3	80	115.0	27.1	60	73.6	231	442.9	43,895.5
No. 8—Des Moines	179	135	146	480.6	148	317.8	308	463.4	86.1	196	304.4	798	1,652.3	115,642.2
Iowa	46	39	22	65.1	45	62.2	55	55.7	15.8	31	35.1	153	233.9	20,481.4
Minnesota	46	34	49	165.1	31	87.0	123	197.7	40.9	29	182.8	232	673.5	27,926.1
Missouri	68	51	71	245.8	59	146.3	116	196.9	25.3	121	68.8	367	683.1	58,659.1
North Dakota	14	8	1	1.8	11	18.3	10	10.3	3.3	11	16.1	33	49.8	7,139.5
South Dakota	5	3	3	2.8	2	4.0	4	2.8	0.8	4	1.6	13	12.0	1,436.1
No. 9—Little Rock	250	202	272	722.5	320	626.4	358	458.5	148.6	230	289.2	1,180	2,245.2	138,119.3
Arkansas	38	34	21	48.3	37	53.0	58	38.1	23.6	44	45.8	160	208.8	9,179.6
Louisiana	66	51	59	166.3	113	291.8	71	128.9	48.4	66	115.8	309	751.2	67,234.4
Mississippi	26	21	19	24.0	18	25.8	34	35.5	5.3	20	21.8	91	112.4	4,421.3
New Mexico	12	9	5	13.9	10	13.0	20	29.1	5.1	5	7.9	40	69.0	3,008.2
Texas	108	87	168	470.0	142	242.8	175	226.9	66.2	95	97.9	580	1,103.8	54,275.8
No. 10—Topeka	173	144	142	385.1	274	600.5	305	372.3	86.2	292	383.3	1,013	1,827.4	147,478.6
Colorado	28	22	33	115.4	30	74.9	44	55.6	8.2	15	12.9	122	267.0	10,625.3
Kansas	67	54	50	123.2	85	154.6	94	127.5	31.0	91	116.3	320	552.6	49,876.9
Nebraska	30	23	23	58.7	46	123.4	67	69.6	18.9	88	103.7	224	374.3	38,783.4
Oklahoma	48	45	36	87.8	113	247.6	100	119.6	28.1	98	150.4	347	633.5	48,193.0
No. 11—Portland	109	98	164	343.3	183	358.3	339	479.6	69.3	152	214.8	838	1,465.3	67,012.6
Idaho	8	8	17	27.2	9	16.5	35	59.3	6.3	30	21.3	91	130.6	4,656.2
Montana	12	10	16	24.5	20	34.8	17	8.3	16.2	12	17.7	65	101.5	9,400.1
Oregon	23	19	24	46.2	19	27.4	55	87.1	7.7	7	11.0	105	179.4	7,580.2
Utah	8	7	11	37.9	5	11.2	23	33.6	1.4	2	1.1	41	85.2	6,813.6
Washington	47	45	88	185.9	115	234.5	200	280.3	37.0	92	144.0	495	881.7	34,958.6
Wyoming	11	9	8	21.6	15	33.9	9	11.0	0.7	9	19.7	41	86.9	3,603.9
No. 12—Los Angeles	125	116	500	1,781.3	297	795.3	334	577.4	75.3	180	252.2	1,311	3,481.5	189,720.9
Arizona	2	2	9	40.2	4	10.4	3	4.8	1.5	0	0.0	16	56.9	1,011.4
California	122	113	484	1,714.5	287	763.2	329	562.1	72.3	180	252.2	1,280	3,364.3	188,325.8
Nevada	0	0	0	0.0	0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Hawaii	1	1	7	26.6	6	21.7	2	10.5	1.5	0	0.0	15	60.3	383.7

Residential Construction Activity and Real-Estate Conditions

THE index of residential construction as measured by building permits granted in all cities of 10,000 and more population decreased between December 1936 and January 1937 from 38 percent to 30 percent of the 1926 base of 100. These figures have been adjusted for seasonal variation. The adjusted index for January 1936 was 21 percent (chart 2).

In January 1937 the estimated number of family dwelling units authorized in these cities was 10,036, involving an estimated cost of $38,417,700. These figures represent an increase over January 1936 of 42 percent in the number of units and 24 percent in the estimated cost.

During January there was a large increase in the proportion of 1-family and 2-family dwellings authorized as compared to December 1936 and January 1936. Buildings containing one or two families accounted for 72 percent of the total number authorized and for 78 percent of the total cost. In December, 37 percent of the total number were multifamily dwellings and in January 1936, 42 percent.

Foreclosures and Other Real-Estate Conditions

Chart 2 pictures the movement of residential construction, industrial production, real-estate foreclosures, and housing rentals. The first two are adjusted for seasonal variation. All of these activities are shown in comparison to a base line of 100 for the year 1926. The accompanying brief

CHART I.—NUMBER AND COST OF FAMILY DWELLING UNITS FOR WHICH PERMITS WERE GRANTED, BY MONTHS, IN CITIES OF 10,000 OR MORE POPULATION; 1937 COMPARED WITH SELECTED PERIODS

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

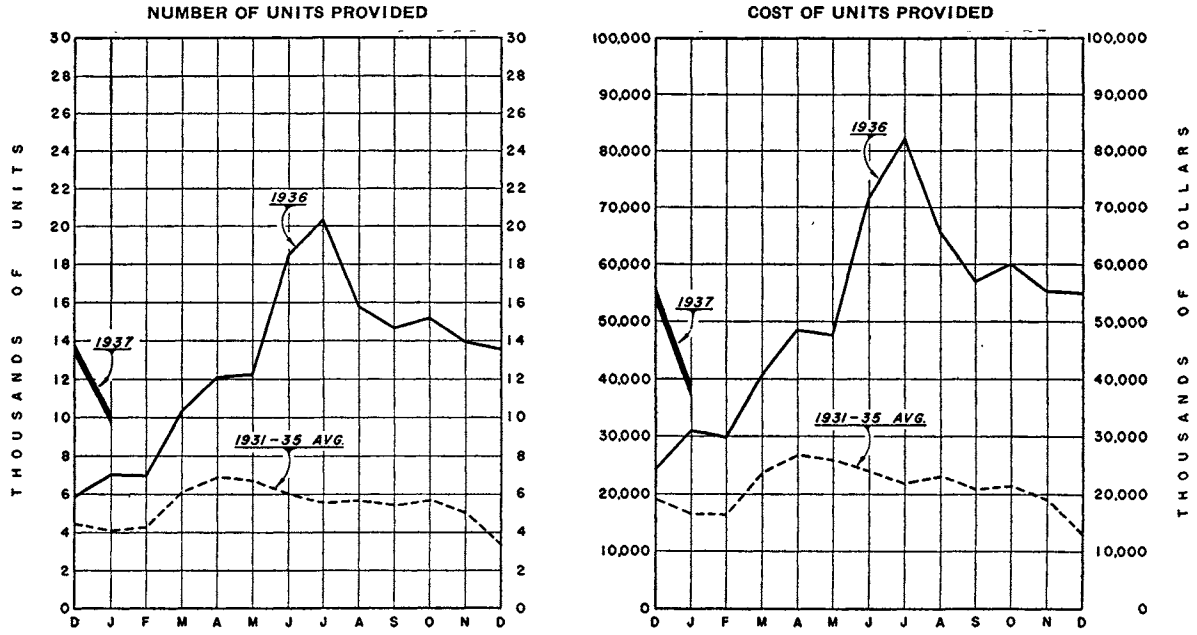

table gives the story of the charts in percentages of this base.

The preliminary index of foreclosures in 78 large urban counties reached its lowest point since early 1930 by declining from 268 in December to 221 in January. The decline was due principally to sharp decreases in the large cities of the New England and Middle Atlantic States, which have been responsible for the eratic fluctuations in the index during recent months.

This decline of 18 percent compares with a normal seasonal decline of 4 percent in January. The index for January 1937 was 23 percent below the index for January 1936 when the index stood at 287.

Out of 77 counties which reported for January, 29 reported increases over December, 45 reported declines, and in 3 cities the number was unchanged. Twenty-three cities reported increases in January 1937 over January 1936 while 54 reported declines.

Building Activity by Federal Home Loan Bank Districts and States

Table 2 shows that the States of New York and California continue to authorize a greater volume of building activity than any other States. The former authorized 2,495 family dwelling units, a majority of which are of the multifamily type; and the latter 2,177 units, which are principally 1- or 2-family dwellings. They both show a 62-percent increase in number over the same month a year ago.

[1926=100]

	Jan. 1937	Dec. 1936	Percent change	Jan. 1936	Percent change
Residential construction..	30	38	−21	21	+43
Industrial production.....	107	112	−4	91	+18
Rentals.....	81	81	0	73	+11
Foreclosures.....	221	268	−18	287	−23

CHART 2.—COMPARISON OF RESIDENTIAL REAL-ESTATE CONDITIONS AND INDUSTRIAL PRODUCTION IN THE UNITED STATES

(1926=100)

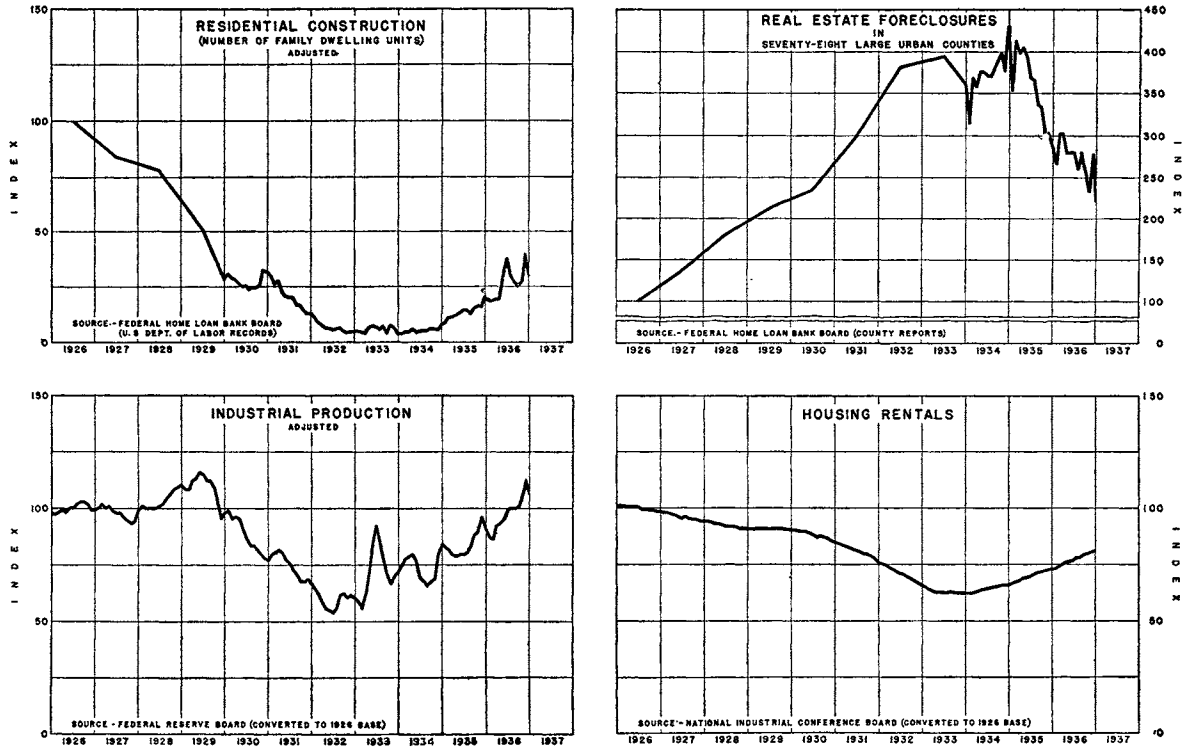

TABLE 1.—*Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in the United States, in January 1937* [1]

[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 (000 omitted)			Average cost of family units		
	January 1937	January 1936	Percent change	January 1937	January 1936	Percent change	January 1937	January 1936	Percent change
All housekeeping dwellings	10, 036	7, 063	+42. 1	$38, 417. 7	$30, 953. 9	+24. 1	$3, 828	$4, 383	−12. 7
Total 1- and 2-family dwellings	7, 176	4, 121	+74. 1	30, 150. 8	17, 073. 6	+76. 6	4, 202	4, 143	+1. 4
1-family dwellings	6, 447	3, 762	+71. 4	28, 343. 7	16, 065. 5	+76. 4	4, 396	4, 271	+2. 9
2-family dwellings	642	324	+98. 1	1, 501. 3	889. 3	+68. 8	2, 338	2, 745	−14. 8
Joint home and business [2]	87	35	+148. 6	305. 8	118. 8	+157. 4	3, 515	3, 394	+3. 6
3-and more-family dwellings	2, 860	2, 942	−2. 8	8, 266. 9	13, 880. 3	−40. 4	2, 891	4, 718	−38. 7

[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 1- and 2-family dwellings with business property attached.

TABLE 2.—*Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in January 1937, 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)	
	January 1937	January 1936	January 1937	January 1936	January 1937	January 1936	January 1937	January 1936
UNITED STATES	10, 036	7, 063	$38, 417. 7	$30, 953. 9	7, 176	4, 121	$30, 150. 8	$17, 073. 6
No. 1—Boston	686	208	3, 221. 6	1, 210. 1	513	204	2, 773. 6	1, 203. 4
Connecticut	114	61	654. 0	349. 8	114	61	654. 0	349. 8
Maine	24	3	61. 5	7. 1	16	3	47. 5	7. 1
Massachusetts	479	114	2, 265. 5	762. 6	317	110	1, 838. 5	755. 9
New Hampshire	15	4	43. 7	5. 0	15	4	43. 7	5. 0
Rhode Island	54	26	196. 9	85. 6	51	26	189. 9	85. 6
Vermont	0	0	0. 0	0. 0	0	0	0. 0	0. 0
No. 2—New York	2, 682	1, 747	9, 791. 2	7, 183. 0	926	430	4, 408. 2	2, 135. 0
New Jersey	187	98	1, 277. 6	629. 8	176	98	1, 234. 6	629. 8
New York	2, 495	1, 649	8, 513. 6	6, 553. 2	750	332	3, 173. 6	1, 505. 2
No. 3—Pittsburgh	454	186	2, 230. 7	1, 402. 5	406	182	2, 105. 6	1, 398. 5
Delaware	16	0	111. 4	0. 0	16	0	111. 4	0. 0
Pennsylvania	399	168	1, 933. 3	1, 337. 9	362	168	1, 859. 9	1, 337. 9
West Virginia	39	18	186. 0	64. 6	28	14	134. 3	60. 6
No. 4—Winston-Salem	1, 466	859	4, 444. 2	2, 768. 2	1, 094	614	3, 632. 4	2, 168. 9
Alabama	85	35	134. 5	47. 6	85	35	134. 5	47. 6
District of Columbia	404	347	1, 321. 8	1, 293. 4	96	110	629. 7	712. 4
Florida	422	253	1, 334. 5	784. 8	403	249	1, 298. 8	770. 5
Georgia	90	33	211. 4	110. 2	90	33	211. 4	110. 2
Maryland	154	43	528. 4	147. 1	154	43	528. 4	147. 1

TABLE 2.—*Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in January 1937, 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)	
	January 1937	January 1936	January 1937	January 1936	January 1937	January 1936	January 1937	January 1936
No. 4.—Winston-Salem—Contd.								
North Carolina	136	56	$398.2	$137.1	128	52	$387.6	$133.1
South Carolina	63	49	131.1	117.1	44	49	102.5	117.1
Virginia	112	43	384.3	130.9	94	43	339.5	130.9
No. 5—Cincinnati	379	1,225	1,987.6	8,373.3	347	179	1,871.1	939.3
Kentucky [1]	25	33	100.0	110.0	25	27	100.0	99.0
Ohio	263	1,149	1,675.5	8,187.6	235	109	1,564.4	764.6
Tennessee	91	43	212.1	75.7	87	43	206.7	75.7
No. 6—Indianapolis	495	177	2,708.2	989.1	492	177	2,706.8	989.1
Indiana	69	22	290.0	77.3	66	22	288.6	77.3
Michigan	426	155	2,418.2	911.8	426	155	2,418.2	911.8
No. 7—Chicago	307	80	1,792.6	408.8	250	80	1,594.9	408.8
Illinois	228	28	1,446.7	183.2	184	28	1,275.6	183.2
Wisconsin	79	52	345.9	225.6	66	52	319.3	225.6
No. 8—Des Moines	183	160	774.2	675.3	168	152	721.4	647.3
Iowa	27	19	153.2	74.0	27	11	153.2	46.0
Minnesota	59	36	255.2	185.4	44	36	202.4	185.4
Missouri	94	103	359.7	409.6	94	103	359.7	409.6
North Dakota	0	0	0.0	0.0	0	0	0.0	0.0
South Dakota	3	2	6.1	6.3	3	2	6.1	6.3
No. 9—Little Rock	827	723	2,014.4	1,885.8	795	651	1,925.8	1,736.3
Arkansas	16	19	47.9	78.6	16	19	47.9	78.6
Louisiana	127	40	420.3	101.1	127	36	420.3	91.9
Mississippi	126	8	124.7	40.0	119	8	116.1	40.0
New Mexico	32	14	92.4	48.4	32	14	92.4	48.4
Texas	526	642	1,329.1	1,617.7	501	574	1,249.1	1,477.4
No. 10—Topeka	197	185	756.8	664.0	193	181	747.8	662.0
Colorado	39	36	158.4	182.9	39	32	158.4	180.9
Kansas	33	26	116.6	90.8	29	26	107.6	90.8
Nebraska	5	8	38.0	30.2	5	8	38.0	30.2
Oklahoma	120	115	443.8	360.1	120	115	443.8	360.1
No. 11—Portland	153	141	531.3	449.7	142	126	517.3	427.4
Idaho	6	11	8.3	27.4	3	11	3.3	27.4
Montana	2	18	2.0	29.0	2	14	2.0	23.0
Oregon	74	37	280.4	146.4	70	37	274.4	146.4
Utah	8	7	20.9	22.4	8	7	20.9	22.4
Washington	59	66	196.7	214.7	55	55	193.7	198.4
Wyoming	4	2	23.0	9.8	4	2	23.0	9.8
No. 12—Los Angeles	2,207	1,372	8,164.9	4,944.1	1,850	1,145	7,145.9	4,357.6
Arizona	30	14	102.8	35.7	27	14	94.3	35.7
California	2,177	1,357	8,062.1	4,903.4	1,823	1,130	7,051.6	4,316.9
Nevada	0	1	0.0	5.0	0	1	0.0	5.0

[1] January 1937 estimated for Kentucky.

CHART 3.—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 100,000 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]

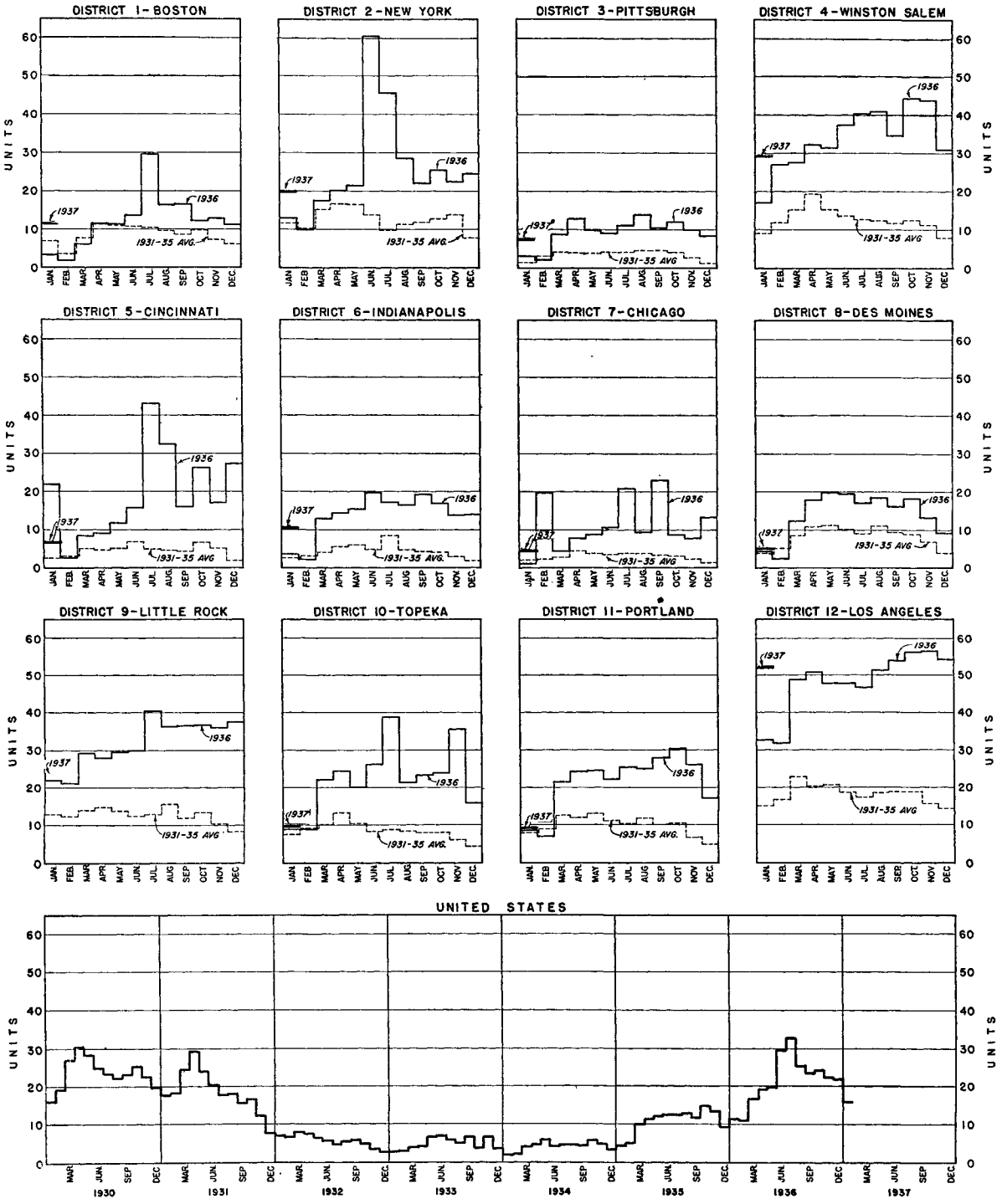

Chart 3 compares graphically the rate of building (as distinguished from volume of building) among Federal Home Loan Bank Districts. This chart has been revised somewhat from that presented in previous issues of the REVIEW. It now shows for each Bank District the rate of building during the current year, the rate during 1936, and the 1931–35 average rate. The United States average, instead of being included in the chart for each District, is shown separately and has been extended to show the monthly rate of building since the beginning of 1930. This revised chart should be increasingly useful as the trend of construction over a long period of time is at once evident.

For the first month of 1937, Los Angeles was far in the lead with 52 units per 100,000 population. Winston-Salem was second with 29 units, Little Rock third with 25 units, and New York fourth with 20 units.

The Mail Bag

THE following letter has been received by the editor of the REVIEW from Mr. G. O. Fairweather, Assistant Treasurer of The University of Chicago.

Dear Sir:

The REVIEW contains articles of great interest and significance, particularly those relating to neighborhood conditions and the effect upon the value of a piece of property due to the manner in which these conditions are controlled.

We are trying to put into effect here in a number of neighborhoods, local organizations of property owners who will undertake as best they can among themselves and in cooperation with the public authorities to provide that type of control. The purpose is to see why blight sets in and what can be done to control it, and to determine what the actual relations are between blight and the responsibilities of the public authorities and of the property owners.

As your articles point out, the interest of the property owner in this subject is identical with the interest of the mortgage lender, with only some slight variation in the degree of interest.

In particular, I should like to see some effort made at extending the pointed suggestions in these articles so as to engage the interest of the non-resident owners of mortgages and properties that have been translated from a mortgage interest into title ownerships. This would include the insurance companies, trust companies, and generally the mortgage lenders as a group. It seems quite clear to me that a sound and simple organization of property owners in a given neighborhood area whose program is designed to reach the conditions which collectively effect values would provide a basis for membership and support that would reach the sound economic incentives of such mortgage owners.

Such an organization to be worthy of such support implies among other things, a full-time central office in the district with some individual of intelligence and understanding to provide a clearance point for receiving and handling the concerns of the district about itself. The program would include performance of the public services, administration of zoning, health, police, fire, vice, street-cleaning, ash and garbage removal, parkway planting and the like, efforts at demolition, vacant lot care, recreational facilities, and generally to do what might be, or could be done, if the individual were a sort of city manager, or were an agent of a single property owner who owned the entire territory.

Merely stating the need, and pointing out the degradation which is constantly going on without implementing the program is helpful, but does not influence.

Will your Journal undertake to do this job?

* * * * *

The answer is "Yes".

Federal Home Loan Banks

THE first month of 1937 saw the addition of 10 institutions to the list of members of the 12 Federal Home Loan Banks, bringing the total number to 3,770 with assets of over three billion dollars. All member institutions borrowed $6,570,000 during January and repaid $8,225,000. As a result, the balance of loans outstanding decreased $1,656,000. This is the first time that net advances outstanding have decreased since March of 1935.

No changes in the interest rates of the Banks were reported for January.

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

Federal Home Loan Bank	Rate in effect on Feb. 1	Type of loan
	Percent	
1. Boston	3	All advances. All 10-year advances made after Jan. 15, 1937 shall be written at 3 percent for 2 years, with the right to increase the interest rate to not more than 4 percent for 8 years thereafter.
2. New York	3	All advances for 1 year or less. This rate shall be applicable to balances outstanding on Jan. 1, 1937.
	3¾	All advances for more than 1 year shall be written at 4 percent, but interest collected at 3¾ percent during 1937.
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 percentum 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 are 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 non-member 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 per centum in excess of the current rates of interest prevailing for member institutions."

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

Month	Members		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)
	Number	Estimated assets[1] (000 omitted)					
December 1932	119	$217,000	$837	$837	.....	$837	.....
December 1933	2,086	2,607,000	90,865	7,132	$889	85,442	.....
December 1934	3,072	3,305,000	129,545	2,904	3,360	86,658	.....
December 1935	3,460	3,020,000	188,675	8,414	2,708	102,795	.....
1936							
January	3,495	.....	193,746	5,071	5,065	102,800	.....
February	3,516	.....	197,530	3,784	3,642	102,942	.....
March	3,538	.....	202,041	4,511	4,095	103,358	.....
April	3,581	.....	207,878	5,836	3,222	105,972	.....
May	3,604	.....	215,085	7,207	2,258	110,922	.....
June	3,640	3,250,000	226,645	11,560	3,895	118,587	$869,000
July	3,659	.....	235,152	8,507	4,993	122,101	869,000
August	3,678	.....	242,983	7,830	4,714	125,218	869,000
September	3,707	.....	252,559	9,576	5,027	129,767	869,000
October	3,729	.....	262,046	9,487	4,313	134,941	911,000
November	3,745	.....	268,460	6,414	4,094	137,261	911,000
December	3,760	3,300,000	281,933	13,473	5,333	145,401	973,000
1937							
January	3,770	.....	288,502	6,570	8,225	143,745	973,000

[1] Estimates of assets are brought up to date semiannually.
[2] Based upon the amount for which the members may legally obligate themselves, or 50 percent of their net assets, whichever is lower.

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

Directors Who Direct

MUCH favorable comment has resulted from the following advertisement:

CITIZENS FEDERAL SAVINGS AND LOAN ASSOCIATION OF CLEVELAND, CLEVELAND, OHIO

The Directors of this Association are MEN WHO DIRECT. Five have been members of the Board from the incorporation in April, 1921; several more were elected the following year. One hundred and sixty-nine years of service are represented by the directorate. In 1936, twelve regular meetings of the Board were held and twenty meetings of the Executive Committee. The attendance record follows:

David Aitken, Sr.	(11)
*A. F. Allen	(27)
Raleigh F. Andrie	(10)
*Ansel E. Beckwith	(32)
*Robert A. Bishop	(19)
James Craig	(8)
*George J. Fischer	(30)
*Geo. E. Hagenbuch	(32)
*Ralph D. Hartman	(28)
Z. W. Kobylanski	(12)
Chas. P. Leininger	(9)
*John H. Pinard	(30)
*Earl Ross	(31)
Edw. L. Sweeting	(11)
*Adolph D. Wiese	(25)

*Members of the Executive Committee.

Federal Savings and Loan System

DURING January, 16 operating State-chartered savings and loan associations were granted Federal charters. This brought the total number of Federal savings and loan associations to 1,228 as no new associations were chartered during the month. As of January 31, the approximate assets of all Federals were $819,500,000.

Reports from 1,065 savings and loan associations were received for December 1936 and January 1937. The activity of these associations, which is shown in table 2, closely parallels that of the State-chartered insured associations analyzed on page 213. Both private share investments and repurchases increased heavily, the former by 77 percent and the latter by 143 percent. Yet in spite of this activity the number of private share accounts remained almost stationary at about 640,000 and the amount paid in on private subscriptions increased $12,569,800.

In spite of a 24-percent decrease in the mortgage loans made during January as compared to December, share subscriptions by the Home Owners' Loan Corporation increased 2.7 percent or $3,870,400. However, at the end of January borrowed money outstanding was 4.8 percent less than at the beginning of the month. This was due principally to a decrease of $1,901,000 in Federal Home Loan Bank advances.

Of the total volume of mortgage loans made during January, 33.4 percent went for new construction, while home purchase accounted for 26.8 percent and refinancing for 26.7 percent. Only 4.6 percent of total loans made were for the reconditioning of homes.

At the end of January the 1,065 reporting associations had $733,567,100 in assets.

Here is an interesting advertisement in which a State and a national bank welcome a new Federal savings and loan association:

QUESTION:
WHAT IS A FEDERAL Savings & Loan ASSOCIATION?

ANSWER: It is a mutual, local thrift institution based on time-tested principles. It is operated under Federal Charter and strict Federal supervision. It offers INSURED SAFETY for your funds with reasonable dividends. Its Funds are loaned to home-owners, secured by first mortgages on their homes... repaid in small monthly installments, with interest. All officers and employees are adequately bonded.

• INVEST WISELY •

We Endorse

AS A MEDIUM OF SAFE INVESTMENT THE SHARES

—OF—

FORT BEND FEDERAL SAVINGS & LOAN ASSOCIATION

The shares of this association are INSURED against loss on each individual account up to—

$5000.00

By the Federal Savings & Loan Insurance Corporation of Washington, D. C.

FIRST NATIONAL BANK
ROSENBERG STATE BANK

W. W. WARD, Secretary **PHONE 233**

TABLE 1.—*Monthly operations of 1,065 identical Federal savings and loan associations reporting during December 1936 and January 1937*

	December 1936	January 1937	Change December to January
Share liability at end of month:			*Percent*
Private share accounts (number)	639, 902	640, 655	+0. 1
Paid on private subscriptions	$445, 600, 800	$458, 170, 600	+2. 8
Treasury and H. O. L. C. subscriptions	143, 380, 200	147, 250, 600	+2. 7
Total	588, 981, 000	605, 421, 200	+2. 8
Private share investments during month	11, 509, 600	20, 377, 000	+77. 0
Repurchases during month	4, 161, 600	10, 102, 400	+143. 0
Mortgage loans made during month:			
a. New construction	7, 331, 700	5, 295, 400	−27. 7
b. Purchase of homes	5, 317, 400	4, 254, 900	−20. 0
c. Refinancing	5, 093, 000	4, 241, 600	−16. 7
d. Reconditioning	1, 188, 200	725, 400	−39. 0
e. Other purposes	1, 830, 700	1, 343, 700	−26. 6
Total	20, 761, 000	15, 861, 000	−23. 6
Mortgage loans outstanding end of month	544, 107, 100	552, 411, 400	+1. 5
Borrowed money as of end of month:			
From Federal Home Loan Banks	54, 796, 000	52, 895, 000	−3. 5
From other sources	2, 475, 800	1, 644, 800	−33. 6
Total	57, 271, 800	54, 539, 800	−4. 8
Total assets, end of month	728, 565, 900	733, 567, 100	+0. 7

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

	Number at specified dates					Approximate assets	
	Dec. 31, 1933	Dec. 31, 1934	Dec. 31, 1935	Dec. 31, 1936	Jan. 31, 1937	Dec. 31, 1936	Jan. 31, 1937
New	57	481	605	645	645	$168, 772, 148	$168, 237, 955
Converted	2	158	418	567	583	622, 670, 122	651, 230, 522
Total	59	639	1, 023	1, 212	1, 228	791, 442, 270	819, 468, 477

Federal Savings and Loan Insurance Corporation

DURING the period January 15 to February 15, the share accounts of 32 savings and loan associations were insured by the Federal Savings and Loan Insurance Corporation. At the end of that time there was a total of 1,632 insured associations with combined assets, as of the latest obtainable date, of $1,217,760,429. These associations represent approximately 1,350,000 individual shareholders.

Applications received between January 15 and February 15 totaled 27 associations with assets as of the date of application of $37,843,306. The largest number received was still from associations operating under State charters. This group submitted 13 applications while Federal savings and loan associations which had converted from State associations submitted 12 and new Federals submitted 2.

TABLE 1.—*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	Dec. 31, 1935	Dec. 31, 1936	Jan. 15, 1937	Feb. 15, 1937	Jan 15, 1937	Feb. 15, 1937
State-chartered associations	53	351	671	671	684	$801, 846, 800	$812, 240, 679
Converted F. S. and L. A.	134	480	620	628	640	616, 852, 433	644, 244, 194
New F. S. and L. A.	393	575	651	651	653	14, 590, 601	14, 648, 267
Total	580	1, 406	1, 942	1, 950	1, 977	1, 433, 289, 834	1, 471, 133, 140

INSTITUTIONS INSURED [1]

	Cumulative number at specified dates					Number of shareholders	Assets	Share and creditor liabilities
	Dec. 31, 1934	Dec. 31, 1935	Dec. 31, 1936	Jan. 15, 1937	Feb. 15, 1937	Feb. 15, 1937	Feb. 15, 1937	Feb. 15, 1937
State-chartered associations	4	136	382	398	417	645, 611	$500, 061, 945	$441, 691, 858
Converted F. S. and L. A.	108	406	560	565	579	606, 088	601, 382, 450	556, 281, 660
New F. S. and L. A.	339	572	634	637	636	105, 674	116, 316, 034	113, 780, 152
Total	451	1, 114	1, 576	1, 600	1, 632	1, 357, 373	1, 217, 760, 429	1, 111, 753, 670

[1] Beginning May 15, 1936, 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 Dec. 31 each year.

Activities of Reporting Associations

For the two months December 1936 and January 1937, comparable reports were received from 198 insured State-chartered associations with combined assets of $342,088,800 at the end of January.

During January as compared to December the share investments of these reporting associations increased rapidly. However, there was a large decrease in the volume of mortgage loans made. The former rose, during January, 111.5 percent and was accompanied by a 158-percent increase in repurchases. Heavy repurchases and investments always follow the semiannual declaration of dividends. But in spite of such heavy withdrawals the number of private share accounts increased .4 percent and the volume paid in .7 percent.

The mortgage loans made in January by these 198 State associations were apportioned as follows: 34.6 percent was used for new construction and reconditioning; 33.4 percent for home purchase; 20.2 percent for refinancing; and 11.8 percent for other purposes.

During January additional funds were received through H. O. L. C. subscriptions in the amount of $1,290,000. It is interesting that this sum is larger than the net increase in mortgage loans outstanding during the same period. In contrast, the advances from the Federal Home Loan Banks and from other sources of credit decreased 8.8 percent. The total borrowed money as of the end of the month was $15,585,900.

Table 2.—*Monthly operations of 198 identical insured State-chartered savings and loan associations reporting during December 1936 and January 1937*

	December 1936	January 1937	Change December to January
Share liability at end of month:			*Percent*
Private share accounts (number)	371, 381	372, 695	+0. 4
Paid on private subscriptions	$259, 942, 800	$261, 648, 900	+0. 7
H. O. L. C. subscriptions	12, 732, 700	14, 022, 700	+10. 1
Total	272, 675, 500	275, 671, 600	+1. 1
Private share investments during month	4, 315, 400	9, 135, 400	+111. 5
Repurchases during month	3, 317, 200	8, 560, 300	+158. 0
Mortgage loans made during month:			
a. New construction	1, 573, 400	1, 207, 200	−23. 2
b. Purchase of homes	2, 020, 400	1, 371, 900	−32. 1
c. Refinancing	944, 100	830, 100	−12. 1
d. Reconditioning	319, 600	219, 100	−31. 5
e. Other purposes	688, 000	487, 600	−29. 1
Total	5, 545, 500	4, 115, 900	−25. 8
Mortgage loans outstanding end of month	225, 014, 900	225, 953, 100	+0. 4
Borrowed money as of end of month:			
From Federal Home Loan Banks	14, 751, 000	13, 583, 400	−7. 9
From other sources	2, 334, 600	2, 002, 500	−14. 2
Total	17, 085, 600	15, 585, 900	−8. 8
Total assets, end of month	345, 845, 000	342, 088, 800	−1. 1

Home Owners' Loan Corporation

TABLE 1.—*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
June 30, 1936	60	2, 506, 700	130	10, 636, 200	1, 478	56, 880, 600	1, 668	70, 023, 500
July 31, 1936	66	2, 826, 700	150	11, 856, 200	1, 642	63, 173, 400	1, 858	77, 856, 300
Aug. 31, 1936	70	2, 740, 700	172	14, 134, 900	1, 824	72, 325, 700	2, 066	89, 201, 300
Sept. 30, 1936	71	2, 789, 700	192	15, 478, 900	2, 026	80, 414, 200	2, 289	98, 682, 800
Oct. 31, 1936	76	3, 114, 910	229	17, 846, 400	2, 260	92, 123, 400	2, 565	113, 084, 710
Nov. 30, 1936	82	3, 500, 710	253	19, 403, 900	2, 430	99, 524, 200	2, 765	122, 428, 810
Dec. 31, 1936	89	3, 845, 710	279	21, 016, 900	2, 617	108, 591, 900	2, 985	133, 454, 510
Jan. 30, 1937	97	4, 105, 910	297	21, 921, 900	2, 746	113, 794, 300	3, 140	139, 822, 110
Feb. 20, 1937	97	3, 730, 910	309	22, 781, 900	2, 835	118, 851, 800	3, 221	145, 364, 610
Subscriptions:								
Dec. 31, 1935	2	100, 000	24	1, 980, 000	474	17, 766, 500	500	19, 846, 500
June 30, 1936	21	689, 000	118	9, 636, 600	1, 392	52, 817, 100	1, 531	63, 142, 700
July 31, 1936	27	1, 069, 000	134	10, 873, 700	1, 558	59, 055, 800	1, 719	70, 998, 500
Aug. 31, 1936	33	1, 144, 000	150	12, 158, 700	1, 683	65, 387, 500	1, 866	78, 690, 200
Sept. 30, 1936	38	1, 312, 000	171	13, 671, 400	1, 903	75, 155, 600	2, 112	90, 139, 000
Oct. 31, 1936	44	1, 647, 200	212	16, 629, 900	2, 182	88, 362, 300	2, 438	106, 639, 400
Nov. 30, 1936	41	1, 547, 200	236	17, 718, 900	2, 332	94, 478, 600	2, 609	113, 744, 700
Dec. 31, 1936	45	1, 688, 000	262	19, 455, 900	2, 538	104, 477, 400	2, 845	125, 621, 300
Jan. 30, 1937	46	1, 738, 000	280	20, 741, 900	2, 663	109, 493, 700	2, 989	131, 973, 600
Feb. 20, 1937	49	1, 528, 200	299	21, 721, 900	2, 753	114, 289, 700	3, 101	137, 539, 800

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

TABLE 2.—*Reconditioning Division—Summary of all reconditioning operations through Feb. 17, 1937* [1]

Period	Cases received [2]	Total contracts awarded		Total jobs completed	
		Number	Amount	Number	Amount
June 1, 1934 through Jan. 13, 1937	750, 615	411, 134	$79, 081, 244	403, 136	$76, 704, 535
Jan. 14, 1937 through Feb. 17, 1937	6, 903	6, 456	1, 095, 868	5, 870	1, 039, 556
Grand total through Feb. 17, 1937	757, 518	417, 590	80, 177, 112	409, 006	77, 744, 091

[1] All figures are subject to correction. Figures do not include 52,269 reconditioning jobs, amounting to approximately $6,800,000, completed by the Corporation prior to the organization of the Reconditioning Division on June 1, 1934.

[2] Includes all property management, advance, insurance, and loan cases referred to the Reconditioning Division which were not withdrawn prior to preliminary inspection or cost estimate.

TABLE 3.—*Foreclosure cases dispatched to State Counsel and properties acquired by the Home Owners' Loan Corporation* [1]

Period	Foreclosure cases dispatched to State Counsel	Properties acquired by voluntary deed and foreclosure [2]
Prior to 1935	35	9
1935		
Jan. 1 through June 30	535	114
July 1 through Dec. 31	3,900	983
1936		
January	1,281	324
February	1,544	447
March	3,190	605
April	4,365	669
May	4,688	964
June	8,113	1,440
July	8,016	1,380
August	8,203	1,802
September	7,278	2,420
October	6,265	3,664
November	4,808	3,042
December	5,514	3,338
January	4,992	3,059
Grand total to Jan. 31, 1937	72,727	24,260

[1] Figures prior to 1936 are as of the month in which the action took place. Subsequent figures are as of the month in which the action was reported in Washington.

[2] Does not include 11,065 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 24,260 completed cases, 109 properties were sold at foreclosure sale to parties other than the H. O. L. C., and 3,470 cases have been withdrawn due to payment of delinquencies by borrowers after foreclosure proceedings have been entered.

Resolutions of the Board

(Continued from page 197)

I.—AMENDING THE FORM OF CERTIFICATE OF MEMBERSHIP IN FEDERAL SAVINGS AND LOAN ASSOCIATIONS

The Board adopted the following resolution on January 23:

Be it resolved, That pursuant to authority vested in the Federal Home Loan Bank Board by subsection (a) of Section 5 of Home Owners' Loan Act of 1933 (12 U. S. C. 1464 (a)) Exhibit M annexed to the Rules and Regulations for Federal Savings and Loan Associations is hereby amended to read as follows:

EXHIBIT M

FORM OF CERTIFICATE OF MEMBERSHIP

Certificate No._____[1]

This certifies that _____[2] is a member of the undersigned and holds a_____[3] share account of the undersigned, subject to Home Owners' Loan Act of 1933, the charter and bylaws of the undersigned.

Witness the authorized signature(s) of officer or employee this_____day of_____, 19____.

FEDERAL SAVINGS AND LOAN ASSOCIATION.

_____

(Authorized Signature)

For footnotes see page 216.

II.—AMENDING THE RULES AND REGULATIONS FOR FEDERAL SAVINGS AND LOAN ASSOCIATIONS

On February 4 the Board passed the following resolution:

Be it resolved, That pursuant to authority vested in the Federal Home Loan Bank Board by subsection (a) of Section 5 of Home Owners' Loan Act of 1933 (12 U. S. C. 1464 (a)) the third sentence of Section 34 of Rules and Regulations for Federal Savings and Loan Associations be amended to read as follows:

"Within thirty days after December 31 of each year two copies shall be forwarded to the Federal Home Loan Bank of which the association is a member, one copy of which shall thereupon be transmitted by the Bank to the Governor of the Federal Home Loan Bank System."

III.—AMENDING THE RULES AND REGULATIONS FOR FEDERAL HOME LOAN BANKS

The Board adopted the following resolutions on February 10:

Be it resolved, That pursuant to authority vested in the Federal Home Loan Bank Board by Section 17 of the Federal Home Loan Bank Act (12 U. S. C. 1437), Section 41 of the Rules and Regulations for Federal Home Loan Banks is hereby amended by striking paragraph (7) thereof; that Section 42 thereof is hereby amended by striking paragraph (8) thereof; and that Section 43 thereof is hereby amended by striking paragraph (8) thereof.

Be it resolved, That pursuant to authority vested in the Federal Home Loan Bank Board by Section 17 of the Federal Home Loan Bank Act (12 U. S. C. 1437), paragraph (4) of Section 32 (c) of the Rules and Regulations for Federal Home Loan Banks is hereby amended to read as follows:

"(4) Advances on the security of home mortgages or obligations of the United States with a maturity of not to exceed one year, which are made to members may be deemed investments in compliance with Section 11 (g) of the Act."

Be it resolved, That pursuant to authority vested in the Federal Home Loan Bank Board by Section 17 of the Federal Home Loan Bank Act (12 U. S. C. 1437), paragraph (7) of Section 42 of the Rules and Regulations for Federal Home Loan Banks is hereby amended to read as follows:

"(7) Regulations: The Banks may make advances to members on the security of home mortgages as provided in Section 10 of the Act, for periods not to exceed ten years; provided that advances for periods exceeding one year shall be repaid at least 10 percent annually on a monthly or quarterly amortization basis, unless other terms of repayment are authorized by the Board."

Be it resolved, That pursuant to authority vested in the Federal Home Loan Bank Board by Section 17 of the Federal Home Loan Bank Act (12 U. S. C. 1437), paragraph (7) of Section 43 of the Rules and Regulations for Federal Home Loan Banks is hereby amended to read as follows:

"(7) Regulations: Banks may make advances to members on the security of obligations of the United States as provided in Section 10 of the Act, for periods not to exceed ten years; provided that advances for periods exceeding one year shall be repaid at least 10 percent annually on a monthly or quarterly amortization basis, unless other terms of repayment are authorized by the Board."

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[1] Certificates should be numbered consecutively by type or otherwise. See Section 7 of Charter (Exhibit K). An investment share account may be represented by a separate certificate not contained in a share account book. A savings share account shall be represented by a share account book in the front of which shall be a certificate. A borrower shall receive a loan account book in the front of which shall be a certificate. Section 8 of the bylaws requires each certificate of membership to be manually signed by an authorized person.

[2] Enter the name of the investor or borrower.

[3] Enter "$_____ investment" or "savings" or "loan from." If the words "loan from" are entered, strike the words "share accounts of."

Directory of Member, Federal, and Insured Institutions

Added during January–February

I.—INSTITUTIONS ADMITTED TO MEMBERSHIP IN THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN JANUARY 18, 1937, AND FEBRUARY 19, 1937[1]

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

DISTRICT NO. 1

MASSACHUSETTS:
- Framingham:
  - Framingham Co-operative Bank, 58 Howard Street.
- Hyde Park:
  - Hyde Park Co-operative Bank, 172 River Street.

DISTRICT NO. 3

PENNSYLVANIA:
- Philadelphia:
  - Corona Building & Loan Association, 263 East Duval Street.
  - Stephen Girard Savings, Loan & Building Association, 604 West Oxford Street.
- Pittsburgh:
  - City-County Building & Loan Association, 503 Peoples East End Bank Building.

DISTRICT NO. 5

OHIO:
- West Jefferson:
  - West Jefferson Building & Loan Company.

DISTRICT NO. 6

INDIANA:
- Wabash:
  - Home Loan & Savings Association.

MICHIGAN:
- Jackson:
  - Ben Franklin Savings & Loan Association.

DISTRICT NO. 7

ILLINOIS:
- Martinsville:
  - Martinsville Loan & Building Association.

WISCONSIN:
- Milwaukee:
  - Pulaski Building & Loan Association, 2616 North Holton Street.
- Racine:
  - Belle City Building & Loan Association.

DISTRICT NO. 8

MINNESOTA:
- Montevideo:
  - Montevideo Building & Loan Association.

DISTRICT NO. 12

CALIFORNIA:
- Los Angeles:
  - Hollywood Building & Loan Association, 7877 Santa Monica Boulevard.

[1] During this period 1 Federal savings and loan association was admitted to membership in the System.

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN JANUARY 18, 1937, AND FEBRUARY 19, 1937

ILLINOIS:
- Bloomington:
  - Bloomington Savings & Loan Association, 113 South College Avenue.

KANSAS:
- Independence:
  - Guaranty Savings & Loan Association.

KENTUCKY:
- Covington:
  - Economy Building Association, 429 Madison Street

MARYLAND:
- Baltimore:
  - Ellwood Permanent Building Association, 3100 East Fairmount Avenue.

OREGON:
- Salem:
  - Mutual Savings & Loan Association, 142 South Liberty Street.

II.—FEDERAL SAVINGS AND LOAN ASSOCIATIONS CHARTERED BETWEEN JANUARY 18, 1937, AND FEBRUARY 19, 1937

DISTRICT NO. 1

MASSACHUSETTS:
- Boston:
  - Edward Everett Federal Savings & Loan Association, 701 Columbia Road (converted from Edward Everett Co-operative Bank).
- Brockton:
  - Montello Federal Savings & Loan Association of Brockton, 825 North Main Street (converted from Montello Co-operative Bank).
  - Security Federal Savings & Loan Association of Brockton, 40 Legion Parkway (converted from Security Co-operative Bank).
- Foxborough:
  - Foxborough Federal Savings & Loan Association, 2 School Street (converted from Foxborough Co-operative Bank).
- Natick:
  - Natick Federal Savings & Loan Association, 28 Main Street (converted from Natick Co-operative Bank).
- Somerville:
  - Middlesex Federal Savings & Loan Association, 405 Highland Avenue (converted from West Somerville Co-operative Bank).
- Worcester:
  - Equity Co-operative Federal Savings & Loan Association, 22 Elm Street (converted from Equity Co-operative Bank).
  - Home Co-operative Federal Savings & Loan Association, 22 Elm Street (converted from Home Co-operative Bank).
  - Independent Co-operative Federal Savings & Loan Association of Worcester, 390 Main Street (converted from Independent Co-operative Bank).
  - Worcester Co-operative Federal Savings Association, 22 Elm Street (converted from Worcester Co-operative Bank).

DISTRICT NO. 2

NEW YORK:
New York:
Bankers Federal Savings & Loan Association, 25 Broad Street (converted from Bank Clerk's Co-operative Building & Loan Association).

DISTRICT NO. 3

WEST VIRGINIA:
Moundsville:
First Federal Savings & Loan Association of Moundsville (converted from American Building & Loan Association).

DISTRICT NO. 4

GEORGIA:
Rome:
Citizens Federal Savings & Loan Association of Rome, 503 Broad Street (converted from Citizens Building & Loan Association).

NORTH CAROLINA:
Mooresville:
Mooresville Federal Savings & Loan Association.

SOUTH CAROLINA:
Georgetown:
First Federal Savings & Loan Association of Georgetown, 112 St. James Street.

DISTRICT NO. 5

OHIO:
Marysville:
Union County Federal Savings & Loan Association of Marysville, 109 South Main Street (converted from Union County Savings & Loan Company).

DISTRICT NO. 6

INDIANA:
Bloomington:
Workingmen's Federal Savings & Loan Association, 121 East Kirkwood Avenue (converted from Workingmen's Building, Loan-Fund & Savings Association).

MICHIGAN:
Kalamazoo:
First Federal Savings & Loan Association of Kalamazoo, 346 West Michigan Avenue (converted from Peoples Savings Association).

DISTRICT NO. 10

KANSAS:
Parsons:
First Federal Savings & Loan Association of Parsons, 1909 Main Street (converted from Parsons Building & Loan Association).

DISTRICT NO. 11

UTAH:
Salt Lake City:
First Federal Savings & Loan Association of Salt Lake City, 78 South Main Street (converted from Fidelity Building & Loan Association).

DISTRICT NO. 12

HAWAII:
Honolulu:
First Federal Savings & Loan Association of Hawaii, 929 Fort Street (converted from Mutual Building & Loan Society of Hawaii, Limited).

CANCELATIONS OF FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTERS BETWEEN JANUARY 18, 1937, AND FEBRUARY 19, 1937

MASSACHUSETTS:
Worcester:
Equity Co-operative Federal Savings & Loan Association, 22 Elm Street (consolidation with Worcester Co-operative Federal Savings & Loan Association, Worcester, Massachusetts).
Home Co-operative Federal Savings & Loan Association, 22 Elm Street (consolidation with Worcester Co-operative Federal Savings & Loan Association, Worcester, Massachusetts).

TENNESSEE:
Clinton:
Clinton Federal Savings & Loan Association.

WEST VIRGINIA:
Wheeling:
First Federal Savings & Loan Association of Wheeling, 29 Eleventh Street.

III.—INSTITUTIONS INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION BETWEEN JANUARY 18, 1937, AND FEBRUARY 19, 1937 [1]

DISTRICT NO. 2

NEW YORK:
West New Brighton:
Prudential Savings & Loan Association, 810 Forest Avenue.

DISTRICT NO. 3

PENNSYLVANIA:
Bradford:
Tuna Valley Building, Loan & Savings Association, 79 Main Street.
Grove City:
Grove City Building & Loan Association, 150 South Broad Street.
Imperial:
Montour Valley Savings, Building & Loan Association, Imperial State Bank Building.
Philadelphia:
Westmoreland Building & Loan Association, Corner Fifteenth & Tioga Streets.

DISTRICT NO. 4

MARYLAND:
Baltimore:
American National Building & Loan Association of Baltimore City, 1024 West Baltimore Street.

DISTRICT NO. 5

OHIO:
Ashtabula:
Ashtabula County Building & Savings Company, 4617 Main Street.
Cincinnati:
Trade Union Savings & Loan Association, 1420 Walnut Street.
Cleveland:
Lincoln Heights Savings & Loan Company, 2247 Professor Street.
Columbiana:
Home Savings & Loan Company.
Fostoria:
Ohio Savings & Loan Association, Corner Main & Tiffin Streets.

DISTRICT NO. 6

MICHIGAN:
Jackson:
Ben Franklin Savings & Loan Association.

DISTRICT NO. 7

WISCONSIN:
Milwaukee:
Concordia Building & Loan Association, 1100 West National Avenue.

DISTRICT NO. 8

MINNESOTA:
Montevideo:
Montevideo Building & Loan Association.
Owatonna:
Steele County Building & Loan Association, Schoen Building.

DISTRICT NO. 10

KANSAS:
Lawrence:
Douglas County Building & Loan Association, 739 Massachusetts Street.
Osborne:
Osborne County Building & Loan Association.

DISTRICT NO. 12

CALIFORNIA:
Chino:
Chino Building & Loan Association, 652 "D" Street.
Sonora:
Sonora Guarantee Building-Loan Association, 408 Washington Street.

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[1] During this period 19 Federal savings and loan associations were insured.

U. S. GOVERNMENT PRINTING OFFICE: 1937