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SEPTEMBER
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FEDERAL HOME LOAN BANK REVIEW

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Federal Home Loan Bank Board

Federal Home Loan Bank System

Federal Savings and Loan Associations

Federal Savings and Loan Insurance Corporation

Home Owners' Loan Corporation

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APPROVED BY THE BUREAU OF THE BUDGET

Federal Home Loan Bank Review

TABLE OF CONTENTS

SEPTEMBER 1937

Insured Savings Week in New Orleans

RECOVERY of public confidence and the general progress of the homestead associations in New Orleans has been the result of a unique example of cooperative action by mutual home-financing institutions. When 13 established associations were approved as a group for share insurance by the Federal Savings and Loan Insurance Corporation during the summer of 1935, they began a record of organized cooperation that has attracted the attention of other savings and loan institutions throughout the United States. It is not surprising that this cooperation should receive formal recognition in an effective concentrated public relations campaign widely advertised as "Insured Savings Week".

The association's participating in the program had a most convincing basis for their appeal for the support of the entire city. They had lost that support during the early years of the depression but they could now point to the fact that during a period of two years every association in the city doing active business had been granted Federal insurance and had joined in their cooperative activity. By the end of the first half of 1937, there were 37 insured institutions, with total assets of more than $50,000,000, and reserves and undivided profits of more than $5,000,000. During June these associations had accepted private investments of about $356,000, and anticipated even greater activity.

They had successfully established their position after the depression by cooperative action, and were anxious to convince the city by a concentrated campaign that homestead associations, backed by Federal share account insurance, had more than regained their old position in the civic life of the community. They accordingly decided to hold an "Insured Savings Week", making the progress of the homestead associations an occasion for civic celebration.

The results accomplished by this campaign show that the methods followed deserve the interest of savings and loan associations all over the country. "Insured Savings Week" was held between June 27 and July 3, and during the first two weeks in July the participating associations received investments amounting to $828,000, which was ample evidence that the message of the home-financing institution had been successfully presented.

The first reason for the success of this public relations effort was the cooperation of all the insured homestead associations in the city. This cooperation had extended over a period of more than two years, and had involved the expenditure of more than $60,000 on a joint advertising campaign that won an award from the United States Building and Loan League.

The establishment of the highly successful Central Appraisal Bureau also testifies to the cooperative character of their relations. This Bureau operates as a professional organization with the sole duty of appraising property in New Orleans and nearby parishes for all insured homestead associations. It does this without knowing for which institution its work is being done.

Another reason was the judicious choice of a time to present the campaign. There were several advantages in holding "Insured Savings Week" at the end of June. It was one of the two times during the year when the homestead associations make their strongest appeal for public investment: It was a time when the public could get funds for investment from other sources without losing dividends or interest payments; it coincided with the offer by insured associations of free dividends from July 1 on all money invested in share accounts up to July 15; and it was the time when the granting of semiannual dividends gave concrete evidence of the benefits of saving.

The program made the fullest possible use of all channels of advertising. One leading New Orleans newspaper carried a 28-page supplemental section on June 27 devoted entirely to homestead associations and "Insured Savings Week"; another came out with a similar 18-page section in the middle of the week. The advertisements reproduced on page 403 are from one of these supplements.

Radio stations, which were used for advertising, gave additional time for speeches on subjects related to thrift and home financing. Two speeches daily were made from each of three radio stations on insured homestead shares, with leading local business and professional men joining homestead association officials in explaining the benefits of investments in insured associations.

Other business organizations, which were accustomed to profit from the home-financing activity of the homestead associations, were called on for cooperation. Along with the individual and joint advertisements of the associations appeared those of residential utility companies and home-furnishing establishments. The telephone company stamped "This is Insured Homestead Savings Week" on its outgoing bills during the period. Street car cards and auto stickers carried the message still farther.

Another reason for the tremendous success of the occasion was the enlistment of the thorough cooperation of civic and public agencies. The Governor of the State of Louisiana and the Mayor of New Orleans gave official recognition to the occasion by public proclamations. Special resolutions of support were voted by the New Orleans Association of Commerce and other civic bodies. Every businessmen's luncheon club meeting during the week had as its principal speaker a representative of the homestead associations.

The support of the Federal agencies with which the New Orleans associations had cooperated so thoroughly was freely given. "Insured Savings Week" was attended by the Chairman of the Federal Home Loan Bank Board, the General Manager of the Federal Savings and Loan Insurance Corporation, and the Director of Public Relations of the Federal Home Loan Bank Board. The Chairman made an address by radio which permitted savings and loan officials all over Louisiana to participate in the occasion, since every association in the State had been informed by telegram of the address and urged to gather an audience for it.

It is estimated that between $25,000 and $30,000 was spent by the homestead associations and the businesses that cooperated with them in advertising "Insured Savings Week".

In presenting the progress of the insured homestead associations, a particular effort was made to avoid rash generalizations and promises, and to teach the general public the principles of thrift and home financing. The relationship of the homestead associations to the general welfare and civic life of the community was carefully emphasized, and the cooperation of the homestead associations was extended to other elements in the business and social life of the city.

Census of Construction

STATISTICS on building permits are more useful to the home-financing institution than statistics on residential construction contracts awarded, principally because the latter figures are related to the city where the construction company is located rather than where the house is to be built. The Census of the Construction Industry for 1935, by showing what proportion of work by various types of contracting establishments was done outside of their home city and home State, illustrates this point.

More than one-third of building by general contractors (this term includes operative builders) is done outside of their home cities and one-eighth is done outside their home States. A little over one-fifth of all construction by special trade contractors, on the other hand, is done outside their home cities.

In spite of the growth of the operative builder, special trade contractors, working directly for prospective home owners or for general contractors, did more than two-thirds of the building work on 1- and 2-family homes reported to the Census of the Construction Industry for 1935. Trade contractors accounted for $183,476,000 of the $268,375,000 volume of 1- and 2-family home building reported by 46,429 construction establishments to the Bureau of the Census.

The Census showed that general contractors (including operative builders) played an even smaller part, by comparison with special trade contractors, in other types of residential construction, including apartments.

The volume of repair work by special trade contractors on 1- and 2-family homes was greater than their volume of new construction, while the reverse was true for the general contractors and operative builders.


$700,000.00 Paid TO 71,000
INSURED HOMESTEAD SHAREHOLDERS
June 30, 1937
YOU Can Share in the Next Dividend By Buying Insured Homestead Shares NOW!
THE INSURED HOMESTEADS
NEW ORLEANS June 30 1937 NO. 0202
PAY TO THE ORDER OF Share Holders in the Insured Homesteads $700,000.00
Seven Hundred Thousand and no/100 DOLLARS
The Insured Homesteads
SAVINGS AND LOAN INSURANCE CORPORATION
SAFETY OF YOUR INVESTMENT
INSURED
UP TO $5000.
The Pathfinder of the Homestead Industry in the South
THE PEOPLE'S HOMESTEAD ASSOCIATION
Invites You to Invest in Its
HOMESTEAD SHARES
which are insured up to $5,000.00 by the Federal Savings and Loan Insurance Corporation of Washington, D. C.
SEE US FOR LOANS
To Buy, Build or Repair Your Home
DIRECT REDUCTION LOAN PLAN
No Bonus—No Commission
Consult Us on Your Home Financing Problems
THE PEOPLE'S HOMESTEAD ASSOCIATION
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that date.
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After 50 Years Experience—Safety and Service
THE JACKSON IS OFFERING A "NEW DEAL" IN
6% Interest Per Annum
HOME OWNING
A Plan That Will Apply to Every Homeowner
It is Made Easy, Like Rent, by Our
"Jackson New Deal Plan"
The simplest, least expensive mortgage plan yet devised. Hundreds of homeowners paying for their homes with a Jackson Homestead Mortgage ...can testify to the truth of this statement.
Under our "Worry Proof" plan, monthly installments, like rent, take care of
Real Estate Loans as Low as $8.00 PER THOUSAND
TAXES 1-12 MONTHLY
Interest 6%
Direct Reduction Plan Means Interest on Your Actual Balance of Loan
Make the Jackson Your Homestead to Buy or Build Your Home
JACKSON HOMESTEAD
Eleventh Floor
RAymond 7095
American Bank Bldg.
ACME
ALGIERS
AMERICAN
CANAL
CARROLLTON
CENTRAL
CITIZENS
COMMONWEALTH
CONTINENTAL
CRESCENT CITY
DIXIE
DRYADES
EQUITABLE
EUREKA
FIDELITY
FIFTH DISTRICT
FRENCH MARKET
GENERAL
GLOBE
GUARANTY
HIBERNIA
HOME
HOMESEEKERS
IDEAL
ITALIAN
JACKSON
OAK
ORLEANS
PELICAN
PEOPLES
SECURITY
SIXTH DISTRICT
SUBURBAN
THIRD DISTRICT
UNION
WASHINGTON

Taxation of Homes

THE community becomes the individual's silent partner whenever he undertakes to build or buy a home. Aside from such restrictions as code and zoning regulations, it has little voice in the management of his affairs. But it regularly collects a percentage of the values that the individual accumulates in his home, and it varies that percentage from time to time according to its own needs and efficiency. Its lien on the property, if its levies are unpaid, is usually prior to that of any other creditor. Mortgage lenders have often discovered that such liens have diminished or destroyed their security. The savings and loan association thus has a direct interest in the local and national conditions affecting the taxation of residential property.

The total revenue from the general property tax in America's 94 largest cities increased in 1935 to \$46.72 per capita, from the 1934 figure of \$45.17, the Bureau of the Census recently announced. The most reliable computation of the effective tax burden in 230 of the country's largest cities showed that for 1936 there was an increase, as compared with 1935, in the average adjusted tax rate of from \$25.69 to \$26.30 per thousand, and a rise of \$2.00 in the average per capita assessment.[1] Since the latest figures show slight increases in the total collections, the average rate, and the assessments of the general property tax, the mortgage lender and the home owner become even more directly concerned with the future of taxation of homes.

The average taxpayer is bewildered by the complexity of the situation since there are usually several local jurisdictions to which taxes must be paid. If State governments are not counted, there are in the United States 182,000 taxing jurisdictions, of which about 128,000 are school districts, about 3,000 are counties, about 14,000 are minor special taxing jurisdictions, and the remainder are cities, townships, and other municipal governments. Let us see how, over an extended period, the burden of these units on home ownership has grown. Census figures show that, between 1912 and 1932, the per capita total levies of the general property tax for all States, their subdivisions, and the District of Columbia rose from \$13.91 to \$40.37. In the meantime, the net debt of the cities, towns, villages, and boroughs increased 208 percent and the combined net debt of the school districts, townships, and other civil divisions increased 1,611 percent. Such debts will probably be paid largely from the property tax. The tremendous increase in the debts of special taxing jurisdictions shows that increasing community services are responsible for the greater part of the growing expense of municipal government. The larger city, which provides more complex services for its citizens, usually pays a higher tax rate.

The most significant and pronounced trend relating to general property taxation during the twentieth century has been the rise in the costs of community services as cities grew larger and higher standards of urbanization were reached. In cities of more than 100,000 population, the sum spent for health and sanitation has nearly trebled, the cost of education nearly quadrupled, and the cost of charities, hospitals, and corrections increased about ninefold between 1903 and 1935.

To illustrate these points, the accompanying chart shows how general property tax levies, net debt, and governmental-cost payments have increased during the past 20 years and are generally higher in large cities than in small. It is significant to note that the cost of local government steadily increased from 1915 to 1930. Between 1930 and 1935 it declined in two of the three size-groups, probably to a great extent because of Federal expenditures for relief and public works that would normally have required the use of local funds, but still it remained well above the 1925 levels. To pay for this increasing cost, the general property tax levy also rose steadily, but its decline after 1930 was sharper. Although the per-capita levy in 1935 was higher than in either of the two preceding years, it still remained close to or actually below the 1925 level.

[1] "Comparative Tax Rates", published each December in the *National Municipal Review*. The "adjusted rate" is "what the total tax rate would be if the assessments of all the cities were made by a single assessor or by uniform assessing standards at full value."

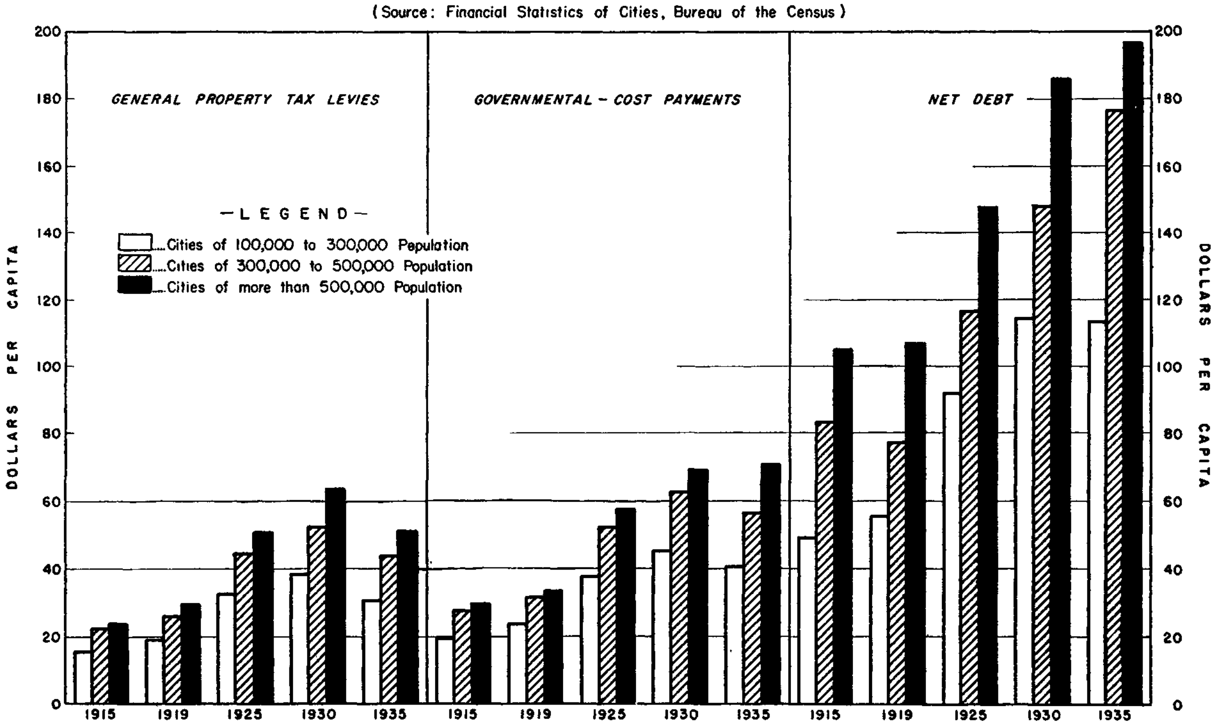
With the increasing burden of community services, it seems that the importance of the general property tax as a source of revenue is gradually decreasing, although not enough to reduce the rate of taxation materially. From 1903 to 1931, this tax grew gradually but steadily in importance, providing 61.4 percent of the net revenue receipts of 146 specific cities covered by the Census report in the former year, and 68.0 percent in the latter. Since 1931, however, the 94 largest cities have gradually been obtaining a steadily smaller proportion of their total revenue from the general property tax, but in 1935 they still received 60.2 percent of all revenue receipts from that source. The slight decrease in the ratio of the property tax to all revenue receipts is to some extent due to the increase in importance of subventions and donations, especially from the State and Federal governments. While local governments were receiving State and Federal help, they were nevertheless adding to their debts. When the general tax levy fell off after 1930, as is shown in our chart, the net debts of cities in the two larger groups continued to rise, and those of the smaller cities remained at nearly their 1930 level.

No other one form of municipal taxation, however, had become of sufficient importance to be considered seriously in comparison with the general property tax. In 1935 it still furnished the 94 largest cities with nearly nine times the revenue produced by all other taxes, just as it furnished all local taxing jurisdictions in the country with nine-tenths of their tax revenue, distinct from "nontax" revenue, in 1932.

A considerable proportion of the property-tax burden falls on 1-family homes, since it is easier for personal property than for real property to escape tax assessment, and, according to a Census study of realty tax delinquency in 1932–1933, taxes on 1-family homes were paid more faithfully than taxes on any other form of residential property or on vacant lots. The President's Conference on Home Building and Home Ownership, in 1931, reported that the small single-family homes were assessed more heavily than other forms of property. A recent sample study

PER CAPITA GENERAL PROPERTY TAX, GOVERNMENTAL-COST PAYMENTS, AND NET DEBT BY SIZE OF CITY, 1915-1935

(Source: Financial Statistics of Cities, Bureau of the Census)



by the Northwestern Mutual Life Insurance Company on apartments and homes in 48 cities showed that 1-family homes paid taxes amounting to more than a quarter of their rental rates, and more than double the proportionate amount paid by apartments.

The property tax remains the means by which the average municipality raises its funds, and is often the balancing item in the budget, being adjusted to provide whatever necessary revenue that other methods fail to bring in. Cities continue their reliance on this form of taxation partly because it is fairly effective. According to a Dun and Bradstreet study, taxes levied by 91 representative cities in 1933, the year of peak delinquency, remained only 4.4 percent uncollected, in the median city, at the end of the 1936 fiscal year. Cities with weak collection systems, large speculative developments, or reliance on personal property taxation, the study indicates, had considerably higher delinquency ratios.

The property tax rates become of greater importance to the savings and loan association because of the present trend toward loans on a higher proportion of appraised valuation, to be repaid over a longer period of amortization. The property tax in the United States, unlike any other country's major source of revenue, is a tax that is levied against the holder of the equity in the capital value of property. This burden on the borrower discourages further home ownership, and any increases impair the equities that provide security for the mortgage lender.

Property taxation, however, is not primarily a matter of national averages. Let us consider two cities of between 50,000 and 75,000 population which we have recently surveyed. One has a property tax rate that has been declining steadily, with extremely efficient collections, since 1929. Its total tax rate is about $37.50, and the effective rate, because of its customary 50-percent valuation, is about $18.75. The city's bonded debt is less than 5 percent of the market value of its assessed property, and the total accumulated delinquency in 1935 was only $130,000. On the other hand, the second city has an effective tax rate of over $45.00, a bonded debt amounting to about 9 percent of the market value of its assessed property, and an accumulated delinquency of over a million dollars.

In the former city rentals are higher than in 1929 and the growth in population has produced a substantial market for medium-priced dwelling units. In the latter, families are moving outside the city limits to escape the high taxation, rentals have dropped to between 50 percent and 80 percent of 1929 figures, and the entire real-estate market is inactive. Economic factors other than taxation have contributed to the differences between these cities, but the contrast illustrates the discouraging effect on real-estate values and home ownership that unduly high taxation produces in specific localities.

Tax Limitation

With the cost of local government in general increasing, the method employed most frequently to check increases in property taxation has been the imposition of statutory limits on such taxation. These limits have been imposed in many States on either the rates or the per-capita amounts of the taxes to be raised by specific jurisdictions. A more drastic method of limitation has been to restrict the aggregate rate imposed on the same property irrespective of the number of jurisdictions.

During 1936, voters favored tax limitation measures in two States, continuing the existing 40-mill over-all limit in Washington, and adopting a 50-mill over-all limit in Nevada. Limitation amendments were voted down, however, in Colorado, Georgia, and Oregon; and Michigan voters defeated an amendment to limit property taxes to those for debt service only. Proposed limitation measures failed to get on the ballot in Arizona and Pennsylvania because of legal technicalities.

In all States there is some limitation on the indebtedness that local governments may incur. Thirty State constitutions include such limitations, and six others specifically permit the legislatures to impose them. The remaining States resort to special acts for the purpose. There is little protection, however, against pyramiding indebtedness, or the formation of taxing jurisdictions other than the city or county governments to carry debts for specific purposes.

The weakness of these measures of limitation is that they may fail to provide for the administration of services that become necessary with city growth, with improvement in social standards, or with emergencies of various kinds. To take care of such services and emergencies when the ability of local property owners to pay taxes had been exhausted, the Federal Government was forced during the depression to take over functions, such as relief, that had formerly been considered purely local responsibilities. If these responsibilities are completely returned to the local governments, the effect on the taxation of homes might be serious. In view of the difficulty of paying for new services on the old basis of taxation, the proposal has often been advanced that State governments collect revenue from sources not available to municipalities and distribute funds to them. The increase in the use of subventions from the State and Federal governments to localities illustrates the practical trend toward finding a more satisfactory basis than property taxation for the support of increased governmental functions.

To substantiate this point, figures recently compiled from various governmental statistics by the Twentieth Century Fund, Inc., show how striking has been the growth in shared taxes and grants-in-aid as means of support of local governmental functions. These figures, which assume that grants-in-aid and State-shared taxes are local tax revenue, show that local governments in 1935 got only 59 percent of their tax revenue from taxes that they themselves administered, as compared with 82 percent in 1933. There had been very little change during the 2-year period in the proportion of contributions by the State governments in shared taxes and grants-in-aid, but they too had declined from 16.9 to 16.5 percent. This leaves nearly a quarter of the local governments' 1935 revenue to be accounted for. The answer is that the Federal Government, which contributed only 1.1 percent of local tax revenue in 1932, contributed 24.5 percent of such revenue in 1935. The increase in the burden of local expenditures has thus been borne to a great extent by the income-tax payer rather than the property-tax payer.

In this connection, it is interesting to consider the effect on local finances of the stabilization in home values effected by the Home Owners' Loan Corporation. In clearing up back taxes owed to various State and local taxing jurisdictions the H. O. L. C. disbursed about $224,981,000, and consolidated such payments in the loans made to the home owners. The annual accrual of taxes against properties securing the H. O. L. C.'s loans is estimated at $100,000,000, and the payment of these taxes has surely been facilitated by the H. O. L. C.'s assistance to the home owner.

The great variations among cities of comparable size in taxation and delinquency, and in extent of indebtedness suggest that much may be done to lower the burden of taxation by economy and careful municipal administration. Provision for centralized payment of all property taxes, for notification of the mortgagee before title passes to third parties as a result of tax delinquency, and for periodical or installment payment of back and current taxes, may all be beneficial to both the taxpayer and community.

Taxes and City Planning

While insisting on careful administration of municipal government and its tax policy, the home owner and the mortgage lender will benefit from promoting more effective city planning and zoning requirements. The irregular and inefficient extension of community services required by haphazard city growth, and the high cost in disease and crime caused by the creation of further slum areas, add to the burden of taxation on the home owner. The destruction of property values by ineffective zoning and consequent neighborhood blight makes certain property owners less able to pay their share, and increases the tax burden on others. From even a purely financial point of view the restricted residential district is concerned with community planning and the prevention of neighborhood blight.

The burden of taxation on real property is not a problem to be solved by any single simple formula. It is connected with the development of cities and their services, with the structure of local government, and with the entire fiscal system of the country. But no matter how complex, it is a problem that affects the home-financing institution as well as the home owner because of the extent to which the tax burden rests on the single-family home.

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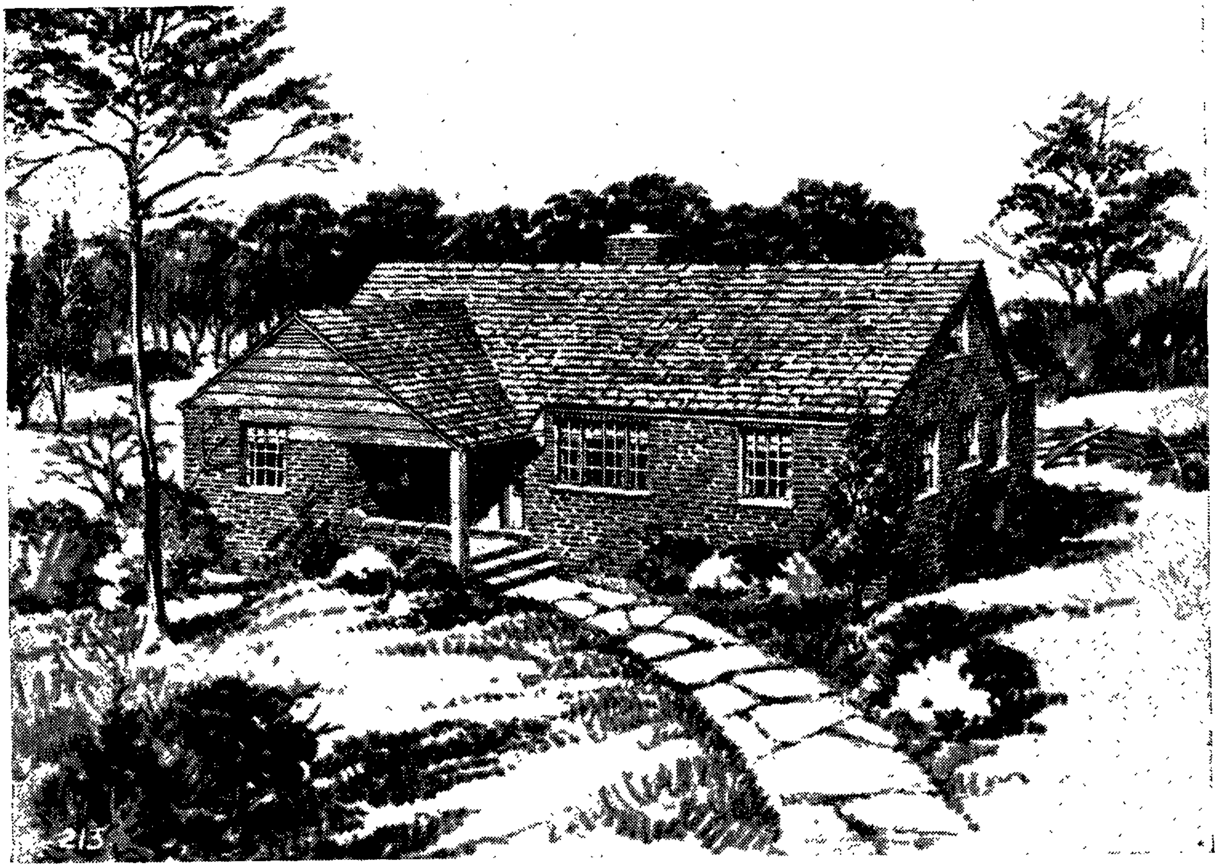
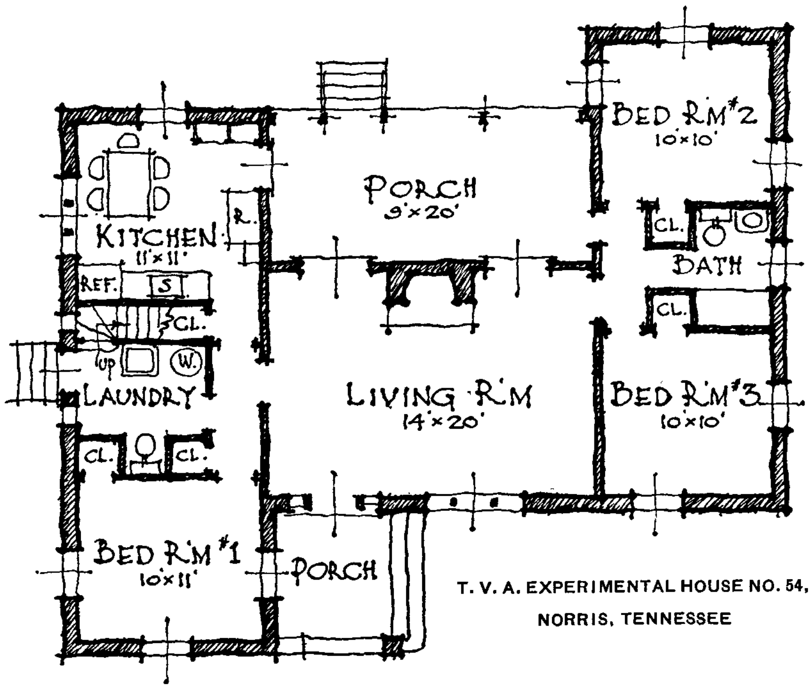




T. V. A. EXPERIMENTAL HOUSE NO. 54, NORRIS, TENNESSEE

Small Home for Norris, Tennessee

OF THE several Government housing developments, the T. V. A. project at Norris, Tennessee, has probably contributed more than any other to the basic study of the technique of small-house design. Experiments undertaken in this project have been principally concerned with the effect of variations in size and form on the cost of construction. They have avoided experimenting with new materials and unusual methods of construction, except in a small selected group of dwellings. The dwellings with which we are concerned are built of either brick veneer, stone veneer, or wood, the cost of which varied so little as to be negligible. Consequently, variations in cost between the different house plans reflect relative efficiency in the use of space rather than sleight-of-hand methods of construction or the cost of materials used.

The plan reproduced on the opposite page is one of 24 designs used in group I of the Norris project. It is the result of rational methods applied to a specific problem. Though not typical, the basic characteristics of this plan are similar to the other house types of the group.

There is ample porch space, cross ventilation, and economy of arrangement for comfortable, though simple, living. The elimination of separate dining space was accepted as justifiable under the circumstances. It was of course considered desirable to arrange for service in the living room. The main porch is admirably located to serve as a multiple use area; as is readily apparent, it can be used as a dining porch and sleeping porch as well as a living porch. The use of the deep porch extending the full length of the living room is limited to plan arrangements that provide for adequate window area in another wall, preferably the opposite long wall. During the sun porch era the living room was frequently shut off from natural light and became a gloomy space relegated to the Sunday afternoon nap.

Bedrooms Nos. 2 and 3 with bath between are particularly well arranged in relation to living room and porch. Their separation from the kitchen by the full length of the living room is generally undesirable in a large house, but is relatively unimportant in small quarters such as these. The use of the porch as an auxiliary connecting area between the two is most useful, particularly in a southern climate. Bedroom No. 1 might be eliminated from the plan, to be added at a later date if needed. Attic space is adequate as an undivided dormitory, or could be divided into two bedrooms and storage space. A separate dining space could easily be attained by eliminating the laundry. Laundry equipment could be placed in a partial basement, which would be required in any case where electric heating is replaced by conventional equipment.

The following description is a brief outline of materials, finishes, etc.: House No. 54 contains 18,700 cubic feet and has 1½ habitable stories. *The ratio of habitable floor space to cubage is 13.2 cubic feet to each square foot of floor area.* It has brick foundations with copper termite shields, white-washed brick veneer with mineral wool insulation, ½-inch insulation board on roof, rived oak shingles, 100-percent ventilation, and steel casements with aluminum screens. Plumbing lines are of copper tubing; shower stalls are aluminum or pre-cast concrete; the heating, cooking, hot water, and refrigeration are done by electricity. The interior is paneled with 3-inch wood wainscoting and plywood panels set horizontally above. The ceilings have "V" joint ½-inch insulating board the full width of rooms. Baths have tempered presdwood on ceilings. Oak flooring is used throughout.

In building programs that are founded on the basis of enduring value, the *supervision* of construction is of vital importance. In large scale production such as the T. V. A. development in Norris, Tennessee, *supervision was an integral part of the program.* Such technical supervision for a separate dwelling of modest proportions has been made an important integral part of the Federal Home Building Service Plan.

NOTE: Information concerning working drawings of the plan shown on the opposite page may be procured by writing to the Editor of the REVIEW.

Home Ownership and Income

This article, dealing with towns of about 1,000 to 2,500 population, is the last of a series discussing home ownership and income in communities of various sizes

THREE significant tendencies were noticed about home ownership and income in the metropolis and the large city, in the early articles of this series. First, the business or professional family with a certain income pays higher rents than the clerical family of comparable income, and the wage-earning family pays the lowest rents of all. Second, home-owning families live in better homes than renting families of comparable incomes. Third, wage-earning families, at any given income level, are most likely to own their homes.

The first two tendencies held good as the medium-size and the small city were examined. But the third tendency, for wage-earning families to show the greatest inclination toward home ownership, was not clearly apparent in the medium-size city; and in the small city, of 10,000 to 20,000 population, exactly the opposite tendency was seen. These facts lead to several tentative conclusions. The permanence of an investment in a home leads families to demand higher standards of shelter when buying than when renting. Business and professional families spend a greater proportion of their incomes for housing than do other families, and turn to home ownership rather than renting in the smaller towns where apartments are less popular than single-family homes; whereas wage-earning families with adequate incomes buy their homes in large cities where there are various chances of finding jobs, but hesitate to do so in a small town where a change in work would more probably make a move necessary.

These tentative deductions are confirmed by data from two groups of small towns, most of which range in population from 1,000 to 3,000—the smallest urban communities covered by the recent Study of Consumer Purchases. The survey of these towns, as well as of certain rural regions, was made by the Bureau of Home Economics of the Department of Agriculture, in cooperation with other Federal agencies. The data released for publication in this article are preliminary and subject to revision.

The Bureau has compiled figures from a survey of all native white families including both husband and wife in each of two groups: one group of 13 small towns in Pennsylvania and Ohio, the other of 15 small towns in Georgia and South Carolina. All figures in this article refer to families of this type who are not on relief unless it is stated otherwise. The two sample groups, for reasons of brevity, will be referred to in this article as the northern and southern group, respectively.

The family incomes in these small towns are somewhat lower than in the larger communities. About 48 percent of the families in the northern group, and 45 percent in the southern, were either on relief or had incomes of less than $1,000. Only 26 percent of all northern families, and 34 percent of all southern families, had incomes of $1,500 or more. This higher income of the southern towns is due to the exclusion from our data of negro families, who might be expected to bring the average down considerably.

The northern families pay somewhat higher rents in spite of their lower incomes. These differences were more marked as between wage-earning families of the two areas than they were between families of corresponding incomes in the other occupational groups. These contrasts are shown in table A. In both the northern and southern small town groups, business and professional families paid the highest rents by comparison with other occupational groups, as our previous articles showed that they do in larger communities.

It is not for rented homes alone that business and professional families spend the highest proportion of their income. If we consider the rental value of owned homes for each income level, we find that in general the business and professional families rank highest in this respect.

The figures on the proportion of home owners in the two groups confirm the deduction that the wage earner in the small town, unlike the wage earner in the large city, does not show the strongest tendency to home ownership. It is rather the business and professional family, which shows a tendency to spend a larger proportion of its income for shelter, that is more likely to own its home than other families with comparable incomes. Likewise, the wage-earning family in the northern group of towns, which spends a larger proportion of its income for rent, is more likely to own its home than the wage-earning family in the southern group. About 44 percent of the northern wage-earning families, and only 15 percent of the southern, own their homes.

Home ownership is far more prevalent among families with higher incomes, especially in the southern group, as table B indicates. In the northern group, 51 percent of families with incomes of $1,000 to $1,500 are home owners, and the percentage rises to 73 for those families with incomes of $3,000 or over. In the southern group, only 28 percent of families in the $1,000–$1,500 class are home owners, but 82 percent of those with incomes over $3,000 own their own homes.

It is true that home ownership is more prevalent among the business and professional families, which are more numerous than those of other occupations in the higher income brackets. If this alone accounted for the increase in home ownership in the higher income groups, that fact would mean little to the home-financing institution, for an increase in the general income level, or a decrease in the cost of home buillding, might be responsible for few new home purchases. But in each occupational group there is a decided rise in home ownership as incomes increase, which suggests that a decrease in the cost of homes, or an increase in the stability or the general level of wages, might benefit the home-financing business considerably.

We may compare these tendencies with those discussed in earlier articles on small and medium-sized cities. The sample southern cities in our previous articles showed higher incomes for white

Table A.—Rent paid in selected village groups by renting families, classified by income and occupational groups

Non-relief native white families with both husband and wife, 1935–1936

[Based on a survey of 1,749 families in 13 Pennsylvania and Ohio villages, and of 2,255 families in 15 Georgia and South Carolina villages]

[Source: Bureau of Home Economics, Study of Consumer Purchases]

Income group	Amount of average monthly rent			
	All occupations	Wage earning	Clerical	Business and professional
Pennsylvania and Ohio:				
Total non-relief	$14. 49	$12. 57	$14. 66	$18. 60
Under $1,000	11. 41	11. 01	11. 88	15. 29
$1,000 to $1,500	13. 69	13. 12	15. 03	15. 75
$1,500 to $2,000	16. 07	15. 59	15. 44	16. 93
$2,000 to $3,000	20. 81	18. 13	17. 22	22. 65
$3,000 and over	22. 35	18. 33	22. 67	23. 36
Georgia and South Carolina:				
Total non-relief	10. 89	7. 89	14. 41	15. 97
Under $500	6. 78	6. 29	5. 60	12. 30
$500 to $1,000	7. 66	6. 33	10. 25	11. 60
$1,000 to $1,500	11. 17	9. 12	14. 96	14. 24
$1,500 to $2,000	13. 28	9. 72	16. 84	15. 47
$2,000 to $3,000	17. 52	9. 69	18. 10	20. 58
$3,000 and over	21. 32	(1)	18. 60	22. 52

[1] Only 3 cases.

Table B.—Proportion of home owners to all families in selected village groups, classified by income and occupational groups

Non-relief native white families with both husband and wife, 1935–1936

[Based on a survey of 1,749 families in 13 Pennsylvania and Ohio villages, and of 2,255 families in 15 Georgia and South Carolina villages]

[Source: Bureau of Home Economics, Study of Consumer Purchases]

Income group	Percent of home owners			
	All occupations	Wage earning	Clerical	Business and professional
Pennsylvania and Ohio:				
Total non-relief	51	44	54	59
Under $1,000	46	41	40	63
$1,000 to $1,500	51	46	50	62
$1,500 to $2,000	53	47	61	54
$2,000 to $3,000	56	54	74	49
$3,000 and over	73	(1)	60	78
Georgia and South Carolina:				
Total non-relief	36	15	41	54
Under $500	23	10	29	36
$500 to $1,000	20	10	30	40
$1,000 to $1,500	28	19	29	37
$1,500 to $2,000	37	21	37	44
$2,000 to $3,000	57	31	55	62
$3,000 and over	82	67	82	83

[1] Only 4 cases.

families, but less tendency toward home ownership among the wage-earning families, than did the northern cities. They also showed the more decided difference between low income and high income families with respect to the prevalence of home ownership. All of these generalizations are true of the towns considered in this article.

Another tendency brought out in previous articles about larger communities is amply confirmed by data on these small towns. The family which owns its home has higher standards of shelter than the family which rents. The home owners in each income class have homes worth more than those occupied by renting families of comparable incomes. This tendency may have various meanings. It may mean an expenditure that is both individually and socially desirable, resulting in better standards of family life and a sound investment. On the other hand, it may mean the thoughtless assumption of obligations beyond the power of the purchaser to meet. In the small town, there is far less chance than in the city that neighborhood depreciation will ruin a residential investment.

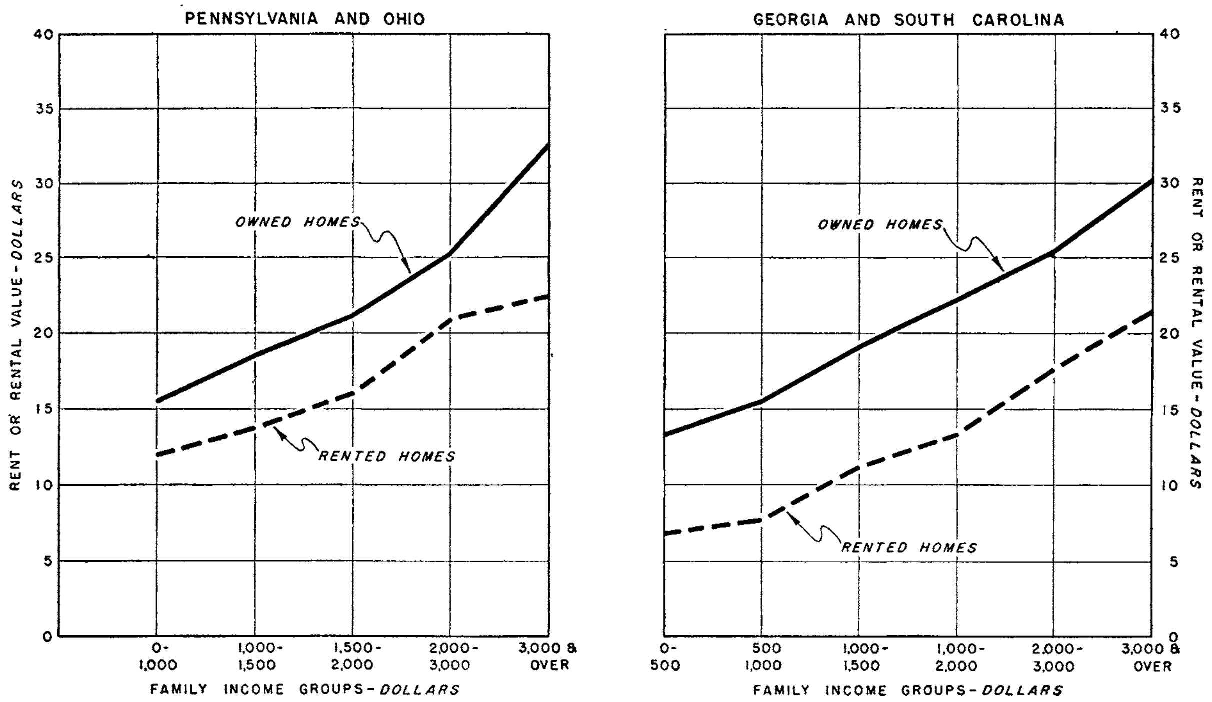
Whatever the significance, the tendency illustrates the extent of the American family's willingness to invest more in a home than it would choose to spend for shelter as a commodity. As the chart on this page shows, the northern home-owning family has a home worth slightly less than the southern home-owning family of comparable income, but worth about one-third more than the homes of the northern renting family. On the other hand, renting families in the northern group pay more for their shelter than the southern renting families, so that the latter's homes are worth far less than those of home owners in the same communities.

Less than 1 percent of the families in each of these groups lived in apartments, or in residential buildings containing three or more dwelling units. About one-tenth of the home owners in the northern group, and one-thirtieth of those in the southern, lived in 2-family dwellings, while about one-sixth of the renting families in each group lived in 2-family dwellings. There was a larger

(Continued on p. 432)

VALUE OF RENTED AND OWNED HOMES COMPARED WITH OCCUPANTS ANNUAL INCOME, IN TOWNS OF ABOUT 5,000 POPULATION

(SOURCE.- BUREAU OF HOME ECONOMICS - CONSUMER PURCHASE STUDIES)



The Architect and the Home Building Service Plan

A MAJOR criticism of small-home building has always been that it has not had the benefit of the architect's services. Beauty has been considered a luxury and eliminated from the builder's budget. Unfortunately, with beauty has often gone function and utility—two other creations of the architect seldom taken into account by the builder.

The value of providing for these intangibles through the Home Building Service Plan should not be underestimated. They have a definite effect on the equity of the lending institution—preserving values, slowing down neighborhood deterioration, making property more easily marketable. The home builder needs more than a well built home; he also needs a well designed one.

Consequently, the Federal Home Building Service Plan has been established in cooperation with the American Institute of Architects. Local architectural groups will provide portfolios of plans suitable to the particular locality, will provide detailed specifications of materials and construction cost, will supervise construction, and, if necessary, will modify the plans to suit the needs of the individual home owner.

An Architect's Approval

Such local organizations should open to the architect a new market and should provide him a steady return for his services. The position of the architect in relation to small-home building is best expressed, however, by the architect himself. Mr. Robert D. Kohn, past President of the American Institute of Architects and former Director of the Housing Division of the Public Works Administration, has long been an advocate of small-home design by architects. The following are excerpts from a letter by Mr. Kohn to the Architectural Advisor to the Federal Home Loan Bank Board:

"As to the desirability of what you are trying to put through I have not the slightest doubt. Whatever any of us may think about the great desirability of large scale housing operations and the necessity for rebuilding our communities, it is a fact that there is going to be a colossal amount of individual home building in the next few years. There is no way in which we can change overnight the American man insofar as he passionately desires a piece of ground which he can call his own and on which his house is his own. No matter how bad it is or how ugly, it is his. Of the millions of children that are born and reared in tenements a considerable percentage drift out and something in the blood makes them grab passionately even at a miserable wooden soap box of a house set on a scrap of land.

"As economic conditions improve there is not the slightest doubt that there will be an enormous move of the old kind towards the 'own-your-own-home' business which will be taken advantage of by the same old gang of unimaginative speculators and jerry builders. What you are planning to do seems to me to be the only practical way to mitigate the evils of this whole procedure. If the architects in various sections of the country really come along and do their share in organizing a low-cost professional service there will at least be established for the first time in the country a reasonable service to the home builders who have some slight percentage of common sense in their make-up. I certainly hope that the plan will be successful.

"At the same time if the architects fail to see the opportunity that is thus opened to them they will indeed be blind. What you are proposing seems to me to be an approach to that change in architectural practice which I have urged for a long time, and have spoken of a number of times at conventions. The French architect in the country districts gets most of his income from a multiplicity of small fees, much like the country doctor. If we want to get taste and good building to permeate our communities we have to bring the service of architects of good taste and building knowledge within the scope of the average man's pocketbook."

Building Society Cooperation

BRITISH building societies are attempting to solve through cooperative efforts the particularly difficult problems that arise in the last stages of a home-building boom. There is the danger at these stages of the building cycle, that gradually increasing competition for gradually diminishing business will lead to unstable financing practices. This danger is intensified by the continuous repayment of existing mortgages, which provides further funds which may tempt institutions into undesirable competitive lending practices. This danger has been arising in England, where a tremendous building boom is slowly tapering off, and building societies, which have been expanding rapidly, are faced with the prospect of slackening their rate of growth. To meet it, more than five-sixths of the associated building societies of Great Britain, the counterparts in that country of the American savings and loan associations, set up in 1936 by common consent a Code of Ethics and Procedure. They are now preparing to stand by its essential features even if it becomes necessary to amend incidental provisions.

The Code in question, one of the best examples of the cooperation that British business has achieved by voluntary agreement, is no mere collection of platitudes. It regulates member societies in such vital matters as maximum proportions of values to be advanced as mortgage loans, maximum periods for repayment, minimum interest charges, minimum equities, the payment of commissions for the introduction of mortgage business, and the rate of interest on investments. These detailed rules were rejected by only 40 societies (out of a total number of 268 in the National Association of Building Societies) which remained outside the movement for cooperation. The majority therefore dissolved the old National Association and formed a new Building Societies Association for the express purpose of adopting and enforcing the Code.

Although it is freely admitted that amendments may be needed, one society after another, at annual meetings during the past few months, has announced that it is determined to continue adherence to the Code. They are led in this determination by the two largest building societies in the world, the Abbey Road Building Society and the Halifax Building Society, the assets of which total more than $750,000,000. Sir Josiah Stamp, president of the former institution, recently announced that it would bear whatever immediate sacrifice that cooperation required, in order to assure its shareholders that its advances and its policy were sound.

In spite of similar assurances in recent months from leaders of other prominent institutions, there is strong opposition to the Code from the seceding minority. The Code has operated only since October 1, 1936, and has been weakened by the withdrawal of one large society. Although most of the minority societies are following the provisions of the Code without formally adopting it, it is generally feared that competition unrestrained by formal agreement might in the future lead societies into risky lending policies. To attract the dissenters, some concessions were made by amendments of the Code at the 1937 convention of the new Association, although the Association stood firmly by its essential provisions.

To provide for the continuation of home building and mortgage lending when her actual quantitative need for homes is satiated by her tremendous building boom, Great Britain will probably depend on a demand for higher-quality homes, resulting from an increase in the standards of public taste. The most cautious leaders of home-financing institutions freely admit that during the current boom many houses have been built that are inferior both in structure and appearance. To replace them by stimulating a demand for sounder residences would provide lending institutions with sounder business. The elimination of jerry-building by cooperation within the building industry, in which the building societies are participating, is therefore the objective of the National House-Builder's Registration Council, set up early this year. Trade associations representing builders, architects, building societies, and other groups established this National Council to administer a nation-wide scheme, which resembles in some of its essential features the Federal Home Building Service Plan sponsored by the Federal Home Loan Bank Board.

The plan includes several steps: First, a minimum standard specification for ordinary houses is set up. Second, those builders who undertake to meet these specifications are registered. They undertake to use only good material and good workmanship in their construction. Third, the houses that they build will be inspected during construction, will be certified individually on completion, and the buyer will be given a guarantee that any defects appearing within two years, due to failure to comply with the specifications, will be made good. The administration of the system is to be in the hands of the National Council, which has the approval of the Ministry of Health and the Board of Trade as well as the business and professional associations concerned. It is headed by Sir Raymond Unwin, who is well known as the dean of British town planners.

Leaders in this movement hope that it will strengthen public confidence in the building industry, lead to a public demand for homes of higher standards, and improve the quality of the security on which the building societies and other mortgage lenders may depend.

Such cooperation among the building societies and other groups interested in residential construction is based on a strong tradition of trade activity in Great Britain. There are other striking examples in which building societies participate. The British Societies Inquiry Bureau provides for the exchange of information about unreliable borrowers and of other types of credit data. At present it has more than 25,000 warning cards on record. The Building Societies Institute is an organization for research and staff education, which has for several years held tuition courses, week-end schools, special lectures, and essay contests. It works through a number of local organizations to serve more than 1,700 members.

Another example of cooperation in a field of great importance to the home-financing institution is the British Building Industries National Council, developed in 1933 from two older organizations to accomplish greater cooperation within private enterprise, and make possible greater influence with the Ministry of Health, the governmental department most directly concerned with home building. The Council is a league of trade associations representing building-materials manufacturers, appraisers, building-trades employers, and workmen, architects, contractors, and manufacturers of mechanical equipment.

The Council itself meets at regular semiannual intervals, and coordinates the functions of various special committees. Among the duties of these committees are those of advocating the spacing of public construction so as to avoid unduly irregular demands on the industry, of preventing delays in the execution of municipal building schemes, of promoting the standardization of materials, equipment, and building codes, and of providing for the training of craftsmen by cooperation with labor groups. Related to this activity is that of the National Joint Council for the Building Industry, a loose federation of employers and labor which sets wage scales, with local variations, for the entire country.

Because of the Government's extensive participation in building activity, the Building Industries National Council has sought to cooperate with the Ministry of Health (which administers the housing subsidy) to avoid unnecessary fluctuations in the volume of construction activity. Cooperation between the Government and industry has not been meaningless in the past. In 1923, before the housing subsidy was granted by the Wheatley Act, the Government made an agreement with labor and manufacturers to make sure that public housing plans would not be interrupted by changes in the supply of labor or the costs of materials. Labor undertook to recruit new craftsmen, and manufacturers to increase and stabilize their production to avoid undesirable fluctuations in costs. The agreements were faithfully carried out in both respects, although the Government's program was later interrupted by a change in party control.

Organized cooperation among the British building societies has an important effect both on public policy and the attitude of the individual investor. It diminishes the need for public regulation or supervision, and it assures the present and potential investors that their funds will not be subjected to the risks involved in unrestrained competition.

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Residential Construction and Home-Financing Activity

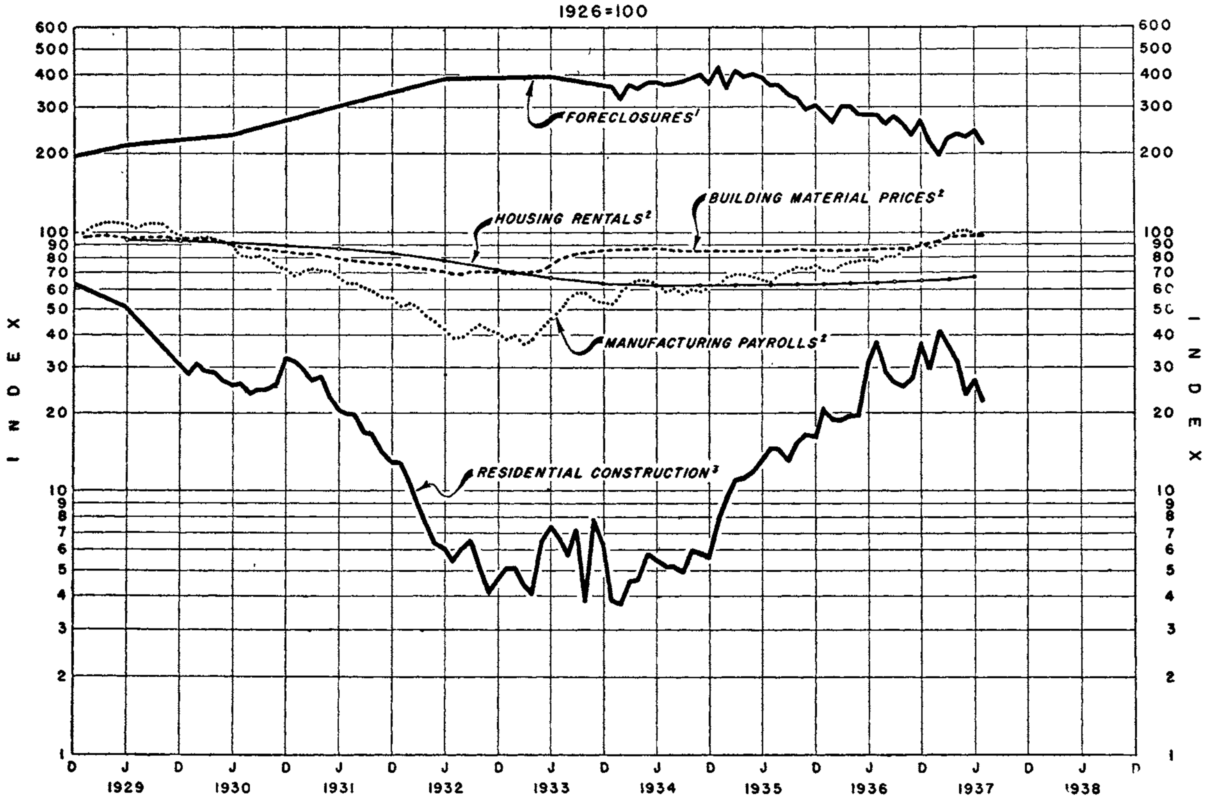
The trend of residential building activity continued unfavorable in July. Not only did the volume of private construction decline from June but it lacked the strengthening of public residential building which was so important a factor in the earlier month. The high cost of building and the instability of the supply and cost of labor continued as the principal retarding factors. Rentals, wholesale building material prices, and manufacturing pay rolls remained about the same as in June while the number of foreclosures declines considerably.

Consequently, the drop in the seasonally adjusted index of residential construction, based on 1926 as 100, well exceeded the expected seasonal decline between these two months. In June the index stood at 27; in July it was 22, the lowest point since May 1936.

This index is based on the number of family dwelling units authorized by building permits issued in all cities of 10,000 or more population. The total number of such units authorized in July was 11,752 involving an estimated cost of $48,795,500. The number of units was 42 percent less than was provided for in July 1936, and 24 percent less than in June of this year (chart page 418). Of this number, 11,636 units were constructed by private agencies. Only 116 units were authorized for Government building as compared to 2,834 for June. Almost all of the 116 units were for a project in Cincinnati.

RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS

1926=100



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)

The drop in Government building is reflected principally in the multifamily type of dwelling. Less than half as many of this type were authorized in July as in June, whereas 10.6 percent less single-family dwellings were authorized. (See revised table 1.)

In spite of this falling-off, the large volume of building done during the early part of 1937 places the total for the first seven months well above that for the comparable period of 1936. Last year 87,499 units at a cost of $351,644,700 were authorized through July. This year, for the same period, 107,290 units at a cost of $431,053,900 were authorized.

As a result of the small volume of building permits issued in July, the rate of building in cities of 10,000 or more population declined in all except three Federal Home Loan Bank Districts. The United States total dropped from 25 units per 100,000 population to 19 units (chart page 423). The rate of building in the Indianapolis District, after making a tremendous jump to 53 in June, dropped back again in July to 18, almost the same rate as was effective there in May. This jog illustrates the immediate effect of Government projects in building. It does not, of course, show the long range effect on employment and business while the project is in the process of construction.

[1926=100]

	July 1937	June 1937	Percent change	July 1936	Percent change
Residential construction [1]	22	27	−19	38	−42
Foreclosures	214	243	−12	279	−23
Rentals (NICB)	86	86	0	77	+12
Building material prices	97	97	0	87	+11
Manufacturing pay rolls	98	99	−1	77	+27

[1] Adjusted for seasonal variation.

In the Los Angeles District the rate of building has delined steadily since March when it reached the highest point registered by any District since 1930. In spite of these declines, it still leads with a rate of 47 units authorized in July for each 100,000 population. In the Little Rock District the rate is 32 units and in the Winston-Salem District it is 30 units. In all the rest of the Districts building is proceeding at a rate of less than 30 units per month.

Although, at present, conditions do not seem favorable to a release of this stagnation of building, it is not expected that it is more than a temporary set-back. The quick rise in costs, as reported in the Index of Small-House Building Costs, acts principally as a psychological deterrent. If costs remain stable for the next few months the comparison with costs a year ago will not be so vivid. This, coupled with a possible increase in rentals and in purchasing power and heavier demands for housing resulting from the consummation of delayed marriages, should bring a renewal of building.

Foreclosures

The drop in the foreclosure index from 243 in June to 214 in July was one favorable note in the residential picture. This decline of 12 percent compares with a normal seasonal drop of 5 percent. The index is based on reports from 82 metropolitan communities and is adjusted to a 1926 base of 100. Declines in foreclosures were registered from all parts of the country by about two-thirds of these communities. The new level of 214 is the lowest of the recovery period with the exception of February 1937.

The July index was 23 percent below the index of 279 recorded for July 1936. For the first seven months of 1937 the average index was 21 percent below the corresponding average for 1936. Only 17 communities showed a higher total of foreclosures for the first seven months of 1937 than for the same period in 1936.

INDEXES OF SMALL-HOUSE BUILDING COSTS

[TABLE 3]

According to estimates of building costs reported from 24 cities for August, the cost of construction in some areas continues to rise, in others it has halted, and in still others it has dropped slightly. This tendency towards a leveling off in cost was noted last month in reports from another group of cities for the Index of Small-House Building Costs. However, the margin between costs a year ago and costs today remains so great that a substantially increased rate of building cannot be expected until the effect of stabilized building costs has a chance to be felt by potential buyers.

There was, as usual, no regional uniformity in the fluctuations between May and August, nor in the total costs of the standard house on which the index is based. In general, however, costs in the Pittsburgh and Los Angeles Districts showed less fluctuations than in the Cincinnati and Little Rock Districts. Costs in all Delaware and Pennsylvania cities rose less than 1 percent, while in Charleston, West Virginia, the cost of materials forced the total up 8.4 percent. Costs in California and Nevada cities remained almost stationary.

The greatest decline in costs during this 3-month period was 5 percent: reported from Houston, Texas. This was entirely due to materials costs, particularly of lumber and millwork. The greatest rise was in Columbus, Ohio, of 6.8 percent, reported as due to labor rates. The trend during this reporting period has been for labor costs to continue to increase and materials costs to level off.

There is only one city out of the 24 in which the cost of building may be said to have remained stable during the past year. The cost of building in Little Rock is still about $5,200. It is the only city in this group which reports a cost under 22 cents a cubic foot. A year ago there were seven such cities. The greatest increase during the past year was in Pittsburgh with a rise of 24.8 percent. But Pittsburgh did not have the highest total cost in August. Building was most expensive in Cleveland where the standard house would have cost $6,981, or 29.1 cents a cubic foot in August.

MONTHLY LENDING ACTIVITY OF SAVINGS AND LOAN ASSOCIATIONS

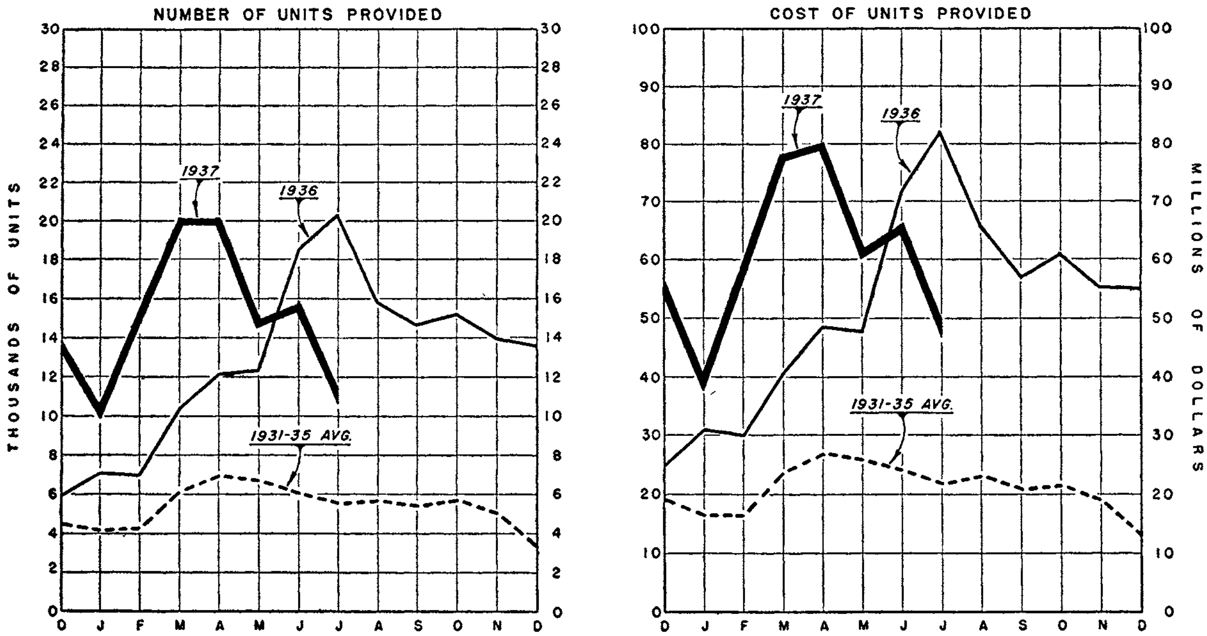
[TABLES 4, 5, 6, AND 7]

The estimated volume of loans for new construction by all savings and loan associations in the United States declined from $22,225,000 in June to $20,584,000 in July. This was, however, not so great a drop as took place in home-building activity in cities of 2,500 or more population which fell from $70,227,000 to $62,675,000 during these two months, as indicated by estimates based on building permit reports (see chart next page).

In fact, savings and loan lending during July fell off in all the categories listed in table 4, reducing the total loans 10.5 percent from June to $72,057,000. No type of association avoided this reduction. The nonmember associations suffered most heavily, making 14 percent fewer loans, while the

ESTIMATED NUMBER AND COST OF FAMILY DWELLING UNITS PROVIDED IN ALL CITIES OF 10,000 OR MORE POPULATION

(Source: Federal Home Loan Bank Board. Compiled from residential building permits reported to U S. Dept of Labor)



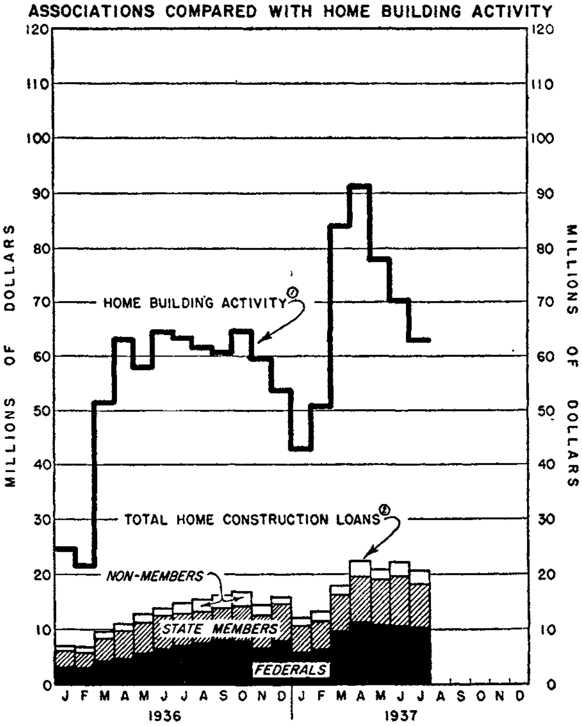
State-chartered members made 11 percent fewer, and the Federal savings and loan associations made 9 percent fewer. These reductions shifted slightly the proportion of total loans made by each type of association. In July Federal associations made 41 percent of total loans instead of 40, as in June, and nonmember associations made 14 instead of 15 percent. State members still represent the largest category with 45 percent of total loans. The July estimates were based on reports received from 2,582 associations.

FEDERAL SAVINGS AND LOAN SYSTEM

[TABLE 11]

Parallel to the continued drop in residential construction is a falling-off in mortgage lending by Federal savings and loan associations. For the two months, June and July, 1,181 identical Federal associations submitted reports which reveal a drop of 10 percent in the total mortgage loans made. Loans for new construction and reconditioning, which reflect most directly changes in the volume

HOME CONSTRUCTION LOANS MADE BY ALL SAVINGS AND LOAN ASSOCIATIONS COMPARED WITH HOME BUILDING ACTIVITY



① Estimated for all cities of 2,500 or more population based on building permits for 1 & 2 family dwellings reported to U S. Department of Labor.
② Estimated for all active associations by Federal Home Loan Bank Board.

of home construction, dropped 5.9 percent and 13.2 percent respectively. Home purchase loans were 15.0 percent less, refinanced loans were 10.9 percent less, and loans for other purposes were 2.8 percent less. Nevertheless, these 1,181 associations had mortgage loans outstanding in the amount of $722,442,200 on July 31—an increase of 2.6 percent during the month.

In contrast to this slackening of activity, the volume of funds available for lending increased during July. Even though $15,058,000 of private shares was repurchased, private investments made during the month amounted to $23,551,900. This was 243.4 percent more than was repurchased and 96.4 percent more than was invested during June—an expected flurry following dividend payments, but more pronounced than last year.

Progress in number and assets of Federal savings and loan associations

	Number		Approximate assets	
	June 30, 1937	July 31, 1937	June 30, 1937	July 31, 1937
New	647	648	$222,468,480	$222,481,875
Converted	639	645	763,769,368	767,932,165
Total	1,286	1,293	986,237,848	990,414,040

H. O. L. C. subscriptions increased the investment of Government money by $4,223,200. Consequently, the total share liability at the end of the month was up 1.9 percent to $765,271,000.

In addition, advances to these associations by the Federal Home Loan Banks were up 3.5 percent while borrowings from other sources increased 18.2 percent. The Banks are, however, the principal source of credit with $74,000,000 outstanding to these Federals as compared with $2,000,000 from other sources of credit. Their assets had increased during the month 5.6 million dollars to $939,751,900.

On July 31, 1937, there were 1,293 Federal savings and loan associations—seven more than were on the list at the end of June. The number of associations which have changed from the State to the Federal charter almost equals the number of newly organized Federals. At the last reporting date there were three more of the new type but of the seven added during July, six were converted associations. The total assets of all Federal savings and loan associations amounted to $990,414,040 on July 31, 1937.

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

[TABLES 9 AND 10]

The number of thrift and home-financing institutions whose shareholders receive the protection of Federal insurance was increased by 25 during the month of July and of this number 19 were institutions operating under State charters. This continuation of the steady month-by-month spread of the protection of insurance brings the total number of insured institutions to 1,781 with assets of $1,448,000,000 and with 1,508,354 shareholders.

For both June and July, comparable reports were submitted by 306 of the insured State-chartered associations. The composite statement of operations, based on these reports, shows much the same trend as was reported by Federal savings and loan associations (tables 10 and 11). A much smaller volume of loans was made during July than during June; the volume dropped off in every classification for which loans are made except reconditioning, which increased 4 percent. As a result of a drop of 23.6 percent in loans for new construction, of 13.9 percent in loans for home purchase, of 12.4 percent for refinancing, and of 26.6 percent for other purposes than those listed, the total loans made during the month decreased 16.9 percent—a slackening of sufficient strength to hold mortgage loans outstanding at about the same level of $290,000,000 as at the beginning of the month.

During July the volume of private share investments increased 111.3 percent over June and the volume of repurchases, 169.0 percent. This extreme activity is not unusual in July; it commonly follows dividend payments in June. A promise of semiannual dividends during the spring tends to freeze investments until those dividends have been realized.

Because repurchases almost equaled investments during July the total share liability remained stationary. H. O. L. C. share subscriptions increased 2.2 percent during the month.

These 306 State insured associations have total assets of $427,968,300. Their borrowings from the Federal Home Loan Banks decreased 2.6 percent to $18,903,100.

FEDERAL HOME LOAN BANK SYSTEM

[TABLES 12 AND 13]

During July the 12 Federal Home Loan Banks advanced $10,221,000 to member institutions. This was $7,547,000 less than was advanced during June—the peak month since the organization of the Bank System. Accompanying this decrease in lending was an increase in repayments of 3.5 million dollars. But in spite of this unfavorable trend, the balance of advances outstanding increased $2,520,000 to $169,571,000. The demand for advances was probably affected by the nation-wide slackening in the real-estate market and in home financing which left sufficient ready funds with the individual associations to meet the past dividend, investment, and repurchase activity.

During July, 12 mortgage-lending institutions were added to the list of members, which brought the total to 3,898. Of this total, 2,591 were State-chartered savings and loan associations, 1,282 were Federal savings and loan associations, 8 were mutual savings banks, and 17 were insurance companies. These institutions have a potential borrowing capacity from the Banks of $1,045,000,000.

Interest Rates

On July 15 the board of directors of the Federal Home Loan Bank of Indianapolis authorized a change of interest rates to be effective on September 1, 1937. On and after that date all secured advances will be written at 3¾ percent, but interest will be collected at 3¼ percent until further notice. All unsecured advances will be written at 4 percent and collected at 3½ percent until further notice. Up to the time of going to press no other Banks had reported changes of their rates on advances.

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 [1]

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

Type of structure or agency	Number of family units provided					Total cost of units (thousands of dollars)				
	Monthly totals			January-July totals		Monthly totals			January-July totals	
	July 1937	June 1937	July 1936	1937	1936	July 1937	June 1937	July 1936	1937	1936
1-family dwellings	9,060	10,137	9,450	69,140	52,095	$38,507.0	$44,282.0	$39,639.5	$305,214.8	$228,325.1
2-family dwellings	632	848	818	5,878	4,126	1,747.1	2,290.9	2,332.0	16,168.6	11,485.8
Joint home and business [2]	67	85	85	646	402	265.2	336.4	334.5	2,330.8	1,513.0
3- and more-family dwellings	1,993	4,495	9,929	31,626	30,876	8,276.2	18,384.5	39,904.1	107,339.7	110,320.8
Total residential	11,752	15,565	20,282	107,290	87,499	48,795.5	65,293.8	82,210.1	431,053.9	351,644.7
Private housing	11,636	12,731	15,585	103,681	79,877	48,190.4	52,477.8	57,147.9	414,730.1	308,939.4
Public housing [3]	116	2,834	4,697	3,609	7,622	605.1	12,816.0	25,062.2	16,323.8	42,705.3

[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.
[3] Includes only Government financed low-cost housing project units as reported by U. S. Department of Labor.

Table 2.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in July 1937, by Federal Home Loan Bank Districts and by States

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

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank Districts and States	All residential dwellings				All 1- and 2-family dwellings			
	Number of family dwelling units		Estimated cost		Number of family dwelling units		Estimated cost	
	July 1937	July 1936	July 1937	July 1936	July 1937	July 1936	July 1937	July 1936
UNITED STATES	11, 752	20, 282	$48, 795. 5	$82, 210. 1	9, 759	10, 353	$40, 519. 3	$42, 306. 0
No. 1—Boston	852	1, 740	3, 909. 5	8, 801. 7	665	676	3, 358. 1	3, 227. 0
Connecticut	158	144	794. 7	730. 9	154	144	784. 2	730. 9
Maine	27	49	88. 6	120. 5	27	49	88. 6	120. 5
Massachusetts	521	1, 404	2, 449. 1	7, 485. 5	344	344	1, 917. 1	1, 919. 3
New Hampshire	34	40	130. 6	110. 8	34	40	130. 6	110. 8
Rhode Island	98	97	405. 2	333. 7	98	93	405. 2	325. 2
Vermont	14	6	41. 3	20. 3	8	6	32. 4	20. 3
No. 2—New York	1, 679	6, 131	9, 691. 8	24, 282. 5	1, 067	1, 425	5, 617. 8	6, 221. 1
New Jersey	201	376	1, 278. 1	1, 880. 9	192	302	1, 243. 1	1, 682. 9
New York	1, 478	5, 755	8, 413. 7	22, 401. 6	875	1, 123	4, 374. 7	4, 538. 2
No. 3—Pittsburgh	670	660	3, 375. 2	2, 988. 7	601	604	3, 219. 5	2, 876. 7
Delaware	8	14	36. 4	66. 4	8	14	36. 4	66. 4
Pennsylvania	526	552	2, 914. 6	2, 591. 2	502	522	2, 868. 9	2, 529. 2
West Virginia	136	94	424. 2	331. 1	91	68	314. 2	281. 1
No. 4—Winston-Salem	1, 526	2, 010	5, 111. 2	7, 072. 7	1, 239	1, 380	4, 411. 1	4, 985. 9
Alabama	120	90	296. 3	195. 0	120	90	296. 3	195. 0
District of Columbia	322	410	1, 319. 8	1, 775. 7	146	201	839. 8	1, 351. 2
Florida	352	596	1, 227. 3	2, 037. 9	298	344	1, 095. 7	1, 074. 3
Georgia	210	158	481. 7	480. 3	196	150	475. 5	470. 3
Maryland	119	113	504. 4	434. 8	115	110	501. 1	428. 8
North Carolina	224	278	614. 5	716. 4	193	266	552. 2	689. 4
South Carolina	64	211	184. 0	849. 1	60	82	174. 0	243. 3
Virginia	115	154	483. 2	583. 5	111	137	476. 5	533. 6

Table 2.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in July 1937, by Federal Home Loan Bank Districts and by States—Continued

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank Districts and States	All residential dwellings				All 1- and 2-family dwellings			
	Number of family dwelling units		Estimated cost		Number of family dwelling units		Estimated cost	
	July 1937	July 1936	July 1937	July 1936	July 1937	July 1936	July 1937	July 1936
No. 5—Cincinnati	988	2, 399	$4, 466. 6	$9, 486. 0	746	622	$3, 342. 6	$2, 912. 2
Kentucky	124	622	359. 2	3, 103. 4	116	110	349. 7	493. 6
Ohio	736	1, 334	3, 701. 7	4, 487. 4	502	383	2, 587. 2	2, 111. 3
Tennessee	128	443	405. 7	1, 895. 2	128	129	405. 7	307. 3
No. 6—Indianapolis	870	832	3, 805. 3	4, 033. 7	827	827	3, 664. 5	4, 021. 9
Indiana	234	169	889. 5	631. 8	230	169	877. 0	631. 8
Michigan	636	663	2, 915. 8	3, 401. 9	597	658	2, 787. 5	3, 390. 1
No. 7—Chicago	552	1, 395	2, 774. 3	7, 494. 4	539	629	2, 727. 2	3, 407. 0
Illinois	308	1, 100	1, 672. 2	6, 153. 9	304	334	1, 651. 8	2, 066. 5
Wisconsin	244	295	1, 102. 1	1, 340. 5	235	295	1, 075. 4	1, 340. 5
No. 8—Des Moines	573	623	2, 061. 9	2, 237. 2	528	590	1, 967. 4	2, 184. 5
Iowa	146	139	492. 6	517. 0	146	139	492. 6	517. 0
Minnesota	157	197	633. 4	760. 8	157	174	633. 4	717. 9
Missouri	225	215	838. 7	792. 7	185	205	757. 2	782. 9
North Dakota	21	29	65. 5	72. 6	16	29	52. 5	72. 6
South Dakota	24	43	31. 7	94. 1	24	43	31. 7	94. 1
No. 9—Little Rock	1, 062	1, 320	2, 851. 5	3, 654. 2	995	1, 045	2, 716. 4	2, 662. 7
Arkansas	49	27	105. 2	65. 0	42	27	100. 1	65. 0
Louisiana	109	152	353. 0	509. 3	109	148	353. 0	499. 3
Mississippi	100	78	146. 9	154. 9	79	78	115. 3	154. 9
New Mexico	34	64	94. 5	139. 5	34	50	94. 5	120. 5
Texas	770	999	2, 151. 9	2, 785. 5	731	742	2, 053. 5	1, 823. 0
No. 10—Topeka	478	789	1, 517. 2	3, 179. 7	403	431	1, 310. 3	1, 464. 7
Colorado	109	91	393. 8	403. 4	69	91	272. 8	403. 4
Kansas	108	99	325. 7	302. 7	96	99	309. 2	302. 7
Nebraska	82	67	273. 5	232. 7	68	67	247. 0	232. 7
Oklahoma	179	532	524. 2	2, 240. 9	170	174	481. 3	525. 9
No. 11—Portland	485	420	1, 414. 9	1, 367. 5	471	380	1, 393. 8	1, 291. 3
Idaho	14	34	54. 8	94. 9	14	21	54. 8	60. 9
Montana	62	68	155. 1	128. 8	54	48	145. 1	105. 8
Oregon	94	79	335. 1	314. 3	94	75	335. 1	302. 3
Utah	82	55	270. 2	165. 0	76	55	259. 1	165. 0
Washington	218	167	543. 6	583. 5	218	164	543. 6	576. 3
Wyoming	15	17	56. 1	81. 0	15	17	56. 1	81. 0
No. 12—Los Angeles	2, 017	1, 963	7, 816. 1	7, 611. 8	1, 678	1, 744	6, 790. 6	7, 051. 0
Arizona	27	31	123. 0	109. 6	27	25	123. 0	105. 3
California	1, 981	1, 925	7, 654. 5	7, 463. 8	1, 642	1, 712	6, 629. 0	6, 907. 3
Nevada	9	7	38. 6	38. 4	9	7	38. 6	38. 4

RATE OF RESIDENTIAL BUILDING IN ALL CITIES OF 10,000 OR MORE POPULATION

Represents the estimated number of family dwelling units provided per 100,000 population.

[Source Federal Home Loan Bank Board Compiled from Building Permits reported to U S Department of Labor]

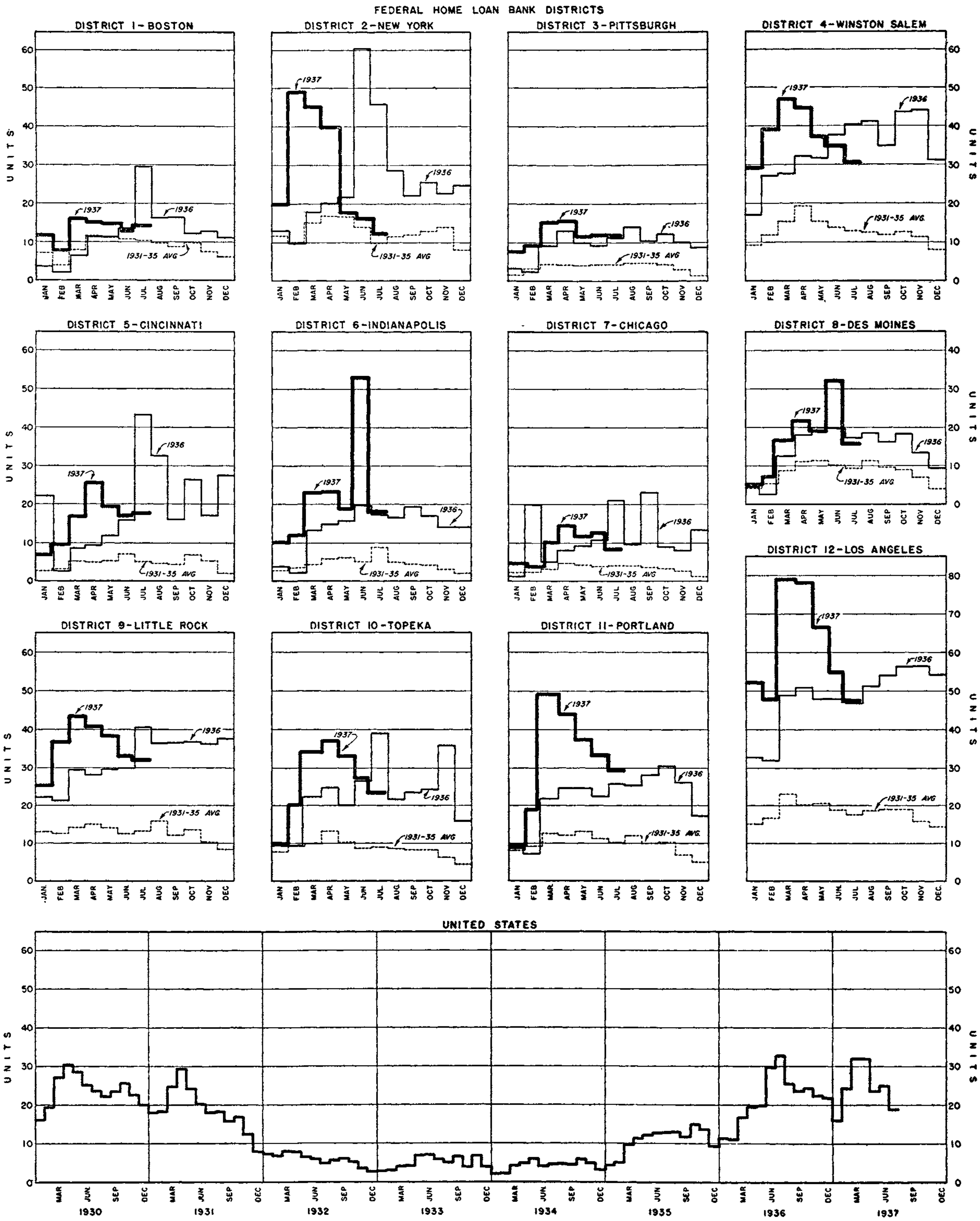


Table 3.—Cost of building the same standard house in representative cities in specific months [1]

NOTE.—These figures are subject to correction

[Source: Federal Home Loan Bank Board]

Federal Home Loan Bank Districts, States, and cities	Cubic-foot cost		Total building cost						
	Aug. 1937	Aug. 1936	Aug. 1937	May 1937	Feb. 1937	Nov. 1936	Aug. 1936	May 1936	Feb. 1936
No. 3—Pittsburgh:									
Delaware:									
Wilmington	$0.241	$0.219	$5,784	$5,737	$5,406	$5,258	$5,259	$5,290	$5,213
Pennsylvania:									
Harrisburg	.258	.225	6,186	6,186	5,668	5,408	5,405	5,439	5,371
Philadelphia	.248	.205	5,948	5,944	5,483	5,010	4,929	4,870	4,584
Pittsburgh	.283	.226	6,781	6,730	6,179	5,920	5,433	5,405	5,474
West Virginia:									
Charleston	.265	.232	6,350	5,857	5,696	5,696	5,564	5,477	5,476
Wheeling	.279	....	6,704	....	5,846	5,763	....	....	....
No. 5—Cincinnati:									
Kentucky:									
Lexington	.238	.218	5,721	5,887	....	5,223	5,237	5,120	4,993
Louisville	.253	.222	6,066	6,111	....	5,456	5,338	5,326	5,384
Ohio:									
Cincinnati	.280	.247	6,711	6,321	5,849	5,748	5,932	5,827	5,809
Cleveland	.291	.257	6,981	6,756	6,320	6,213	6,165	6,147	6,028
Columbus	.283	.244	6,782	6,352	6,052	5,778	5,850	5,529	5,522
Tennessee:									
Memphis	.240	.212	5,752	5,704	5,462	5,092	5,080	5,120	4,841
Nashville	.229	.212	5,504	5,421	5,267	5,094	5,096	5,089	5,030
No. 9—Little Rock:									
Arkansas:									
Little Rock	.217	.217	5,208	5,285	5,195	5,136	5,202	5,215	5,215
Louisiana:									
New Orleans	.251	.214	6,027	5,911	5,601	5,395	5,124	5,075	5,075
Shreveport	....	....	....	5,961	5,468	....	....	....	....
Mississippi:									
Jackson	.255	.224	6,112	5,849	5,607	5,412	5,365	5,333	5,319
New Mexico:									
Albuquerque	.281	.241	6,744	6,358	5,948	5,827	5,779	5,625	5,625
Texas:									
Dallas	.256	.235	6,147	6,143	5,968	5,641	5,641	5,618	....
Houston	.253	.242	6,073	6,391	5,935	5,809	5,809	5,933	....
San Antonio	.262	.231	6,284	6,284	5,884	5,538	5,532	5,532	5,464
No. 12—Los Angeles:									
Arizona:									
Phoenix	....	.251	....	6,742	5,885	5,843	6,032	6,112	6,044
California:									
Los Angeles	.250	.221	6,001	6,015	5,800	5,489	5,301	5,239	5,316
San Diego	.258	.223	6,181	6,141	6,137	5,581	5,361	5,381	5,385
San Francisco	.269	.256	6,452	6,407	6,319	6,222	6,151	6,017	....
Nevada:									
Reno	.278	.263	6,677	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	$155, 463	$188, 637	$152, 067	$50, 618	$80, 838	$627, 623
January	7, 089	9, 298	10, 265	2, 691	5, 995	35, 338
February	7, 027	9, 680	10, 845	3, 229	5, 686	36, 467
March	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
May	12, 811	16, 736	12, 961	5, 207	7, 668	55, 383
June	13, 853	17, 396	13, 462	4, 334	8, 357	57, 402
July	14, 857	17, 975	12, 008	4, 601	7, 414	56, 855
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
May	21, 210	29, 243	15, 547	4, 934	7, 147	78, 081
June	22, 225	29, 325	16, 403	5, 176	7, 381	80, 510
July	20, 584	25, 244	15, 104	4, 599	6, 526	72, 057

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

[Amounts are shown in thousands of dollars]

	Volume of loans				Percent of total		
	Total	Federal	State members	Nonmembers	Federal	State members	Nonmembers
1936	$627, 623	$228, 896	$275, 972	$122, 755	36	44	20
January	35, 338	11, 764	16, 436	7, 138	33	47	20
February	36, 467	12, 105	15, 206	9, 156	33	42	25
March	46, 638	15, 310	19, 776	11, 552	33	42	25
April	53, 391	17, 740	25, 497	10, 154	33	48	19
May	55, 383	18, 965	25, 113	11, 305	34	45	21
June	57, 402	21, 247	26, 033	10, 122	37	45	18
July	56, 855	21, 491	24, 874	10, 490	38	44	18
1937							
January	45, 273	17, 762	19, 311	8, 200	39	43	18
February	49, 862	19, 580	22, 068	8, 214	39	44	17
March	66, 570	28, 147	28, 401	10, 022	42	43	15
April	79, 377	33, 301	34, 644	11, 432	42	44	14
May	78, 081	31, 488	35, 785	10, 808	40	46	14
June	80, 510	32, 121	36, 520	11, 869	40	45	15
July	72, 057	29, 213	32, 662	10, 182	41	45	14

Table 6.—Estimated volume of new lending activity of savings and loan associations, classified by District and type of association

[Amounts are shown in thousands of dollars]

		New loans, July 1937	New loans, June 1937	Percent increase, July 1937 over June 1937	New loans, July 1936	Percent increase, July 1937 over July 1936
United States:	Total	$72, 057	$80, 510	−10	$56, 855	+27
	Federal	29, 213	32, 121	−9	21, 490	+36
	State member	32, 662	36, 520	−11	24, 874	+31
	Nonmember	10, 182	11, 869	−14	10, 495	−3
District 1:	Total	8, 273	8, 999	−8	6, 119	+35
	Federal	2, 510	2, 396	+5	712	+253
	State member	3, 963	4, 123	−4	3, 299	+20
	Nonmember	1, 800	2, 480	−27	2, 108	−15
District 2:	Total	6, 005	6, 310	−5	4, 868	+23
	Federal	2, 014	2, 426	−17	1, 870	+8
	State member	1, 600	1, 683	−5	1, 611	−1
	Nonmember	2, 391	2, 201	+9	1, 387	+72
District 3:	Total	3, 764	4, 253	−11	2, 388	+58
	Federal	1, 253	1, 284	−2	762	+64
	State member	1, 479	1, 573	−6	1, 023	+45
	Nonmember	1, 032	1, 396	−26	603	+71
District 4:	Total	9, 393	10, 093	−7	8, 759	+7
	Federal	3, 886	4, 264	−9	3, 011	+29
	State member	4, 408	4, 359	+1	4, 235	+4
	Nonmember	1, 099	1, 470	−25	1, 513	−27
District 5:	Total	11, 475	13, 194	−13	7, 918	+45
	Federal	5, 356	5, 714	−.6	3, 906	+37
	State member	5, 779	7, 153	−19	3, 606	+60
	Nonmember	340	327	+4	406	−16
District 6:	Total	3, 762	4, 025	−7	3, 404	+11
	Federal	1, 684	1, 881	−10	1, 199	+40
	State member	1, 852	1, 867	−1	1, 705	+9
	Nonmember	226	277	−18	500	−55
District 7:	Total	7, 780	8, 592	−9	5, 337	+46
	Federal	2, 471	3, 039	−19	1, 785	+38
	State member	4, 535	4, 951	−8	2, 851	+59
	Nonmember	774	602	+29	701	+10
District 8:	Total	4, 911	4, 927	[1] −0	3, 929	+25
	Federal	2, 325	2, 359	−1	1, 798	+29
	State member	1, 592	1, 506	+6	1, 305	+22
	Nonmember	994	1, 062	−6	826	+20
District 9:	Total	4, 003	4, 486	−11	3, 379	+18
	Federal	1, 568	1, 582	−1	1, 069	+47
	State member	2, 268	2, 561	−11	1, 573	+44
	Nonmember	167	343	−51	737	−77
District 10:	Total	3, 830	4, 817	−20	3, 722	+3
	Federal	1, 665	2, 021	−18	1, 402	+19
	State member	1, 103	1, 495	−26	858	+29
	Nonmember	1, 062	1, 301	−18	1, 462	−27
District 11:	Total	3, 253	3, 972	−18	2, 642	+23
	Federal	1, 701	2, 071	−18	1, 770	−4
	State member	1, 331	1, 561	−15	834	+60
	Nonmember	221	340	−35	38	+482
District 12:	Total	5, 608	6, 842	−18	4, 390	+28
	Federal	2, 780	3, 084	−10	2, 206	+26
	State member	2, 752	3, 688	−25	1, 976	+39
	Nonmember	76	70	+9	208	−63

[1] Less than 0.5 percent.

Table 7.—Monthly lending activity and total assets as reported by 2,582 savings and loan associations in July 1937

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

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank Districts and States	Number of associations		Loans made in July according to purpose												Total assets July 31, 1937 [3]
			Mortgage loans on 1- to 4-family nonfarm homes							Loans for all other purposes		Total loans, all purposes		
			Construction		Home purchase [1]		Refinancing and reconditioning [2]							
	Submitting reports	Reporting loans made	Number	Amount	Number	Amount	Number	Amount: Refinancing	Amount: Reconditioning	Number	Amount	Number	Amount	
UNITED STATES	2,582	2,189	4,666	$15,293.2	6,435	$16,635.9	7,382	$10,550.5	$3,059.5	2,922	$4,295.1	21,405	$49,834.2	$2,554,599.0
Federal	1,202	1,095	2,895	9,727.0	3,243	8,334.1	3,871	5,559.0	1,598.5	1,349	2,125.3	11,358	27,343.9	952,684.0
State member	960	820	1,491	4,854.0	2,680	7,144.0	2,978	4,555.0	1,205.6	1,224	1,760.3	8,373	19,518.9	1,273,719.9
Nonmember	420	274	280	712.2	512	1,157.8	533	436.5	255.4	349	409.5	1,674	2,971.4	328,195.1
No. 1—Boston	142	132	292	1,182.4	551	1,809.8	623	1,015.7	263.9	222	379.3	1,688	4,651.1	269,252.3
Connecticut	25	23	53	225.7	44	144.8	59	160.0	12.9	9	5.8	165	549.2	17,161.6
Maine	20	17	22	35.7	38	74.4	49	57.6	9.4	6	7.2	115	184.3	11,884.1
Massachusetts	81	78	163	771.0	360	1,249.6	429	693.9	200.2	160	261.8	1,112	3,176.5	203,994.0
New Hampshire	9	9	20	36.5	29	78.3	38	38.3	23.8	17	50.1	104	227.0	7,798.6
Rhode Island	4	3	28	103.9	72	243.1	42	63.4	15.1	22	38.9	164	464.4	25,874.5
Vermont	3	2	6	9.6	8	19.6	6	2.5	2.5	8	15.5	28	49.7	2,539.5
No. 2—New York	275	172	351	1,448.2	380	1,301.3	292	611.9	162.8	134	272.7	1,157	3,796.9	347,964.2
New Jersey	140	58	17	40.2	69	225.9	27	27.5	30.0	30	44.0	143	367.6	108,514.7
New York	135	114	334	1,408.0	311	1,075.4	265	584.4	132.8	104	228.7	1,014	3,429.3	239,449.5
No. 3—Pittsburgh	212	143	154	385.4	310	763.8	215	303.9	94.3	68	89.5	747	1,636.9	91,901.5
Delaware	5	5	5	5.5	10	40.6	2	0.0	3.5	4	3.4	21	53.0	4,666.9
Pennsylvania	184	118	84	218.1	257	603.4	145	218.1	61.2	41	66.8	527	1,167.6	75,529.6
West Virginia	23	20	65	161.8	43	119.8	68	85.8	29.6	23	19.3	199	416.3	11,705.0
No. 4—Winston-Salem	272	244	736	2,539.1	526	1,347.7	995	2,016.7	352.9	297	488.4	2,554	6,744.8	220,567.1
Alabama	13	12	38	70.1	18	28.6	31	22.2	20.3	15	15.4	102	156.6	3,990.9
District of Columbia	11	11	61	499.7	47	256.6	355	1,276.2	45.2	42	92.3	505	2,170.0	91,763.1
Florida	47	41	149	714.8	75	211.3	95	115.6	54.8	50	125.5	369	1,222.0	25,056.0
Georgia	42	37	120	256.5	46	84.7	94	92.2	56.5	32	29.6	292	519.5	12,696.7
Maryland	53	45	42	252.7	162	411.2	61	121.3	23.5	38	72.7	303	881.4	32,985.4
North Carolina	41	40	143	338.2	96	171.9	187	171.1	101.0	65	83.7	491	865.9	24,102.5
South Carolina	37	34	121	231.0	29	67.1	99	117.1	31.8	20	33.8	269	480.8	10,707.2
Virginia	28	24	62	176.1	53	116.3	73	101.0	19.8	35	35.4	223	448.6	19,265.3
No. 5—Cincinnati	372	323	617	2,063.4	1,522	4,263.7	1,224	1,652.0	476.2	599	799.0	3,962	9,254.3	503,556.3
Kentucky	57	44	78	250.5	221	576.1	206	245.6	81.9	103	109.1	608	1,263.2	48,532.1
Ohio	279	246	411	1,520.9	1,266	3,623.6	927	1,279.1	369.1	445	587.2	3,049	7,379.9	438,597.3
Tennessee	36	33	128	292.0	35	64.0	91	127.3	25.2	51	102.7	305	611.2	16,426.9
No. 6—Indianapolis	193	181	307	844.0	639	1,073.1	763	507.5	364.6	277	287.3	1,986	3,076.5	205,188.1
Indiana	142	137	195	440.1	519	800.2	612	343.4	290.1	195	183.0	1,521	2,056.8	127,785.3
Michigan	51	44	112	403.9	120	272.9	151	164.1	74.5	82	104.3	465	1,019.7	77,402.8
No. 7—Chicago	263	227	295	929.5	597	1,677.7	759	1,202.0	354.8	212	452.3	1,863	4,616.3	205,839.6
Illinois	186	159	135	477.6	440	1,181.5	576	924.3	271.2	176	407.6	1,327	3,262.2	146,880.3
Wisconsin	77	68	160	451.9	157	496.2	183	277.7	83.6	36	44.7	536	1,354.1	58,959.3
No. 8—Des Moines	178	162	244	760.8	283	975.2	542	766.2	206.5	163	154.6	1,332	2,863.3	105,297.1
Iowa	44	42	51	146.3	77	141.9	112	100.3	31.1	23	14.3	263	433.9	18,470.6
Minnesota	44	38	91	300.6	167	451.0	189	313.3	48.8	53	86.2	500	1,199.9	31,122.1
Missouri	69	63	70	223.8	110	302.5	189	321.5	87.6	57	33.1	426	968.5	45,064.0
North Dakota	13	12	16	51.9	20	65.2	36	18.1	29.2	23	16.4	95	180.8	7,985.3
South Dakota	8	7	16	38.2	9	14.6	16	13.0	9.8	7	4.6	48	80.2	2,655.1

[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 July 31, 1937.

Table 7.—Monthly lending activity and total assets as reported by 2,582 savings and loan associations in July 1937—Continued

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank Districts and States	Number of associations		Loans made in July according to purpose											Total assets July 31, 1937
			Mortgage loans on 1- to 4-family nonfarm homes							Loans for all other purposes		Total loans, all purposes		
			Construction		Home purchase		Refinancing and reconditioning							
	Submitting reports	Reporting loans made	Number	Amount	Number	Amount	Number	Amount: Refinancing	Amount: Reconditioning	Number	Amount	Number	Amount	
No. 9—Little Rock...	262	235	487	$1,284.6	469	$1,058.1	533	$494.4	$288.1	324	$405.3	1,813	$3,530.5	$159,001.3
Arkansas........	39	36	50	112.4	58	96.0	123	117.5	19.7	39	36.0	270	381.6	9,587.3
Louisiana........	72	69	130	427.9	215	591.3	137	153.0	138.7	95	154.6	577	1,465.5	83,784.7
Mississippi......	24	21	22	46.4	14	20.4	52	34.2	29.4	14	14.5	102	144.9	4,519.3
New Mexico.....	14	10	19	53.6	6	12.9	20	7.4	9.1	9	9.1	54	92.1	3,523.0
Texas...........	113	99	266	644.3	176	337.5	201	182.3	91.2	167	191.1	810	1,446.4	57,587.0
No. 10—Topeka......	174	151	266	895.7	454	863.5	412	381.8	201.9	282	370.0	1,414	2,712.9	144,706.1
Colorado........	31	27	41	143.4	53	108.6	65	74.2	32.0	8	17.9	167	376.1	18,416.6
Kansas..........	62	56	60	156.3	144	241.5	106	79.9	44.6	84	105.5	394	627.8	41,063.4
Nebraska........	35	26	62	193.3	84	176.0	125	89.9	76.5	80	83.2	351	618.9	38,633.6
Oklahoma.......	46	42	103	402.7	173	337.4	116	137.8	48.8	110	163.4	502	1,090.1	46,592.5
No. 11—Portland....	114	104	349	938.9	276	505.6	418	461.4	176.3	172	266.3	1,215	2,348.5	85,949.5
Idaho...........	9	8	34	71.3	26	41.6	42	22.8	26.3	8	5.3	110	167.3	5,797.3
Montana........	14	12	59	160.0	31	74.5	52	40.7	49.3	21	32.8	163	357.3	10,599.2
Oregon..........	25	21	83	236.3	56	92.5	81	102.7	27.5	10	17.7	230	476.7	22,489.0
Utah............	8	7	57	198.3	17	48.8	37	78.1	1.5	24	54.3	135	381.0	11,112.1
Washington......	47	46	105	240.4	134	223.5	190	197.0	56.4	107	153.5	536	870.8	33,914.1
Wyoming........	10	9	9	20.5	12	24.7	13	15.3	8.1	2	2.7	36	71.3	1,964.9
Alaska..........	1	1	2	12.1	0	0.0	3	4.8	7.2	0	0.0	5	24.1	72.9
No. 12—Los Angeles..	125	115	568	2,021.2	328	996.4	606	1,137.0	117.2	172	330.4	1,674	4,602.2	215,375.9
Arizona.........	3	3	16	47.0	2	11.3	6	14.8	0.0	2	2.4	26	75.5	1,706.7
California.......	120	111	550	1,959.7	324	973.5	596	1,111.7	115.7	168	325.0	1,638	4,485.6	211,944.1
Nevada.........	0	0	0	0.0	0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Hawaii..........	2	1	2	14.5	2	11.6	4	10.5	1.5	2	3.0	10	41.1	1,725.1

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
July 1936..............	86.7	89.2	95.5	83.7	80.4	76.5	97.1	90.2
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
May....................	97.2	95.0	95.5	103.0	83.7	78.7	114.9	101.3
June....................	96.9	95.0	95.5	102.2	83.6	78.7	114.9	101.1
July....................	96.7	95.4	95.5	101.3	83.9	78.7	114.9	101.0
Change July 1937 from:								
June 1937..........	−0.2%	+0.4%	0.0%	−0.9%	+0.4%	0.0%	0.0%	−0.1%
July 1936..........	+11.5%	+7.0%	0.0%	+21.0%	+4.4%	+2.9%	+18.3%	+12.0%

Table 9.—Institutions insured by the Federal Savings and Loan Insurance Corporation [1]

	Cumulative number at specified dates					Number of shareholders	Assets	Share and creditor liabilities
	Dec. 31, 1934	Dec. 31, 1935	Dec. 31, 1936	June 30, 1937	July 31, 1937	July 31, 1937	July 31, 1937	July 31, 1937
State-chartered associations	4	136	382	488	507	725, 916	$580, 037, 692	$505, 782, 281
Converted F. S. and L. A..	108	406	560	625	631	649, 818	702, 510, 386	642, 677, 862
New F. S. and L. A.......	339	572	634	643	643	132, 620	165, 683, 281	155, 310, 527
Total.............	451	1, 114	1, 576	1, 756	1, 781	1, 508, 354	1, 448, 231, 359	1, 303, 770, 670

[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 306 identical insured State-chartered savings and loan associations reporting during June and July 1937

	June	July	Change June to July
Share liability at end of month:			*Percent*
Private share accounts (number)................................	451, 031	452, 109	+0. 2
Paid on private subscriptions....................................	$311, 708, 200	$312, 944, 700	+0. 4
H. O. L. C. subscriptions..	24, 377, 100	24, 913, 900	+2. 2
Total..	336, 085, 300	337, 858, 600	+0. 5
Private share investments during month..........................	5, 010, 900	10, 590, 300	+111. 3
Repurchases during month...	3, 755, 400	10, 102, 500	+169. 0
Mortgage loans made during month:			
a. New construction..	2, 729, 300	2, 084, 800	−23. 6
b. Purchase of homes...	3, 397, 400	2, 925, 500	−13. 9
c. Refinancing...	1, 667, 100	1, 459, 200	−12. 4
d. Reconditioning..	505, 500	525, 900	+4. 0
e. Other purposes..	1, 000, 700	734, 400	−26. 6
Total..	9, 300, 000	7, 729, 800	−16. 9
Mortgage loans outstanding end of month..........................	287, 897, 700	290, 327, 600	+0. 8
Borrowed money as of end of month:			
From Federal Home Loan Banks.....................................	19, 404, 100	18, 903, 100	−2. 6
From other sources...	2, 123, 200	2, 039, 400	−3. 9
Total..	21, 527, 300	20, 942, 500	−2. 7
Total assets, end of month.......................................	427, 267, 900	427, 968, 300	+0. 2

Table 11.—Monthly operations of 1,181 identical Federal savings and loan associations reporting during June and July 1937

	June	July	Change June to July
Share liability at end of month:			*Percent*
Private share accounts (number)	736, 394	748, 422	+1. 6
Paid on private subscriptions	$562, 057, 500	$572, 410, 300	+1. 8
Treasury and H. O. L. C. subscriptions	188, 637, 500	192, 860, 700	+2. 2
Total	750, 695, 000	765, 271, 000	+1. 9
Private share investments during month	11, 991, 200	23, 551, 900	+96. 4
Repurchases during month	4, 385, 100	15, 058, 200	+243. 4
Mortgage loans made during month:			
a. New construction	10, 272, 000	9, 664, 600	−5. 9
b. Purchase of homes	9, 690, 100	8, 239, 200	−15. 0
c. Refinancing	6, 203, 000	5, 523, 700	−10. 9
d. Reconditioning	1, 828, 700	1, 587, 000	−13. 2
e. Other purposes	2, 022, 000	1, 964, 300	−2. 8
Total	30, 015, 800	26, 978, 800	−10. 1
Mortgage loans outstanding end of month	703, 996, 300	722, 442, 200	+2. 6
Borrowed money as of end of month:			
From Federal Home Loan Banks	72, 013, 200	74, 573, 800	+3. 5
From other sources	1, 802, 900	2, 131, 900	+18. 2
Total	73, 816, 100	76, 705, 700	+3. 9
Total assets, end of month	934, 156, 300	939, 751, 900	+0. 6

Table 12.—Federal Home Loan Bank advances to member institutions by Districts

Federal Home Loan Bank	Advances made during July 1937	Advances made during June 1937
No. 1—Boston	$509, 000. 00	$1, 351, 900. 00
No. 2—New York	793, 700. 00	1, 216, 250. 00
No. 3—Pittsburgh	713, 275. 00	720, 900. 00
No. 4—Winston-Salem	2, 379, 335. 48	2, 097, 855. 00
No. 5—Cincinnati	850, 600. 00	973, 000. 00
No. 6—Indianapolis	517, 425. 00	1, 488, 085. 28
No. 7—Chicago	723, 906. 86	2, 015, 306. 47
No. 8—Des Moines	1, 040, 887. 50	1, 379, 900. 00
No. 9—Little Rock	532, 100. 00	864, 875. 00
No. 10—Topeka	490, 400. 00	867, 850. 00
No. 11—Portland	959, 200. 00	1, 257, 000. 00
No. 12—Los Angeles	711, 600. 00	3, 535, 813. 75
Total	10, 221, 429. 84	17, 768, 735. 50

Table 13.—Lending operations of the Federal Home Loan Banks

[Thousands of dollars]

Month	Loans advanced monthly	Repayments monthly	Balance outstanding at end of month
December 1935	$8, 414	$2, 708	$102, 795
June 1936	11, 560	3, 895	118, 587
December 1936	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
May	12, 170	4, 825	153, 491
June	17, 769	4, 203	167, 057
July	10, 221	7, 707	169, 571

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 31, 1937	121	5, 105, 710	437	30, 881, 500	3, 466	150, 309, 000	4, 024	186, 296, 210
June 30, 1937	125	5, 400, 710	473	32, 873, 600	3, 669	159, 298, 600	4, 267	197, 572, 910
July 31, 1937	125	5, 655, 210	515	35, 410, 100	3, 838	166, 884, 100	4, 478	207, 949, 410
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 31, 1937	61	2, 206, 000	399	27, 919, 300	3, 331	142, 651, 900	3, 791	172, 777, 200
June 30, 1937	63	2, 381, 000	440	30, 283, 600	3, 509	150, 368, 400	4, 012	183, 033, 000
July 31, 1937	52	1, 934, 000	465	31, 176, 600	3, 647	155, 917, 000	4, 164	189, 027, 600

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

Table 15.—Properties acquired by H. O. L. C. through foreclosure and voluntary deed [1]

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
May	4, 472
June	4, 608
July	4, 476
Grand total to July 31, 1937	49, 136

[1] Does not include 21,790 properties bought in by H. O. L. C. at foreclosures sale but awaiting expiration of the redemption period before title in absolute fee can be obtained.

In addition to the 49,136 completed cases, 283 properties were sold at foreclosure sale to parties other than the H. O. L. C. and 6,270 cases have been withdrawn due to payment of delinquencies by borrowers after foreclosure proceedings were authorized.

Table 16.—Reconditioning Division—Summary of all reconditioning operations of H. O. L. C. through Aug. 15, 1937 [1]

	June 1, 1934 through July 15, 1937	July 16, 1937 through Aug. 15, 1937	Cumulative through Aug. 15, 1937
Cases received [2]	813, 622	12, 493	826, 115
Contracts awarded:			
Number	457, 234	9, 706	466, 940
Amount	$86, 802, 453	$1, 806, 962	$88, 609, 415
Jobs completed:			
Number	447, 672	8, 933	456, 605
Amount	$83, 569, 373	$1, 706, 038	$85, 275, 411

[1] All figures are subject to adjustment. 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.

Home Ownership and Income

(Continued from p. 412)

proportion of 2-family dwellings among the lower income groups than among the more well-to-do.

In comparing the various small and medium-size cities, it was noticed that those cities where homes tended to be more expensive had a lower proportion of home ownership. Although we can compare here only two groups, it may be significant that the northern group, where the monthly rental value of the average owned home is $19.51, showed considerably more inclination toward home ownership than the southern group, where that value was somewhat higher: $22.47. It may be pertinent to recall that in the metropolis and the larger cities, where a higher proportion of family income is required to pay for either a rented or an owned home, home ownership is not as prevalent as in communities where it is relatively cheaper.

Data on home ownership, rents, and income collected by the Study of Consumer Purchases show how the housing and home-financing problems are complicated by regional, racial, and occupational differences, and affected by general economic conditions. No general survey can replace for the home-financing institution a thorough knowledge of local conditions and of the groups with which it must deal.

There are several tentative conclusions, however, which we may draw from the preliminary sample data compiled by this Study. Unless we are willing to reshuffle and rearrange all our neighborhoods, and pay the costs involved in community services and taxation, as we did during the recent period of sudden change caused by quick city growth and the development of rapid transportation, homes must be built specifically for average families.

In what price range must homes be built if families in the middle income group are to be converted from renting to home ownership? The middle income family in the metropolis pays rent of about $25, in the large city, about $20, in the small city, about $15, and in the small town, about $12. If homes can be bought at comparable monthly costs, many of our families in the middle income groups who now rent may be induced to buy their homes. The uniform desire of a family to live in a better home when owning than when renting may encourage them to save the necessary down payment in addition to carrying comparable monthly charges.

Home ownership is most prevalent where the homes for purchase are least expensive. This is the challenge to the home-financing business that is given by the basic facts of home ownership and income. But these facts also show that families of every type show a strong tendency to home ownership whenever their incomes justify it. And their significance to the home-financing institution is therefore an encouragement as well as a challenge.

Master Specifications

The experience of the Reconditioning Division of the Home Owners' Loan Corporation is unique in the construction history of this country. It has been called upon to spend $83,000,000 in repairing and modernizing 447,000 homes. In consequence, it has dealt with thousands of contractors in all parts of the country, and has collected a vast body of information concerning the workings of the industry.

One factor which has been a retarding force in construction operations is the lack of standards for both materials and labor. Early in its history the Corporation was forced to set up master specifications to guide those doing work for it. Because of the continued changes and improvements in materials, appliances, and processes, and because of the variations in its own practices, the specification list of the Corporation has been revised and printed in the form of a convenient sized booklet: the Master Specifications.

The necessity for adapting the Specifications to all the varying conditions met with in reconditioning H. O. L. C. properties obviated highly specialized definitions which would be applicable to only a limited class of work. Instead, the Master Specifications gives general rules which should form a basis for judgment.

This booklet is a step toward the eventual standardization of practices and coordination of the construction industry. It is applicable to general use and to the construction program under the supervision of the Federal Home Building Service Plan. At present, however, it is available only to contractors dealing directly with the Corporation.

Resolutions of the Board

ON JULY 26 the Federal Home Loan Bank Board amended Section 35 of the Rules and Regulations for Federal Savings and Loan Associations. This amendment, which will be effective 30 days from the date of enactment, reads as follows:

"All Federal associations having charters in the form of Exhibit K annexed hereto shall issue certificates of membership evidencing the ownership of savings share accounts, investment share accounts and borrower's memberships in the respective forms set forth in Exhibit M, annexed hereto, and made a part hereof, which certificates are prescribed for use by each such Federal association and shall not be revised or modified unless and until the Board prescribes different forms for use by all Federal associations having Exhibit K charters. All certificates issued shall be numbered consecutively by type or otherwise. Each owner of an investment share account shall be issued either an investment share account book containing a certificate in the front thereof and evidencing the participation value of such investment share account or a separate certificate not contained in an investment share account book. Each owner of a savings share account shall be issued a savings share account book containing a certificate in the front thereof and evidencing the participation value of such savings share account. Each borrower shall receive a loan account book in the front of which shall be a certificate. Other legal, accounting and descriptive material may be used in connection with the prescribed forms of certificates, but the form or use of such material is not prescribed."

Be it further resolved, That Exhibit M of the Rules and Regulations for Federal Savings and Loan Associations is amended to read as follows:

"EXHIBIT M

PRESCRIBED FORMS OF CERTIFICATES EVIDENCING MEMBERSHIP

1. Form of certificate evidencing ownership of a Savings Share Account which is required to be printed in the front of a Savings Share Account Book (Form K2):

'This certifies that .... is a member of .... Federal Savings and Loan Association .... and holds a Savings Share Account of said association, subject to its charter and bylaws and to the laws of the United States of America.'

2. Form of certificate evidencing ownership of an Investment Share Account prescribed for use when printed in the front of an Investment Share Account Book (Form K2B):

'This certifies that .... is a member of .... Federal Savings and Loan Association .... and holds an Investment Share Account of said association, subject to its charter and bylaws and to the laws of the United States of America.'

3. Form of certificate evidencing ownership of an Investment Share Account prescribed for use when printed as a separate certificate not contained in a share account book (Form K3):

'This certifies that .... is a member of .... Federal Savings and Loan Association .... and holds a .... Dollar Investment Share Account of said association, subject to its charter and bylaws and to the laws of the United States of America.'

4. Form of Borrower's Membership Certificate required to be printed in the front of a loan account book (Form K12):

'This certifies that .... is a member of .... Federal Savings and Loan Association............................... and holds a loan from said association, subject to its charter and bylaws and to the laws of the United States of America.'

The following legal, accounting and descriptive material may be used in connection with the foregoing forms of certificates:

(a) 'Certificate No. ....', provided, however, any other method of identifying the number of certificate issued may be used.

(b) Any words which clearly indicate the type of certificate issued may be used as a title, e. g., 'Savings Share Account', 'Certificate for Savings Share Account', 'Borrower's Membership Certificate' or 'Certificate for Borrower's Membership'. The title used, however, shall not conflict with the provisions of the certificate itself. There is no requirement that a title be used.

(c) A witness clause substantially in the following form shall be used on each certificate unless the execution of the certificate is attested by the secretary or an assistant secretary with the seal of the association:

'Witness the authorized signature(s) of officer or employee this ...... day of ...., 19...'

In any event, each certificate shall bear the date of issuance.

(d) Each certificate shall be manually signed in the name of the association by an officer or an employee designated by the board of directors as required by Section 8 of the bylaws, but may be signed in the name of the association by two or more officers or employees as determined by the board of directors pursuant to Section 7 of the bylaws, e. g.,

'............................. Federal Savings and Loan Association ....

....
Authorized Signature'

The title of the officer or officers designated to sign certificates may or may not appear under his or her signature or their signatures. The name of the association must appear above the manual signature or signatures."

Be it further resolved, That, it being deemed that this is a major amendment affecting matters of general principle or policy, and not of an emergency character, pursuant to the provisions of subsection (a) of Section 54 of the Rules and Regulations for Federal Savings and Loan Associations, such amendment shall be effective 30 days from July 26, 1937. Federal associations to whom a charter in the form of Exhibit K have heretofore been issued prior to the date of this resolution are authorized, however, to continue to issue certificates of membership as prescribed by the Board in Exhibit M of the Rules and Regulations for Federal Savings and Loan Associations in the present form prior to the taking effect of the foregoing amendment of Section 35 of such rules and regulations until the supply of such certificates on hand on the date of this resolution have been exhausted.

The Federal Home Loan Bank Board amended subsection (b) of Section 39 of the Rules and Regulations for Federal Savings and Loan Associations by adding the following paragraph. This amendment will be effective 30 days from August 3, 1937.

"When the members of a Federal association at a legal meeting have authorized loans to be made, from time to time, in an amount exceeding 50 percent of the value of the security of that type of other improved property which is home or combination home and business property for more than four families, but for not more than twelve families (hereinafter termed 'small apartment houses') the association may make any such loan, after approval by the Board of such lending practice for such association. Prior to making such loans, application in a form satisfactory to the Board shall be made for approval of such lending practice. Such application shall set forth the area or areas in which the applicant desires to make such higher percentage loans on small apartment houses and evidence of ability to make and service such loans. If and when the Board has given such approval, such higher percentage loans on small apartment houses in the specified areas may be made in amounts not in excess of 60 percent of the value of such small apartment houses. Loans made pursuant to such approval of such lending practice are included in the 15 percent limitation in Section 5 (c) of Home Owners' Loan Act of 1933."

On August 12, 1937, the Board passed a resolution providing for membership and signature cards for Federal savings and loan associations operating in jurisdictions which permit or require a husband and wife to hold property as tennants by the entireties. The resolution is, in part, as follows:

Be it resolved, That the two legal forms listed below, as certified by the Secretary by the following exhibit numbers, found in Minute Exhibit File No. 262, are hereby approved for use by all Federal savings and loan associations operating under Charter K in jurisdictions which permit or require a husband and wife to hold property as tenants by the entireties, with a requirement that the wording of such forms (but without limitation as to the method of printing) be used unless and until substitute or alternative forms have been approved by the Board for use by particular Federal savings and loan associations:

Exhibit 35, being Application for Membership and Signature Card, Membership of Husband and Wife as Tenants by the Entireties (With Right of Survivorship) of a Share Account. (Form K1 (c)),

Exhibit 37, being Application for Membership and Signature Card, Membership (tenants by the entireties) of borrower. (Form K1B (a)).

The Board of Trustees of the Federal Savings and Loan Insurance Corporation, on August 20, 1937, amended the Rules and Regulations for Insurance of Accounts by the addition of a new section immediately following Section 9. The effective date of this amendment will be 30 days from September 1, 1937. The new section, which will be known as Section 9–A, is as follows:

"Sec. 9–A. Limitation upon Borrowing.—No insured institution shall borrow in excess of the aggregate amount authorized by the law under which such insured institution operates. No insured institution shall borrow an aggregate amount exceeding one-half the amount paid in and credited on withdrawable or repurchasable shares, share accounts, certificates of deposit and investment certificates; nor within such an amount, an amount aggregating more than one-fifth thereof, in loans with a maturity of one year or less, from sources other than a Federal home loan bank. No action of an insured institution in obtaining funds through borrowing, in accordance with the provisions of this section, shall be deemed a violation hereof, because of a subsequent reduction in the amounts paid in and credited on withdrawable or repurchasable shares, share accounts, certificates of deposit and investment certificates."

On August 23 the Board of Trustees of the Federal Savings and Loan Insurance Corporation adopted a resolution amending Section 3 of the Rules and Regulations for Insurance of Accounts by the addition of a sentence at the end thereof. This amendment, which is of an emergency character and will be effective immediately, is as follows:

"No insured institution shall occupy office quarters which are also occupied by some other financial institution or mortgage company which is not insured either by the Corporation or by the Federal Deposit Insurance Corporation, without prior written approval of the Corporation."

Directory of Member, Federal, and Insured Institutions

Added during July–August

I.—INSTITUTIONS ADMITTED TO MEMBERSHIP IN THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN JULY 19, 1937, AND AUGUST 14, 1937 [1]

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

DISTRICT NO. 1

MASSACHUSETTS:
Peabody:
Peabody Cooperative Bank, Thomas Block.

DISTRICT NO. 3

PENNSYLVANIA:
Corry:
Corry Building & Loan Association, 10 South Center Street.
Philadelphia:
Northern Liberties Building & Loan Association of Philadelphia, 1639 North Broad Street.

DISTRICT NO. 4

ALABAMA:
Birmingham:
Liberty National Life Insurance Company.
FLORIDA:
Jacksonville:
Gulf Life Insurance Company, Greenleaf Building.
NORTH CAROLINA:
Canton:
Canton Building & Loan Association.
Greensboro:
Pilot Life Insurance Company.

DISTRICT NO. 5

OHIO:
Logan:
Logan Home & Savings Association.
TENNESSEE:
Chattanooga:
Provident Life & Accident Insurance Company, 725 Broad Street.
Nashville:
Life & Casualty Insurance Company of Tennessee, 159 Fourth Avenue, North.

DISTRICT NO. 8

IOWA:
Mount Pleasant:
Insurance Plan Savings & Loan Association, 130 North Main Street.
MISSOURI:
Excelsior Springs:
Excelsior Springs Savings & Loan Association, 101 East Broadway.
Palmyra:
Palmyra Savings & Building Association.

DISTRICT NO. 10

KANSAS:
Erie:
Erie Building & Loan Association.

DISTRICT NO. 11

WASHINGTON:
Camas:
Clarke County Savings & Loan Association.

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN JULY 19, 1937, AND AUGUST 14, 1937

ILLINOIS:
Atlanta:
Atlanta Building & Loan Association (voluntary).
KANSAS:
Olathe:
Johnson County Savings & Loan Association, 111 East Park Street (voluntary).
Wichita:
Security Savings & Loan Association, 108 North Topeka Street (withdrawn Mar. 3, 1937; voluntary).
LOUISIANA:
New Orleans:
Mohawk Homestead Association, 207 Decatur Street (withdrawn Apr. 26, 1937; transfer of assets to Oak Homestead Association, New Orleans, Louisiana).
Washington Homestead Association, 307 Camp Street (sale of assets and transfer of stock to General Building & Loan Association, New Orleans, Louisiana).
OHIO:
Cincinnati:
Woodburn Avenue Loan & Building Company, 3308 Montgomery Road (transfer of Bank stock to Hewitt Avenue Loan & Building Association, Cincinnati, Ohio).
PENNSYLVANIA:
Scranton:
Lackawanna Building, Savings & Loan Association, 148 Adams Avenue.
Philadelphia:
Franklin Building & Loan Association No. 6 of the City of Philadelphia, Pa., 510 West Girard Avenue (removal from membership on account of failure to appear at hearing).

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

II.—FEDERAL SAVINGS AND LOAN ASSOCIATIONS CHARTERED BETWEEN JULY 19, 1937, AND AUGUST 14, 1937

DISTRICT NO. 3

PENNSYLVANIA:
Kane:
Kane Federal Savings & Loan Association, Odd Fellows Building (converted from Kane Building & Loan Association).

DISTRICT NO. 5

KENTUCKY:
Ashland:
Ashland Federal Savings & Loan Association, 323 Fifteenth Street (converted from Ashland Loan & Building Association).
Home Federal Savings & Loan Association of Ashland, 332–35 Fifteenth Street (converted from Home & Savings Building Association).
Catlettsburg:
Home Federal Savings & Loan Association of Catlettsburg (converted from Catlettsburg Building, Loan & Savings Association).

DISTRICT NO. 8

IOWA:
Sheldon:
Sheldon Federal Savings & Loan Association.

DISTRICT NO. 10

NEBRASKA:
Lincoln:
Lincoln Federal Savings & Loan Association, 117 South Twelfth Street (converted from Lincoln Savings & Loan Association).
OKLAHOMA:
Ardmore:
Peoples Federal Savings & Loan Association of Ardmore, 226 West Main Street (converted from People's Building & Loan Association on June 10, 1937).

DISTRICT NO. 12

CALIFORNIA:
Albany:
Albany Federal Savings & Loan Association, 1055 Solano Avenue (converted from Albany Guarantee Building & Loan Association).

Cancelations of Federal Savings and Loan Association Charters Between July 19, 1937, and August 14, 1937

Illinois:
- Chicago:
  - South Side Federal Savings & Loan Association of Chicago, 7754 South Racine Avenue (charter canceled on account of failure to complete organization).

Indiana:
- Indianapolis:
  - Co-operative Federal Savings & Loan Association, 132 North Delaware Street (charter canceled on account of merger with Union Federal Savings & Loan Association, Indianapolis, Indiana).

Iowa:
- Jefferson:
  - Jefferson Federal Savings & Loan Association (charter canceled on account of merger with Perry Federal Savings & Loan Association, Perry, Iowa).

Minnesota:
- Wadena:
  - Wadena Federal Savings & Loan Association (charter canceled on account of voluntary dissolution).

III.—INSTITUTIONS INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION BETWEEN JULY 19, 1937, AND AUGUST 14, 1937 [1]

DISTRICT NO. 2

New Jersey:
- Eatontown:
  - Eatontown & Oceanport Building & Loan Association, Main Street.
- Guttenberg:
  - Guttenberg Building & Loan Association, 43 Bergenline Avenue.
- Tenafly:
  - Tenafly Building Loan Association, 8 Highwood Avenue.
- Wyckoff:
  - Wyckoff Building & Loan Association, Main Street.

New York:
- Brooklyn:
  - Bay Ridge Savings & Loan Association, 7520 Third Avenue.

DISTRICT NO. 3

Pennsylvania:
- Philadelphia:
  - Milestown Building & Loan Association, 704 Oak Lane Avenue.

DISTRICT NO. 5

Ohio:
- Cleveland:
  - Tatra Savings & Loan Company, 2945 Woodhill Road.
- Middletown:
  - American Building & Loan Association of Middletown, Ohio, 1016 Central Avenue.

DISTRICT NO. 6

Indiana:
- Hammond:
  - American Savings & Loan Association of Hammond, 4525 Hohman Avenue (formerly First Polish Building, Loan & Savings Association of Hammond).

Michigan:
- Holland:
  - Ottawa County Building & Loan Association of Holland, Michigan, 187 River Avenue.

DISTRICT NO. 8

Missouri:
- Clinton:
  - Henry County Building & Loan Association of Clinton, Missouri, 122 East Franklin Street.

DISTRICT NO. 9

Louisiana:
- Monroe:
  - People's Homestead & Savings Association, 400 DeSirard Street.

Mississippi:
- Natchez:
  - Natchez Building & Loan Association, 314 Franklin Street.

Texas:
- San Antonio:
  - Travis Building & Loan Association, 111 West Travis Street.

DISTRICT NO. 10

Kansas:
- Wichita:
  - Citizens Building & Loan Association, 906 West Douglas Avenue.

DISTRICT NO. 11

Montana:
- Livingston:
  - Empire Building & Loan Association, 123 South Main Street.

Utah:
- Salt Lake City:
  - American Mutual Building & Loan Company, 211 Walker Bank Building.

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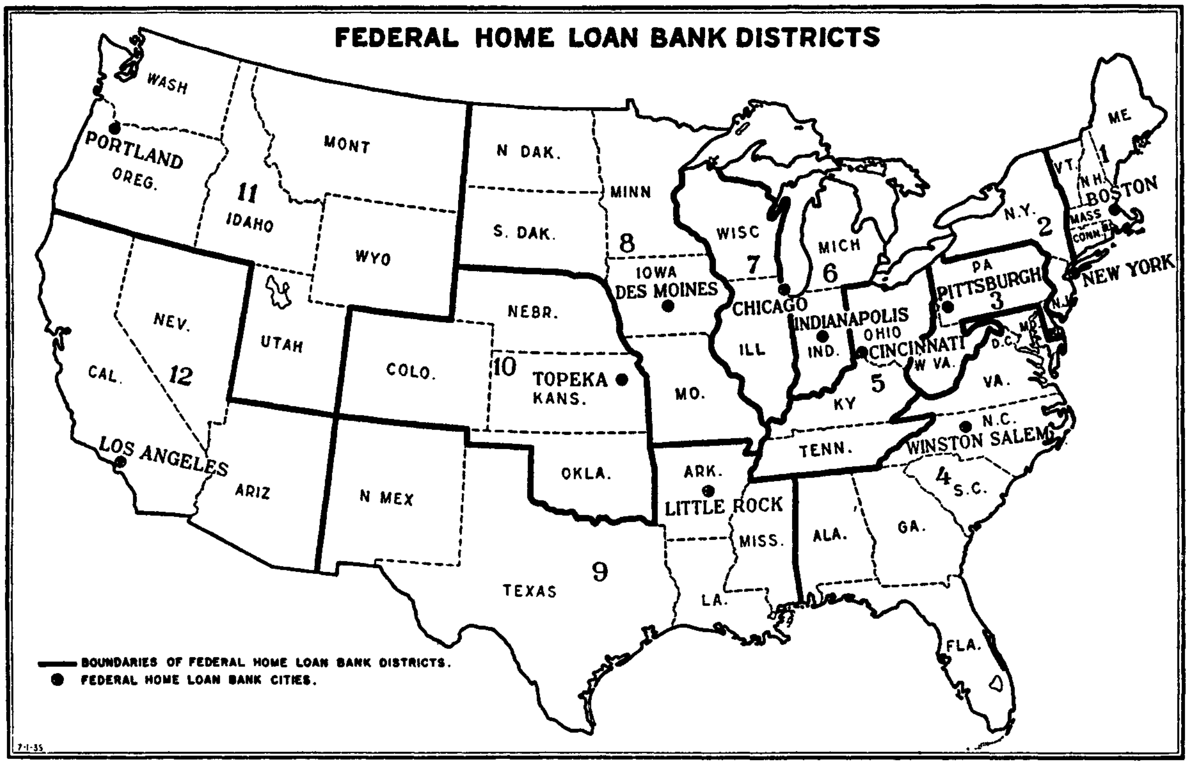
[1] During this period 7 Federal savings and loan associations were insured.

Index of Volume 3

Federal Home Loan Bank Review

For the convenience of readers in finding references the pagination of each issue of Volume 3 is as follows:

U. S. GOVERNMENT PRINTING OFFICE: 1937



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