

Vol. 3



No. 9

FEDERAL
HOME LOAN BANK
REVIEW

JUNE
1937

ISSUED BY
FEDERAL HOME LOAN BANK BOARD
WASHINGTON D.C.

Federal Home Loan Bank Review

TABLE OF CONTENTS

	Page
Three years of share account insurance.....	283
Insurance Corporation admission fee.....	287
A New England home.....	289
The new Accounting Guide for Federal Savings and Loan Associations.....	290
Home ownership and income.....	293
Appraisal methods and policies.....	297
Administrative rulings, Board resolutions, and Counsel's opinions.....	301
Residential construction and home-financing activity.....	302
Indexes of small-house building costs.....	304
Monthly lending activity of savings and loan associations.....	304
Federal Savings and Loan Insurance Corporation.....	306
Federal Savings and Loan System.....	306
Federal Home Loan Bank System.....	306
Statistical tables.....	308
Number and estimated cost of new family dwelling units.....	308
Rate of residential building.....	310
Indexes of small-house building costs.....	311
Estimated lending activity by all savings and loan associations.....	312
Monthly lending activity of reporting savings and loan associations.....	314
Wholesale price of building materials.....	315
Institutions insured by Federal Savings and Loan Insurance Corporation.....	316
Monthly operations of State-chartered insured associations.....	316
Monthly operations of Federal savings and loan associations.....	317
Federal Home Loan Bank System.....	317
H. O. L. C. subscriptions to shares of savings and loan associations.....	318
Properties acquired by H. O. L. C.....	318
H. O. L. C. Reconditioning Division.....	318
Directory of member, Federal, and insured institutions added during April-May.....	319

SUBSCRIPTION PRICE OF REVIEW

THE FEDERAL HOME LOAN BANK REVIEW is the Board's medium of communication with member institutions of the Federal Home Loan Bank System and is the only official organ or periodical publication of the Board. The REVIEW will be sent to all member institutions without charge. To others the annual subscription price, which covers the cost of paper and printing, is \$1. Single copies will be sold at 10 cents. Outside of the United States, Canada, Mexico, and the insular possessions, subscription price is \$1.40; single copies, 15 cents. Subscriptions should be sent to and copies ordered from Superintendent of Documents, Government Printing Office, Washington, D. C.

APPROVED BY THE BUREAU OF THE BUDGET

Federal Home Loan Bank Board

JOHN H. FAHEY, *Chairman*
WILLIAM F. STEVENSON

T. D. WEBB, *Vice Chairman*
F. W. CATLETT
H. E. HOAGLAND

OFFICERS OF FEDERAL HOME LOAN BANKS

BOSTON:

B. J. ROTHWELL, *Chairman*; E. H. WEEKS, *Vice Chairman*; W. H. NEAVES, *President*; H. N. FAULKNER, *Vice President*; FREDERICK WINANT, JR., *Secretary-Treasurer*; L. E. DONOVAN, *Secretary*.

NEW YORK:

GEORGE MACDONALD, *Chairman*; F. V. D. LLOYD, *Vice Chairman*; G. L. BLISS, *President*; F. G. STICKEL, JR., *Vice President-General Counsel*; ROBERT G. CLARKSON, *Vice President-Secretary*; DENTON C. LYON, *Treasurer*.

PITTSBURGH:

E. T. TRIGG, *Chairman*; C. S. TIPPETTS, *Vice Chairman*; R. H. RICHARDS, *President*; G. R. PARKER, *Vice President*; H. H. GARBER, *Secretary-Treasurer*.

WINSTON-SALEM:

G. W. WEST, *Chairman*; E. C. BALTZ, *Vice Chairman*; O. K. LAROCHE, *President-Secretary*; G. E. WALSTON, *Vice President-Treasurer*; JOS. W. HOLT, *Assistant Secretary*.

CINCINNATI:

H. S. KISSELL, *Chairman*; L. A. HICKMAN, *Vice Chairman*; W. D. SHULTZ, *President*; W. E. JULIUS, *Vice President*; A. L. MADDOX, *Treasurer*; DWIGHT WEBB, JR., *Secretary*.

INDIANAPOLIS:

F. S. CANNON, *Chairman-Vice President*; S. R. LIGHT, *Vice Chairman*; FRED T. GREENE, *President*; B. F. BURTLESS, *Secretary-Treasurer*.

CHICAGO:

H. G. ZANDER, *Chairman*; MORTON BODFISH, *Vice Chairman*; A. R. GARDNER, *President*; JOHN BARDWICK, JR., *Vice President*; E. H. BURGESS, *Treasurer*; CONSTANCE M. WRIGHT, *Secretary*.

DES MOINES:

C. B. ROBBINS, *Chairman*; E. J. RUSSELL, *Vice Chairman*; R. J. RICHARDSON, *President-Secretary*; W. H. LOHMAN, *Vice President-Treasurer*; J. M. MARTIN, *Assistant Secretary*; A. E. MUELLER, *Assistant Treasurer*.

LITTLE ROCK:

J. GILBERT LEIGH, *Chairman*; W. C. JONES, JR., *Vice Chairman*; B. H. WOOTEN, *President*; H. D. WALLACE, *Vice President-Treasurer*; J. C. CONWAY, *Secretary*.

TOPEKA:

W. R. McWILLIAMS, *Chairman*; G. E. McKINNIS, *Vice Chairman*; C. A. STERLING, *President-Secretary*; R. H. BURTON, *Vice President-Treasurer*.

PORTLAND:

F. S. McWILLIAMS, *Chairman*; B. H. HAZEN, *Vice Chairman*; C. H. STEWART, *President*; IRVING BOGARDUS, *Vice President-Treasurer*; W. H. CAMPBELL, *Secretary*; MRS. E. M. SOOYSMITH, *Assistant Secretary*.

LOS ANGELES:

C. H. WADE, *Chairman*; D. G. DAVIS, *Vice Chairman*; M. M. HURFORD, *President*; F. C. NOON, *Secretary-Treasurer*.

Three Years of Share Account Insurance

THE mutual principle on which the early building and loan associations were formed enabled the savings of a community to be devoted to the construction of its homes. The principles of mutuality and local responsibility, in times when each community was comparatively self-sufficient from an economic point of view, provided the thrifty with an opportunity for secure investment and the home builder with loans at reasonable rates.

With the growth of a more complicated economic and financial system, however, it became apparent that these principles should be extended if this mutual system of home financing with local responsibility was to be adequately protected against widespread financial and industrial uncertainties. The principles of local thrift and cooperation were sound, and needed only to be developed on a wider basis in order to serve their established functions in home financing. To help develop a mutual system of protection for mutual thrift institutions was the purpose of the Federal Savings and Loan Insurance Corporation, which will complete the third year of its existence on the anniversary of the National Housing Act, June 27.

The Federal Savings and Loan Insurance Corporation was set up to safeguard and promote the function of encouraging thrift investment through a mutual system of insurance of savings. To this end, its policies were established in accordance with the particular needs of the savings and loan association in mind.

THREE NEEDS

THE first of these needs is to attract the investment of local savings. The second is to lend funds at rates attractive to borrowers, yet sufficient to provide adequate dividends to investors. The third is to command the technical information and services, as well as the credit reserves, that can come only through a nation-wide system, without

sacrificing the principles of local enterprise and responsibility so essential to the mutual thrift, home-financing institution.

To help the association meet the first of these needs, the Federal Savings and Loan Insurance Corporation insures the safety of all withdrawable share accounts and credited dividends of the institutions which apply for such protection and meet its standards. By providing such security, it offers the strongest inducement for savings. Leading economists today point out that the rate of return is much less important as an inducement to saving than is the guarantee of safety. The strongest answer to the damaging effects on confidence wrought by the depression is a nation-wide system of mutual insurance, supported by the Federal Government.

CONFIDENCE RESTORED

THE psychological effect of share account insurance, numerous officials of insured institutions have testified, is of tremendous value to the association in establishing the confidence of potential investors. "Our withdrawal list melted away with astonishing rapidity. . . . We know that insurance alone was responsible. . . . After our first newspaper announcement . . . we noticed an immediate increase in the number of people making payments on their old accounts. . . . Many remittances are sent to us by absolute strangers who have heard of our insured shares." Such comments are supported by the fact that the 1,693 institutions insured by April 30 had assets of \$323,000,000 in excess of their aggregate assets at the respective dates of their insurance by the Federal Savings and Loan Insurance Corporation. In view of the fact that savings and loan associations in general had no marked increase in assets during the same period, and the fact that the change from the share-account to the direct-reduction loan tended to diminish

the assets of many insured associations, this growth is doubly impressive.

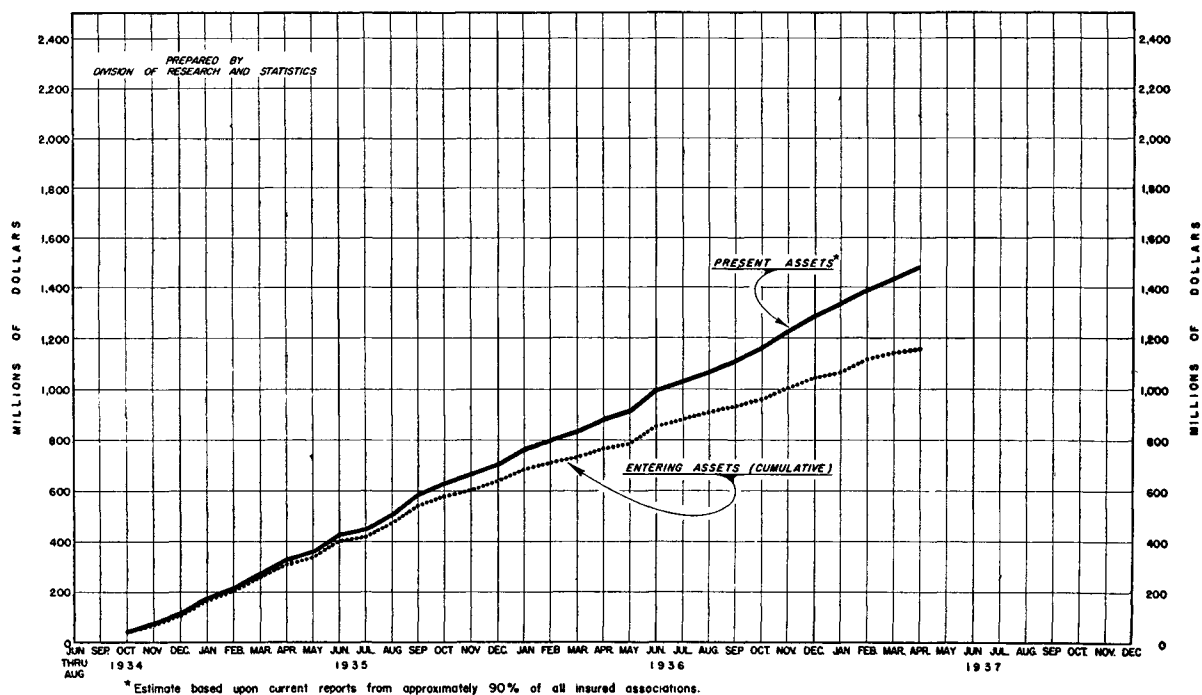
Insurance of share accounts for the savings and loan association is not a development that is entirely unrelated to the general trend in national financial affairs. Commercial banking lost a great measure of public confidence during the recent depression, and regained it largely through mutual support of banks under the system of the Federal Deposit Insurance Corporation. Mutual institutional insurance was so successful in renewing confidence in the commercial banking structure of the country that it was followed by two distinct innovations in the field of urban home financing, both of which were instituted by the National Housing Act.

The restoration of confidence in commercial banks by the guarantee of the Federal Deposit Insurance Corporation attracted deposits in greater volume than the demand for loans absorbed, and Congress adopted a measure to encourage the use of these funds for home financing. By Title II of the National Housing Act, it provided a Federal system of insurance of individual mortgages, in order to permit the commercial banks to

handle long-term mortgage loans with greater freedom and liquidity.

By Title IV of the same National Housing Act, however, it gave the savings and loan associations of the country a similar opportunity to serve both the investing and the borrowing public. By setting up the Federal Savings and Loan Insurance Corporation, it made it possible for these institutions, which offered long-term investors the prospect of a reasonable dividend rate, to provide them with complete security as well. It is significant that the type of insurance provided by the Federal Savings and Loan Insurance Corporation contemplates a service to the individual with funds to invest or deposit different from the service furnished by the Federal Deposit Insurance Corporation. The latter type of protection provides for the liquidity of funds in institutions which usually offer a comparatively small return, or none at all, on deposits. The insurance furnished by the Federal Savings and Loan Insurance Corporation provides for complete safety combined with the moderate return demanded for long-term savings, and with a measure, but not a complete degree, of liquidity. The savings and loan association is

ASSETS OF INSURED ASSOCIATIONS



thereby furnished with the type of protection most likely to appeal to the thrifty individual who wants moderate dividends on long-term savings.

The security that the Federal Savings and Loan Insurance Corporation provides for the lending institution extends beyond its own share accounts. It gives the investors in each association the confidence that is necessary to prevent heavy withdrawal or repurchase demands; it thereby protects that association from the necessity of suddenly liquidating its real property or its loans; and thus it tends to prevent the depression in property values that is so damaging to the home-loan business as a whole. Especially because of its connection with the services of the Federal Home Loan Banks, which provide a reservoir of credit in case of emergency, the Corporation's protection in this way helps to prevent the basic trouble that has been so damaging to lending institutions in the past, rather than merely offering to pay investors in insured institutions for damage that may be done.

PREMIUM REASONABLE

WITH respect to the second need of the savings and loan association, that for an adequate spread between dividend and lending rate, it is essential that any premium paid for protection be a reasonable one. The difficulties inherent in computing the proper premium for the type of insurance are considerable. When the Insurance Corporation was set up, there were no accurate records of past experience in building and loan associations with respect to the aggregate dollar volume of losses sustained, or the shrinkage in assets in liquidating institutions. On the basis of reasonable estimates on each of these phases of the problem over both good and bad years, however, a careful check was made into the probable future losses in institutions eligible for insurance by the Federal Savings and Loan Insurance Corporation.

After these figures were computed, it was considered sound policy to give the insuring institutions the benefit of a far more favorable premium rate than would be estimated merely from comparing aggregate liabilities with the anticipated mortality rate and ratio of asset shrinkage among lending institutions. There are two reasons for

this saving in lowered premiums that is passed on to the insured institution. The first is the "cushion" of uninsured liabilities, such as surplus, undivided profits, reserves, and the investments exceeding \$5,000 in single share accounts. Since these liabilities are not insured, allowance was made for deducting them in estimating the necessary premium rate. The second reason for the low premium rate is the allowance made for the reduction of risk by the factors of selection and supervision. It was estimated that by careful selection of institutions to be insured, and by a certain degree of supervision, the mortality rate and the expectation of asset shrinkage could be diminished by about one-half.

For a premium set at such a favorable rate, savings and loan associations are obtaining a large degree of protection for their share accounts, which results in a great inducement to the investment of savings. Of the total number of shareholders in insured institutions, 98 percent are completely protected by the Federal Savings and Loan Insurance Corporation. The overwhelming majority of shareholders who hold investments of less than \$5,000 is, of course, responsible for this high percentage.

LOCAL RESPONSIBILITY

THE third need of the savings and loan association is to command the technical information and services, such as insurance, that can come only through a nation-wide system, without sacrificing local enterprise and responsibility. With this desire for local responsibility the Federal Savings and Loan Insurance Corporation is in complete agreement. The regulations which it makes are only those necessary to provide the minimum requirements for the safety of insured associations.

Special arrangements are made for the gradual compliance, when an institution is insured, with the general standards favored by the Corporation. An applicant for insurance will not be rejected because it has outstanding certificates of deposit, savings accounts, or other securities on which it has contracted for a definite rate of return or a definite maturity, although the Corporation places restrictions on the issuance of such securities thereafter. An institution when insured may continue to make loans on real estate situated within the

territory in which it was operating when the Corporation was set up, although restrictions are placed on its subsequent operations in other territory more than 50 miles from its principal office. Institutions are not required to issue identical forms of securities, although all forms of certificates, passbooks, or other investment contracts must be approved by the Corporation to make sure that they comply with sound principles of management.

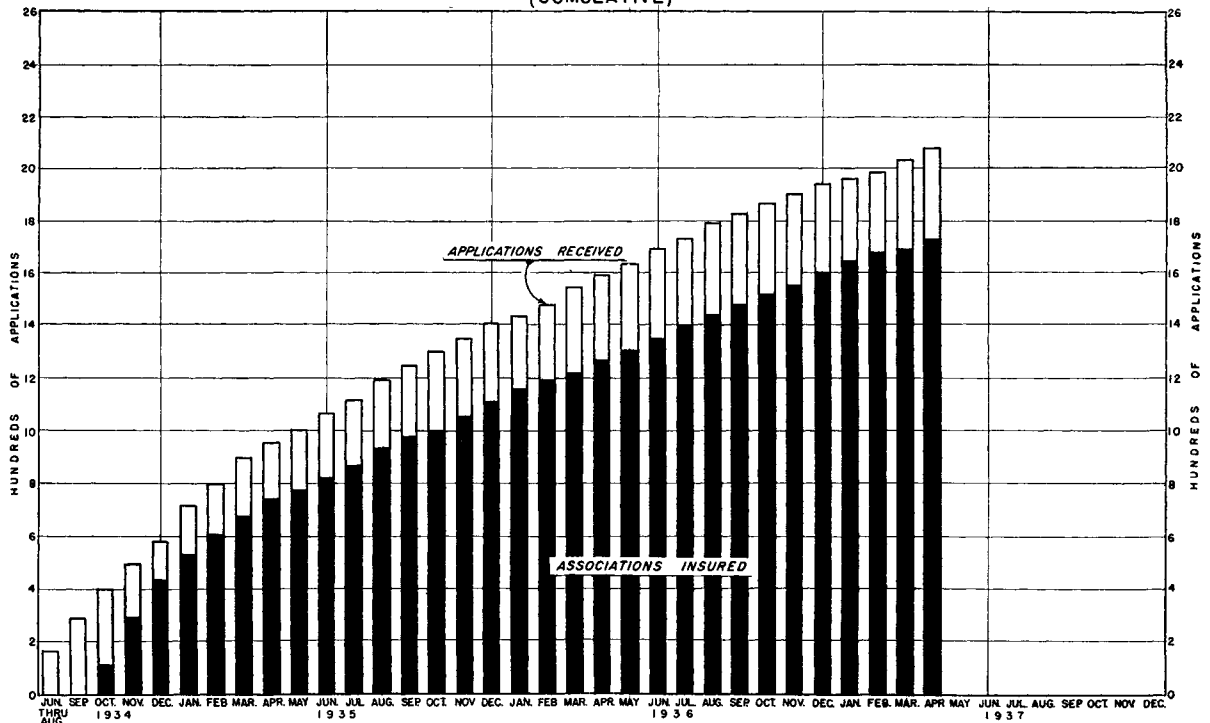
Examinations of insured institutions are conducted by the same staff that examines Federal associations and members of the Federal Home Loan Bank System. The System's Examining Division cooperates whenever possible with the examiners of the State in which the institution is operating, in order to minimize the cost. The standards of eligibility for insurance of accounts are the solvency of the applicant, the sufficiency of its earnings as a going concern, the safety of its financial policies and their consistency with economical home financing, its ability to pay withdrawals or repurchases in a normal manner within a reasonable time, and the safety and competence

of its management. All of these standards are merely those necessary to safeguard the Corporation's reserves which protect the other insured institutions.

Supervision by the Corporation is not merely restrictive in its nature. It is to its interest to protect each institution that it insures, and in special cases it may seek to prevent default or to take steps to restore institutions that have defaulted. Above all, the Corporation is interested in promoting sound management policies and has been partly responsible for the widespread improvement in recent years. Neither the Federal Home Loan Banks nor the Federal Savings and Loan Insurance Corporation, in protecting savings and loan associations and providing them with a credit reservoir and insurance reserves, take away any of the local responsibility, or hamper any of the desirable local enterprise, that make the thrift home-financing institution so valuable to the nation. The function of the Federal Savings and Loan Insurance Corporation is not to interfere with local management and to detract

(Continued on next page)

APPLICATIONS RECEIVED AND ASSOCIATIONS INSURED
(CUMULATIVE)



Insurance Corporation Admission Fee

THE payment of premiums by institutions insured by the Federal Savings and Loan Insurance Corporation will cease whenever the Corporation's reserve fund becomes equal to 5 percent of the insured accounts and creditor obligations of all insured institutions. For this reason, it is necessary to adjust the cost of admission so that institutions obtaining insurance after considerable progress has been made toward completing this reserve will pay an equitable admission fee while obtaining permanent protection.

The Act which established insurance of share accounts clearly recognized this principle. The National Housing Act, as Amended, provides that any applicant for insurance after the first year of operation of the Corporation "shall pay an admission fee based upon the reserve fund of the Corporation, which, in the judgment of the Corporation, is an equitable contribution."

FEE RISES YEARLY

THE admission fee charged during the second year was accordingly set at \$200 for each million dollars of all accounts of an insurable type and creditor obligations of the applicant. It was increased to \$300 per million for the third year. During the fourth year, which will begin on June 28, 1937, the fee will be \$400 per million, the Board of Trustees of the Corporation has decided. The fees, which are added to the receipts from premiums to build up the reserve fund, had amounted on May 15 to a total sum of \$95,601.72. More than half of this total, or \$57,232.23, had been collected since the previous July 1. It is

obvious that admission fees are adding a progressively greater amount to the Corporation's reserves.

COMMON BENEFITS

THE Board of Trustees, in setting up an equitable admission fee for the coming year based upon the reserve fund, was faced with a complex problem. The Corporation's reserve fund, at the end of April, was \$1,967,407.47. Newly admitted institutions will benefit from this fund, in that they will have to pay premiums for a shorter period, before the required amount in the reserve fund is reached, than institutions already insured. Institutions now insured, on the other hand, will benefit from the admission of additional institutions because of the consequent increase in the stability and prestige of the insurance system and the diversification of its potential liabilities.

Because of the mutual benefit resulting from the admission of new members, an equitable admission fee must not be computed simply by a mathematical computation, increasing the fee established during the first year in direct proportion to the increase in the reserve fund. Such a rigid mathematical formula would result in an admission fee for the coming year more than three times as high as that recently established by the Board.

The new admission fee goes into effect on June 28. All applications for insurance in the office of the Insurance Corporation in Washington, or in a Federal Home Loan Bank, or in the mails addressed to a Bank, by midnight on June 27, will make it possible for the applicant to take advantage of the admission fee of \$300 per million.

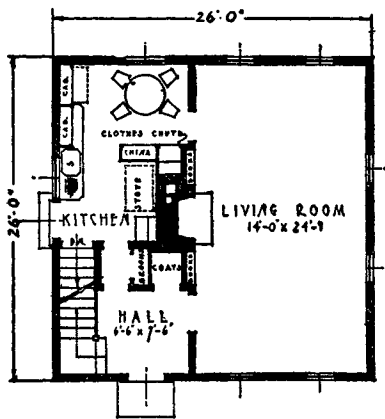
(Continued from preceding page)

from personal responsibility, but to make sure that mistakes of individuals will not destroy the savings of others, and that the failure of one organization will not deflate mortgage values and discredit the savings and loan association as an institution.

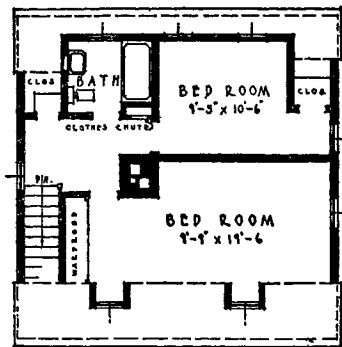
That the provision of such mutual protection meets a vital need is evidenced by the steady growth of the Federal Savings and Loan Insurance Corporation. It began operations late in 1934, and grew by May 15, 1937, to include 1,704 mem-

(Continued on p. 319)

SMALL HOUSE ARCHITECTURAL ASSOCIATES
OF MASSACHUSETTS



FIRST-FLOOR PLAN



SECOND-FLOOR PLAN

No. 105

A New England Home

THE characteristics of New England home-building customs and traditions, modified to meet contemporary living requirements, are exemplified in the design prepared by the Small House Architectural Associates of Massachusetts, and reproduced on the opposite page.

The Small House Architectural Associates, in cooperation with the Federal Home Loan Bank of Boston, have had prepared a portfolio of small-home designs which are offered to prospective home builders through cooperating member institutions. These designs form one element of the technical advisory and supervisory service now available to home builders in the Boston area under the direction of a competent architectural group. Design No. 105, a frame story-and-a-half house with four principal rooms, has been chosen for publication in the REVIEW as a typical example from the portfolio of small-home designs.

The design of a small home involves as careful planning as that required for a more imposing structure, if economy and efficiency are to be obtained. Efficiency has to do with providing good circulation which means that direct connection from one part of the house to another is possible. In this plan it is noted that from the kitchen every section of the house can be reached with a minimum number of steps.

DINING SPACE SEPARATE

THE plan suggests a separation for dining space by decorative china cases in the space allocated for the kitchen. In small-home design this is a means of economy and frequently meets with favor. Dining can be accommodated conveniently, however, at the end of the large living room. Each principal room has cross ventilation, and garden terraces and porches can easily be added at some future time.

Until a new formula for living has been devised and accepted, this small-house design offers in its simple structural lines and straight-forward plan maximum usefulness at minimum expense. Allowing for a full basement, 8' ceiling height on first floor and 7' 6'' ceiling height on the second floor, the cubage approximates 16,000 cubic feet.

CAREFUL PROPORTIONS

FROM the point of view of design the success of the plan is dependent upon the proportions of the windows and dormers, the pitch of the roof, the architectural detail of the entrance, the colors selected and, last but not least, the quality of the craftsmanship. The workmanship and integrity of the builder in interpreting the plans, however, is essential not only to provide attractive design, but to insure structural soundness. Without sound construction in those unseen parts of a structure such as foundations, structural framing, roughing-in by the mechanical trades, and proper flashing, the building in time will prove unsatisfactory. In the progress of a construction program competent technical supervision can be very helpful in assuring adequate protection.

Other designs in the portfolio include satisfactory plans for five- and six-room homes showing different room arrangements as well as a variety of exterior architectural treatments. In the foreword to the portfolio the cooperating architectural group states: "The accompanying designs will be supplemented by others as needed to suit the requirements of owners as they develop."

EDITOR'S NOTE: Plans for a typical home in each of several regions of the United States, as prepared by architectural groups, cooperating under the Federal Home Building Service Plan, will be reproduced in forthcoming numbers of the FEDERAL HOME LOAN BANK REVIEW.

The New Accounting Guide for Federal Savings and Loan Associations

THE effect of cooperation between private and governmental organizations in promoting improved savings and loan practices is illustrated by the Accounting Guide for Federal Savings and Loan Associations, recently published by the Federal Home Loan Bank Board. The Guide, which was prepared in the office of the Governor of the Bank System, outlines for Federal associations the accounting practices by which they may most efficiently conform to standard methods of accounting and reporting.

In the early days of the savings and loan association, there was less need for cooperative relationship between such institutions in different localities because there was less interdependence in our general financial system. But today the development of our financial system has led mutual home-financing institutions to consolidate and advance their position by cooperation through trade associations, and through the credit reserve and other facilities of the Federal Home Loan Bank Board. A standard system of accounting, presenting a uniform picture yet allowing reasonable freedom in accounting detail, is a basic necessity for such cooperation.

DIVERSITY OF FORMS

WHEN the Federal Home Loan Bank Board tried to develop a reporting form for its member institutions that would harmonize with State requirements, it found the diversity of reporting forms required by the 48 States a serious handicap. It became necessary for each member to make out two different sets of reports, one for the Bank System and one for the State. To remedy this situation and make reporting more generally uniform, State building and loan supervisors, the United States Building and Loan League, and representatives of the Federal Home Loan Bank Board cooperated to provide a standard report

form and urged its adoption by all States. The Federal Home Loan Bank then adopted it for reports from their members.

It was recognized from the beginning that a standard form of reporting could not be truly effective without a standard method of keeping books. The American Savings and Loan Institute, to provide a uniform but flexible method of accounting for all savings and loan associations, prepared its "Standard Accounting Manual", which has been adopted by many institutions throughout the country.

As specific questions arose in connection with the accounts of Federal associations special Accounting Bulletins were issued by the Board to answer them. In this way a large body of useful accounting information was collected. In order to coordinate this information with the revised procedures required by the new Charter and the new Rules and Regulations for Federal associations, and to present it in compact and convenient form, the Accounting Guide was prepared. This Guide suggests a uniform system that is in harmony with that proposed by the American Savings and Loan Institute.

CONTENTS OF THE GUIDE

THE first part of the new Guide under the title, "Classification of Accounts", is in the form of a list of general ledger accounts. This list is divided into: (1) asset accounts, (2) capital and liability accounts, (3) income accounts, and (4) expense accounts. The numbers and titles are in agreement with the Standard Chart of Accounts of the Standard Accounting Manual. This permits the insertion of any account needed for the operation of any particular association.

All the items in the classification are then treated in some detail. Both the proper charges and credits to individual ledger accounts, and the proper procedure during or at the completion of

any transaction are described. The Guide is clear and explicit enough to serve as a layman's source book of proper accounting practice.

DETAILED ANALYSIS

AFTER this discussion, there follows a detailed analysis of many special accounting problems directly related to Federal savings and loan associations. One such problem, for example, is the handling of bonuses on share accounts. The Guide quotes from both the old and new Federal charters (E and K), and clearly sets forth the pertinent passages in the Rules and Regulations for Federal Savings and Loan Associations, with regard to such bonus plans. Throughout the Guide, suggestions as to accounting practice are accompanied by quotations of pertinent passages from legislation or regulations. In this way it presents in convenient form the fundamental reasons for specific recommendations.

Many of the chapters, however, are less concerned with specifically Federal problems, and more directly related to general savings and loan practice. For example, under "Computation of Dividends", the Guide outlines several procedures for recording dividend calculations. To illustrate these calculations, it reproduces sample share-account ledger cards for both investment share accounts and savings share accounts. A large table for calculating dividends from date of investment to the next semiannual dividend date is also included. If the dividends are to be calculated at the end of each semiannual period on a dollar-month basis without accrual, another procedure is followed, and the Guide gives a list of monthly equivalents of common dividend rates to facilitate calculations.

The same detailed method of presentation is also followed with regard to interest charges. The vital difference between the effective rate and the nominal rate of interest is emphasized. A table shows the extent to which premiums, both gross and installment, increase the effective interest rates. The soundness of making the nominal rate the same as the effective rate is stressed. Premiums and other loan fees and commissions, charged for the purpose of covering recurrent costs arising in connection with the loan, often have been misunderstood by borrowers and caused ill

will to associations. To compensate for the elimination of subsidiary charges, however, the Accounting Guide describes the adoption of a variable interest rate plan (which was analyzed in the May and June 1936 issues of the REVIEW).

If loan fees are charged, however, Federal savings and loan associations are shown what calculations are necessary to make certain that the effective rate of interest is within the limits set by the Federal Home Loan Bank Act, and to pro-rate any gross fee to earnings over a reasonable period of time.

One of the greatest difficulties facing building and loan accountants is the variety of loan types that they must handle. In discussing the direct-reduction loan, which eliminates many book-keeping difficulties, the Guide gives sample mortgage-loan ledger cards with detailed explanation, and discusses many particular problems such as advance payments, delinquencies, and reserves for uncollected interest. Share account sinking fund loans, straight loans, share loans, and second-mortgage loans are also discussed in their more limited relationships to Federals.

TAXES AND INSURANCE

IN CONNECTION with servicing loans, an entire chapter is devoted to the difficult problem of handling the payment of taxes and insurance premiums on mortgaged property. In the past many associations have left payment of taxes to the borrower. This practice has often resulted in a considerable period of delinquency with a consequent loss of security for the institution as taxes have a prior claim over any other kind of lien. The Guide explains the plan of monthly tax collection by the association to insure payment and gives several alternative methods of recording this on the books of the association. It also illustrates a simple method of handling loans insured by the Federal Housing Administration.

An innovation in handling loans has been introduced in the Guide to clarify and simplify procedure. Under the "Loans in Process" chapter, a method is developed for accurately recording the closing of loans and for the handling of construction loans in accordance with sound practice. To facilitate the making of reports, the Guide also advocates the adoption of a "Register of Loans

Made." Loans are entered in the register at the time they are set up on the books of the association. The association will be more than repaid for the trouble involved in this small additional bookkeeping when it makes an analysis of loans for monthly reports.

ACCOUNTING FUNCTION

SUCH suggestions to facilitate reporting indicate the essential function of an accounting system. Its purpose is to record, for the benefit of the public, members, directors, management, and supervisory authorities, the association's financial condition. The general public will obviously not desire to inspect the books of the association in detail. It must depend for its information on summaries in the form of monthly, semiannual, or annual reports. The accounting system should therefore facilitate the preparation of these reports, and at the same time provide checks against innocent mistakes or fraudulent practices.

When the Federal Home Loan Bank Board proposes through the Accounting Guide a standard system of accounting for Federal associations, it does not imply that associations are expected to use the same type of ledgers, journals, or account books, nor that they are to follow even similar manual practices. It is obvious that the requirements of a small association are not those of a large association. In the past, needless expense and confusion have often occurred when growing associations found it necessary to revise their accounting systems. Many newly organized associations have adopted what they considered entirely satisfactory systems of accounting, only to find them inadequate as the volume of their business grew. The Accounting Guide provides a system adaptable to the individual needs of both large and small associations.

An accounting system should not be a burden to the management. On the contrary, it should

be a very useful tool, revealing the association's financial position and the trend of its share account investment and mortgage lending. When the accounting system of one savings and loan association differs from that of other associations its manager must be content with the record of past activity within his single institution. If standard accounting practices are adopted and standard reports are made, however, he has a valuable basis of comparison with others. The efficiency of the manager depends in part on his knowledge of the monthly, weekly, or even daily progress of the association, and his ability to forecast its position in future mortgage-lending activity. In order to have such knowledge and ability, it is helpful for him to adapt his own accounting system to the practices of similar lending institutions.

EXPENSE REDUCED

ONE aim of the system set forth in the Guide is the reduction of expense to the association. Besides facilitating the making of reports, the Guide eliminates confusing elements in order to reduce, in the long run, the cost of examination and auditing.

Just as a clear and adequate system of accounting enables an association to state its position clearly to its shareholders, so a standard system of accounting would enable all savings and loan associations to describe their services more clearly to the country as a whole. Without an accurate statistical picture of savings and loan operations, which can be compiled only from comparable accounts of individual institutions, both private organizations and governmental authorities are handicapped in the services they can render. The Accounting Guide describes in clear detail the bookkeeping practices by which Federal associations can most easily and efficiently present a comparable picture of their operations.

Home Ownership and Income

This article, dealing with cities of about 300,000 population, is the second of a series discussing home ownership and income in cities of various sizes.

THE greater tendency of wage-earning families than of other occupational groups to own their homes as soon as they become financially able to do so, and the tendency of all families to live in better homes when owning than when renting, are two general trends that were apparent in the study of metropolitan home ownership and income, as illustrated by data on Chicago, presented in the May REVIEW. In spite of the considerable differences between a metropolis and the city of about 300,000 population, the same general trends become apparent when we consider two sample cities of the latter size.

Portland, Oregon, and Denver, Colorado, may be taken as fair samples of the large city. Neither is close enough to a metropolis to be dominated by a stronger economic unit. Neither depends exclusively on a single industry. Studies of carefully selected groups of families in these two cities will therefore be of value to the savings and loan association in a city of comparable size. The general trends relating to home ownership that such studies discover are of course of direct concern to all home-financing institutions.

SPECIFIC TYPES COVERED

THIS article is based on data collected by the Bureau of Labor Statistics for the Study of Consumer Purchases, in which several Federal agencies are cooperating. The Study answers questions about the incomes and expenditures of families of specific types, rather than merely of "average" families. The home-financing institution can therefore obtain from this Study information about families in its potential market, excluding those families in which it has relatively little interest. All data on Portland and Denver given in this article were gathered in 1935 and 1936 and refer only to those native white families that include both husband and wife.

The median income of relief and non-relief families thus selected at random in Portland and

Denver is lower than that for Chicago. Half of Portland's families had an annual income of \$1,497 or more, while Denver's median family had a \$1,527 income.

In spite of the more modest income levels, more than twice as great a proportion of non-relief

Proportion of home owners to all families in Portland and Denver, classified by income and occupational groups

Non-relief native white families with both husband and wife, 1935-1936
[Based on a random sample of 40 percent in Portland, and 20 percent in Denver]

[Source: U. S. Bureau of Labor Statistics, Urban Study of Consumer Purchases]

Income group	Percent of home owners			
	All occupations	Wage earning	Clerical	Business and professional
Portland, Oregon:				
Total non-relief	50.6	48.2	46.8	54.4
Under \$500	54.0	42.5	29.8	50.0
\$500 to \$1,000	38.4	32.0	28.7	48.7
\$1,000 to \$1,500	41.7	41.1	37.2	44.0
\$1,500 to \$2,000	47.1	53.2	40.8	43.2
\$2,000 to \$3,000	62.3	67.2	59.3	59.9
\$3,000 to \$5,000	64.7	67.9	68.9	62.1
\$5,000 and over	77.4	71.4	76.5	77.8
Denver, Colorado:				
Total non-relief	41.3	36.1	37.5	47.1
Under \$500	33.8	23.9	28.6	30.0
\$500 to \$1,000	29.6	21.7	23.6	42.9
\$1,000 to \$1,500	31.8	31.4	22.9	37.5
\$1,500 to \$2,000	34.7	36.6	30.8	34.6
\$2,000 to \$3,000	51.8	61.7	50.4	44.9
\$3,000 to \$5,000	57.4	61.5	55.4	57.4
\$5,000 and over	71.3	.....	81.8	70.2

families in these cities owned their homes as in the metropolis, Chicago. In Portland, 50.6 percent of families were home owners; in Denver, 41.3 percent. As in Chicago, families in higher income groups are more likely to own their homes. In Portland, 38.4 percent of families with incomes

between \$500 and \$1,000 are home owners, as compared with 77.4 percent of families with incomes of more than \$5,000. (Denver's comparable figures are 29.6 percent and 71.3 percent.) In each case, the proportion rises steadily from the \$500 income level up, and the sharpest increase in home ownership comes at the \$2,000 level.

In these two cities, as in Chicago, there is a clear tendency for wage-earning families, in greater proportion than other families, to own their homes whenever it is economically practicable. Other groups, which have higher average incomes, in general have a higher proportion of home owners. But at most specific income levels the wage earner is more likely than the business and professional man or the clerical employee to have a home of his own. Even more significant is the fact that the marked rise in the percentage of home ownership with wage-earning families comes at the \$1,000 or \$1,500 income level, rather than at \$2,000, as with other groups. The wage earner will undertake home ownership, it seems, on a lower income than the so-called "white collar" groups.

WAGE-EARNER MARKET

SINCE 41.2 percent of all Portland families and 36.6 percent of all Denver families are wage earners, it would be reasonable to infer that homes within their financial reach would find a ready sale. This possibility adds emphasis in the moderately large city, as in the metropolis, to the opportunities existing in the lower-cost residential market.

As in the Chicago survey, the Bureau of Labor Statistics, in computing the effective income rather than the nominal money income of families in Portland and Denver, added to the money income of home owners the amount by which the net rental value of their homes exceeded the expense of home ownership. After deducting interest, taxes, and repairs from the rental value of the owned home, the Bureau added the remainder to each family's net money income. The result was to increase the total family income figures for all home owners by 5.2 percent in Portland and 5.7 percent in Denver. As the REVIEW pointed out last month, this computation does not take into account the depreciation in the

investment in a home nor the interest on that investment. The risk involved in fluctuations in neighborhood values, and the cost to the home owner of services occasionally covered by the rental payments must also be taken into account in comparing rental and ownership.

OWNED HOMES BETTER

THE home owner, in the moderate-size city as in the metropolis, puts back into the home at least the amount that it saves him in rental payments. The accompanying graphs show how the home owners in each income class have homes worth more than those occupied by renting families of comparable incomes. The rental values of homes occupied by their owners was calculated by checking carefully the owners' estimates against the rents paid for homes of the same size and type in the same neighborhood. This tendency of the home owner to obtain superior standards of shelter is even more significant, with relation to money income, than the graphs show. This is true because many families have been placed by reason of home ownership in a higher income category than their money income would place them, and the chart indicates that they may frequently have homes better than those of renting families in a higher-income group.

This tendency does not mean the same thing for every home owner. For one, it may mean an individually and socially desirable expenditure to provide wholesome surroundings for his family. For another, it may mean a misplaced investment in a depreciating neighborhood, or the thoughtless assumption of obligations far beyond his power to meet. In general it illustrates the extent of the American family's desire to invest its savings in a home, and thus indicates that the home-financing business has a special opportunity and a special obligation.

In the city of 300,000, as compared with the metropolis, the burden of rents is much lighter on all families, and the relief is naturally felt to a greater extent by the lower-income groups, than in the metropolis. No group in either Portland or Denver with an income of \$1,000 or more paid for rent more than 23.5 percent of its income, which was the general average in Chicago. This

Federal Home Loan Bank Review

is true in spite of the higher level of Chicago incomes. The accompanying table shows how the proportion of income spent for rent decreases for the higher income groups, and how the proportion may vary between cities.

Proportion of Effective Family-Income Spent for Rent:

Family Income	Denver (percent)	Portland (percent)
\$750-\$1,000	22.2	29.0
\$1,000-\$1,250	18.8	23.5
\$1,250-\$1,500	17.0	20.4
\$1,500-\$1,750	16.2	19.0
\$1,750-\$2,000	15.6	17.2
\$2,000-\$2,250	14.7	16.6
\$2,250-\$2,500	14.5	15.3

In both cities, the accompanying tables show, wage earners at all income levels pay less rent in proportion to their incomes than families in either of the other groups. In Denver the highest proportion is paid by business and professional families, but in Portland their proportion generally is equaled by that of clerical families at corresponding income grades.

The general preference for the detached single-family home is shown by data on both cities. In Denver, 92.7 percent, and in Portland, 97.3 percent of all home-owning families live in detached single-family homes. The renting families naturally include a greater proportion of apartment dwellers, and 24.1 percent of Portland's renting families, and 26.3 percent of those in Denver, live in apartments. But they choose apartments to some

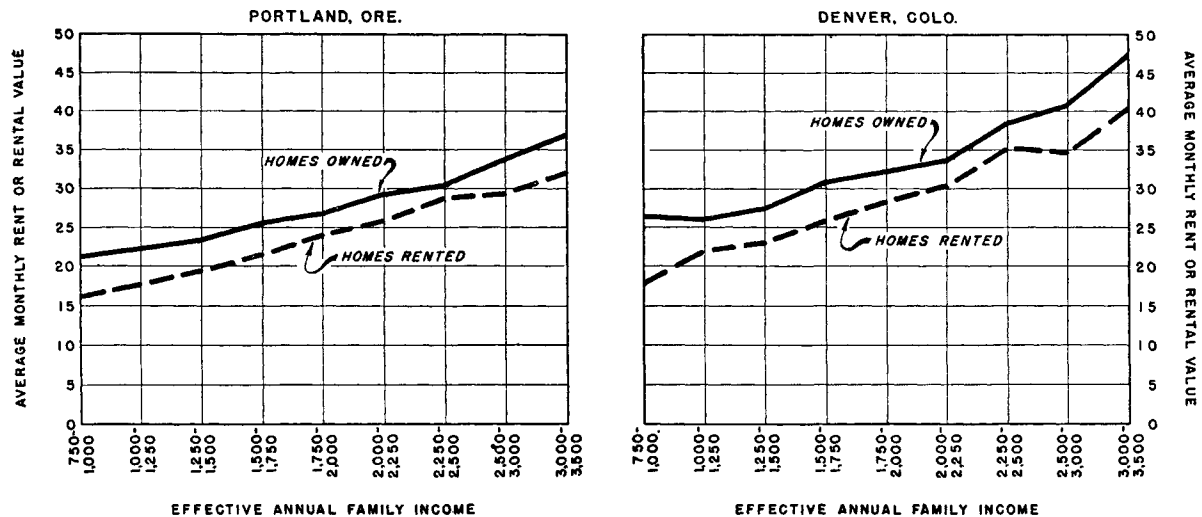
extent from financial necessity rather than preference. As renting families receive higher incomes, they show a more marked preference for single-family homes rather than apartments, data on both cities indicate.

HOUSING PROBLEM VARIES

THE Study of Consumer Purchases, by separating its data on native white families including both husband and wife from those on other types of families, presents the savings and loan association with a more accurate picture of its most likely customers. By compiling and presenting data on other types of families as well, it shows how complex the housing problem of the country is, and how it may vary in different regions. For example, the Bureau of Labor Statistics has presented data on native negro families, including both husband and wife, in Atlanta, Georgia. The following data are on families of this type, and were collected during 1935 and 1936. Atlanta's white families have a considerably higher median income than those in either Denver or Portland, nearly as high as those in New York or Chicago, preliminary figures compiled by the Study of Consumer Purchases show. For this reason, the statistics on negro families in that city show how the housing problem may be confused rather than clarified by statistics on "average" incomes and rents.

VALUE OF RENTED AND OWNED HOMES COMPARED WITH OCCUPANTS' ANNUAL INCOME

(SOURCE:- Bureau of Labor Statistics - Consumer Purchase Studies)



One-half of Atlanta's negro families have an income of \$604 or less, and 80 percent of them are either on relief or have an income of less than \$1,000. (One-quarter of all these families are on relief.) Wage-earning families, making up 64.9

Rent paid in Portland and Denver by renting families, classified by income and occupational groups

Non-relief native white families with both husband and wife, 1935-1936
[Based on a random sample of 40 percent in Portland, and 20 percent in Denver]

[Source: U. S. Bureau of Labor Statistics, Urban Study of Consumer Purchases]

Income group	Amount of average monthly rent			
	All occupations	Wage earning	Clerical	Business and professional
Portland, Oregon:				
Total non-relief.....	\$22. 30	\$17. 60	\$24. 80	\$27. 10
Under \$500.....	16. 60	13. 40	17. 20	18. 00
\$500 to \$1,000.....	16. 10	14. 50	18. 60	18. 10
\$1,000 to \$1,500.....	18. 50	16. 50	20. 90	20. 60
\$1,500 to \$2,000.....	22. 70	19. 50	24. 70	24. 80
\$2,000 to \$3,000.....	27. 90	22. 50	30. 20	29. 80
\$3,000 to \$5,000.....	36. 50	29. 10	35. 60	38. 00
\$5,000 and over.....	52. 90	.....	.....	51. 40
Denver, Colorado:				
Total non-relief.....	27. 40	20. 40	28. 80	35. 00
Under \$500.....	19. 10	16. 00	24. 80	21. 80
\$500 to \$1,000.....	18. 00	16. 50	19. 70	22. 70
\$1,000 to \$1,500.....	22. 40	19. 80	24. 40	25. 80
\$1,500 to \$2,000.....	27. 10	23. 40	28. 90	29. 30
\$2,000 to \$3,000.....	33. 10	27. 30	33. 30	35. 60
\$3,000 to \$5,000.....	44. 60	30. 90	42. 30	47. 40
\$5,000 and over.....	64. 00	.....	50. 20	65. 30

percent of the non-relief total, have higher incomes than the general average, since their median income is \$718.

In direct contrast to the general trends disclosed by the survey of native white families in large cities, the tendency among Atlanta negro families is for the wage-earning family, in spite of the fact that its income is higher than that of other negro families, to prefer renting to home ownership. In the \$500-\$1,000 income group, only 12.4 percent of wage-earning families own their homes, while 42.0 percent of business and professional families, and 22.4 percent of clerical families, are home owners. Wage earners among the Atlanta negro families, as among other groups referred to in this study, pay the lowest rents in each income category. The average monthly rents for non-relief families in each occupational group are as follows: business and professional, \$14.20; clerical, \$13.80; and wage-earning, \$11.30. To meet the needs of the lower groups among these families, either private or public housing must reach extremely low rent levels.

TRENDS SIMILAR

THE native white families covered by the Study of Consumer Purchases in the two cities of 300,000 population discussed in this article show general tendencies similar to those of comparable families in the metropolitan city which was the subject of our article last month. Although the different conditions in the two types of cities caused variations in the actual figures, it seems to be true that the urban wage earner, making up the backbone of our cities' population, is most strongly inclined toward home ownership. To help him secure a home within his financial reach, protected from influences that will cause its depreciation in value, is a challenging opportunity for the home-financing institutions in our large urban centers.

Appraisal Methods and Policies

This is the eighth in a series of articles.

DEPRECIATION is a problem with which the appraiser is always concerned, regardless of the method of appraising which he is using. With the comparative method, he must reduce the relative depreciation of various properties to monetary terms. With the capitalization method, depreciation is a factor in the determination of the capitalization ratio and also of the future income of the property. With the cost-of-replacement-less-depreciation method, the appraiser must arrive at an estimate in terms of dollars of the deduction to be made because of depreciation.

As the term is used in this article, depreciation means the amount by which the value of the property as a whole is less than the value of the lot plus the cost of reproduction of the new house. The causes of depreciation may be placed in three general categories—physical, functional, and economic.

PHYSICAL DEPRECIATION

PHYSICAL depreciation is that which is due to the actual physical wear and tear on the improvements. It may be unit or composite in its nature. Unit deterioration affects only one particular part of the house, such as a leaking roof or a broken window. Deterioration of this sort usually offers no difficulty to the appraiser. It generally can be repaired readily and the depreciation allowance can be considered to be equivalent to the cost of repairing.

Composite deterioration refers to the general physical decline of the house, due to age, use, and weathering. It is true, of course, that with proper construction and maintenance such deterioration can be largely prevented or nullified, and a house may be in as good condition a century or two after it was built as it was originally. There is in the little village of Winkal, in Germany, a house which is said to be the oldest in that country, since it has been occupied continuously for 13 centuries. If such longevity were the rule, the

rate of composite deterioration would be so small that it could be disregarded. But in America, for various reasons, we have not generally designed our houses for such permanence. We accept deterioration and depreciation as being a natural part of the economic process. We take it for granted that a point is reached in the life of every house at which it becomes more desirable to let the forces of deterioration operate unchecked than to oppose them by repairs and maintenance expenses. Therefore, it is necessary in appraisal practice to assume that a house will have a definitely limited period of economic usefulness and to estimate how much of that period yet remains.

FUNCTIONAL DEPRECIATION

FUNCTIONAL depreciation refers to the loss of value from causes inherent in the structure itself. Not infrequently a newly constructed house is not worth its reproduction cost because of mistakes in its planning, designing, or location. If the exterior architecture of the house is obviously unsuited to its environment, it will lessen its value. A house of Spanish design in a community of Colonial style homes would probably not find a very ready market. If the size and shape of the house are not suited to the lot, or if it is improperly placed upon it, its salability, and therefore its value, will be impaired.

The floor plan of the house should not depart too far from current conventional requirements. It should be remembered that the wife usually has an important voice in the selection of a home and that apparently small differences in the planning of a house may make a great difference in its convenience and utility from her point of view. Improper location of doors and windows may interfere greatly with the interior decoration of the house. Inadequate cupboard and shelf space in the kitchen and closet space in the bedrooms will give any house a considerable handicap in the sales or rental market. The relative size of the

rooms is a factor of some importance. A bathroom of a size that would be adequate for a small cottage would not be regarded as satisfactory in a much larger house.

The style and taste in which a house is finished and decorated have a great effect upon its immediate salability. If there are only mistakes which can be remedied at small cost, such as a kitchen finished in a wrong color scheme, they need not bulk large in the appraiser's final evaluation. If, however, it is necessary to install new lighting fixtures throughout the house, or to change the bathroom equipment, in order to correct the mistakes of poor or eccentric taste, the cost of so doing may necessitate a considerable reduction in the value of the property. A life-size picture in vitreolite of "September Morn" in a bathroom, cited by a Chicago appraiser as a true case, probably would not appeal to the average home purchaser.

In general, a house should possess the features, the equipment, and the degree of fineness of finish which purchasers in its price class customarily expect to find. A slate or tile roof would probably add little or nothing to the sale value of a modest home of a type in which plain asphalt rolled roofing is customary, while asphalt roofing on an expensive modern home would be so out-of-place as to justify a depreciation reduction. A second bathroom in a low-cost home would certainly not increase the market value by the amount of its cost, but the lack of it in a high-priced home would probably lessen the value by much more than the cost.

TREND TO MODERNISM

THE trend toward modernism in architecture offers appraisers an increasingly important and, one may say, perplexing problem. The appraiser should not handicap progress and improvement in home designing by adopting an attitude of undue conservatism. But he must realize that in a period of transition a great deal of experimentation is necessary and a great many mistakes inevitable. It would require a prophetic vision, indeed, to foresee the attitude in 10 or 15 years of the home-buying public towards some of the present-day experiments in house designing and planning. Savings and loan institutions

probably would be well advised to leave the financing of extreme adventures in modernism to other agencies and to place conservative appraisals on the less extreme forms that have not yet proven themselves to be more than a passing fad.

COMMON MISTAKES

AMONG the most common mistakes in the planning of a house are those of over-improvement, under-improvement, and misplaced improvement. Over-improvement frequently results when a man of considerable means builds a house in his home community, for his own use, without regard to its resale or investment value. A few years ago in an Ohio city a house was built under such conditions that, with the site, cost almost \$200,000. Within two years it became necessary to sell the property and the highest price that could be obtained, after considerable sales effort, was less than one-fourth of the cost. Regardless of the bargain that could be secured, there was no one in the community who was willing and who could afford to pay more than that. Less extreme examples of over-improvement can be found in almost every community. It is a safe generalization for appraisers to follow that houses that are conspicuously better than their neighbors will not have a market value in proportion to their cost.

The same principle holds true when the over-improvement is not conspicuous but is more or less concealed in the quality of construction. If a house has a 13-inch brick wall when 9-inch is customary for the neighborhood, or has 2 x 12 joists instead of 2 x 8, and other features accordingly, the appraiser should make some allowance for the high quality of construction but not an amount fully equal to its cost. People who can afford to buy a high-priced house usually prefer to live in a neighborhood with others of the same financial status.

From one point of view, both over-improvement and under-improvement are simply the result of unbalanced proportioning between the value of the house and the value of the lot. In the case of the former, the house is too costly in relation to the lot; in the latter, the situation is reversed. As a general rule, to which there may be exceptions, of course, the ratio of the value of the house

to that of the lot should not be less than 3 or 4 to 1 and not more than 7 or 8 to 1.

Under-improvement is sometimes intentional, not the result of errors in judgment. This is frequently the case in rapidly developing neighborhoods or cities, where real-estate values are greatly increasing. The owner of a \$6,000 house built on a lot that was worth \$1,000 at the time will not immediately remove the house and erect a more costly one if the lot should increase in value to \$5,000. In all probability this will eventually be done, but it may well be not until some years later.

A misplaced improvement is one whose function is obviously not suited to its location as, for example, a single-family residence entirely surrounded by business properties. As with under-improvements, such cases are often the result of the rapid development of a community. Sometimes, though, they are the consequence of mistakes of judgment in overestimating the growth of a community, as was the case with a large hotel which was expected to become the center of a popular seaside resort, but has since been practically abandoned.

CHOICE OF LOCATION

NOT infrequently, however, misplaced improvements are due to poor judgment in selecting the location for a particular type of property. A California appraiser cites a case in which a proposed improvement of this sort was prevented by the good judgment of an association in refusing to finance it. The would-be borrower was proposing to erect a 4-family building, costing \$15,000, on a lot valued at \$5,000. In the appraisal process it was found that the proposed location was in a commercial district, on a heavy traffic artery, not far from a railroad crossing. In the opinion of the appraiser, the possible income from the property, which was the best test to apply to it, would not justify a valuation of more than \$10,000, or half the actual cost of replacement.

The degree of functional depreciation chargeable to an improvement is a matter of locality as well as of time. If a community is growing rapidly, so that new houses embodying the latest styles and improvements are being erected in great numbers, the value of the older ones may be adversely

affected. In a community with a stationary population, as in many rural villages and towns in which relatively few new houses are built, the force of comparison in creating dissatisfaction with the old is much weaker. Thus an 1890 style of architecture or out-of-date bathroom equipment may require much less reduction for functional loss in some communities than in others.

ECONOMIC DEPRECIATION

DEPRECIATION of improvements is often caused by forces outside the property itself. This type of depreciation is, therefore, classed as economic. It is necessary then that full consideration be given the neighborhood in all appraisal practice. This feature has been stressed in preceding articles in this series. Houses are frequently worth less than their cost of replacement because the neighborhood in which they are located has declined in public esteem since they were built. In some cases this decline is due to unfavorable changes in the neighborhood environment, such as the erection of an industrial plant nearby or the encroachment of an undesirable social class. In some cases it is simply the result of the development elsewhere of newer, more modern residential sections.

A California appraiser, in discussing the problem, declared: "Our best residential section seems to enjoy the distinction for about 10 years and then the best section is somewhere else."

A word of caution: When the appraiser is dealing with fine homes, he should look beyond replacement value and consider the general quality of the district. Prices and values decline rapidly in the formerly fashionable area as soon as public opinion believes that some other spot is the smart place to live.

Existing neighborhood depreciation is usually easy to recognize, although the exact monetary allowance that should be made for it in a particular appraisal may be difficult to decide. The appraiser, however, is concerned not only with existing conditions in the neighborhood but also with what it is going to be during the ensuing 10 or 15 years. He must search for and weigh carefully every evidence of future depreciation.

Improvements on properties in the course of transition to a higher use are subject to economic depreciation and there are occasions when a charge

as high as 100 percent is justified even though the physical life is by no means exhausted.

METHODS OF ESTIMATING AMOUNT OF DEPRECIATION

UP TO this point we have considered the types and causes of depreciation with which the appraiser should be familiar. The next question that naturally arises is: "By what method or upon what basis shall the amount of the depreciation in terms of dollars and cents be determined?"

The answer depends in large part upon the nature and cause of the depreciation. If it is of such a sort that it can be remedied by repairs or remodeling, as can be done with unit physical deterioration, it can be laid down as a general principle that the depreciation allowance at the maximum should not exceed the cost of making the necessary changes. The same principle may be occasionally applied in cases where errors have been made in locating or planning the house.

An experienced savings and loan appraiser has furnished an interesting illustration of this. He was called upon to appraise a house that was placed 10 feet farther back from the street line than all the other houses in the neighborhood, and was for that reason much less desirable. He saw that this defect could be remedied by building a sun porch on the front of the house, and that the value of the house would thereby be increased by much more than the cost of the improvement. Accordingly the house was appraised on this basis.

Similarly, functional depreciation, especially of equipment and finishing, may be remedied and the cost of so doing may be taken as the measure of the depreciation. Antiquated lighting and plumbing fixtures may be replaced and even the exterior modernized in some cases at a cost considerably less than the consequent increase in the value of the property.

If, however, the house is in an advanced stage of physical deterioration or if the neighborhood is definitely declining or is in a stage of transition to commercial or some other use, expenditures for reconditioning beyond those necessary to keep the house in use may not be advisable. Depreciation in such cases must be estimated upon some basis other than the cost of remedying it. Even where certain items of depreciation may profitably

be remedied, general depreciation frequently exists which cannot be estimated upon a cost of repair or replacement basis.

Because of the common American experience that residential structures have an existence of only a few decades, general depreciation is usually estimated upon the basis of the age of the building and its probable future remaining life. To furnish a guide in making such estimates, a number of studies have been made of the average length of life of various classes of residential buildings. One such study, made by a special committee of the National Association of Real Estate Boards in 1928 and 1929, resulted in the following estimates:

For 1-family dwellings—50 years for masonry construction; 33 $\frac{1}{3}$ years for frame construction.

For 2-, 3-, or 4-family dwellings—42 years for fireproof steel or reinforced concrete; 38 years for masonry with slow-burning frame construction; 30 years for frame.

For row houses—45 years for fireproof steel or reinforced concrete; 40 years for masonry with slow-burning frame; 35 years for masonry with frame interior; 30 years for frame.

While such estimates are useful as guides, it should be emphasized that they are only guides and do not relieve the appraiser of the work of estimating for himself the probable effective age of the building which he is appraising. He should take into consideration the quality of the original construction, the state of repair and maintenance, and the degree of obsolescence.

ECONOMIC LIFE

IT NEED hardly be pointed out that it is the effective age or remaining economic life of the dwelling, and not the possible physical life, with which the appraiser is concerned. The physical condition of a house may be such that it could reasonably be expected to continue in use for 13 years longer, but the appraiser may be confident that within 5 years it will be demolished to make place for a commercial structure.

A number of different arithmetic methods for the determination of depreciation, based upon the life expectancy of the building, are in common use. The simplest of these, but also the one most open to criticism, is the straight-line method. This method assumes that the value of the property declines by the same percentage each year of its

(Continued on p. 307)

Federal Home Loan Bank Review

Administrative Rulings, Board Resolutions, and Counsel's Opinions

DIGEST OF A-B-C BOOK OPINION

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. "A" indicates administrative rulings by the Governor; "B" indicates resolutions of the Board; and "C" indicates Counsel's opinions. In requesting any such copy, its A-B-C Book reference number and date, as given in parentheses at the end of each of the following digests, should be cited. Copies of the A-B-C Book itself are not available for distribution.

SHARE ACCOUNTS—Rights preserved to owners of.
Fed. Charter E, Secs. 4, 7; Fed. Charter K,
Secs. 4, 6.

Section 6 of Charter K provides that outstanding share accounts created pursuant to a previous charter (Charter E) shall continue to be known and treated as provided in Charter E at the time each such share account was created, until a holder of any such outstanding share account has voluntarily consented to exchange such outstanding share account for either an investment share account or a savings share account issued under Charter K. Any such holder has a right to request such exchange. All of the rights of the holders and subscribers of share accounts issued under Charter E continue in full force and effect as they were at the time such shares were issued, except as such rights may have been modified by the mutual agreement of the association and the holder of any such shares.

(A-B-C Book, C-161, April 21, 1937)

MORTGAGE LOANS—Penalty on prepayment of
FHA insured. Fed. Charter E, Sec. 12;
Fed. Charter K, Sec. 14.

The limitations contained in Section 12 of Charter E and Section 14 of Charter K with respect to penalty charges in connection with prepayments on mortgage loans relate solely to additional interest or similar charges which are to be retained by the mortgagee. Federal associations operating under either charter may comply with the requirement of the Federal Housing Administration that mortgage loans which are to be insured by it must provide for a charge equivalent to 1 percent of the original principal amount of a mortgage loan for the privilege of prepaying such loan in full. Such charge is an insurance premium, and not a penalty imposed by a lender upon a borrower for the privilege of prepaying a loan.

(A-B-C Book, C-149-2, April 1, 1937)

MORTGAGE LOANS—Limitation on, to directors,
officers, and employees. Fed. Charter E,
Sec. 11; Fed. Charter K, Sec. 13; Fed.
Reg. 39 (c).

The Federal charter prohibits an association from lending to an officer, director, or employee on home property unless the home property is owned and occupied by the officer, director, or employee. If an attorney is a director or an officer, the limitation applies. An attorney or other person is not an employee merely because he renders legal or other services to an association. If paid solely on a fee basis, he is not an employee. If paid on a retainer basis (not in fact in lieu of salary), he is not an employee. If paid on a salary or a salary retainer basis, he is an employee. If an attorney or other person renders legal or other services during regular fixed hours, and remuneration is measured directly by the number of working hours on a weekly or monthly routine basis, remuneration is in fact a salary and the recipient is an employee. If an attorney or other person renders legal or other services on his own time free from control of his working hours by the association, and remuneration is not measured directly by the number of working hours but rather by quantity or quality of services rendered, remuneration is in fact not a salary but is a fee or retainer. Persons serving an association solely on a commission basis are not employees.

(A-B-C Book, C-155, April 22, 1937)

Resolutions of the Board

BY RESOLUTIONS adopted during the past month, the Federal Home Loan Bank Board amended the Rules and Regulations for Federal Savings and Loan Associations and for Insurance of Accounts. On May 12, the Board amended subsection (a) of

(Continued on p. 307)

Residential Construction and Home-Financing Activity

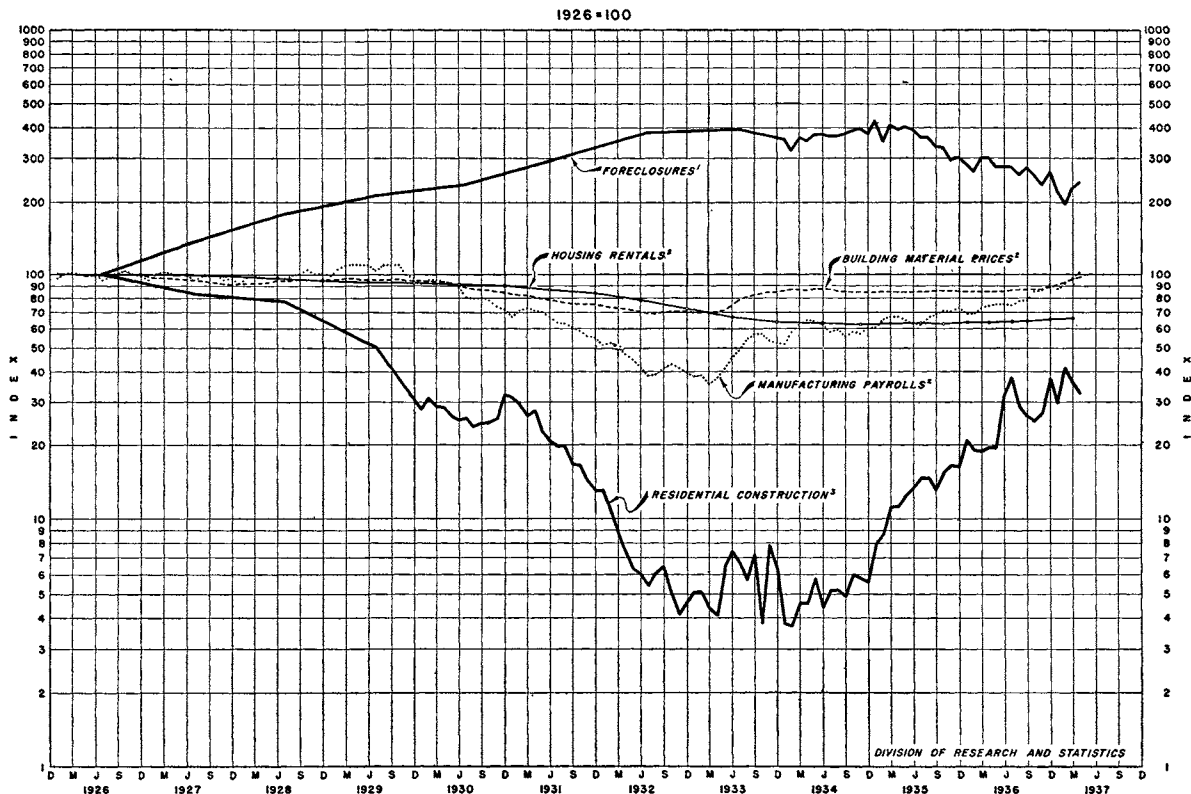
WITH the general trends in family incomes, rental levels, and foreclosures favoring the building of homes, residential construction in April again showed a marked rise as compared with the same month during the previous year. An important factor unfavorable to home building, however, was the steady increase in the cost of home building and building materials. The Federal Home Loan Bank Board index showed a marked rise in the total cost of building a typical home, and the Bureau of Labor Statistics figures indicated a considerable increase in the wholesale cost of building materials.

The level of rentals in April was 1 percent higher than in March, or 12 percent higher than

in April 1936; foreclosures in large urban counties, although 3 percent higher than in March, were still 21 percent lower than a year before; and the steady rise of manufacturing pay rolls, by 4 percent in a month and 36 percent in a year, indicated that fluctuations in family incomes were all in favor of residential construction.

The fact remained, however, that figures for all cities of 10,000 or more population, adjusted for seasonal variations, showed that home building in April, although still well above corresponding figures for the previous year, had declined by 11 percent as compared with March. In actual number of family units provided, as measured

RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS: 1926 TO DATE



SOURCE:— 1 Federal Home Loan Bank Board (County Reports)
 2 U. S. Dept. of Labor (Converted to 1926 Base)
 3 Federal Home Loan Bank Board (U. S. Dept. of Labor Records)

by the number of building permits issued, April had declined, by comparison with March, from 19,962 to 19,920. The rate of residential building, as measured by the number of dwelling units provided per 100,000 population, declined during the month in 6 of the 12 Federal Home Loan Bank Districts.

Apartment houses, according to figures for April, are showing a more rapid rate of construction as compared with 1936 than other types of dwellings. Whereas 45.2 percent more dwelling units were being provided in 1-family dwellings in April 1937 than in April 1936, the corresponding percentage of increase for apartment units was 142.5, Table 1 shows.

RENTAL INDEX

THE fact that rentals have been maintaining a steady level or actually increasing since early in 1934, as shown in the chart on page 302, does much to explain the rise in home building since that time. These two upward trends significantly came somewhat later than the rise in manufacturing pay rolls, showing that residential construction improved as soon as general confidence in continued or increasing income was assured. A comparison of two widely used indexes of rental levels of wage earners and low-income families, in the chart on this page, adds particular meaning to these tendencies.

The rental figures compiled by the National Industrial Conference Board tend to indicate the market rental for dwelling units. Those prepared by the Department of Labor tend to indicate the

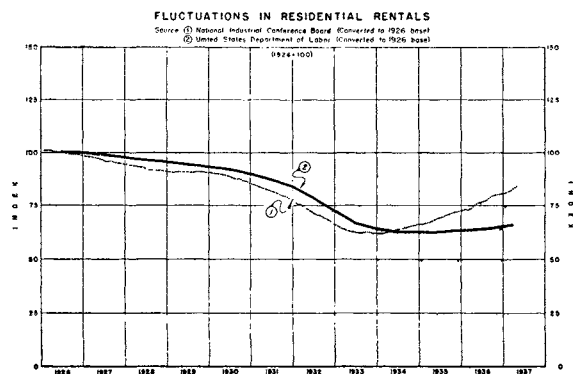
rental on all dwelling units, whether on the market or occupied continuously by the same tenants. The tendency to leave rents unchanged as long as the same tenants remain makes the latter figures somewhat less sensitive to changes in the general economic situation. The relationship between these two sets of figures has an interesting relationship with the rate of residential construction.

From 1926 through 1933, renting families could often get lower rents by moving to other dwellings. While they remained in the same homes, the rents tended to remain the same, although the market level of rentals was dropping. Under these conditions, there was little inducement to build homes for occupancy or for rent. Since 1934, however, the renting family seeking a change in location frequently meets with a demand for higher rent, and is naturally more likely to consider buying a home. The chart shows how the market level of rentals has been rising farther and farther above the general rental levels of all tenants since early in 1934, when home building began its steady climb upward.

FORECLOSURES

THE index of foreclosures in metropolitan communities increased from 230 in March to 238 in April. This rise of 3 percent may be compared with the normal seasonal decline of nearly 1 percent during that month. As far as the long-term trend is concerned, however, foreclosures are still decreasing, as the index for April was 21 percent below the index for April 1936, which stood at 302.

The slight increase over the past month was by no means uniform among the 78 communities reporting for April. Of this number, 35 reported increases in the number of foreclosures, 39 reported decreases, and 4 reported no change.



¹ The NICB index is based on the average rents of houses and apartments of 4 or 5 rooms, with bath, unheated (except in a few instances where heated apartments are the prevailing type) of the kind occupied by wage earners. The basic data are obtained from renting agencies on rentals paid for newly rented properties, and hence the rent index reflects the trend of "market" rents.

² The Department of Labor index is compiled from quotations on rentals received for identical occupied dwellings.

[1926=100]

	Apr. 1937	Mar. 1937	Per- cent change	Apr. 1936	Per- cent change
Residential construction ¹	32	36	-11	19	+68
Foreclosures.....	238	230	+3	302	-21
Rentals.....	84	83	+1	75	+12
Building materials.....	97	96	+1	86	+13
Manufacturing pay rolls.	101	97	+4	74	+36

¹ Adjusted for seasonal variation.

A factor unfavorable to the continued increase in residential construction is the rise in the wholesale price of building materials. The prices of lumber and of structural steel are higher than in 1926, it is shown in Table 8. All materials listed except cement show increases in price over the year prior to April 1937, with the rise in the general level of all building materials amounting to 12.8 percent. Cement prices went up earlier and now stand at about the 1929 level.

Indexes of Small-House Building Costs

REFLECTING the rise in the cost of both materials and labor, the index of small-house building costs rose in all of the 23 cities on which reports have been received for both February and May 1937. (Table 3.) The reports for the previous cycle (January-April) showed cost of materials as by far the major factor in a general increase. The increases in the February-May cycle, while still due in a greater degree to the cost of materials, show the effect of a rise in the cost of labor. The rise in cost of materials is substantiated by Table 8, which reports wholesale prices of building materials as compiled by the Department of Labor.

The largest increase in the Bank Board's index was reported for Phoenix, which rose 15 percent

from \$5,885 to \$6,742. Pittsburgh, Harrisburg, and Shreveport followed with increases of 9 percent. San Diego was the only city to report an increase of less than 1 percent.

Comparing data from various cities, we find that the highest costs were reported by Cleveland and Phoenix, each with a cost of 28.1 cents a cubic foot, and by Pittsburgh, with a cost of 28.0 cents.

Monthly Lending Activity of Savings and Loan Associations

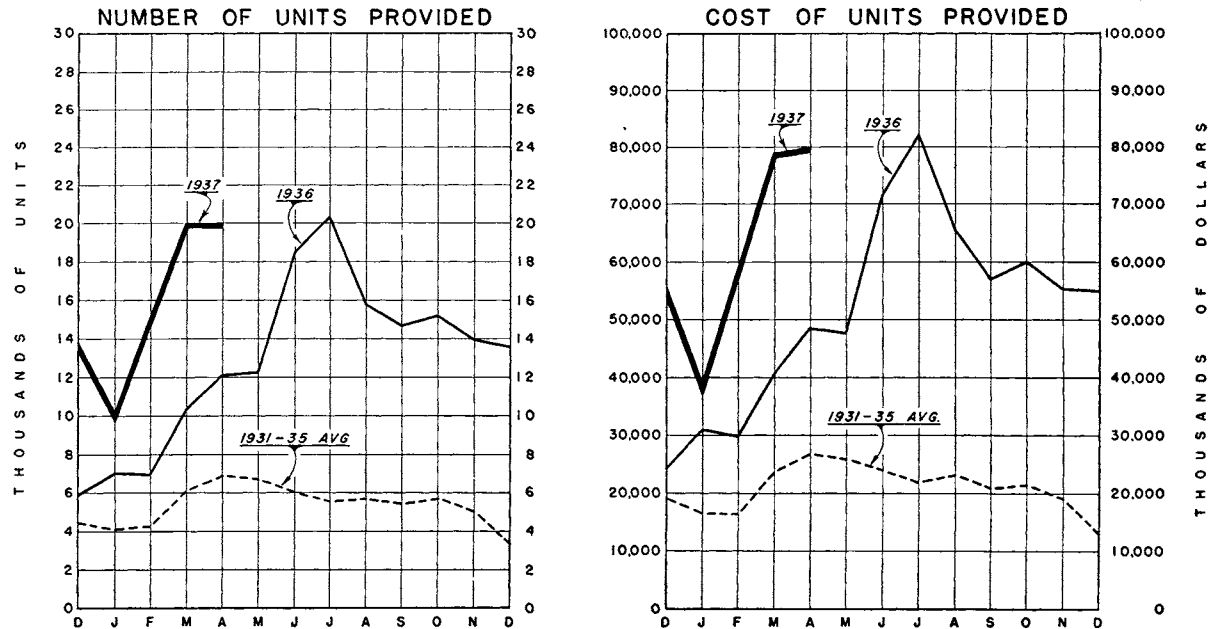
ESTIMATES of the lending activity of all savings and loan associations in the United States, in addition to the usual statistics on the monthly lending activity of savings and loan associations reporting to the Federal Home Loan Bank Board, are presented by the FEDERAL HOME LOAN BANK REVIEW for the first time in this issue.

All associations, during the first quarter of 1937, increased their lending activity by more than a third by comparison with the same period in 1936. Federal associations, which were more numerous during the latter quarter year, lead with an increase in their aggregate volume of new loans by more than two-thirds.

The increase in the volume of lending was accounted for principally by the increase in loans for construction or home purchase. Construction

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]



loans in April 1936 by all savings and loan associations amounted to approximately \$11,251,000, and in April 1937, to \$22,512,000. The corresponding increase in loans for home purchase was from \$15,296,000 to \$27,849,000.

Tables 4 and 5 give information in detail about the total lending activity for each of the first four months of 1937, as compared with those of 1936, for each of the various types of loans and types of institutions. Table 6 gives statistics on the increase in lending activity by each type of institution in each Bank District, for the first quarter of 1937 as compared with the first quarter of 1936.

METHOD OF COMPUTING ESTIMATES

THESE estimated figures, which will be continued monthly, have been computed on the basis of the reports of lending activity submitted to the Federal Home Loan Bank Board each month by about 2,500 associations. These reports were received, in March 1937, from institutions with assets amounting to about 94 percent of the assets of all active Federals, 71 percent of the assets of all active State-chartered member institutions, and about 40 percent of the assets of all active nonmember institutions. Institutions with assets totaling about 67 percent of those of all active associations are thus covered by the reports.

The assumption on which these estimates are based is that in any District, active institutions of a certain type (i. e., Federal, State-member, or nonmember) which fail to report have been making new loans at the same rate in relation to the volume of their assets as have reporting associations of the same type. For example, if the assets of all nonmember associations in a certain District amounted to \$300,000,000, and nonmember associations with assets of \$100,000,000 sent in reports, it is assumed that they made one-third of the total volume of loans by nonmember associations. Estimates are made separately for each of the five types of loans.

ASSETS ESTIMATED

THIS method depends, of course, on a computation of the assets of all active associations of each type. Since the assets change substantially from month to month, a certain amount of estimation is required to obtain this information. Complete records of assets of all associations, however, are available annually. The same assumption is made in estimating total monthly changes in

assets that is used in estimating lending activity: that figures for non-reporting institutions of a certain type in a certain District will fluctuate at the same rate as those for reporting institutions. Let us suppose, for example, that identical reporting State-member associations in a certain District have assets at the end of 1936 amounting to \$50,000,000, while all State-member associations there have assets totaling \$100,000,000. If the reporting associations increase their assets 2 percent during January 1937, it is assumed that all associations in the group have assets amounting to \$102,000,000 at the end of that month.

These figures are checked and revised in accordance with information received by the Federal Home Loan Bank Board regarding the formation of new Federal associations, the conversion of State-member institutions, and changes in the membership of the Bank System.

The assets of active savings and loan associations have been estimated for quarterly periods from the end of 1935 through the first part of 1937. The following figures show the fluctuations in assets of active institutions of the various types between the last quarter of 1935 and the first of 1937. The figures are given in millions of dollars, and reflect changes in the number of the various institutions as well as in their activity.

	<i>December</i> 1935	<i>March</i> 1937
Federals.....	\$492	\$891
State members.....	1, 934	2, 043
Nonmembers.....	1, 470	1, 145
Total.....	3, 896	4, 079

It was necessary, in compiling these estimates, to determine what proportion of total assets were inactive, since only active associations were included. For this purpose estimates were obtained from the Presidents of the Federal Home Loan Banks, and the District Examiners. It was found that State-chartered member associations with assets of \$525,000,000, or 21 percent of the total assets of all such institutions, are inactive. Nonmember associations with assets of \$1,422,000,000, or 54 percent of all such associations' total assets, are inactive. No Federal associations are known to be inactive.

The data on the lending activity of savings and loan associations compiled directly from the reports submitted are presented in Table 7.

Federal Savings and Loan Insurance Corporation

BETWEEN April 15 and May 15 the Federal Savings and Loan Insurance Corporation added 29 institutions to its list of members, Table 9 shows. Of this number, 15 operate under State charters, 9 are Federal savings and loan associations converted from State associations, and 5 are newly organized Federals. As of May 15, there were 1,704 insured institutions with 1,449,178 shareholders and \$1,382,432,158 in assets.

As may be seen from Table 10, the 293 insured State-chartered associations reporting, loaned 12.5 percent more during April than during March—increasing the total mortgage loans outstanding at the end of April 2.6 percent to \$267,822,100. By far the largest volume of this increase was accounted for by loans made for home purchase, which increased 32 percent. The only type of loans to show a decrease between March and April was loans for refinancing.

Although private share investments during April amounted to \$4,985,600, and were 3 percent greater than those during March, the amount of private subscriptions decreased slightly. This was due to the volume of repurchases, which increased 0.2 percent over March.

The need for additional funds to meet an increasing volume of mortgage lending is shown in the borrowing from other institutions. These associations by April 30 had borrowed \$14,853,600 from the Federal Home Loan Banks and \$2,234,900 from other sources. They also received additional funds through H. O. L. C. subscriptions, which increased 8.8 percent during April, and amounted to \$19,921,700 at the end of the month.

Federal Savings and Loan System

FEDERAL savings and loan associations devoted 41 percent of their mortgage lending during April to the construction of new dwellings and the reconditioning of existing dwellings, according to reports summarized in Table 11. This represents an increase of approximately 17 percent over the funds advanced for these purposes during March, and indicates that Federal associations are supporting their share of spring construction. Of the remainder of their loans, 30 percent went for the purchase of homes, 21 percent for refinancing, and 8 percent for other purposes. At the end of

April the 1,168 reported Federal savings and loan associations had mortgage loans outstanding in the amount of \$652,556,500. This was equal to 75 percent of their assets.

An interesting contrast to the activity of the reporting Federal savings and loan associations is provided by the 293 reporting insured State-chartered savings and loan associations. The latter made a larger volume of loans for the purchase of homes during April than for new construction and reconditioning. Home purchase represented 39 percent of their total loans; new construction and reconditioning represented 32 percent; refinancing, 18 percent; and other purposes, 11 percent.

Progress in number and assets of Federal savings and loan associations

	Number		Approximate assets	
	Mar. 31, 1937	Apr. 30, 1937	Mar. 31, 1937	Apr. 30, 1937
New.....	644	646	\$169,262,020	\$192,186,619
Converted.....	605	611	682,901,485	701,445,293
Total.....	1,249	1,257	852,163,505	893,631,912

Share investments of \$12,000,000 during April were reported by Federal associations. This was 3 percent more than was invested during March, and the increase was accompanied by a 6.4-percent decrease in repurchases. The amount paid in on private subscriptions increased \$5,000,000, and on H. O. L. C. subscriptions \$10,000,000.

During the month two Federals were organized and six were converted from State-chartered institutions, bringing the total number to 1,257 as of April 30, 1937. Their combined assets amounted to \$893,600,000.

Federal Home Loan Bank System

THE continued improvement in the real-estate market and in residential building has increased the demands of member institutions for Federal Home Loan Bank funds. During April, advances to members by all Banks totaled \$9,640,000 and repayments \$6,214,000, resulting in an increase of \$3,427,000 in the balance of loans outstanding. Table 12 shows the proportion of these total advances made by each of the Banks over 4-week periods. It is significant that the fluctuation in the volume of advances corresponds to the change in the rate of building in most Districts, as is shown in Chart 4. For example, in the Los Angeles District a rate of building of 78 dwelling

Federal Home Loan Bank Review

units per 100,000 population is accompanied by a large volume of advances. The slight drop in the rate of building between March and April also corresponds to a slackening off in the volume of advances. All but three of the Districts show some correlation between advances and rate of building. It must be borne in mind, however, that the size of the District and the number of associations served is the most significant factor in the volume of advances.

The Directors of the Cincinnati Bank, at a meeting on April 16, revised the blanket 3-percent rate charged on all advances to members. The new rate will affect all loans made on or after May 15, 1937. Advances for one year or less will carry a rate of $3\frac{1}{4}$ percent; advances for more than one year will be written at $3\frac{1}{2}$ percent but collected at $3\frac{1}{4}$ percent until further notice. Up to June 1 no other Banks had reported a change in rates during May. During April, 37 mortgage-lending institutions were added to the list of members, bringing the total to 3,836.

Administrative Rulings, Etc.

(Continued from p. 301)

Section 15 of the Rules and Regulations for Insurance of Accounts, regarding the bonding of officers, by adding the following:

A true copy of such bond shall be filed with the Federal home loan bank of the district in which such insured institution is located, as agent of the Corporation, and either the original of such bond or a true copy thereof shall be kept in the principal office of such institution; and such bond shall contain, unless contrary to applicable law, a clause, in form approved by the Corporation, requiring the surety to notify such Federal home loan bank and the State supervisory authority before cancellation of the bond.

On May 12, the Board amended Section 8 of the Rules and Regulations for Federal Savings and Loan Associations as follows:

Section 8. Upon receipt of a petition for charter, a hearing will be conducted in accordance with section 29 hereof except as otherwise therein provided.

In amending Section 29, regulations regarding such hearing are given in detail.

Subsection (d) of Section 42 of the Rules and Regulations for Federal Savings and Loan Associations, regarding the purchase and sale of mortgages, was amended by the Board, on May 12, to read as follows:

(d) The purchase and sale of mortgages shall not constitute the major activity of a Federal association. No

Federal association which holds a mortgage or other instrument securing a debt which is a first lien upon real estate and which simultaneously holds one or more additional mortgages or other instruments securing a debt and constituting liens inferior to the first lien upon the same real estate, shall sell or otherwise dispose of any such mortgage or other instrument, unless it shall simultaneously sell or otherwise dispose of all mortgages or other instruments constituting inferior liens upon the same real estate.

Also on May 12, the Board amended subsection (2) of Section 12 of the Rules and Regulations for Federal Savings and Loan Associations, regarding the bonding of officers, by striking the last three sentences and substituting the following:

The original bond shall be kept in the home office of the association, and a true copy thereof shall be filed with the Federal home loan bank of which the association is a member. Each such bond shall contain clauses, in form approved by the Board, empowering the Federal home loan bank, in the case of any defalcation covered by such bond, to give notice to the surety of loss, file any claims in connection therewith, and bring any action at law or in equity to enforce such bond, all in accordance with the terms of such bond, and requiring the surety to notify the Federal home loan bank before cancellation of the bond.

The following amendment to Section 4 of the Rules and Regulations for Federal Savings and Loan Association, regarding surety bonds, was approved by the Board on May 13:

Such bond shall name the Federal home loan bank of the district in which the proposed association is to be located as obligee, and shall be delivered to such Federal home loan bank.

Appraisal Methods and Policies

(Continued from p. 300)

existence. Thus, if a building had an estimated life of 50 years, depreciation would be calculated at 2 percent per year.

An obvious point of criticism of this method is its assumption that depreciation occurs at a uniform rate. It is a matter of common experience, not only with houses but with many other kinds of goods, that in terms of market value depreciation is much more rapid during the earlier years, while the property is new.

Tables showing the rate of depreciation under various conditions and calculated by the different methods are available to the appraiser in most of the appraisal manuals. All such mathematical aids, however, should be used by the appraiser only as a guide in arriving at his final decision. Each particular property which is appraised offers a problem which must be studied by itself.

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 April 1937¹

[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	
	April 1937	April 1936	Percent change	April 1937	April 1936	Percent change	April 1937	April 1936
All housekeeping dwellings	19, 920	12, 098	+ 64. 7	\$79, 791. 2	\$48, 580. 2	+ 64. 2	\$4, 006	\$4, 016
Total 1- and 2-family dwellings	14, 067	9, 684	+ 45. 3	60, 992. 8	41, 785. 8	+ 46. 0	4, 336	4, 315
1-family dwellings	12, 812	8, 822	+ 45. 2	57, 137. 6	39, 341. 6	+ 45. 2	4, 460	4, 459
2-family dwellings	1, 128	790	+ 42. 8	3, 391. 5	2, 185. 6	+ 55. 2	3, 007	2, 767
Joint home and business ²	127	72	+ 76. 4	463. 7	258. 6	+ 79. 3	3, 651	3, 592
3- and more-family dwellings	5, 853	2, 414	+ 142. 5	18, 798. 4	6, 794. 4	+ 176. 7	3, 212	2, 815

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 April 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)	
	April 1937	April 1936	April 1937	April 1936	April 1937	April 1936	April 1937	April 1936
UNITED STATES	19, 920	12, 098	\$79, 791. 2	\$48, 580. 2	14, 067	9, 684	\$60, 992. 8	\$41, 785. 8
No. 1—Boston	894	674	4, 763. 2	3, 374. 0	829	579	4, 562. 4	3, 153. 8
Connecticut	215	121	1, 123. 8	598. 6	199	121	1, 091. 9	598. 6
Maine	62	33	210. 8	100. 9	56	26	198. 8	97. 3
Massachusetts	466	369	2, 723. 0	2, 128. 2	429	315	2, 579. 1	1, 981. 6
New Hampshire	21	20	53. 9	59. 6	21	20	53. 9	59. 6
Rhode Island	124	126	621. 9	453. 7	118	92	608. 9	383. 7
Vermont	6	5	29. 8	33. 0	6	5	29. 8	33. 0
No. 2—New York	5, 387	2, 698	21, 061. 4	10, 821. 1	1, 594	1, 268	7, 794. 9	6, 303. 9
New Jersey	502	312	2, 560. 2	2, 021. 7	288	312	1, 846. 2	2, 021. 7
New York	4, 885	2, 386	18, 501. 2	8, 799. 4	1, 306	956	5, 948. 7	4, 282. 2
No. 3—Pittsburgh	925	769	4, 820. 9	4, 245. 8	898	747	4, 746. 0	4, 213. 7
Delaware	8	14	37. 0	89. 9	8	14	37. 0	89. 9
Pennsylvania	761	680	4, 168. 8	3, 865. 4	757	668	4, 157. 3	3, 850. 4
West Virginia	156	75	615. 1	290. 5	133	65	551. 7	273. 4
No. 4—Winston-Salem	2, 247	1, 607	7, 469. 8	5, 500. 1	1, 712	1, 219	6, 125. 1	4, 554. 4
Alabama	145	57	263. 2	91. 8	125	57	215. 0	91. 8
District of Columbia	557	531	2, 365. 4	2, 189. 6	223	234	1, 429. 2	1, 464. 8
Florida	464	357	1, 560. 2	1, 037. 6	440	309	1, 494. 9	952. 3
Georgia	237	108	578. 5	284. 5	191	108	534. 5	284. 5
Maryland	227	122	910. 7	478. 2	224	122	906. 7	478. 2
North Carolina	296	179	772. 5	577. 9	240	167	653. 7	557. 9
South Carolina	127	85	353. 1	234. 1	119	72	326. 1	180. 1
Virginia	194	168	666. 2	606. 4	150	150	565. 0	544. 8

TABLE 2.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in April 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)	
	April 1937	April 1936	April 1937	April 1936	April 1937	April 1936	April 1937	April 1936
No. 5—Cincinnati.....	1, 426	517	6, 040. 2	2, 789. 7	904	484	4, 201. 8	2, 689. 9
Kentucky.....	149	80	392. 2	273. 7	137	80	372. 2	273. 7
Ohio.....	732	356	3, 843. 6	2, 292. 3	620	326	3, 406. 3	2, 193. 8
Tennessee.....	545	81	1, 804. 4	223. 7	147	78	423. 3	222. 4
No. 6—Indianapolis.....	1, 127	707	5, 736. 2	3, 650. 4	1, 124	701	5, 734. 2	3, 635. 4
Indiana.....	260	95	1, 121. 8	378. 0	260	95	1, 121. 8	378. 0
Michigan.....	867	612	4, 614. 4	3, 272. 4	864	606	4, 612. 4	3, 257. 4
No. 7—Chicago.....	974	524	5, 433. 9	2, 828. 4	913	519	5, 289. 0	2, 810. 4
Illinois.....	522	273	3, 415. 7	1, 720. 9	499	273	3, 355. 1	1, 720. 9
Wisconsin.....	452	251	2, 018. 2	1, 107. 5	414	246	1, 933. 9	1, 089. 5
No. 8—Des Moines.....	786	653	3, 083. 7	2, 250. 4	753	609	3, 009. 1	2, 160. 4
Iowa.....	214	134	891. 6	428. 8	204	129	853. 0	422. 9
Minnesota.....	228	192	969. 9	717. 9	213	170	951. 9	681. 9
Missouri.....	283	275	1, 055. 3	994. 6	279	258	1, 045. 3	946. 5
North Dakota.....	27	9	90. 0	24. 2	23	9	82. 0	24. 2
South Dakota.....	34	43	76. 9	84. 9	34	43	76. 9	84. 9
No. 9—Little Rock.....	1, 343	917	3, 914. 3	2, 640. 4	1, 234	901	3, 688. 8	2, 606. 4
Arkansas.....	37	33	113. 9	66. 5	30	33	99. 5	66. 5
Louisiana.....	149	97	539. 3	298. 5	125	97	483. 9	298. 5
Mississippi.....	110	70	215. 8	181. 2	102	70	206. 3	181. 2
New Mexico.....	50	38	127. 0	100. 6	50	38	127. 0	100. 6
Texas.....	997	679	2, 918. 3	1, 993. 6	927	663	2, 772. 1	1, 959. 6
No. 10—Topeka.....	757	498	2, 701. 9	1, 689. 0	667	490	2, 489. 2	1, 670. 3
Colorado.....	233	108	907. 2	426. 8	174	104	770. 2	410. 8
Kansas.....	171	104	558. 1	333. 8	150	104	501. 4	333. 8
Nebraska.....	104	72	350. 2	268. 2	100	72	344. 2	268. 2
Oklahoma.....	249	214	886. 4	660. 2	243	210	873. 4	657. 5
No. 11—Portland.....	724	401	2, 441. 7	1, 186. 6	654	339	2, 322. 9	1, 087. 9
Idaho.....	37	31	108. 6	79. 5	27	20	88. 6	61. 3
Montana.....	98	65	231. 3	172. 9	78	53	206. 3	161. 9
Oregon.....	217	66	835. 8	254. 2	201	66	809. 8	254. 2
Utah.....	71	40	334. 6	124. 8	71	34	334. 6	106. 8
Washington.....	277	179	846. 5	487. 9	262	154	812. 7	457. 9
Wyoming.....	24	20	84. 9	67. 3	15	12	70. 9	45. 8
No. 12—Los Angeles.....	3, 330	2, 133	12, 324. 0	7, 604. 3	2, 785	1, 828	11, 029. 4	6, 899. 3
Arizona.....	48	26	172. 0	95. 0	44	26	158. 0	95. 0
California.....	3, 266	2, 097	12, 027. 3	7, 464. 3	2, 725	1, 792	10, 746. 7	6, 759. 3
Nevada.....	16	10	124. 7	45. 0	16	10	124. 7	45. 0

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 population.

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

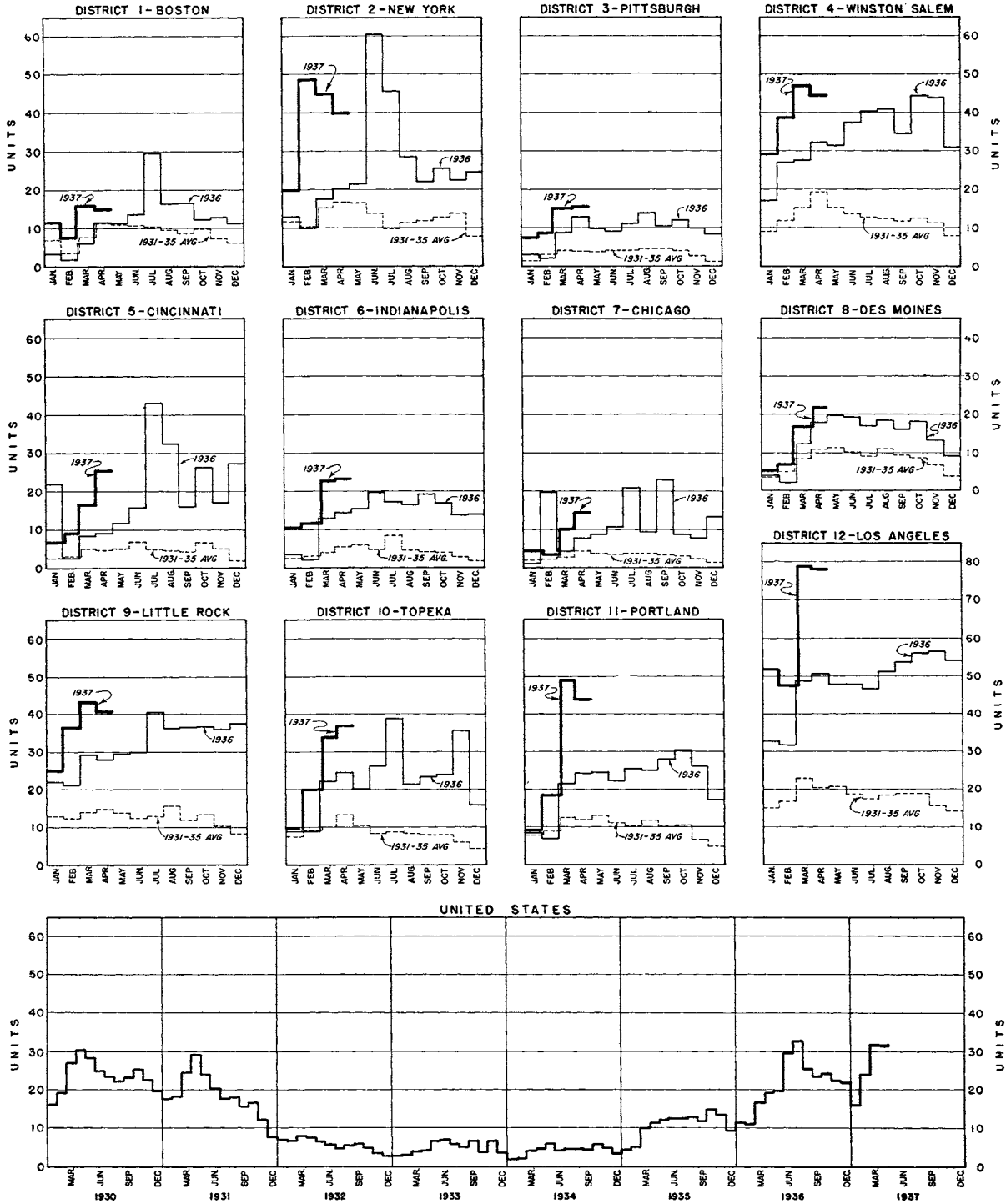


TABLE 3.—Indexes of building costs of the same standard house in representative cities in specific months ¹

NOTE.—These figures are subject to correction.

[Source: Federal Home Loan Bank Board]

Federal Home Loan Bank Districts, States, and cities	Cubic-foot cost		Total building cost					
	May 1937	May 1936	May 1937	Febru- ary 1937	Novem- ber 1936	August 1936	May 1936	Febru- ary 1936
No. 3—Pittsburgh:								
Delaware:								
Wilmington.....	\$0. 239	\$0. 220	\$5, 737	\$5, 406	\$5, 258	\$5, 259	\$5, 290	\$5, 213
Pennsylvania:								
Harrisburg.....	. 258	. 227	6, 186	5, 668	5, 408	5, 405	5, 439	5, 371
Philadelphia.....	. 248	. 203	5, 944	5, 483	5, 010	4, 929	4, 870	4, 584
Pittsburgh.....	. 280	. 225	6, 730	6, 179	5, 920	5, 433	5, 405	5, 474
West Virginia:								
Charleston.....	. 248	. 228	5, 957	5, 696	5, 696	5, 564	5, 477	5, 476
No. 5—Cincinnati:								
Kentucky:								
Lexington.....	. 245	. 213	5, 887	.....	5, 223	5, 237	5, 120	4, 993
Louisville.....	. 255	. 222	6, 111	.....	5, 456	5, 338	5, 326	5, 384
Ohio:								
Cincinnati.....	. 263	. 243	6, 321	5, 849	5, 748	5, 932	5, 827	5, 809
Cleveland.....	. 281	. 256	6, 756	6, 320	6, 213	6, 165	6, 147	6, 028
Columbus.....	. 265	. 230	6, 352	6, 052	5, 778	5, 850	5, 529	5, 522
Tennessee:								
Memphis.....	. 238	. 213	5, 704	5, 462	5, 092	5, 080	5, 120	4, 841
Nashville.....	. 226	. 212	5, 421	5, 267	5, 094	5, 096	5, 089	5, 030
No. 9—Little Rock:								
Arkansas:								
Little Rock.....	. 220	. 217	5, 285	5, 195	5, 136	5, 202	5, 215	5, 215
Louisiana:								
New Orleans.....	. 246	. 211	5, 911	5, 601	5, 395	5, 124	5, 075	5, 075
Shreveport.....	. 248	.....	5, 961	5, 468	.....	.....	.....	.....
Mississippi:								
Jackson.....	. 244	. 222	5, 849	5, 607	5, 412	5, 365	5, 333	5, 319
New Mexico:								
Albuquerque.....	. 265	. 234	6, 358	5, 948	5, 827	5, 779	5, 625	5, 625
Texas:								
Dallas.....	. 256	. 234	6, 143	5, 968	5, 641	5, 641	5, 618	.....
Houston.....	. 266	. 247	6, 391	5, 935	5, 809	5, 809	5, 933	.....
San Antonio.....	. 262	. 231	6, 284	5, 884	5, 538	5, 532	5, 532	5, 464
No. 12—Los Angeles:								
Arizona:								
Phoenix.....	. 281	. 255	6, 742	5, 885	5, 843	6, 032	6, 112	6, 044
California:								
Los Angeles.....	. 251	. 218	6, 015	5, 800	5, 489	5, 301	5, 239	5, 316
San Diego.....	. 256	. 224	6, 141	6, 137	5, 581	5, 361	5, 381	5, 385
San Francisco.....	. 267	. 251	6, 407	6, 319	6, 222	6, 151	6, 017	.....
Nevada:								
Reno.....	. 277	. 263	6, 641	6, 360	6, 354	6, 313	6, 324	6, 097

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.

TABLE 4.—Estimated volume of new loans by all savings and loan associations, classified according to purpose

[Thousands of dollars]

Month	Mortgage loans on homes				Loans for all other purposes	Total loans, all purposes
	Construction	Home purchase	Refinancing	Reconditioning		
1936						
January.....	\$155,463	\$188,637	\$152,067	\$50,618	\$80,838	\$627,623
February.....	7,089	9,298	10,265	2,691	5,995	35,338
March.....	7,027	9,680	10,845	3,229	5,686	36,467
April.....	9,725	11,920	12,842	3,677	8,474	46,638
April.....	11,251	15,296	15,728	4,703	6,413	53,391
1937						
January.....	12,170	14,859	10,641	2,585	5,018	45,273
February.....	13,275	16,648	11,611	2,727	5,601	49,862
March.....	17,938	22,323	15,768	3,959	6,582	66,570
April.....	22,512	27,849	16,398	5,070	7,548	79,377

TABLE 5.—Estimated volume of new loans by all savings and loan associations, classified according to type of association

	Volume of loans (thousands of dollars)				Percent of total		
	Total	Federal	State members	Nonmembers	Federal	State members	Nonmembers
1936.....	\$627,623	\$228,896	\$275,972	\$122,755	36.5	44.0	19.5
January.....	35,338	11,764	16,436	7,138	33.0	47.0	20.0
February.....	36,467	12,105	15,206	9,156	33.0	42.0	25.0
March.....	46,638	15,310	19,776	11,552	33.0	42.0	25.0
April.....	53,391	17,740	25,497	10,154	33.0	48.0	19.0
1937							
January.....	45,273	17,762	19,311	8,200	39.0	43.0	18.0
February.....	49,862	19,580	22,068	8,214	39.0	44.0	17.0
March.....	66,570	28,147	28,401	10,022	42.0	43.0	15.0
April.....	79,377	33,301	34,644	11,432	42.0	44.0	14.0

TABLE 6.—New lending activity of savings and loan associations, classified by District and type of association

	New loans (thousands of dollars)			Percent increase first quarter 1937 over first quarter 1936
	Full year 1936	First quarter 1936	First quarter 1937	
United States: Total.....	\$627,623	\$118,443	\$161,705	+37
Federal.....	228,896	39,179	65,489	+67
State member.....	275,972	51,418	69,780	+36
Nonmember.....	122,755	27,846	26,436	-5
District 1: Total.....	62,015	10,512	14,672	+40
Federal.....	8,040	1,271	4,168	+228
State member.....	31,143	4,876	6,179	+27
Nonmember.....	22,832	4,365	4,325	-1

TABLE 6.—*New lending activity of savings and loan associations, classified by District and type of association—Continued*

	New loans (thousands of dollars)			Percent increase first quarter 1937 over first quarter 1936
	Full year 1936	First quarter 1936	First quarter 1937	
District 2: Total	\$51,557	\$7,412	\$10,870	+47
Federal	19,224	3,317	4,063	+22
State member	17,395	1,873	2,760	+47
Nonmember	14,938	2,222	4,047	+82
District 3: Total	30,218	5,782	8,671	+50
Federal	7,734	1,020	2,167	+112
State member	11,880	2,679	2,805	+5
Nonmember	10,604	2,083	3,699	+78
District 4: Total	92,938	19,498	21,175	+9
Federal	30,264	5,104	8,460	+66
State member	43,291	7,703	9,360	+22
Nonmember	19,383	6,691	3,355	-50
District 5: Total	91,236	16,763	26,826	+60
Federal	43,305	7,054	12,149	+72
State member	41,625	8,561	13,320	+56
Nonmember	6,306	1,148	1,357	+18
District 6: Total	36,346	7,147	8,855	+24
Federal	12,459	1,671	3,936	+136
State member	18,822	3,803	4,026	+6
Nonmember	5,065	1,673	893	-47
District 7: Total	55,580	9,363	16,300	+74
Federal	19,646	3,152	5,906	+87
State member	28,760	4,805	9,190	+91
Nonmember	7,174	1,406	1,204	-14
District 8: Total	42,424	7,865	8,753	+11
Federal	18,781	3,303	4,118	+25
State member	13,046	2,467	2,763	+12
Nonmember	10,597	2,095	1,872	-11
District 9: Total	39,908	8,630	9,690	+12
Federal	13,569	2,813	3,637	+29
State member	20,394	4,449	4,945	+11
Nonmember	5,945	1,368	1,108	-19
District 10: Total	42,488	9,018	10,233	+13
Federal	14,545	3,078	3,871	+26
State member	12,108	2,694	2,735	+2
Nonmember	15,835	3,246	3,627	+12
District 11: Total	30,598	5,582	8,911	+60
Federal	16,917	2,659	5,096	+92
State member	12,580	2,456	3,376	+37
Nonmember	1,101	467	439	-6
District 12: Total	52,315	10,871	16,749	+54
Federal	24,412	4,737	7,918	+67
State member	24,928	5,052	8,321	+65
Nonmember	2,975	1,082	510	-53

TABLE 7.—Monthly lending activity and total assets as reported by 2,738 savings and loan associations in April 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 associations		Loans made in April according to purpose												Total assets April 30, 1937 ³
			Mortgage loans on 1- to 4-family nonfarm homes						Refinancing and reconditioning ²		Loans for all other purposes		Total loans, all purposes		
	Construction		Home purchase ¹		Number	Amount		Number							
	Number	Amount	Number	Amount		Refinancing	Reconditioning								
UNITED STATES.....	2,738	2,335	4,989	\$17,651.9	7,643	\$19,828.0	8,425	\$12,364.0	\$3,491.7	3,480	\$5,420.7	24,537	\$58,756.3	\$2,717,884.2	
Federal.....	1,178	1,090	3,031	10,843.5	3,717	9,593.1	4,366	6,657.0	1,713.3	1,330	2,549.6	12,444	31,356.5	869,959.5	
State member.....	1,067	914	1,676	5,939.7	3,266	8,790.7	3,351	5,181.3	1,360.4	1,711	2,270.4	10,004	23,542.5	1,449,316.7	
Nonmember.....	493	331	282	868.7	660	1,444.2	708	525.7	418.0	439	600.7	2,089	3,857.3	398,608.0	
No. 1—Boston.....	149	139	256	1,175.3	474	1,561.7	663	1,192.8	320.8	316	409.7	1,709	4,660.3	318,245.8	
Connecticut.....	31	26	60	239.7	34	147.4	75	182.5	19.6	29	23.5	198	612.7	25,082.5	
Maine.....	21	17	7	10.2	30	60.9	76	140.6	16.7	9	8.0	122	236.4	12,299.4	
Massachusetts.....	80	80	152	803.6	287	964.1	393	720.1	252.7	176	237.9	1,008	2,978.4	238,486.3	
New Hampshire.....	10	9	6	13.1	32	69.3	36	39.0	11.6	48	72.4	122	205.4	13,530.9	
Rhode Island.....	3	3	26	101.9	75	253.2	67	93.0	16.1	42	32.7	210	496.9	25,588.3	
Vermont.....	4	4	5	6.8	16	66.8	16	17.6	4.1	12	35.2	49	130.5	3,258.4	
No. 2—New York.....	322	199	332	1,337.7	378	1,259.9	400	731.9	231.6	219	232.9	1,329	3,794.0	419,981.0	
New Jersey.....	181	83	36	156.8	75	263.9	53	72.1	33.1	63	68.2	227	594.1	178,873.1	
New York.....	141	116	296	1,180.9	303	996.0	347	659.8	198.5	156	164.7	1,102	3,199.9	241,107.9	
No. 3—Pittsburgh.....	218	150	118	414.1	336	885.3	232	326.0	78.4	73	90.5	759	1,794.3	94,049.7	
Delaware.....	4	4	1	1.0	9	27.1	7	4.4	2.6	6	4.6	23	39.7	4,433.8	
Pennsylvania.....	191	125	90	362.5	282	773.5	136	224.4	42.7	38	51.2	546	1,454.3	78,332.0	
West Virginia.....	23	21	27	50.6	45	84.7	89	97.2	33.1	29	34.7	190	300.3	11,283.9	
No. 4—Winston-Salem.....	299	266	754	2,495.0	650	1,607.7	1,087	2,139.3	345.4	353	600.0	2,844	7,187.4	236,364.1	
Alabama.....	19	16	32	41.3	24	45.2	41	54.0	14.3	15	14.8	112	169.6	5,666.4	
District of Columbia.....	10	10	108	650.3	36	149.5	320	1,190.8	48.4	66	39.6	530	2,078.6	96,859.6	
Florida.....	48	40	121	568.9	66	242.5	96	218.9	57.2	41	159.0	324	1,246.5	21,910.3	
Georgia.....	47	47	115	272.0	65	117.7	137	164.2	48.7	29	53.1	346	655.7	13,350.6	
Maryland.....	60	43	48	247.1	159	443.5	72	115.6	25.9	40	73.4	319	905.5	34,453.1	
North Carolina.....	49	49	159	319.5	154	292.1	235	150.0	100.7	98	128.1	646	990.4	32,664.0	
South Carolina.....	35	34	101	196.1	55	119.3	73	70.7	19.2	20	60.2	249	465.5	9,950.7	
Virginia.....	31	27	70	199.8	91	197.9	113	175.1	31.0	44	71.8	318	675.6	21,509.4	
No. 5—Cincinnati.....	389	352	632	2,547.0	1,951	5,463.7	1,496	1,729.3	696.9	635	1,297.2	4,714	11,734.1	510,573.5	
Kentucky.....	59	53	55	171.6	214	564.1	247	237.2	128.9	98	131.4	614	1,233.2	47,076.5	
Ohio.....	295	268	462	2,105.9	1,687	4,800.5	1,109	1,339.5	531.8	513	1,127.8	3,771	9,905.5	448,459.0	
Tennessee.....	35	31	115	269.5	50	99.1	140	152.6	36.2	24	38.0	329	595.4	15,038.0	
No. 6—Indianapolis.....	188	177	264	803.5	664	1,134.2	870	653.9	356.6	298	360.3	2,096	3,308.5	210,419.8	
Indiana.....	136	129	117	268.7	536	833.9	712	477.0	299.2	235	247.1	1,600	2,125.9	125,099.7	
Michigan.....	52	48	147	534.8	128	300.3	158	176.9	57.4	63	113.2	496	1,182.6	85,320.1	
No. 7—Chicago.....	286	241	298	1,125.2	723	2,279.5	789	1,342.9	476.7	247	398.9	2,057	5,623.2	209,709.2	
Illinois.....	203	171	157	583.9	589	1,878.0	640	1,111.7	398.4	196	317.7	1,582	4,289.7	145,733.5	
Wisconsin.....	83	70	141	541.3	134	401.5	149	231.2	78.3	51	81.2	475	1,333.5	63,975.7	
No. 8—Des Moines.....	182	161	208	630.8	403	944.1	574	691.8	195.0	148	183.1	1,333	2,644.8	99,463.1	
Iowa.....	47	40	24	83.7	88	166.0	123	137.5	35.8	29	20.2	264	443.2	15,984.1	
Minnesota.....	47	44	82	289.5	133	335.1	208	237.2	69.4	48	92.6	471	1,023.8	29,258.7	
Missouri.....	66	59	64	178.2	159	399.0	189	249.4	56.2	41	41.7	453	924.5	43,084.6	
North Dakota.....	15	12	25	57.7	15	27.5	38	57.7	24.5	23	24.8	101	192.2	8,746.0	
South Dakota.....	7	6	13	21.7	8	16.5	16	10.0	9.1	7	3.8	44	61.1	2,389.7	

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 Apr. 30, 1937.

TABLE 7.—Monthly lending activity and total assets as reported by 2,738 savings and loan associations in April 1937—Continued

[Dollar amounts are shown in thousands of dollars]

Federal Home Loan Bank Districts and States	Number of associations		Loans made in April according to purpose											Total assets April 30, 1937	
	Submitting reports	Reporting loans made	Mortgage loans on 1- to 4-family nonfarm homes								Loans for all other purposes		Total loans, all purposes		
			Construction		Home purchase		Refinancing and reconditioning								
			Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number		Amount
No. 9—Little Rock . . .	268	241	517	\$1,448.0	565	\$1,212.9	639	\$693.0	\$249.6	271	\$468.5	1,992	\$4,072.0	\$151,699.3	
Arkansas	40	38	47	117.9	63	98.9	94	93.6	21.2	45	38.1	249	369.7	9,935.8	
Louisiana	70	65	126	434.2	236	588.4	155	199.2	102.3	103	248.6	620	1,572.7	73,715.1	
Mississippi	28	24	29	53.9	27	50.3	48	33.6	24.4	14	9.8	118	172.0	5,128.3	
New Mexico	13	12	16	37.7	15	32.0	17	10.6	7.5	9	14.3	57	102.1	3,340.5	
Texas	117	102	299	804.3	224	443.3	325	356.0	94.2	100	157.7	948	1,855.5	59,579.6	
No. 10—Topeka	190	171	318	1,114.4	620	1,319.2	485	543.6	181.8	388	544.9	1,811	3,703.9	157,576.1	
Colorado	30	28	77	347.2	100	232.8	71	101.2	27.5	34	117.1	282	825.8	18,142.1	
Kansas	71	61	76	218.2	162	300.9	131	104.0	59.7	99	116.7	468	799.5	44,623.3	
Nebraska	40	35	54	229.5	153	281.9	121	114.4	53.5	144	151.0	472	830.3	44,723.7	
Oklahoma	49	47	111	319.5	205	503.6	162	224.0	41.1	111	160.1	589	1,248.3	50,087.0	
No. 11—Portland	116	110	404	1,133.0	420	908.1	555	991.2	196.2	216	382.3	1,595	3,610.8	85,437.5	
Idaho	9	9	40	84.3	29	47.7	32	28.4	16.5	20	23.1	121	200.0	5,554.2	
Montana	12	11	31	81.2	23	43.9	25	23.1	8.7	8	12.8	87	169.7	6,405.1	
Oregon	28	25	94	257.7	85	222.8	98	352.0	42.1	22	97.4	299	972.0	22,158.0	
Utah	8	7	40	146.5	33	76.3	46	104.1	4.9	15	38.2	134	370.0	8,913.7	
Washington	49	48	189	541.6	235	477.5	335	462.6	114.1	147	202.7	906	1,798.5	40,716.7	
Wyoming	10	10	10	21.7	15	39.9	19	21.0	9.9	4	8.1	48	100.6	1,689.8	
No. 12—Los Angeles	131	128	888	3,427.9	459	1,251.7	635	1,328.3	162.7	316	452.4	2,298	6,623.0	224,365.1	
Arizona	2	2	12	42.5	7	13.2	39	104.0	0.8	3	2.9	61	163.4	1,389.1	
California	126	123	870	3,356.4	447	1,218.1	590	1,204.8	159.1	311	448.6	2,218	6,387.0	221,192.7	
Nevada	1	1	3	7.3	0	0.0	2	0.0	1.7	1	0.5	6	9.5	159.7	
Hawaii	2	2	3	21.7	5	20.4	4	19.5	1.1	1	0.4	13	63.1	1,623.6	

TABLE 8.—Index of wholesale price of building materials in the United States

[1926=100]

[Source: U. S. Department of Labor]

	All building materials	Brick and tile	Cement	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
April 1936	85.7	89.0	95.5	83.2	79.3	73.8	92.0	89.1
1937								
January	91.3	89.7	95.5	93.0	83.7	77.1	104.7	93.9
February	93.3	91.0	95.5	99.0	83.4	77.4	104.7	95.0
March	95.9	91.8	95.5	102.1	83.9	77.6	112.9	98.9
April	96.7	94.9	95.5	103.0	82.9	78.7	114.9	99.9
Change April 1937 from:								
March 1937	+0.8%	+3.4%	0.0%	+0.9%	0.0%	+1.4%	+1.8%	+1.0%
April 1936	+12.8%	+6.6%	0.0%	+23.8%	+5.8%	+6.6%	+24.9%	+12.1%

TABLE 9.—*Institutions insured by the Federal Savings and Loan Insurance Corporation* ¹

	Cumulative number at specified dates					Number of share-holders	Assets	Share and creditor liabilities
	Dec. 31, 1934	Dec. 31, 1935	Dec. 31, 1936	Apr. 15, 1937	May 15, 1937	May 15, 1937	May 15, 1937	May 15, 1937
State-chartered associations.	4	136	382	441	456	688, 515	\$539, 385, 750	\$473, 029, 077
Converted F. S. and L. A.	108	406	560	597	606	628, 286	677, 513, 703	619, 820, 070
New F. S. and L. A.	339	572	634	637	642	132, 377	165, 532, 705	155, 216, 833
Total	451	1, 114	1, 576	1, 675	1, 704	1, 449, 178	1, 382, 432, 158	1, 248, 065, 980

¹ Beginning Dec. 31, 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 December 31 each year.

TABLE 10.—*Monthly operations of 293 identical insured State-chartered savings and loan associations reporting during March and April 1937*

	March	April	Change March to April
Share liability at end of month:			<i>Percent</i>
Private share accounts (number)	434, 046	434, 270	0. 0
Paid on private subscriptions	\$294, 413, 700	\$294, 248, 600	- 0. 1
H. O. L. C. subscriptions	18, 310, 100	19, 921, 700	+ 8. 8
Total	312, 723, 800	314, 170, 300	+ 0. 5
Private share investments during month	4, 840, 500	4, 985, 600	+ 3. 0
Repurchases during month	5, 290, 400	5, 300, 200	+ 0. 2
Mortgage loans made during month:			
a. New construction	2, 516, 900	2, 542, 800	+ 1. 0
b. Purchase of homes	2, 730, 900	3, 603, 700	+ 32. 0
c. Refinancing	1, 737, 200	1, 711, 600	- 1. 5
d. Reconditioning	378, 000	469, 000	+ 24. 0
e. Other purposes	934, 500	1, 005, 900	+ 7. 7
Total	8, 297, 500	9, 333, 000	+ 12. 5
Mortgage loans outstanding end of month	261, 103, 100	267, 822, 100	+ 2. 6
Borrowed money as of end of month:			
From Federal Home Loan Banks	14, 360, 400	14, 853, 600	+ 3. 4
From other sources	2, 111, 000	2, 234, 900	+ 5. 9
Total	16, 471, 400	17, 088, 500	+ 3. 7
Total assets, end of month	392, 960, 100	397, 219, 200	+ 1. 1

TABLE 11.—Monthly operations of 1,168 identical Federal savings and loan associations reporting during March and April 1937

	March	April	Change March to April
Share liability at end of month:			<i>Percent</i>
Private share accounts (number).....	708, 101	714, 954	+ 1. 0
Paid on private subscriptions.....	\$518, 413, 900	\$523, 694, 400	+ 1. 0
Treasury and H. O. L. C. subscriptions.....	167, 338, 500	177, 536, 900	+ 6. 1
Total.....	685, 752, 400	701, 231, 300	+ 2. 3
Private share investments during month.....	11, 874, 400	12, 242, 500	+ 3. 1
Repurchases during month.....	7, 372, 800	6, 904, 900	- 6. 4
Mortgage loans made during month:			
a. New construction.....	9, 206, 800	10, 815, 800	+ 17. 4
b. Purchase of homes.....	7, 705, 700	9, 511, 400	+ 23. 4
c. Refinancing.....	6, 356, 500	6, 612, 000	+ 4. 0
d. Reconditioning.....	1, 459, 700	1, 705, 000	+ 16. 8
e. Other purposes.....	1, 840, 500	2, 540, 100	+ 38. 0
Total.....	26, 569, 200	31, 184, 300	+ 17. 4
Mortgage loans outstanding end of month.....	630, 679, 900	652, 556, 500	+ 3. 5
Borrowed money as of end of month:			
From Federal Home Loan Banks.....	58, 920, 300	60, 622, 100	+ 2. 9
From other sources.....	1, 764, 400	1, 816, 700	+ 3. 0
Total.....	60, 684, 700	62, 438, 800	+ 2. 9
Total assets, end of month.....	840, 132, 400	863, 775, 200	+ 2. 8

TABLE 12.—Comparison of Federal Home Loan Bank advances to member institutions during 4-week periods

Federal Home Loan Bank	Advances made between Apr. 3 and Apr. 30	Advances made between Mar. 13 and Apr. 3
No. 1—Boston.....	\$331, 400	\$485, 200
No. 2—New York.....	411, 000	520, 500
No. 3—Pittsburgh.....	626, 404	404, 100
No. 4—Winston-Salem.....	1, 214, 300	789, 860
No. 5—Cincinnati.....	1, 404, 575	847, 450
No. 6—Indianapolis.....	459, 500	455, 850
No. 7—Chicago.....	1, 003, 212	683, 180
No. 8—Des Moines.....	238, 300	562, 400
No. 9—Little Rock.....	574, 500	379, 500
No. 10—Topeka.....	338, 900	344, 500
No. 11—Portland.....	952, 925	1, 120, 500
No. 12—Los Angeles.....	1, 373, 646	1, 526, 317
Total.....	8, 933, 662	8, 119, 357

TABLE 13.—Trend of lending operations of the Federal Home Loan Banks

[000 omitted]

Month	Loans advanced monthly	Repayments monthly	Balance outstanding at end of month
December 1935.....	\$8, 414	\$2, 708	\$102, 795
1936			
June.....	11, 560	3, 895	118, 587
December.....	13, 473	5, 333	145, 401
1937			
January.....	6, 570	8, 225	143, 745
February.....	4, 260	6, 800	141, 205
March.....	8, 591	7, 077	142, 719
April.....	9, 640	6, 214	146, 146

TABLE 14.—*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
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. 28, 1937.....	99	3, 762, 910	317	23, 341, 900	2, 874	120, 320, 300	3, 290	147, 425, 110
Mar. 31, 1937.....	109	4, 230, 710	356	25, 622, 800	3, 061	130, 816, 500	3, 526	160, 670, 010
Apr. 30, 1937.....	114	4, 515, 710	393	27, 568, 800	3, 281	142, 234, 000	3, 788	174, 318, 510
May 20, 1937.....	120	5, 090, 710	418	29, 709, 300	3, 407	147, 529, 000	3, 945	182, 329, 010
Subscriptions:								
Dec. 31, 1935.....	2	100, 000	24	1, 980, 000	474	17, 766, 500	500	19, 846, 500
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. 28, 1937.....	50	1, 553, 200	300	21, 746, 900	2, 771	115, 156, 200	3, 121	138, 456, 300
Mar. 31, 1937.....	55	1, 828, 200	322	23, 159, 400	2, 928	122, 545, 700	3, 305	147, 533, 300
Apr. 30, 1937.....	57	2, 031, 000	363	25, 468, 800	3, 132	133, 132, 700	3, 552	160, 632, 500
May 20, 1937.....	60	2, 156, 000	388	27, 093, 800	3, 277	140, 253, 200	3, 625	169, 503, 000

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

TABLE 15.—*Properties acquired by voluntary deed and foreclosure by the H. O. L. C.*

Period	Number
Prior to 1935.....	9
1935: Jan. 1 through June 30.....	114
July 1 through Dec. 31.....	983
1936: Jan. 1 through June 30.....	4, 449
July 1 through Dec. 31.....	15, 646
1937: January.....	3, 059
February.....	3, 290
March.....	4, 143
April.....	3, 887
Grand total to Apr. 30, 1937.....	35, 580

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 16,355 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 35,580 completed cases, 185 properties were sold to parties other than the H. O. L. C. and 4,526 cases have been withdrawn due to payment of delinquencies by borrowers after foreclosure proceedings have been entered.

TABLE 16.—*Reconditioning Division—Summary of all reconditioning operations of H. O. L. C. through May 15, 1937*¹

	June 1, 1934, through Apr. 15, 1937	Apr. 16, 1937, through May 15, 1937	Cumulative through May 15, 1937
Cases received ²	771, 362	12, 505	783, 867
Contracts awarded:			
Number.....	428, 509	8, 622	437, 131
Amount.....	\$82, 423, 682	\$1, 330, 922	\$83, 754, 604
Jobs completed:			
Number.....	419, 900	8, 801	428, 701
Amount.....	\$79, 711, 427	\$1, 024, 676	\$80, 736, 103

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.

Three Years of Share Account Insurance

(Continued from p. 287)

ber institutions with 1,449,178 shareholders and total assets aggregating \$1,382,432,158.

Insurance of share accounts is, of course, compulsory for all Federal savings and loan associations, whether newly organized or converted from established institutions. It is made available to State-chartered associations as well, and all three types of institutions have participated in its benefits. As might have been expected, Federal associations were in overwhelming majority among those institutions insured during 1934 and 1935. During 1936 and up to May 15, 1937, however, more State-chartered than Federal associations

applied and were admitted. Nearly half of the shareholders now protected by insurance are in State-chartered institutions.

The success of the Federal Savings and Loan Insurance Corporation has been due partly to careful and economical management, partly to the effective way in which its policies have been integrated with those of the other agencies connected with the Federal Home Loan Bank Board, and partly to the way in which it has enabled the savings and loan association, with its time-tested virtues of local enterprise and mutual responsibility, to meet the challenge of rapidly changing business and financial conditions. With its first three difficult years behind it, it now stands ready to make its services available to an increasing number of the thrift and home-financing institutions of America.

Directory of Member, Federal, and Insured Institutions

Added during April-May

I.—INSTITUTIONS ADMITTED TO MEMBERSHIP IN THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN APRIL 19, 1937, AND MAY 15, 1937¹

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

DISTRICT NO. 1

MASSACHUSETTS:

- Brookline:
Brookline Co-operative Bank, 5 Harvard Street.
- Leominster:
Mutual Co-operative Bank.
- Westfield:
Westfield Co-operative Bank, Park Square.
- Woburn:
Woburn Co-operative Bank.

DISTRICT NO. 2

NEW JERSEY:

- Ramsey:
Trust Building & Loan Association, 70 East Main Street.

DISTRICT NO. 3

PENNSYLVANIA:

- Philadelphia:
East Indiana Avenue Building & Loan Association, 1730 Land Title Building.
- Milertown Building & Loan Association, 509 Independence Avenue.
- Pittsburgh:
Iron & Glass Building & Loan Association of Pittsburgh, Pa., 2116 Carson Street.

DISTRICT NO. 4

MARYLAND:

- Baltimore:
William Street Permanent Loan & Savings Association #2 of Baltimore City.
- Wyman Park Building Association of Baltimore, Corner Guilford Avenue & Twenty-eighth Street.

DISTRICT NO. 5

KENTUCKY:

- Ashland:
Ashland Loan & Building Association, 323 Fifteenth Street.
- Home & Savings Building Association, 332-334 Fifteenth Street.

OHIO:

- Cincinnati:
Central Fairmont Building & Loan Company, 1939 Harrison Avenue.
- Cleveland:
Doan Savings & Loan Company, 407 Park Building.
- Delaware:
People's Building & Loan Association, 41 North Sandusky Street.

DISTRICT NO. 6

INDIANA:

- Hammond:
First Polish Building, Loan & Savings Association of Hammond, 4525 Hohman Avenue.
- Hartford City:
Rural Loan & Savings Association.
- Martinsville:
Home Building Association, East Morgan Street.

MICHIGAN:

- Dearborn:
Dearborn Savings & Loan Association, 924 Mason Street.

DISTRICT NO. 7

ILLINOIS:

- Chicago:
Lstibor Building & Loan Association, 3856 West Twenty-sixth Street.

WISCONSIN:

- Sheboygan:
Sheboygan Mutual Savings, Loan & Building Association, 420 North Eighth Street.

DISTRICT NO. 8

SOUTH DAKOTA:

- Lemmon:
Lemmon Building & Loan Association.

DISTRICT NO. 9

ARKANSAS:

- Little Rock:
National Equity Life Insurance Company.

TEXAS:

- San Angelo:
Security Building & Loan Association, 40 West Beauregard Street.
- Waco:
Amicable Life Insurance Company.

DISTRICT NO. 12

CALIFORNIA:

- Porterville:
Porterville Mutual Building & Loan Association, 418 North Main Street.

¹ During this period 4 Federal savings and loan associations were admitted to membership in the System.

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN APRIL 19, 1937, AND MAY 15, 1937

- CALIFORNIA:**
Whittier:
Quaker City Building & Loan Association, 109 East Philadelphia Street (transfer of stock to Mutual Building & Loan Association of Whittier).
- FLORIDA:**
Jacksonville:
Jacksonville Loan & Insurance Company, 307 St. James Building (transfer of stock to Jacksonville Federal Savings & Loan Association).
- INDIANA:**
Michigan City:
Merchants Building & Loan Association.
- OHIO:**
Maple Heights:
Maple Savings & Loan Company, 15751 Broadway Street.
- VERMONT:**
St. Johnsbury:
St. Johnsbury Co-operative Savings, Building & Loan Association.

II.—FEDERAL SAVINGS AND LOAN ASSOCIATIONS CHARTERED BETWEEN APRIL 19, 1937, AND MAY 15, 1937

- MASSACHUSETTS:** DISTRICT NO. 1
Boston:
Suffolk Co-operative Federal Savings & Loan Association of Boston, 44 Bromfield Street (converted from Suffolk Co-operative Bank).
- PENNSYLVANIA:** DISTRICT NO. 3
Hanover:
First Federal Savings & Loan Association of Hanover, 116 Broadway (converted from Home Building & Loan Association).
Pittsburgh:
Fort Pitt Federal Savings & Loan Association, 707 East Ohio Street (converted from Fort Pitt Building & Loan Association of Pittsburgh, Pa.)
- DISTRICT NO. 4
DISTRICT OF COLUMBIA:
Washington:
First Federal Savings & Loan Association of Washington, National Press Building.
- FLORIDA:**
Clewiston:
Clewiston Federal Savings & Loan Association (converted from Clewiston Home Building Association).
Lake Worth:
Lake Worth Federal Savings & Loan Association.
- MARYLAND:**
Baltimore:
Belair-Hopkins Federal Savings & Loan Association, 2331 East Federal Street (converted from Belair Building Association, Incorporated).
Homeseekers' Federal Savings & Loan Association, 115 West Saratoga Street (converted from Homeseekers' Loan & Building Association).
Hopkins-Homestead Federal Savings & Loan Association, 2628 Harford Avenue (converted from Hopkins Homestead & Building Association).
- KENTUCKY:** DISTRICT NO. 5
Carrollton:
Carrollton Federal Savings & Loan Association (converted from Carrollton Building & Loan Association).
- OHIO:**
Defiance:
First Federal Savings & Loan Association of Defiance, 324 Clinton Street (converted from Northwestern Savings & Loan Company).
- TENNESSEE:**
Elizabethton:
Elizabethton Federal Savings & Loan Association.
- INDIANA:** DISTRICT NO. 6
Williamsport:
Warren County Federal Savings & Loan Association (converted from Warren County Building, Loan Fund & Savings Association).
- ILLINOIS:** DISTRICT NO. 7
Chicago:
Security Federal Savings & Loan Association of Chicago, 886 Milwaukee Avenue (converted from Slovak Building & Loan Association "Kirvan").
Paris:
Paris Federal Savings & Loan Association, 110 East Court Street (converted from Paris Savings & Loan Association).

- KANSAS:** DISTRICT NO. 10
Coffeyville:
First Federal Savings & Loan Association of Coffeyville.
- CALIFORNIA:** DISTRICT NO. 12
San Jose:
First Federal Savings & Loan Association of San Jose, 24 North First Street (converted from Reserve Building & Loan Association).
- NEVADA:**
Las Vegas:
Las Vegas Federal Savings & Loan Association (converted from Mutual Building & Loan Association of Las Vegas, Nevada).
- CANCELATIONS OF FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTERS BETWEEN APRIL 19, 1937, AND MAY 15, 1937**
- IOWA:**
Waterloo:
Waterloo Federal Savings & Loan Association.

III. INSTITUTIONS INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION BETWEEN APRIL 19, 1937, AND MAY 15, 1937¹

- DISTRICT NO. 2
NEW JERSEY:
Hasbrouck Heights:
Polify Building & Loan Association, 232 Boulevard.
- NEW YORK:**
Mariners Harbor (Staten Island):
Northfield Building-Loan & Savings Association, 2944 Richmond Terrace.
Monticello:
Sullivan County Savings & Loan Association, 246 Broadway.
- DISTRICT NO. 5
OHIO:
Bucyrus:
Peoples Savings & Loan Company, Sandusky Street.
Cleveland:
Security Savings & Loan Company, 1200 Huron Road.
- DISTRICT NO. 6
INDIANA:
Butler:
Peoples Savings & Loan Association of DeKalb County, Indiana, 100 North Broadway.
- DISTRICT NO. 7
WISCONSIN:
Milwaukee:
East Side Mutual Building & Loan Association, 2906 North Oakland Avenue.
Wauwatosa:
Suburban Building & Loan Association, 6604 West North Avenue.
- DISTRICT NO. 8
MISSOURI:
Farmington:
St. Francois County Building & Loan Association, 13 West Liberty Street.
Liberty:
Clay County Building & Loan Association, 6 West Franklin Avenue.
- DISTRICT NO. 10
COLORADO:
Salida:
Salida Building & Loan Association, 130 South "F" Street.
- DISTRICT NO. 11
WASHINGTON:
Aberdeen:
Grays Harbor Savings & Loan Association, 300 East Wishkah Street.
- DISTRICT NO. 12
CALIFORNIA:
Santa Maria:
Santa Maria Guarantee Building-Loan Association, 102 West Church Street.

¹ During this period 14 Federal savings and loan associations were insured.

FEDERAL HOME LOAN BANK DISTRICTS

