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62315—38——1

AN ANALYSIS OF THE BUILDING COST INDEX

During the past two years the cost of building a standard 6-room frame house has increased $476 as an average for the United States as a whole. This article reveals for the first time the factors causing that rise.

■ SINCE December 1935, the agencies of the Federal Home Loan Bank Board have been collecting and tabulating data on the cost of building a standard house in a selected group of cities in all parts of the country. The purpose of this index of residential construction costs is to provide much needed data on the trends of costs in individual cities. Through fluctuations in the total cost of the standard house, financing agencies and others may judge trends in the actual cost of building and may compare the trends in their specific locality with those in others.

During the two years of operation, the building cost index has permitted such a local analysis, but at the same time has revealed a consolidation of local fluctuations in the form of a general trend. Thus, it served to point out the rapid rise in residential building costs during the latter part of 1936 and the first half of 1937, as well as the subsequent decline.

It was originally intended to analyze in detail the factors causing those cost fluctuations after the data had proved to be reliable. This, the REVIEW is now prepared to do. General trends of material and labor costs by Bank Districts and for the United States as a whole, as revealed by the index, will be discussed in this article. Later articles will present more detailed cost data.

The analysis of any index is largely conditioned by its structure and the method used in collecting the information: The foundation of the building cost index is a standard specification sheet covering about 110 material items and 9 major labor groups used in the construction of a small house. All essential materials are listed on these specification sheets to make the index reflect actual costs of small-house construction, but some minor materials whose fluctuations are mirrored by more general groups have been omitted in order that the collections might not become too cumbersome.[1]

Using these specification sheets, the field men of the Construction Division of the Home Owners' Loan Corporation, most of whom have had actual experience in residential building or cost estimating, collect the necessary data from the same group of contractors and operative builders in the same manner as though the standard house actually was to be built. Thus, the index reflects the cost of materials to the builder delivered at the site (delivery is limited to one mile) and the wages actually paid. A report for each city is made once every three months as the 92 cities are divided into three groups, each group reporting in turn.

After the necessary local data have been obtained, the reports are sent to Washington, checked carefully and summarized. Five percent is added to the labor cost for compensation insurance, 2 percent to total costs for operating expenses, and 10 percent for the builder's profit. The result is the total cost as reported each month in the REVIEW (see Table 3, page 296).

LIMITATIONS OF INDEX

Aside from the possibilities of error in collection and tabulation, which have been greatly minimized, there are certain limitations inherent in the building cost index, the disregard of which may lead to false analogies. First, the specification sheets permit some variation in the use of materials so that local costs may not be unduly distorted by the specification of some item not used in local practice: one which would necessitate a special price. In such a case, the field men are requested to substitute a material of equal grade found in local stock. Consequently, the *total cost in one city cannot be directly compared with the total cost in another city.* However, the *trends* of costs may be quite logically compared as

[1] For a more complete discussion of the basis of the index and a description of the specifications of the standard house, see the January and February 1936 FEDERAL HOME LOAN BANK REVIEW. A limited number of reprints of the two articles in those issues are available and will be sent upon request to the Editor.

quotations must always be on the *same materials* after the original selection is made.

A second limiting factor is that the cost does not represent the cost of a completed house. Items such as planting and grading have not been included; first, because the inclusion of such items in quoted prices depends largely on the locality and second, because of the difficulty of getting representative estimates of such work. Obviously, the cost of the standard house cannot be compared with a house actually built even though the size and design were similar. Slight variations in the use of materials and in construction methods might materially affect the total cost.

The same cost specification sheet is used all over the country and, consequently, the stated costs do not account for differences in local styles and building customs. Thus, a quotation for a heating plant is requested in Birmingham as well as in Boston. This facilitates a comparison of trends but tends to invalidate a comparison with structures actually built in those localities.

The limitations which apply to the total cost index are even more important in a breakdown of the materials and labor involved. The material-labor ratio established for the building cost index was determined after careful study and is thought to be reasonably accurate as far as the standard house is concerned, but it cannot be compared with the ratio for some other house; the variable factors which determine that ratio are too many—such as the design of the house and the kinds of materials used. A study made by the Bureau of Labor Statistics in 1931 and 1932 revealed that the ratio of labor to the combined total of labor and materials varied from 39.1 to 56.2 in a single city.

This study covered six different single-family houses and two apartment houses actually built in each of 15 cities, and consequently reflects how much actual expenditures for materials and labor can vary in different dwellings. It is significant that the material-labor ratio of the building cost index comes within the limits of the Labor Department's survey in 8 of the 12 cities covered by both, in spite of the fact that the proportion of material and labor used in the former was standardized while in the latter it varied according to the type of dwelling built. The proportions are shown in the accompanying table.

Material-labor ratio of building cost index compared with Department of Labor survey for selected cities[1]

[Sources: Federal Home Loan Bank Board; Handbook of Labor Statistics, 1936 Edition]

City	Building cost index (1936 average)		Bureau of Labor Statistics, Department of Labor (survey in 1931–1932)[2]			
			Materials		Labor	
	Materials	Labor	Highest percentage	Lowest percentage	Highest percentage	Lowest percentage
Atlanta, Ga	69. 5	30. 5	73. 8	63. 5	36. 5	26. 2
Boston, Mass	59. 3	40. 7	60. 9	43. 8	56. 2	39. 1
Chicago, Ill	56. 7	43. 3	65. 9	60. 3	39. 7	34. 1
Dallas, Tex	66. 9	33. 1	80. 2	68. 8	31. 2	19. 8
Duluth, Minn	70. 8	29. 2	70. 1	62. 3	37. 7	29. 9
Indianapolis, Ind	66. 1	33. 9	72. 3	56. 3	43. 7	27. 7
Little Rock, Ark	70. 3	29. 7	71. 2	62. 3	37. 7	28. 8
New Orleans, La	71. 8	28. 2	73. 1	60. 8	39. 2	26. 9
Roanoke, Va	72. 2	27. 8	69. 3	59. 6	40. 4	30. 7
St. Louis, Mo	57. 2	42. 8	70. 4	55. 7	44. 3	29. 6
Salt Lake City, Utah	65. 6	34. 4	67. 9	61. 8	38. 2	32. 1
Seattle, Wash	63. 2	36. 8	68. 5	55. 5	44. 5	31. 5

[1] By "material-labor ratio" is meant the percentage that material or labor is of their combined total. Other costs such as compensation insurance, operating expenses, and builder's profit are not included in that total but are included in the total cost of the standard house as shown in Table 3, page 296.

[2] Based on records kept by representative primary contractors and subcontractors who did work on selected buildings in these cities. Data were obtained for six ordinary dwelling houses and two apartment houses in each city.

"The cost figures . . . represent only the actual cost of the building from the time excavation started. They do not include overhead expenses, profits, cost of land, finance charges, or architect's fees. The cost of material is its actual cost as delivered on the job, including freight and hauling. The labor costs are actual wages paid to labor on the job and do not include any shop labor. . . . " *Handbook of Labor Statistics*, 1936, page 220.

According to the Labor survey, the proportion of costs going for materials varies from 80.2 percent, the maximum in Dallas, Texas, to 43.8 percent, the minimum in Boston, Massachusetts. However, these are extreme. The Labor Department survey of 15 cities showed for the combined total of material and labor costs an average of 62.7 percent as material costs and 37.3 percent as labor costs, while the average for all the cities covered by the building costs index was: material costs, 66 percent, and labor costs, 34 percent. These represent the ratios to the total of materials and labor, not to the total cost of a house because overhead, insurance, architect's fees, and builder's profit must also be added.

Although materials are shown to be the major part of the ratio, there is, of course, an additional labor cost hidden in the cost of the materials themselves. This cost cannot be computed but should be considered in analyzing cost fluctuations.

Analysis of Material and Labor Costs

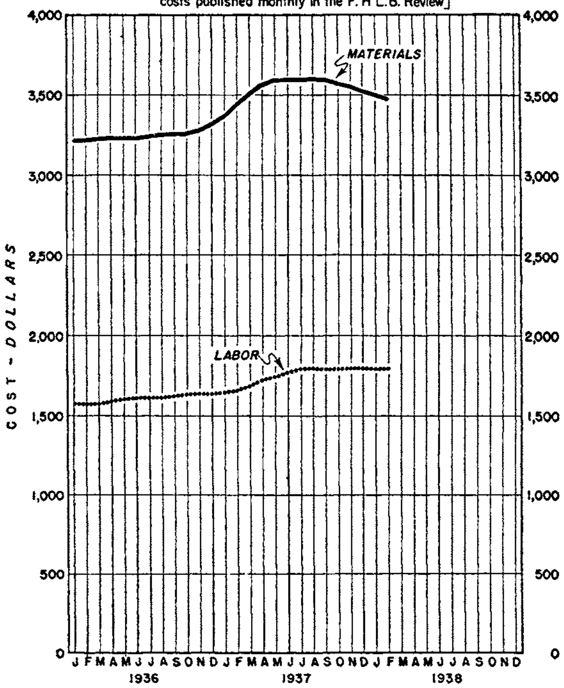
Because residential building costs are affected so much by local factors, their fluctuations are almost entirely local—although general trends are followed with some uniformity. Consequently, the primary value of the index is to show the trend of costs in specific localities, but a secondary value has been built up in the compilation of the index over a 2-year period: the movement of costs in the individual cities has demonstrated that a general pattern has been followed which can be presented compositely—as long as the background of individual fluctuations is not forgotten.

As the reporting cities are divided into three groups, each group reporting four times a year in different months, the composite picture for the United States as a whole has been developed on the basis of a 3-month moving average. Thus, the March figure was derived by averaging February, March, and April reports, the April figure by averaging the March, April, May reports, and so on. This tends to smooth out monthly fluctuations.

Chart A shows such a moving average of material and labor costs for constructing the standard 6-room frame house, on which the index is based, plotted in terms of actual dollars. As this chart shows, the larger part of the dollar increase in costs was due to materials but the decline in costs since August 1937 was also due almost entirely to declining material costs. It must be remembered, however, that the materials used to build the standard house cost, on the average, twice as much as the labor involved at the site. Consequently, in terms of percentages, labor costs have risen more than material costs, as Chart C shows.

In January 1936, the average cost of materials for the 92 cities covered was $3,214, and the average cost of labor $1,577. By August 1937, the peak month for both materials and labor, the former had reached $3,603—a rise of nearly $400—and the latter $1,801—a rise of $224. Thus, although material costs were responsible for nearly twice as much of the dollar increase in the cost of building the standard house as the cost of labor at the site, direct labor costs rose 14.2 percent as compared to an increase in material costs of 12.1 percent.

CHART A
MATERIAL AND LABOR COSTS FOR CONSTRUCTING A STANDARD SIX-ROOM FRAME HOUSE
[Source: Federal Home Loan Bank Board. Averages of building costs published monthly in the F. H. L. B. Review]



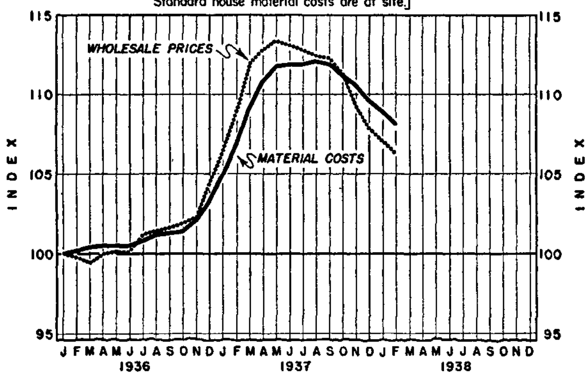
Although material costs rose during 1936, a sharp increase took place between October 1936 and May 1937, which accounted for a large part of the increase in total costs. The rise in labor costs has been steadier, but with some acceleration during the same 7-month period.

Since August 1937, average material costs have declined $129 while labor costs have declined only $8. This shift has counteracted the more drastic dollar rise of material costs so that the material-labor ratio was 66–34 in February 1938, or almost the same as the 67–33 ratio for January 1936.

The period of sharply rising material costs corresponds to the period of increase in the general wholesale commodity price index of the Bureau of Labor Statistics. According to that index, the price level rose 8.0 percent from 81.5 in October 1936 to 88.0 in April 1937, while according to the building cost index, building material costs increased 9.4 percent. Public attention was turned to the rise in building costs, not only because it was sharper than that of general prices (wholesale building materials are included in the commodity price index) but because the way to recovery seemed to be through a revival of the construction industry.

The relation between the Bureau of Labor Statistics' wholesale building material price index and the cost of materials used in building the standard house is shown on Chart B. January 1936 has been taken as the base of 100 for both series.

CHART B
TRENDS OF WHOLESALE BUILDING MATERIAL PRICES AND MATERIAL COSTS FOR CONSTRUCTING A STANDARD FRAME HOUSE
[Source: U.S. Dept of Labor and Federal Home Loan Bank Board. Standard house material costs are at site.]



This chart shows the time lag between fluctuations in wholesale building material prices and the prices of materials delivered to the site of construction, as paid by operative builders. It also shows that wholesale prices are subject to greater fluctuations than the cost of materials for the standard house. This may in part be due to the fact that the former includes all types of building materials, some of which are not used in small-house construction. Recently, the decline of wholesale prices has been sharper than the decline of the standard house material prices so, on the basis of past performances, a further decline in the material costs of the standard house may be expected.

In Chart C, the actual dollar reports of material and labor costs have both been converted to an index base to show the percentage changes. This chart shows *trends of costs.* It is only necessary to compare it with Chart A to realize that it does not mean that one group of costs is higher than another, but merely that one group has increased more than another from a given point, the given point being January 1936 when both material and labor costs were made equal to 100.

On the index base of 100, labor costs in February 1938 were 114.0 and material costs 109.6. They had risen almost at the same rate until May 1937 when materials began to level off. By the August peak, labor costs were 14.2 percent and material costs were 12.1 percent above the January 1936 base of 100. Material costs have decreased 3.6 percent since that peak and labor costs 0.4 percent.

Change by Districts

The 12 small charts show the fluctuations of material and labor costs by Federal Home Loan Bank Districts. The reports from each District are made four times a year. In only two of the Districts (Numbers 1 and 7) have material costs risen more than labor costs from January 1936. However, in Districts 4, 6, and 8, labor costs rose only slightly more than did materials from the beginning of 1936.

Between the last two reporting periods the cost of materials has declined in every Federal Home Loan Bank District, while labor costs have declined in five Districts, remained unchanged in one District, and have increased in six Districts.

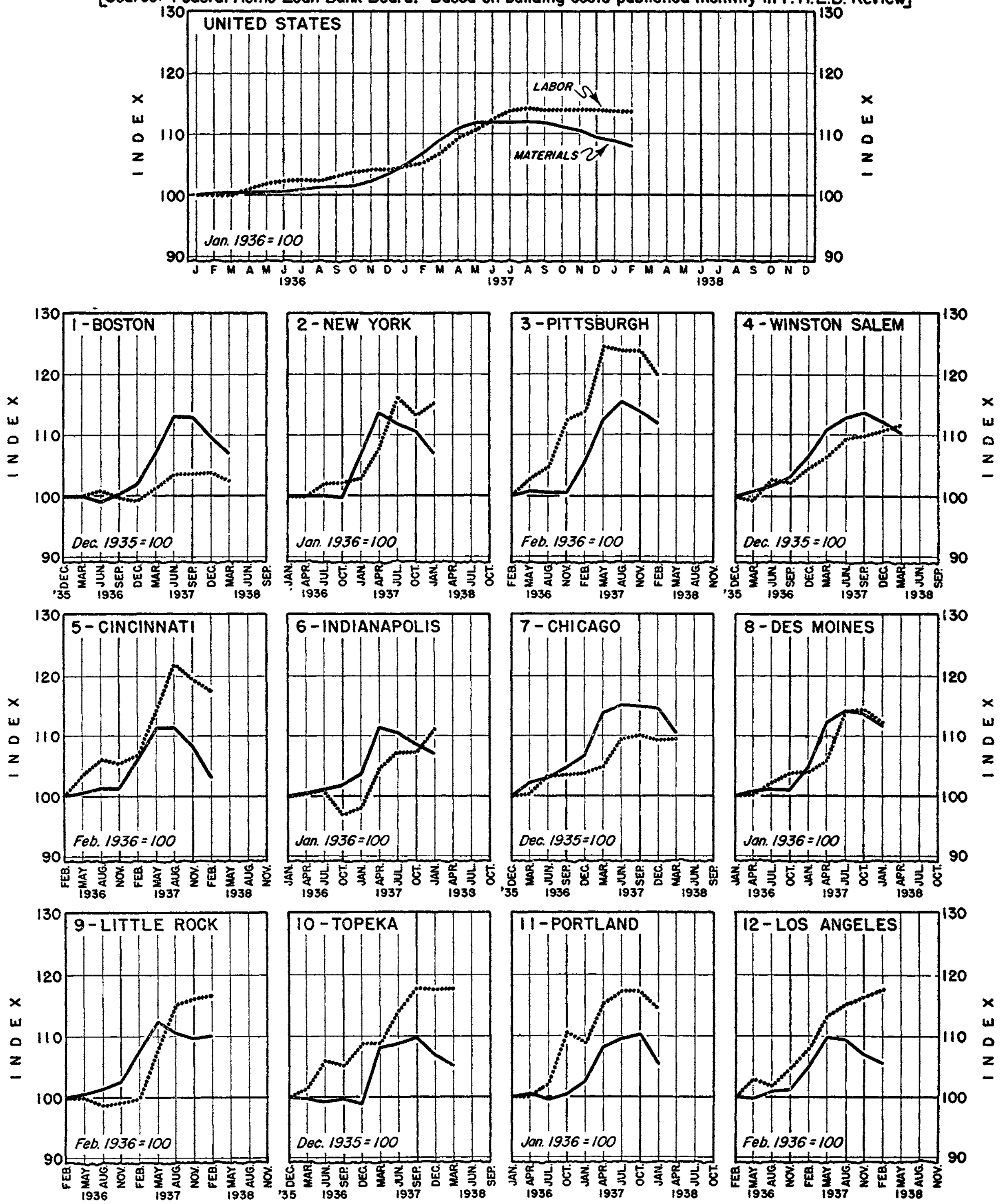
There was a general increase in both material and labor costs from the beginning of the reporting periods to the peak during the summer of 1937. Since that time material costs have declined in every Federal Home Loan Bank District while labor costs have declined in only five Districts. Those Districts where the decline in labor costs was sharpest were those where the previous increase in costs was the most drastic.

CHART C

TREND OF MATERIAL AND LABOR COSTS FOR CONSTRUCTING A STANDARD FRAME HOUSE

UNITED STATES AND FEDERAL HOME LOAN BANK DISTRICTS

[Source: Federal Home Loan Bank Board. Based on building costs published monthly in F. H. L. B. Review]



BUDGETS FOR THE SAVINGS AND LOAN INDUSTRY

The flexibility of modern budgetary practice is indicated by three illustrative budgets for savings and loan associations, developed to suggest an approach which might be made to particular institutional problems. The method of preparing and adjusting a budget for savings and loan operation will be presented in detail in the concluding article of this series in June. The first article, discussing the progress made in budgeting practice by manufacturing industries and financial institutions, appeared in the April REVIEW

■ THERE is one question about budget practice which officers of savings and loan associations often ask: Can a budget be used in an institution confronted with a particular operating problem which makes its pattern of operation much different from that of a typical association? From observation of the operations of a large number of savings and loan associations, the Office of the Governor of the Federal Home Loan Bank System has found that it is practical in all cases to develop a satisfactory budget which will take into consideration the individual problems which an association is facing.

Three examples are given of budgets adapted to three entirely different operating situations. The problems which are taken are considered typical of problems which many associations are meeting today. These budgets are intended to be simply illustrative of general trends observed in a careful study of the records of a large number of associations over the entire country. Managers who are particularly interested in typical operating budgets will find additional information in Bulletin No. F-3 of the Federal Home Loan Bank of New York, published in August 1937. This bulletin was based upon a comprehensive study of the methods employed by successful savings and loan associations, and contained typical operating budgets for full-time operation of associations with assets of $200,000 to $5,000,000. The details of the items making up the operating expenses were given only as suggestions, with the qualification that they would have to be varied according to local conditions.

In December 1937 the Federal Home Loan Bank of Chicago made available to its members a detailed study of the operating expenses and balance sheets of Federal savings and loan associations in Illinois. This material was compiled from the Bank's analysis of the annual reports for 1936, and the Bank was primarily interested in providing factual material for the use of savings and loan managements in dealing with their budgetary problems.

The budgets discussed in this article are not recommended as models, nor is it contended that the various operating ratios will hold good for all associations confronted with approximately similar problems. They are used merely to illustrate the flexibility of modern budgetary practice with the thought that they may suggest an approach to particular institutional problems. The method used in building these budgets will be described in detail next month in the concluding article of this series.

NOTES ON THE THREE ILLUSTRATIVE BUDGETS

Certain general principles apply to each of the three illustrative budgets. The items which are listed for each budget are numbered to correspond exactly with the items in the standard form of annual report. In each case, an arbitrary figure of 5 percent of total assets has been estimated as non-earning assets. Included in this item of non-earning assets is stock in the Federal Home Loan Bank of which the association is a member, but earnings from this stock are shown as dividends at an annual rate of 1 percent. Loan fees (Item 2) have been pro-rated on a 5-year basis, taking 10 percent into earnings each 6-month period, with the total amount of loan fees based upon the estimated volume of loans made during the year. Under the item "general reserves", the Federal insurance reserve is increased by the amount of the annual requirement of three-tenths of 1 percent of insured accounts. Where possible, transfer has also been made to the general reserve for contingencies. Dividends are based upon the amount of share account investments. Share investment is less than total assets by reason of Federal Home Loan Bank advances and reserves. In every case, interest paid upon Federal Home Loan Bank advances has been figured at 3 percent.

The Three Illustrative Budgets

Budget No. 1 has been chosen to show the probable operating income and expense of a typical normal association with assets of $250,000. It is assumed that this association receives interest on its mortgage loans of $237,500 at an average annual rate of 5½ percent and that it pays dividends to its shareholders on $200,000 of share capital at the rate of 3½ per centum per annum.

Budget No. 2 reflects the expected operating trends of a rapidly growing association with assets of $750,000. Interest earned on mortgage loans amounting to $712,500 will average 5½ percent for the year with 100-percent collections. Loan fees are 2½ percent on $200,000 of new loans and dividends are paid to shareholders at the rate of 3½ per centum per annum on $600,000 of share accounts.

Budget No. 3 illustrates the way in which an association with assets of $1,000,000 but seriously handicapped because of owned real estate in the amount of $300,000, uses a budget in attempting to meet its problem. The return from real estate owned amounts to only 2½ percent, but the association receives interest on $650,000 in mortgage loans at the rate of 6 percent and has additional income from the

Illustrative annual budgets for three savings and loan associations

	No. 1, normal association, assets $250,000		No. 2, rapidly growing association, assets $750,000		No. 3, large volume of owned real estate ($300,000), assets $1,000,000	
I. Gross operating income						
1. Interest	$13,062	(5½%)	$39,187	(5½%)	$39,000	(6%)
2. Loan fees	--------		1,000	(2½%)	750	(2½%)
5. Net income from real estate owned	--------		--------		7,500	(2½%)
7. Dividends	50		150		200	
9. Gross operating income	13,112		40,337		47,450	
II. Less operating expense		(% to Item 9)		(% to Item 9)		(% to Item 9)
10. Compensation	2,000	15.2	6,000	14.9	8,000	16.9
13. Rent, light, heat, etc	400	3.0	1,400	3.4	1,600	3.4
15. Furniture and fixtures	250	1.9	500	1.2	500	1.1
16. Advertising	393	3.0	2,000	5.0	2,200	4.6
17. Stationery, printing, and office supplies	100	0.8	400	1.0	400	0.8
18. Telegraph, telephone, postage, etc	50	0.4	150	0.4	200	0.4
19. Insurance and bond premiums	100	0.8	400	1.0	450	0.9
20. Federal insurance premium	300	2.3	925	2.3	1,250	2.6
21–22. Examination and audit	150	1.1	500	1.2	600	1.3
23. Organization dues	75	0.6	150	0.4	175	0.4
24. Other operating expense	144	1.1	512	1.3	625	1.3
25. Total operating expense	3,962	30.2	12,937	32.1	16,000	33.7
III. Net operating income before interest and other charges	9,150	69.8	27,400	67.9	31,450	66.3
IV. Less interest charges						
On advances from F. H. L. B. and borrowed money	1,350		4,200		6,000	
V. Net operating income	7,800		23,200		25,450	
Percent operating expense to gross income	30.2		32.1		33.7	
Percent operating expense to net assets	1.6		1.7		1.6	
Distribution of income						
General reserves:						
Federal insurance reserve (required)	600		1,800		2,310	
Other general reserves (for contingencies)	100		200		40	
Dividends	7,000	(3½%)	21,000	(3½%)	23,100	(3%)
Total distribution	7,700		23,000		25,450	
Balance to undivided profits	100		200		0	

pro-rated portion of loan fees, which amount to 2½ percent of the $150,000 in mortgage loans made during the year. The association is fortunate in being able to secure sufficient private investments at a dividend rate of 3 per centum per annum. Dividends are paid on $770,000 in share account investments.

It is apparent that there is not a wide variation between the 30.2 percent which is the ratio of operating expense to gross income in the case of Budget No. 1 and the 33.7-percent ratio shown in Budget No. 3. The ratio of operating expense to net assets also remains fairly stable in these three examples at 1.6 percent to 1.7 percent. However, the experience of a large number of associations does indicate that although particular operating problems will alter the ratio of operating expense to gross income for any item and also the ratio of operating expense to net assets, associations not confronted with any unusual problems find that as the size of an institution increases, the ratio of operating expense to gross income decreases gradually. The ratio of operating expense to net assets also declines gradually.

Analysis of Significant Operating Items

Relation of interest rates to the budget (*Item 1*).—Associations No. 1 and No. 2 plan on an average 5½-percent interest return on mortgage loans, taking into account the rate on loans insured by the Federal Housing Administration together with that on loans not insured.

Association No. 3 finds that it is able to secure an ample volume of loans at an average interest rate of 6 percent. The variable interest rate plan may be used, but in budgeting the average rate is taken as the basis for estimates.

Real estate (*Item 5*).—Association No. 3 has $300,000 in real estate which is earning only 2½ percent. The budget for this association, therefore, provides for additional compensation to be paid to a real estate salesman and for additional advertising expenditures in order to dispose of the property. In the case of a particular problem of this nature, it has been found practical to prepare a budget in addition to the regular budget, covering the estimated reductions in the real estate account which are to be made during the year in order to relieve the association of this problem. During the period of disposition of this real estate, many associations have attempted to follow a planned program to increase the net income from owned real estate by concentrating selling effort on the low-income producing properties. In some cases, particularly when dealing through a real estate salesman or broker, associations have divided their real estate into three classes of property—Class A, the properties on which they were receiving a good net return and therefore were not particularly anxious to sell; Class B, properties which the manager agreed it would be a good thing to sell but which caused no real hardship to the association because of a current fair return; and Class C, properties which were low-income producers and which management agreed should be disposed of at the earliest opportunity. Higher commissions on Class C properties might be offered in order to stimulate sales.

Compensation (*Item 10*).—Association No. 3 provides for a slightly higher ratio of compensation to gross income in order to enable a full-time officer to deal continuously with the problem of selling real estate owned.

Occupancy (*Item 13*).—Occupancy, which means the expenditure for rent, light, and heat, varies usually between 3 and 3.5 percent of gross income. Association No. 2 allows 3.4 percent, not only because its rapid expansion forces it to anticipate the need of larger and better quarters, but also because of the advertising advantage to be gained from a well-located and attractive office.

Advertising (*Item 16*).—A normal expenditure for advertising during the year amounts to approximately 3 percent of gross income. In the case of Association No. 2, however, which is rapidly growing, 5 percent has been budgeted, and in the case of Association No. 3, which is pursuing an aggressive merchandising policy with respect to its owned real estate, 4.6 percent of gross income is allocated to advertising.

Preparation, Installation, and Adjustment of the Budget

These three illustrative budgets for savings and loan associations of different sizes and with extremely different operating problems to face are indicative of the extreme flexibility and range of modern budgetary control. Next month the concluding article of this series will discuss in detail the steps which would be taken to prepare a budget for a particular savings and loan association, to install it, and to make proper adjustments after it has been in operation during a trial period.

62315—38——2

THE HOUSING MARKET—
A REVIEW

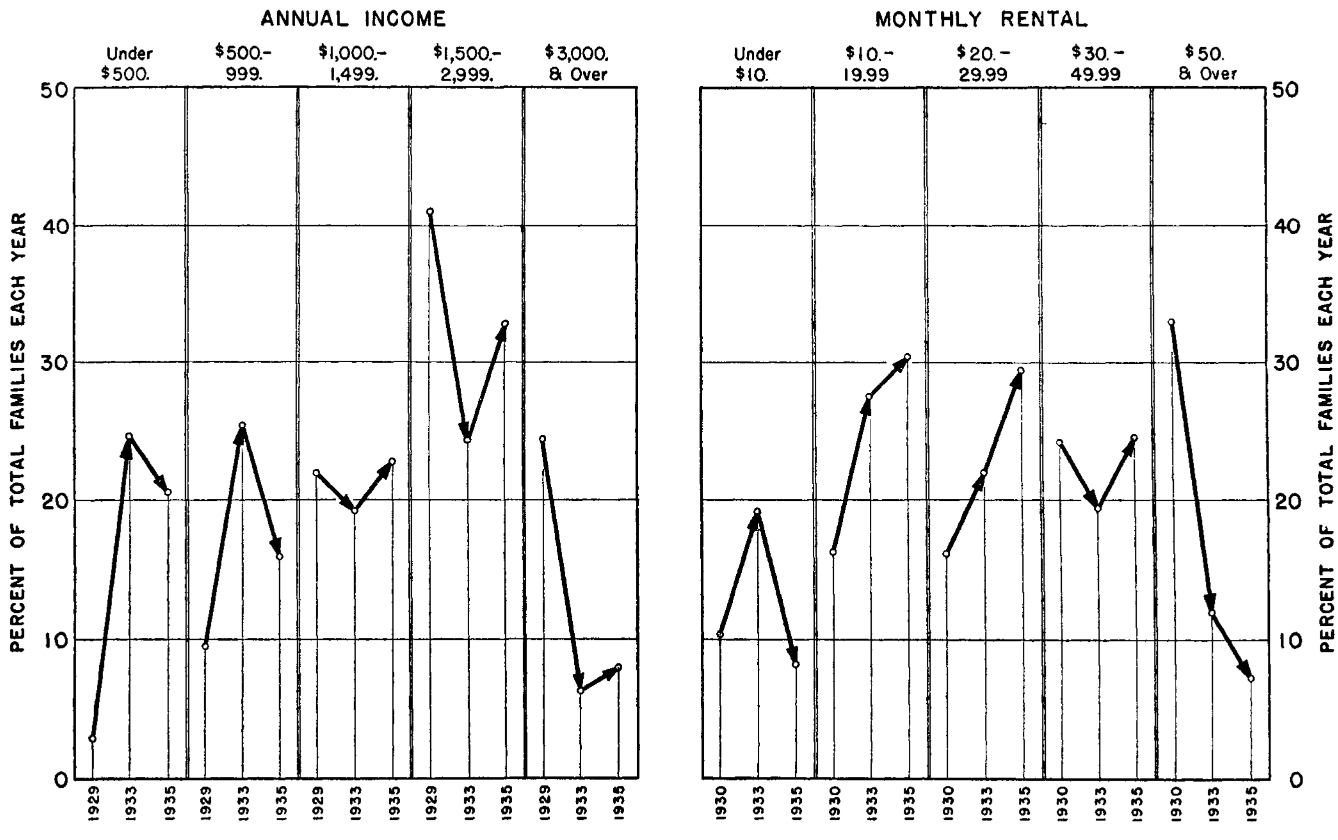
■ THE market for dwellings has always been one of the big unknowns of the building industries equation. This unknown has never been equated for several reasons. One is the sporadic small scale of operations and lack of organization, another the uniquely local character of the house as a commodity. Because a house cannot be picked up and moved from one community to another or even from one part of a town to another its market is narrowly limited.

Yet interwoven with the local character of housing needs is the increasing mobility of building workers, and the national scale of material supply which make a knowledge of the entire country's housing needs imperative. Further, the condition of our physical environment today demands an attack on a national scale even though the solution must be localized.

Consequently, continual statistical inquiry into the subject is needed. A recent contribution in this field which attempts to estimate from the limited data available the housing market in the United States was made by the National Housing Committee—a private group interested in the problems of low-cost housing. Their estimate is particularly interesting because it is divided by rental and income groups and shows that building has not corresponded to needs.

From the point of view of the mortgage-lending institution, two relationships were analyzed which are of interest. First, the distribution of the popula-

Chart A:—Distribution of non-farm families by income and rental groups: showing the shift of families from the higher to the lower groups for the years 1929-1930, 1933 and 1935.



Source: National Housing Committee

tion by size of family income and by rent paid; and second, a summary of annual requirements for new nonfarm dwellings during the next two years compared with dwellings actually built during 1930–1935.

The proportion of family income which is spent for rent varies both according to the size of income (the extremely poor pay as much as 70 percent of their income for rent) and according to the year (because of fluctuations in income and rent levels). This was brought out by the Housing Market study in comparing the national average of 23.7 percent of income used for rent in 1933 (Financial Survey of Urban Housing) with the 17.8-percent national average ratio in 1935 (Urban Study of Consumer Purchases).

"The Housing Market" gives the number of nonfarm families in arbitrary income and rental groups. Home-owning families have been included in the rental groups by assuming their monthly rent as 1 percent of the value of their homes.

THE National Housing Committee analysis of the distribution of the population by size of family income and by rent paid in 1929–1930, 1933, and 1935 indicates a 25-percent shift from the two highest income groups to the two lowest, but a shift in the rental groups from the two extremes to the middle groups (Chart A). Annual requirements for new building during 1938 and 1939, estimated solely on the basis of population increases and fire and demolition losses, when stated in terms of rental groups, make a striking contrast to actual average annual construction during 1930–1935 (Chart B).

Chart A shows the number of families in each income and rental group as a percentage of total families. That is, the position on the chart of any group for any one of the three years shows the percentage of total nonfarm families in that group for that year. In 1929, for example, 24.4 percent of all nonfarm families had incomes of $3,000 and over, and 32.9 percent of all nonfarm families paid a monthly rental of $50 or over.

As the chart shows, basic changes took place in both income and rental distributions over the 6-year period covered. Between 1929 and 1935 the number of families in the two upper income brackets fell off sharply while the number in the two lower brackets rose sharply. The number of families with incomes of from $1,000 to $1,500, the middle bracket, showed least change.

Whereas the percentage of total families with incomes of $1,500 and over *fell 25 percent* between 1929–1935, the percentage of total families with incomes of less than $1,000 *increased 24 percent.* Thus there has been a complete reweighting of family incomes in this country amounting to a 25-percent shift from the two highest income groups to the two lowest.

The shift in the number of families distributed by rental groups does not correspond to the shift in incomes except that the group which paid rents of $50 or more a month dropped sharply in number from 33 percent in 1930 to 7 percent in 1935. (Note that the income data are from 1929 to 1935 while the rental data are from 1930 to 1935.)

Whereas in the income groups the shift has been from high to low, in the rental groups the shift has been from the two extremes to the middle groups. As a result, in 1935 there were fewer families in the highest rental bracket than in the highest income bracket, and there were fewer families in the lowest rental bracket than in the lowest income bracket, whereas the reverse was true in 1929–1930.

In other words, 21 percent of the total number of nonfarm families had annual incomes of less than $500 in 1935, but only 8 percent paid less than $10 per month for rent. That means nearly 3 million families in the lowest income bracket were paying rents in the second bracket: $10.00–$19.99 per month or more than 25 percent of income. But of the families with incomes of over $3,000 a year, about 7 percent were paying less rent than they were in 1929.

There are two possible reasons for this shift from 1929 conditions. The one, that there is a resistance in the high income brackets to high rental payments, with an apparent lack of resistance in the lower income brackets. The other, that there has been a change in the supply of dwellings.

In view of the National Housing Committee's study of annual requirements for 1938 and 1939 compared with dwellings built between 1930 and 1935, the latter would seem the more logical. There are fewer families in the upper rental brackets because a plentiful supply of dwellings has forced rents down; the reverse is true of the lowest income groups whose dwelling needs have not been satisfied either directly or indirectly as the lack of building during the period covered has slowed down the transfer of old dwellings to these lower groups.

Annual Requirements

The study of annual requirements for new building during the next two years was based solely on expected population increases and expected loss of dwellings through fire and demolition. Note that the requirements do not take into consideration any existing shortage, nor the substandards of condition of many existing dwellings. This comparison is interesting in spite of its limitations because it is given by rental groups.

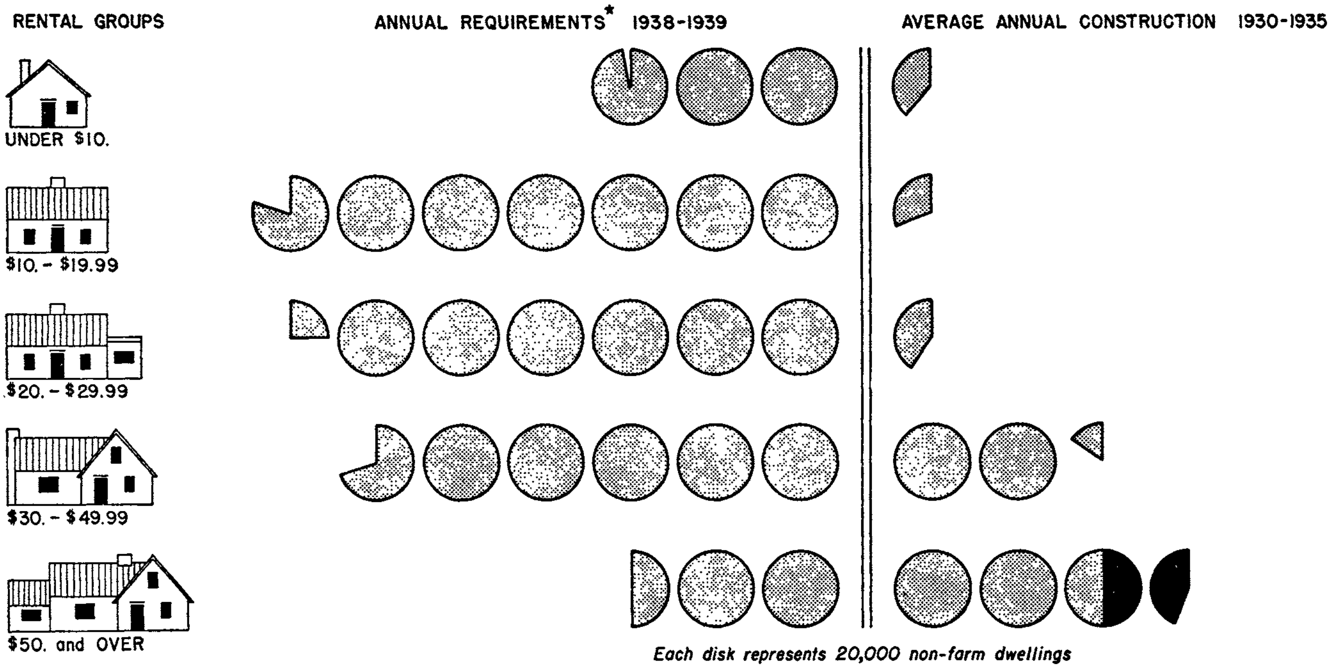
It shows that whereas 51 percent of average annual construction between 1930 and 1935 was for the $50 and over rental group, only 10 percent of the total will be needed for this group in 1938 and 1939 (Chart B). Further, 83 percent of 1930–1935 building supplied dwellings for nonfarm families renting for $30 or more; the requirements of the next two years will be only 44 percent of the total. On the other hand, 9.5 percent of building has been for the two lowest groups while they need 40.3 percent. As the chart shows, requirements are large compared to past performance. Unfortunately, a large part of the requirements of the very lowest rental groups can never be met by private industry.

On the basis of this study, there are two ways by which the volume of private residential building can be increased. One is the continued development of a luxury product, sold in volume through the appeal of improved design, better quality, and more appliances. The other is through a reduction of costs to reach the lower rental groups where a real need and potential demand exists.

"The Housing Market" analyzes further the shortage of dwellings by geographic areas and by rental groups. It is interesting that the authors believe the largest market in the next two years will be in the South Atlantic States; the second largest, in the Mid-Atlantic.

Any communications regarding "The Housing Market" should be addressed to the National Housing Committee, Tower Building, Washington, D. C.

Chart B:-Estimated annual requirements for non-farm dwellings for 1938 and 1939 compared with average annual construction between 1930 and 1935.



*Based on population increases and fire and demolition losses

Source: National Housing Committee

CLEAR AND UNDERSTANDABLE BALANCE SHEETS

THE past two years have seen a continued development of the use of explained and simplified financial statements by savings and loan associations. This article discusses significant trends displayed by current balance sheets.

■ IN May and June 1936, the FEDERAL HOME LOAN BANK REVIEW reproduced several examples of statements of condition of savings and loan associations which were clear and understandable to the general reader. Through the cooperation of the Federal Home Loan Banks, the REVIEW has obtained representative samples of current statements of condition from a number of savings and loan associations which clearly indicate a continuing development of the use of such understandable balance sheets. In most of the Bank Districts, the experience has been similar to that of the Federal Home Loan Bank of Des Moines, which reported that "Progress is being made in this direction, as from year to year more of our member institutions are attempting the more elaborate form of statement, giving a brief exposition of the association's business. Our member institutions, using the explained form, have told us of favorable comments made by their members upon the receiving of a balance sheet which carries a brief and sufficiently complete explanation of the accounts portrayed."

In general, institutions which use financial statements in which each item is followed by a clear and concise explanation of its significance have found this to be a successful means of inspiring confidence and interest among their members. By their effectiveness in developing new business, such statements have proven to be more than mere compliances with legal requirements. A clear and intelligible balance sheet has been found of particular value in bringing to the attention of investors of trust funds and others the investment opportunities which are offered by the savings and loan type of institution.

Since it was not possible for the REVIEW to reproduce more than a few of the many excellent statements of condition sent in by the Federal Home Loan Banks, three balance sheets selected as representative of important trends are reproduced with permission on the accompanying pages.

The balance sheet of the Harvey Federal Savings and Loan Association explains in detail the various items and is representative of at least two significant trends in the recent development of this type of statement. Mortgage loans are analyzed to show not only the average size of these loans and the appraised value of the real estate underlying these loans, but also to stress the fact that monthly payments of principal and interest are constantly increasing the association's security. A second significant item is the explanation that the association is owned by 603 individuals and corporations, with each investor sharing equally in the resources and earnings and each member protected by insurance up to $5,000.

This statement of condition is made an integral part of the annual report of the Harvey Federal Savings and Loan Association and is published in an attractive booklet form. The president of the association analyzes briefly its growth, lending policies and operations, repayment record, earnings, sale of real estate owned, and the growth in investors' accounts during 1937. As a result of the recent amendment of the laws of Illinois to permit the investment of trust funds in Federal associations, the report announced that the association has already received substantial funds from national fraternal organizations, hospitals, and nationally-known trade organizations. A statement that there was an average attendance of 10 out of 11 members at each of the directors' meetings during the year is given to indicate the interest of the directorate in the progress of the institution. The report concludes with a brief statement of the program which the Harvey Federal has set for the year 1938.

One other significant development in the Harvey Federal association's report, which was also observed in the statements submitted by several other associations, is the comparison of major balance sheet items of 1937 with 1936, as shown on the accompanying page. There is a growing recognition that a statement of condition presents only a static picture of the association and fails to indicate the major trends in the association's business.

The financial statement of the Old Colony Cooperative Bank is likewise designed to appeal to the general reader. It is really a combination of the financial statement which is readily intelligible to

HARVEY FEDERAL SAVINGS & LOAN ASSOCIATION

Statement of Condition, December 31, 1937

ASSETS

Mortgage Loans.................$ 1,489,544.03

The Association holds mortgage loans on 534 properties in Harvey and surrounding communities which have been conservatiely appraised at a total of $3,353,006.61 or an average loan to appraisal of 44.4%. The average size of these loans is $2789. Monthly payments are made on both principal and interest at an average rate of $1.00 per hundred of loan until the property is cleared. At the close of the year total interest in default over 30 days on this volume of loans was only the sum of $14.90.

Loans on Shares................. 6,601.39

Short term loans to investors in the Association secured by a pledge of their accounts.

Government and Other Bonds...... 8,132.13

Shares in Federal Home Loan Bank 30,000.00

As a member of the Federal Home Loan Bank System this Association owns 300 shares of stock in the Federal Home Loan Bank of Chicago.

Real Estate Owned............... 20,803.78

Six parcels of well located real estate which the Association owns. During 1937 these properties produced a net return of 7.4% on the investment.

Real Estate Sold Under Contract... 42,357.64

Balance remaining due the association on contracts to purchase 18 parcels of property.

Furniture and Fixtures........... 2,795.89

Cash on Hand and in Banks........ 74,460.28

Working capital on hand and deposited in various Banks in Harvey and the surrounding communities and in the Federal Home Loan Bank of Chicago. These funds are available to take care of worthy borrowers in need of funds for construction, repair, purchase or refinancing of homes.

Other Resources................. 1,866.75

Prepaid expenses, accrued interest on investments and other resources acquired in the ordinary conduct of business.

Total Resources.................$ 1,676,561.89

CAPITAL, LIABILITIES AND RESERVES

Shareholders' Investments.........$ 1,275,027.37

This item represents the funds invested in this Association by 603 individuals and corporations. Each investor shares equally in the resources and the earnings of the Association and each is insured up to $5,000 by the Federal Savings and Loan Insurance Corporation, an agency of the United States Government.

Advances—Federal Home Loan Bank 322,500.00

This item represents funds secured from the Federal Home Loan Bank of Chicago at an interest rate of three and one quarter per cent. It is secured in accordance with the Federal Home Loan Bank Act and is used to further the development of the Association and our community.

Loans in Process................ 38,555.16

The Association has pending loans to build, buy or refinance homes on which these funds have not been disbursed.

Reserve Accounts................ 37,505.91

This amount represents the safety fund of the Association and is available to protect the Association and its shareholders from any unforeseen loss.

Undistributed Earnings........... 2,973.45

Net profit on December 31, 1937 after payment of expenses, transfers to reserves and payment of dividends.

Total Liabilities..................$ 1,676,561.89

Comparison of Major Balance Sheet Items for 1937 with 1936

ITEM	Jan. 1, 1938	Jan. 1, 1937	Volume of Increase for Year	Percentage Increase
Assets	$1,676,561	$1,326,560	$350,001	26.4%
Mortgage Loans	1,489,544	1,092,794	396,750	36.3%
Investments by Members	1,275,027	1,009,601	265,426	26.3%
Reserves and Undivided Profits	40,479	31,326	9,153	29.2%
Real Estate sold under Contract	42,357	16,475	25,882	157.2%
Net Earnings during Year	56,123	46,686	9,437	20.2%
Interest Earned during Year	73,296	54,681	18,615	34.0%
Dividends Paid during Year	46,970	33,263	13,707	41.2%
Cash Receipts	1,288.602	761.586	527,016	69.2%
Number of Investors	603	503	100	19.9%
Number of Borrowing Families	534	391	143	36.5%

the layman and the concise unexplained form of statement for those familiar with financial and accounting terminology. Small flaps are provided on each side of the balance sheet which may be folded over to conceal the explanations of the various items, as shown in the illustration.

The statement of condition of the First Federal Savings and Loan Association of Wilkes-Barre gives a detailed explanation of all assets and liabilities and in addition a summary report of the progress during 1937. The report emphasizes the services performed by the association to the community, both in financing homes and in providing employment to building trades workers in construction and reconditioning.

There are several other institutions which followed these general patterns of understandable balance sheets but made certain additions, such as the 1-page summary of trends during 1937 in the attractive leaflet published by the Mutual Home and Savings Association of Muncie, Indiana, shown in part on the accompanying page.

The First Federal Savings and Loan Association of New Haven, Connecticut, published a simplified and understandable financial statement at the end of 1937 and added two interesting statements. Underneath the statement of assets was printed: "In addition to cash and investments we have at the Federal Home Loan Bank of Boston a liquidity reserve of $250,000 available to us at any time for any purpose." Immediately following the statement of liabilities was the note: "To the above listed resources should be added those intangibles such as friendliness, helpfulness and good will, which this Association has built up but cannot be evaluated in cold dollars and cents. To our liabilities,—We recognize an obligation to be of the utmost service consistent with sound practice, the law and the rules and regulations of our institution."

Several other statements were of particular interest because of special reports or messages which were printed to accompany the clear and understandable balance sheets. The Railroadmen's Federal Savings and Loan Association of Indianapolis printed an accompanying message from the president of the association on the progress during 1937. There was also a summary of the financial history of the association since it was founded in 1887 and an explanation of the variable interest rates charged under its modern home-financing plans. This is of special interest since it served to explain to investing members that they could increase the earnings of the association by calling to the attention of their friends the modern home-financing facilities of this institution. The First Federal Savings and Loan association of Shreveport likewise publishes a report containing a brief analysis by the president of significant developments during the past year in the work of the association. Its statement of condition is headed by the title "Leading the Way to Home Ownership". A brief notice of the annual meeting of members of the association follows the president's report.

The Chairman of the Accounting Standards Committee of the New Jersey Building and Loan League reports that the Committee has recently revised an earlier model form of printed annual statement, following changes in the General Building and Loan Act during the present session of the Legislature. The State law now requires each association to mail to each member annually a statement of assets and liabilities, a statement of operations, and a statement of the undivided profits account. The model form suggested by the Committee can be folded to fit into a stock 3⅝" by 6½" envelope, and presents a statement of condition, a statement of income and expense, and a reconcilement of the undivided profits account to show the distribution of earnings. The names of officers and directors, and the profession or business of each director, are listed.

Results of Use of Understandable Financial Statements

The growing number of associations using simplified and explained financial statements confirms the belief that the confidence of investors in sound institutions is increased when understandable balance sheets are used. This increased confidence is reflected not only in the greater interest taken in the institution by its members but also in many cases by an increased flow of savings. It is notable that during recent months large corporations and financial institutions have been experimenting with simplified forms of financial statements which avoid most of the technical terminology of accounting and present clearly to the layman the condition and operations of the company. The logical goal of such financial statements is to keep the accounting as simple as the accounts which a careful family might keep of its own household receipts and expenditures.

The annual statement of the Old Colony Cooperative Bank, Providence, Rhode Island, is shown at the bottom of this page: that of the First Federal savings and Loan Association of Wilkes-Barre is at the left. To the right is a summary of the year's activity of the Mutual Home and Savings Association, Muncie, Indiana, printed as a part of their annual statement.

STATEMENT OF FINANCIAL CONDITION

At Close of Business December 31, 1937

4% DIVIDENDS WERE PAID

INSURED UP TO $5,000.00

ASSETS

First Mortgage Loans	$729,821.61
Share Loans	8,108.88
Stock Owned—Federal Home Loan Bank of Pittsburgh	10,000.00
Cash	22,370.31
TOTAL ASSETS	$770,300.80

LIABILITIES

Shareholders' Investment	$625,154.51
Dividends Declared	12,154.13
Advances—Federal Home Loan Bank of Pittsburgh	115,250.00
Accrued Interest on Advances	570.57
Reserve for Interest Collected in Advance	748.54
Reserve for Uncollected Interest on Loans	327.42
Federal Insurance Reserve	3,157.65
Reserve for Contingencies	2,50[illegible]
Reserve for Bonus on Installment Thrift Shares	
Loans in Process	
Undistributed Net Income	
TOTAL LIABILITIES	

During the year of 1937 . . . THE MUTUAL HOME

- Opened 1204 new savings accounts . . . the amount invested by members showing an increase of $318,483.20.
- Made loans as follows:

261 for Repairs and Modernization	$183,948.00
174 for Purchases	$230,582.00
58 for Refinancing	$ 79,029.00
135 for New Homes	$215,834.00
73 for Other Purposes	$ 45,927.00
701 Loans Totaling	$755,320.00

- Increased its Holdings in Cash and Bonds — $ 89,843.76
- Increased its "Real Estate Sold on Contract" Account — $224,985.99
- Reduced its Real Estate Holdings $208,773.51
- Increased its Total Assets — $405,027.21
- Increased its Total Reserves — $ 51,873.25

Total Reserves, $330,277.50

- Paid 2 Semi-Annual Dividends at 4% per Annum amounting to $155,409.89

OUR MONEY IS … PER C…

…ancial Statement

DECEMBER 31, 1937

Resources			Liabilities
…Amount Due — This represents carefully selected first mortgage loans on homes, mostly owner-occupied, and includes loans insured by the Federal Housing Administration under Title II. Repayments by borrowers are made in monthly installments.	$18,699,987.83	$22,820,504.01	Shareholders' Accounts
Notes — Small loans, chiefly for renovating and modernizing homes, made to responsible citizens with installment repayments over periods up to 5 years. Insured by the Federal Housing Administration under Title I.	12,059.85	152,638.49	Construction Mortgage Loans
Share Loans — These are temporary loans made to our savings members with the funds represented by their shares pledged as security.	402,371.88	13,411.00	Accrued Dividends
Banking House Properties — Old Colony's own buildings at 58 Weybosset St., Providence—355 Main St., Pawtucket—141 Main St., Woonsocket—and 1220 Main St., West Warwick—carried at conservative figures and yielding satisfactory income from office rentals.	753,000.00	3,342.42	Suspense Account
Other Real Estate — This includes properties necessarily taken by foreclosure and deed, many of which have been renovated and are currently rented, pending satisfactory sales such as are continually being made.	1,868,373.77	1,755.51	Unearned Interest
Furniture and Fixtures — All equipment required for efficient transaction of business in our main office and branches. While maintained in excellent condition for long service, and worth a substantial sum, it is conservatively entered at the purely nominal figure of $1.	1.00		
Items in Course of Collection — This item represents taxes, assessments and insurance payments advanced in behalf of mortgagors, and to be repaid by them in installments.	10,092.38	79,853.76	Reserve for Taxes
Stock — Federal Home Loan Bank of Boston — This agency of the United States Government, of which Old Colony is a member, makes it possible for us to borrow substantial amounts, if required, on long or short term credits.	200,000.00	910,000.00	Undivided Profits and Guaranty Fund
Bonds and Other Securities — All measure up to high standards and are legal for savings banks in Rhode Island.	1,406,242.91		
Cash on Hand and in Banks — This figure indicates the substantial size of Old Colony's highly liquid working capital available for investment in sound first mortgages, and its ability to instantly meet any normal withdrawal requests.	816,185.52		
TOTAL RESOURCES	$23,986,505.13	$23,986,505.13	TOTAL LIABILITIES

Business reviews

Local real estate and building activity data are extremely valuable to all persons concerned with home mortgage finance. One step towards general development of local statistics is the work being carried on by university business reviews in the collection of pertinent data.

■ AS a result of a survey of about 20 business reviews issued by university schools of business administration, the Federal Home Loan Bank Review found it significant that many of these reviews carry local data relating to home financing such as building permits issued, construction contracts awarded, wholesale prices, employment, and pay rolls. These local data are a valuable supplement to the national picture of business fluctuations. They give the local mortgage lender a basis for judgment of local conditions and of his own operations. Many mortgage and title companies recognize this and are cooperating with the universities in providing information on operations. The survey indicated that in a few reviews the coverage of construction and home-financing statistics is expanding.

This development of local data can best be undertaken by local institutions for their own benefit. No national organization is equipped to study local conditions and record local operations as well as the institution intimately acquainted with and participating in the activities of its community. The collection of data by university business reviews in various parts of the country is one step towards general development of local statistics. Mortgage-lending institutions will often find valuable the local data collected and supplied by a neighboring university, and they can often be of real assistance in the collection of information.

Many of the business reviews do not carry information on real estate and building in every issue. For example, twice a year the *Southern California Business Review* of the University of Southern California has been devoted entirely to the real estate situation in Los Angeles and outlying residential areas, giving valuable data on rent levels, vacancies, building permits, as well as interest rates on real estate loans, by class of house, class of construction, and down payment.

Another university bulletin publishing this type of information is the bi-monthly *University of Denver Reports*, which presents once a year the results of the annual real estate inventory and vacancy survey of the City and County of Denver made by the Bureau of Business and Social Research of the University of Denver for the Denver Real Estate Exchange. The Bureau has also made further studies of Denver real estate, including mortgage foreclosures, mortgage and deed recordings, and assessed valuation of land and improvements, which were used as the basis for summaries in various issues of the bulletin.

On the other hand, a monthly section entitled "Real Estate and Building" is included in the *Pittsburgh Business Review*. Statistics on real estate conditions in the Pittsburgh area are given in various tables showing building permits issued and construction contracts awarded, deed and mortgage recordings, and foreclosures. With the cooperation of the Duquesne Light Company, statistics have been compiled and presented on the number of installed electric meters and the percentage idle, indicating the trend of residential vacancies in a most effective way. None of the other business reviews studied used this method of determining vacancies.

The *Indiana Business Review* plans to cover the real estate field even more thoroughly. In November 1937, the Bureau of Business Research of the School of Business Administration, Indiana University, added a new section to its monthly bulletin summarizing the extent of real estate activity in the six major urban counties of the State. At present it includes only those figures which reveal the general trend of real estate and mortgage operations as measured by the volume of deeds recorded. Each month an index of real estate activity in one of the six major counties is pictured in a chart based on

(*Continued on p. 304*)

62315—38——3

RESIDENTIAL CONSTRUCTION and HOME-FINANCING ACTIVITY

■ THERE is usually greater activity in the construction and financing fields during March than during February. Consequently, the increase in activity reported for March is seasonal in character although not strongly so. Even though the volume of residential building increased more than 50 percent, adjustments for seasonal variation caused an actual reduction in the index of 5.1 percent. In March residential construction in cities of 10,000 or more population was only 28.2 percent of the 1926 monthly average. In February it was 29.7 percent.

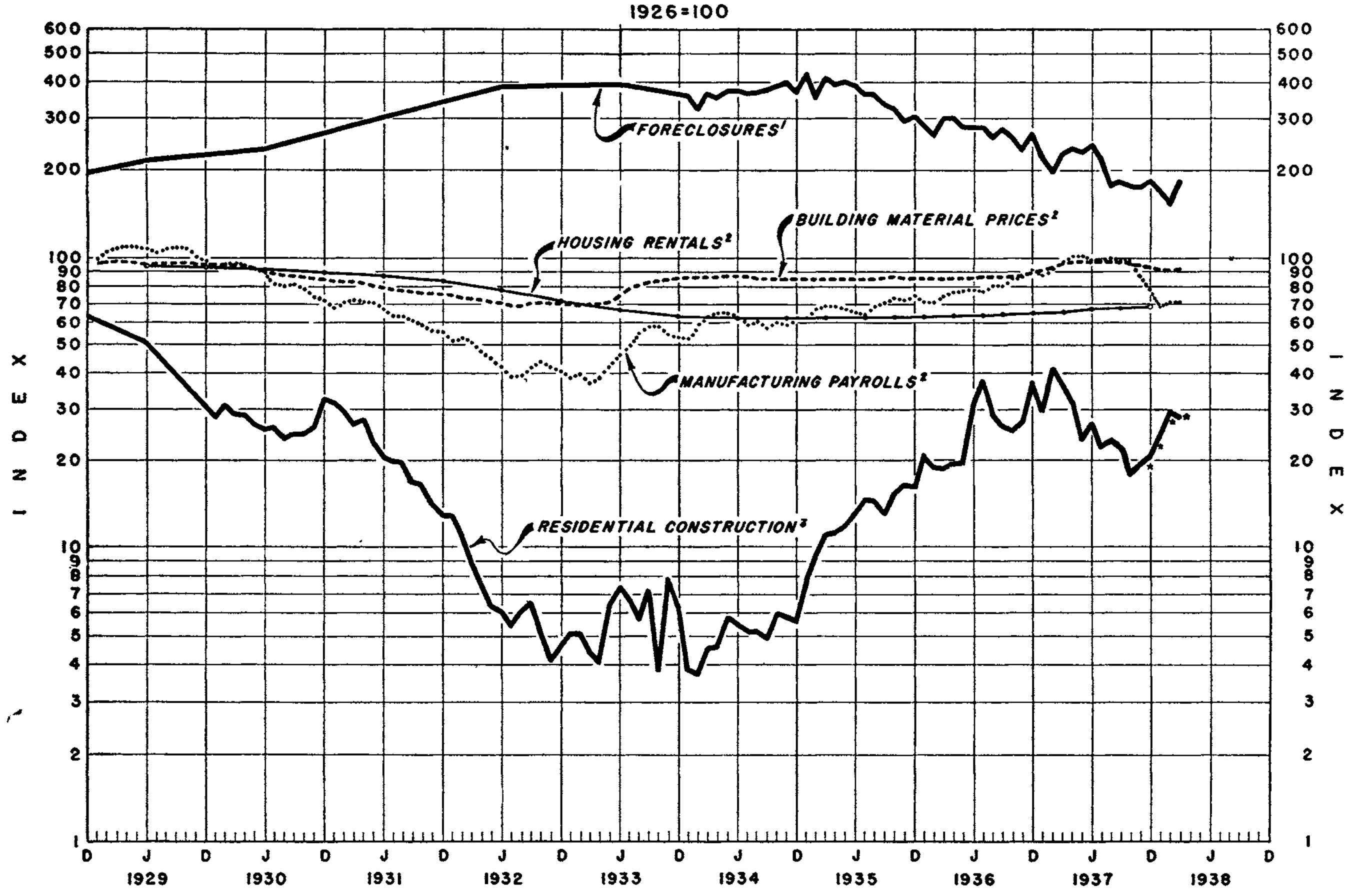
Accompanying the actual increase in construction volume during March as compared to February was an increase in the volume of mortgage lending by savings and loan associations, and a slight decline in rentals. Foreclosures increased more than seasonally and manufacturing employment and pay rolls remained nearly stagnant at low levels.

The decline in wholesale building material prices since June 1937 showed a tendency to falter in March 1938. The average of all materials increased slightly, even though the cost of three types of material declined, two remained unchanged, and two increased from February. The building cost index continues to show general declines in costs as principally due to materials.

There were 13,290 building permits issued for residential dwellings in cities of 10,000 or more population in March, representing a 56.4-percent increase over the 8,495 permits issued in February.

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)

* Includes correction for New York City because of irregular conditions arising from inception of new building code.

This is the greatest percentage increase between these two months since 1935, when a 91.8-percent increase was recorded. The increase in 1937 was 31.7 percent, and in 1936, 49.5 percent.

Forty-five States and the District of Columbia reported increases in the number of building permits issued in March as compared with February. Arizona, Florida, and Maryland were the only States to report decreases.

[1926=100]

	Mar. 1938	Feb. 1938	Percent change	Mar. 1937	Percent change
Residential construction [1]	28.2	29.7	−5.1	36.2	−22.1
Foreclosures (metro. cities)	176.0	157.0	+12.1	230.0	−23.5
Rental market (N. I. C. B.)	86.4	86.7	−0.3	83.1	+4.0
Building material prices	91.5	91.1	+0.4	95.9	−4.6
Manufacturing employment	80.7	81.1	−0.5	99.8	−19.1
Manufacturing pay rolls	70.7	70.6	+0.1	97.5	−27.5
Average wage per employee	87.6	87.1	+0.6	97.7	−10.3

[1] Corrected for normal seasonal variations.

Includes a correction for New York City because of irregular conditions arising from inception of new building code.

The number of building permits for March 1938 in all cities of 10,000 or more population, however, fell 33.4 percent below the 19,962 permits issued in March 1937. The 10 States of Arkansas, Indiana, Iowa, Kansas, Louisiana, Minnesota, New Hampshire, Texas, Virginia, and Wyoming were the only States to report building permits issued in March 1938 which exceeded the number issued in March 1937.

The total estimated cost of all residential dwelling units for which permits were issued in March was $49,405,000, as compared with $78,710,000 for March 1937.

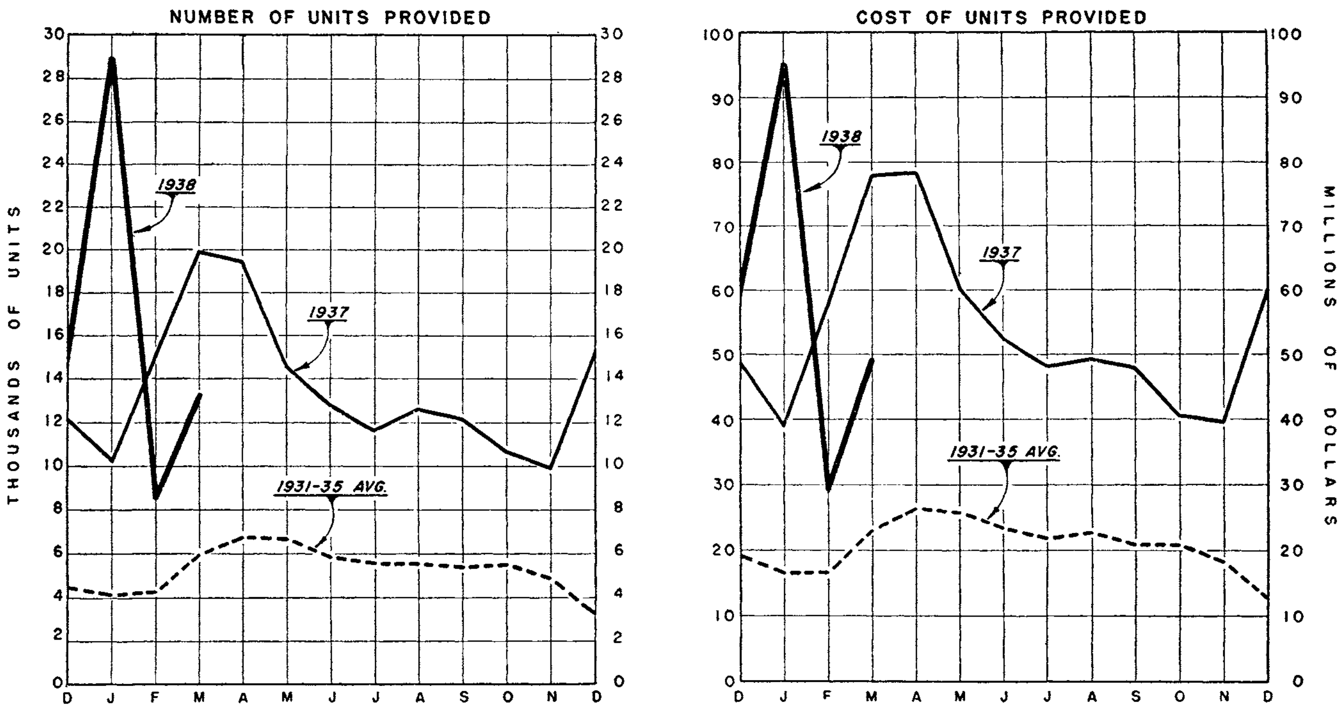
The index of real estate foreclosures in metropolitan communities jumped from 157 in February to 176 in March. This increase of over 12 percent was slightly higher than the 6-year average February-March increase of 11.4 percent. However, in comparison with the March 1937 index of 230, the index number for this March was about 23 percent lower. Also, foreclosures for the first quarter of this year were 22.4 percent lower than for the same period of 1937.

Of the 82 communities reporting in March, 53 showed increases in foreclosures from February, while 27 indicated decreases, and 2, no change.

Wholesale building material prices in March turned upward for the first time since May 1937, after nine months of uninterrupted decline. The Department of Labor index stood at 97.2 last May, and then fell month after month until in February 1938, the index registered 91.1. The 0.4-percent increase during March sent the index up slightly to 91.5.

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)



Three groups of materials (brick and tile, plumbing and heating, and other materials) declined in price from February to March, two increased in price (lumber and paint and paint materials), while cement and structural steel remained stationary at 95.5 and 114.9, respectively. Paint and paint materials increased 3.8 percent and are responsible for the slight rise in the total index.

The index for all building materials was 4.6 percent lower in March 1938 than in March 1937. Lumber has shown the greatest decline in price, with an index number this March 10.6 percent below its index for March of last year.

The rental index of the National Industrial Conference Board declined 0.3 percent between February and March, continuing the gentle downward movement of rentals which started last fall.

Manufacturing employment fell off 0.5 percent to 80.7 in March. The March 1938 index was 19.1 percent below the index of 99.8 in March 1937. It was not, however, quite as low as the level of pay rolls of manufacturing establishments. The Department of Labor pay roll index showed pay rolls as 70.7 percent of the 1926 base of 100, as compared to 97.5 percent during March a year ago.

The trend of the rate of building in March as compared to February was upward in every Federal Home Loan Bank District. The estimated number of privately financed family dwelling units provided per 100,000 population increased from 13.52 units to 21.13 units for the United States as a whole, a normal seasonal upward trend as the rate of building has increased between February and March every year since 1930.

This trend is shown by the chart on the opposite page. The rate of building in New York City was excluded from the United States average rate in December 1937 and January and February 1938 because unusual conditions in that city distorted the picture of actual building. It was no longer necessary to do so in March.

The greatest increase in the rate of building took place in the Los Angeles District where 59.99 dwelling units per 100,000 population were built in March as compared to 41.76 in February. In spite of this rise, the March 1938 rate was 20.0 units lower than that in March 1937. The Little Rock District was the only one which could report a March rate of building that was higher than that in the same month last year.

Indexes of Small-House Building Costs

[*Table 3*]

■ BETWEEN January and April the cost of building the same standard house decreased in 17 of the 21 cities reporting for that period. Declines in material costs were principally responsible as labor costs remained comparatively stable. The greatest decline in costs was in South Bend, Indiana, where a decrease of $229 lowered the total cost of the standard house to $5,964—the first time it had been below $6,000 since April 1936.

Building costs in Buffalo, New York, declined 3.0 percent and in Portland, Oregon, 2.9 percent, but more striking than these reductions in the cost of building the standard house was an increase of 1.9 percent in Great Falls, Montana, where total costs are higher than in any other city in this group and are second highest among all the cities for which reports are received on building costs. In April it would have cost $7,137 to build the standard house in Great Falls. The second highest cost city was St. Paul, Minnesota, where the reports show a total of $6,628.

The April reports show costs as lowest in Newark, New Jersey ($5,427) and Portland, Oregon ($5,448), but costs in Newark are rising and in Portland they are falling. No other cities in this group report costs below $5,500, or 23 cents a cubic foot.

Monthly Lending Activity of Savings and Loan Associations

[*Tables 4, 5, 6, and 7*]

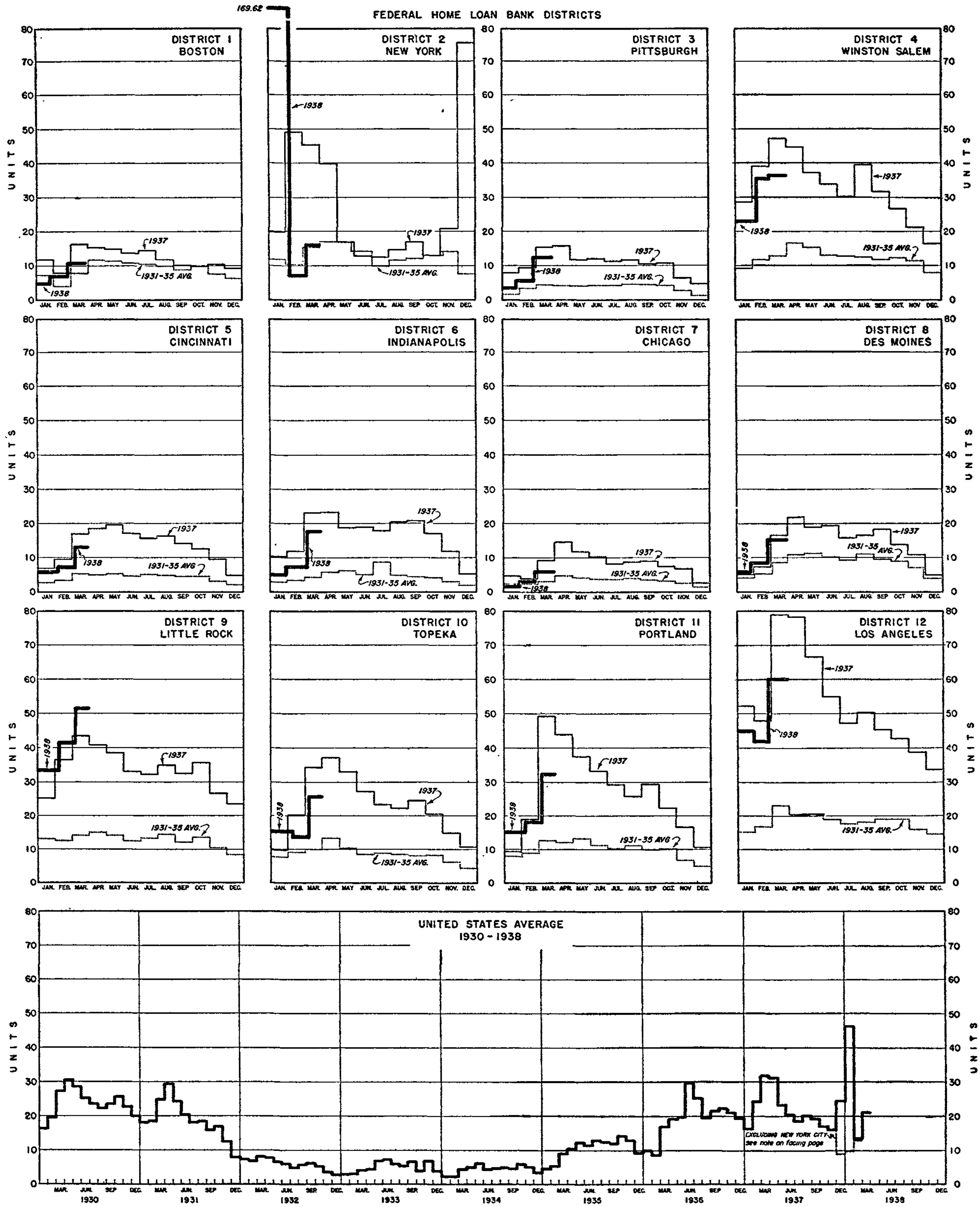
■ THE estimated lending activity of all savings and loan associations during March represented an increase of $12,513,000 over February totals—a rise of 29 percent. This is the second consecutive month to show a greater total of loans than the

NOTE FOR CHART ON FACING PAGE:
A new building code in New York City, effective January 1938, caused an unusual spurt of applications for permits which threw the United States total out of balance. The dotted line shows that total excluding New York City for December 1937 and January and February 1938.

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

REPRESENTS THE ESTIMATED NUMBER OF PRIVATELY FINANCED 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.



preceding month, and follows an unbroken decline in lending volume from June 1937 through January 1938. Loans by all savings and loan associations totaled $55,803,000 in March; in February, total loan volume was $43,290,000.

Every Bank District participated in the upturn in lending activity during March. Increases over February loan volume ranged from 12 percent in the Indianapolis District to 58 percent in the Portland District. The greatest increases in lending activity, by Bank Districts, were: Portland, 58 percent; New York, 51 percent; Des Moines, 45 percent; and Pittsburgh, 40 percent.

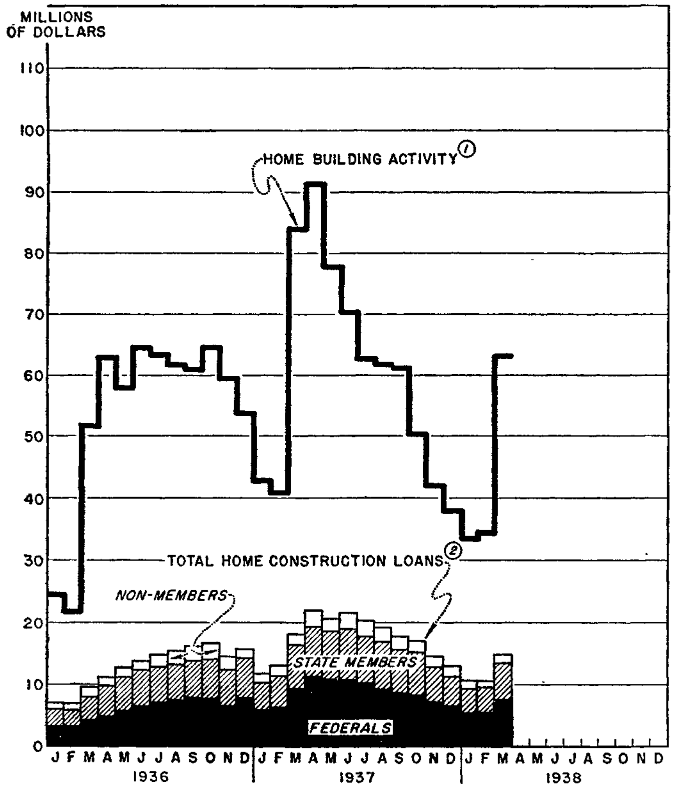
March lending this year, however, was 16 percent below the $66,176,000 volume of loans made in March 1937. Four Bank Districts were exceptions to the trend for the country as a whole: New York, Pittsburgh, Des Moines, and Little Rock all reported greater lending activity in March 1938 than in the same month last year.

Between February and March several shifts took place in the proportions between the several categories of loans. Loans for new construction rose from 24.6 percent of the total in February to 26.4 percent in March. Loans for other purposes fell from 14.0 percent to 12.4 percent of the total. Other types of loans changed slightly. Refinancing loans made up 22.8 percent, reconditioning loans 7.0 percent, and home purchase loans 31.4 percent, of the March total.

Loans for new construction and for home purchase accounted for nearly two-thirds of the increase in lending activity during March.

State-chartered members of the Federal Home Loan Bank System made 45 percent of total loans in March by all savings and loan associations. Federal savings and loan associations made 42 percent, and nonmembers made 13 percent.

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



(1) Estimated cost of all 1 and 2 family dwellings privately financed in all cities of 2,500 or more population. Based on building permits reported to U. S. Dept. of Labor.

(2) Estimated for all active associations by Federal Home Loan Bank Board.

Federal Savings and Loan Insurance Corporation

[*Tables 9 and 10*]

■ DURING March the Federal Savings and Loan Insurance Corporation insured each member against loss up to $5,000 in 24 State-chartered savings and loan associations, and 4 State associations which had converted to Federal charter. These additions to the lists of insured institutions brought the total to 1,952 with combined assets of $1,806,000,000. As of March 31, there were 1,781,912 shareholders receiving the benefits of share insurance.

For both February and March, reports of monthly activity were received from 437 insured State-chartered associations. These reports show a sharp upturn in the volume of mortgage loans made during the latter month as compared with the former. A part of this increase was probably seasonal as a similar increase of business was reported between February and March in both 1936 and 1937. Nevertheless, it represents a sharp acceleration of the upturn which began in February as the first increase in the volume of business since April 1937.

Loans made in March for all purposes increased 31.5 percent over February. The greatest increase, of 39.9 percent, was made in new construction loans; refinancing loans increased 35.1 percent; reconditioning loans, 27.2 percent; loans for home purchase, 26.8 percent; and loans for other purposes, 24.5 percent. Loans for the purchase of homes amounted to a third of all loans made during March as did loans for building (construction and reconditioning loans together). In spite of the sharp increase in mortgage loans made, the loans outstanding remained almost stationary, increasing only 0.6 percent during March.

The 437 insured State institutions reported a 6.0-percent increase in repurchases between February and March as contrasted to a 1.4-percent increase in private share investments, with the result that a slightly greater volume of funds was repurchased than was invested. The share liability of these institutions at the end of March was $422,241,400 and the combined total of their assets was $533,752,800.

Federal Savings and Loan System

[*Table 11*]

FOR the second consecutive month, identical reporting Federal savings and loan associations approved loans for a greater amount on the security of mortgages than during the preceding month. The increase in amount of mortgage loans, however, was 31.5 percent in March, in contrast with the 2.9-percent increase recorded in February, indicating a definite acceleration in the revival of the building trades and of home financing. This increase is due, in part at least, to seasonal influences. Records of previous years show identical Federal associations reporting the following increases in the amount of mortgage loans for March compared with February: 1937—44.2 percent; 1936—31.7 percent; 1935—37.0 percent. The 1,283 reporting Federal associations loaned $22,000,000 in March as compared with $17,000,000 in February.

All categories of loans increased from 20 percent to 40 percent in March over February, but the greatest increases were recorded by loans for home purchase and for new construction. New construction loans amounted to 32.0 percent, and home purchase loans to 29.0 percent, of total loans in March. The proportion of refinancing loans decreased significantly—from 25.0 percent in February to 23.2 percent in March.

The distribution of loans by purpose in March 1938 corresponded very closely to the distribution in March 1937. The only variations of more than five-tenths of 1 percent were in the new construction loans, which amounted to 34.6 percent of the total in March 1937, and in loans for other purposes, which were 6.9 percent of the total in March 1937 and 9.9 percent in March of this year.

Progress in number and assets of Federal savings and loan associations

	Number		Approximate assets	
	Feb. 28, 1938	Mar. 31, 1938	Feb. 28, 1938	Mar. 31, 1938
New	645	646	$270, 674, 572	$274, 230, 665
Converted	689	692	862, 341, 073	863, 710, 087
Total	1, 334	1, 338	1, 133, 015, 645	1, 137, 940, 752

Accompanying this growth of lending activity were increases in the assets and in the private investments of reporting associations, and a decrease in the volume of repurchases.

Federal Home Loan Bank System

[*Tables 12 and 13*]

IN spite of the increase in membership of the Federal Home Loan Bank System, advances made by the Banks to members during the first three months of 1938 did not surpass the amount of advances for the same period in 1937. For the third consecutive month, the balance of advances outstanding declined. Although the advances made by the Banks increased in March as compared with February, the increase failed to offset the unusually large volume of repayments. Repayments of over $9,000,000 in March brought the total volume of repayments for the first three months of this year to a figure in excess of the total amount of repayments in any *4-month* period since the inception of the Banks.

During the month of March, advances amounted to $4,900,000, and repayments aggregated $9,293,000, resulting in a balance of advances outstanding of $183,125,000.

Six Banks made a greater volume of advances in March than in February, and six Banks reported decreases. It is notable that all Banks west of the Mississippi reported increases in advances during March, while all Banks east of the Mississippi, with the exception of the Federal Home Loan Bank of Winston-Salem, reported advances of a smaller amount than in February.

(Continued on p. 304)

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]

	Number of family units provided					Total cost of units (thousands of dollars)				
	Monthly totals			January-March totals		Monthly totals			January-March totals	
	March 1938	February 1938	March 1937	1938	1937	March 1938	February 1938	March 1937	1938	1937
1-family dwellings	10, 060	5, 785	12, 246	22, 100	26, 130	$39, 835. 6	$21, 935. 8	$54, 402. 6	$84, 473. 3	$115, 835. 5
2-family dwellings	918	594	988	2, 622	2, 446	2, 549. 4	1, 490. 5	2, 731. 4	6, 619. 6	6, 478. 2
Joint home and business [2]	97	50	94	189	264	273. 1	182. 9	345. 1	575. 6	990. 8
3- and more-family dwellings	2, 215	2, 066	6, 634	25, 891	16, 504	6, 746. 4	5, 536. 5	21, 230. 4	82, 258. 4	52, 947. 3
Total residential	13, 290	8, 495	19, 962	50, 802	45, 344	49, 404. 5	29, 145. 7	78, 709. 5	173, 926. 9	176, 251. 8
Private housing	13, 289	8, 495	19, 891	50, 801	45, 234	49, 401. 1	29, 145. 7	78, 070. 5	173, 923. 5	175, 487. 2
Public housing [3]	1	0	71	1	110	3. 4	0	639. 0	3. 4	764. 6

[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 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 March 1938, by Federal Home Loan Bank Districts and by States

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

[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	
	March 1938	March 1937	March 1938	March 1937	March 1938	March 1937	March 1938	March 1937
UNITED STATES	13, 290	19, 962	$49, 404. 5	$78, 709. 5	11, 075	13, 328	$42, 658. 1	$57, 479. 1
No. 1—Boston	629	955	2, 862. 3	4, 948. 4	574	855	2, 707. 3	4, 771. 8
Connecticut	123	194	596. 4	1, 123. 9	111	188	553. 4	1, 107. 3
Maine	18	48	57. 8	162. 4	18	42	57. 8	152. 4
Massachusetts	364	543	1, 764. 4	2, 908. 4	321	455	1, 652. 4	2, 758. 4
New Hampshire	31	17	75. 4	45. 9	31	17	75. 4	45. 9
Rhode Island	89	147	353. 7	673. 0	89	147	353. 7	673. 0
Vermont	4	6	14. 6	34. 8	4	6	14. 6	34. 8
No. 2—New York	2, 160	6, 091	8, 819. 8	22, 805. 2	1, 295	1, 428	5, 817. 1	7, 169. 6
New Jersey	299	396	1, 449. 6	2, 337. 8	230	288	1, 283. 7	1, 958. 3
New York	1, 861	5, 695	7, 370. 2	20, 467. 4	1, 065	1, 140	4, 533. 4	5, 211. 3
No. 3—Pittsburgh	730	907	3, 635. 7	4, 392. 0	691	810	3, 570. 5	4, 219. 0
Delaware	11	38	51. 8	194. 0	11	38	51. 8	194. 0
Pennsylvania	634	764	3, 258. 6	3, 833. 4	599	684	3, 205. 4	3, 707. 4
West Virginia	85	105	325. 3	364. 6	81	88	313. 3	317. 6

Table 2.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in March 1938, by Federal Home Loan Bank Districts and by States—Con.

[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	
	March 1938	March 1937	March 1938	March 1937	March 1938	March 1937	March 1938	March 1937
No. 4—Winston-Salem	1, 848	2, 373	$6, 276. 3	$8, 106. 2	1, 522	1, 779	$5, 268. 1	$6, 607. 7
Alabama	127	149	265. 8	289. 6	119	126	250. 8	257. 7
District of Columbia	285	690	1, 327. 7	2, 611. 7	184	233	1, 056. 2	1, 451. 2
Florida	362	455	1, 280. 9	1, 710. 0	350	434	1, 241. 9	1, 641. 3
Georgia	209	212	561. 0	502. 0	205	208	554. 0	500. 0
Maryland	152	212	565. 4	846. 6	146	212	559. 4	846. 6
North Carolina	290	294	783. 0	850. 2	263	254	697. 7	735. 6
South Carolina	100	137	281. 3	410. 0	96	133	266. 3	403. 0
Virginia	323	224	1, 211. 2	886. 1	159	179	641. 8	772. 3
No. 5—Cincinnati	732	941	3, 216. 4	4, 479. 6	606	807	2, 780. 4	4, 022. 6
Kentucky	118	135	405. 4	346. 5	118	135	405. 4	346. 5
Ohio	483	656	2, 494. 6	3, 725. 1	369	525	2, 068. 6	3, 272. 6
Tennessee	131	150	316. 4	408. 0	119	147	306. 4	403. 5
No. 6—Indianapolis	866	1, 117	3, 731. 8	5, 802. 6	776	1, 117	3, 514. 8	5, 802. 6
Indiana	263	228	708. 6	942. 2	190	228	548. 6	942. 2
Michigan	603	889	3, 023. 2	4, 860. 4	586	889	2, 966. 2	4, 860. 4
No. 7—Chicago	395	686	2, 209. 0	4, 582. 3	391	601	2, 190. 0	3, 886. 5
Illinois	272	490	1, 641. 8	3, 510. 1	272	414	1, 641. 8	2, 853. 3
Wisconsin	123	196	567. 2	1, 072. 2	119	187	548. 2	1, 033. 2
No. 8—Des Moines	557	602	2, 073. 1	2, 204. 6	514	555	1, 968. 6	2, 113. 3
Iowa	128	125	507. 6	530. 3	124	125	496. 2	530. 3
Minnesota	195	139	803. 0	560. 8	192	134	787. 9	551. 5
Missouri	198	294	690. 9	1, 012. 1	162	257	612. 9	937. 6
North Dakota	9	14	26. 8	48. 3	9	14	26. 8	48. 3
South Dakota	27	30	44. 8	53. 1	27	25	44. 8	45. 6
No. 9—Little Rock	1, 716	1, 428	4, 124. 9	3, 950. 4	1, 627	1, 303	3, 922. 5	3, 704. 8
Arkansas	66	35	145. 3	92. 3	61	35	131. 9	92. 3
Louisiana	217	171	522. 1	479. 4	205	149	501. 6	446. 1
Mississippi	101	151	218. 3	244. 4	101	128	218. 3	210. 2
New Mexico	47	53	131. 1	137. 6	47	53	131. 1	137. 6
Texas	1, 285	1, 018	3, 108. 1	2, 996. 7	1, 213	938	2, 939. 6	2, 818. 6
No. 10—Topeka	530	696	1, 729. 1	2, 506. 8	500	666	1, 674. 3	2, 418. 4
Colorado	85	192	304. 5	845. 4	77	178	284. 5	782. 4
Kansas	154	151	492. 4	465. 3	140	142	475. 6	446. 9
Nebraska	68	103	230. 7	383. 0	64	100	220. 7	381. 0
Oklahoma	223	250	701. 5	813. 1	219	246	693. 5	808. 1
No. 11—Portland	535	811	1, 680. 8	2, 635. 8	487	641	1, 584. 3	2, 212. 6
Idaho	28	33	75. 1	95. 4	21	23	60. 1	75. 4
Montana	45	49	128. 8	166. 5	42	49	126. 8	166. 5
Oregon	120	302	448. 7	1, 023. 2	116	166	442. 2	669. 7
Utah	69	96	200. 1	330. 5	69	89	200. 1	309. 5
Washington	220	302	646. 3	912. 9	214	293	636. 3	896. 2
Wyoming	53	29	181. 8	107. 3	25	21	118. 8	95. 3
No. 12—Los Angeles	2, 592	3, 355	9, 045. 3	12, 295. 6	2, 092	2, 766	7, 660. 2	10, 550. 2
Arizona	31	40	76. 2	139. 0	31	40	76. 2	139. 0
California	2, 545	3, 295	8, 891. 7	12, 030. 2	2, 045	2, 706	7, 506. 6	10, 284. 8
Nevada	16	20	77. 4	126. 4	16	20	77. 4	126. 4

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]

	Cubic-foot cost			Total building cost					
	1938 April	1937 April	1936 April	1938 April	1938 Jan.	1937 Oct.	1937 July	1937 April	1936 April
No. 2—New York:									
New Jersey:									
Camden	$0.237	$0.245	$0.215	$5,688	$5,710	$5,884	$5,872	$5,873	$5,157
Newark	.226	.236	.212	5,427	5,363	--------	5,660	5,658	5,093
New York:									
Buffalo	.253	.256	.229	6,073	6,260	6,496	6,461	6,136	5,499
White Plains	.258	.256	.238	6,198	6,291	6,404	6,539	6,151	5,702
No. 6—Indianapolis:									
Indiana:									
Evansville	.240	.242	.232	5,770	5,769	--------	5,816	5,816	5,570
Indianapolis	.245	.243	.227	5,879	5,778	--------	5,866	5,836	5,458
South Bend	.248	.266	.244	5,964	6,193	--------	6,404	6,374	5,860
Michigan:									
Detroit	.249	.252	.219	5,987	6,108	6,221	6,334	6,055	5,265
Grand Rapids	.246	.234	.218	5,900	5,908	5,885	5,851	5,625	5,230
No. 8—Des Moines:									
Iowa:									
Des Moines	.256	.266	.251	6,139	6,264	6,463	6,464	6,379	6,032
Minnesota:									
Duluth	.263	.246	.234	6,308	6,361	6,391	6,373	5,990	5,616
St. Paul	.276	.269	.221	6,628	--------	6,904	6,906	6,452	5,294
Missouri:									
Kansas City	.241	.241	.221	5,775	5,840	6,090	6,239	5,787	5,304
St. Louis	.255	.275	.253	6,122	6,207	6,437	6,517	6,597	6,064
North Dakota:									
Fargo	.247	.249	.229	5,919	5,945	5,954	6,008	5,964	5,502
South Dakota:									
Sioux Falls	.258	.248	.234	6,196	6,339	6,344	6,174	5,944	5,615
No. 11—Portland:									
Idaho:									
Boise	.247	.258	.238	5,923	6,033	6,234	6,192	6,192	5,724
Montana:									
Great Falls	.297	.293	.271	7,137	7,004	7,039	7,027	7,023	6,508
Oregon:									
Portland	.227	.245	.218	5,448	5,613	6,089	5,990	5,883	5,234
Utah:									
Salt Lake City	.260	.257	.241	6,241	6,306	--------	6,330	6,165	5,793
Washington:									
Seattle	.268	.276	.234	6,428	6,503	6,532	6,600	6,623	5,624
Spokane	.273	.273	.245	6,545	6,548	6,851	6,796	6,543	5,892

[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 surface, 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
1937	209, 851	267, 509	161, 393	49, 435	76, 301	764, 489
January	11, 884	14, 510	10, 643	2, 583	4, 794	44, 414
February	13, 084	16, 629	11, 405	2, 667	5, 298	49, 083
March	18, 251	22, 007	15, 502	3, 915	6, 501	66, 176
April	22, 098	27, 381	15, 811	4, 949	7, 261	77, 500
May	20, 600	28, 831	15, 113	4, 862	7, 016	76, 422
June	21, 628	28, 696	15, 905	5, 069	7, 369	78, 667
July	20, 283	24, 934	14, 668	4, 472	6, 317	70, 674
August	19, 342	23, 172	14, 382	4, 339	6, 026	67, 261
September	17, 942	24, 277	12, 919	4, 691	6, 582	66, 411
October	17, 114	22, 494	12, 695	4, 527	6, 791	63, 621
November	14, 582	18, 227	11, 000	4, 076	5, 885	53, 770
December	13, 043	16, 351	11, 350	3, 285	6, 461	50, 490
1938						
January	10, 796	11, 904	10, 057	2, 745	5, 640	41, 142
February	10, 628	13, 632	9, 964	2, 989	6, 077	43, 290
March	14, 727	17, 526	12, 734	3, 907	6, 909	55, 803

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]

Month	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
1937	764, 489	307, 278	338, 174	119, 037	40	44	16
January	44, 414	17, 543	18, 671	8, 200	39	42	19
February	49, 083	19, 360	21, 509	8, 214	39	44	17
March	66, 176	27, 829	28, 325	10, 022	42	43	15
April	77, 500	32, 915	33, 153	11, 432	42	43	15
May	76, 422	30, 998	34, 616	10, 808	41	45	14
June	78, 667	31, 577	35, 221	11, 869	40	45	15
July	70, 674	28, 693	31, 799	10, 182	41	45	16
August	67, 261	26, 768	29, 866	10, 627	40	44	14
September	66, 411	26, 189	29, 673	10, 549	39	45	16
October	63, 621	24, 539	29, 020	10, 062	38	46	16
November	53, 770	20, 829	24, 524	8, 417	39	46	15
December	50, 490	20, 038	21, 797	8, 655	40	43	17
1938							
January	41, 142	16, 781	17, 885	6, 476	41	43	16
February	43, 290	17, 520	19, 600	6, 170	41	45	14
March	55, 803	23, 356	25, 088	7, 359	42	45	13

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]

Federal Home Loan Bank District and type of association		New loans		Percent increase, Mar. 1938 over Feb. 1938	New loans, March 1937	Percent increase, Mar. 1938 over Mar. 1937
		March 1938	February 1938			
United States:	Total	$55, 803	$43, 290	+29	$66, 176	−16
	Federal	23, 356	17, 520	+33	27, 829	−16
	State member	25, 088	19, 600	+28	28, 325	−11
	Nonmember	7, 359	6, 170	+19	10, 022	−27
District 1:	Total	4, 662	3, 969	+17	5, 413	−14
	Federal	1, 338	1, 128	+19	1, 839	−27
	State member	2, 391	2, 001	+19	2, 146	+11
	Nonmember	933	840	+11	1, 428	−35
District 2:	Total	4, 704	3, 110	+51	4, 581	+3
	Federal	1, 727	1, 142	+51	1, 597	+8
	State member	1, 558	894	+74	1, 384	+13
	Nonmember	1, 419	1, 074	+32	1, 600	−11
District 3:	Total	3, 505	2, 501	+40	3, 170	+11
	Federal	1, 061	822	+29	933	+14
	State member	1, 402	881	+59	1, 021	+37
	Nonmember	1, 042	798	+31	1, 216	−14
District 4:	Total	7, 179	6, 316	+14	8, 302	−14
	Federal	3, 085	2, 365	+30	3, 378	−9
	State member	3, 377	2, 993	+13	3, 676	−8
	Nonmember	717	958	−25	1, 248	−43
District 5:	Total	7, 784	6, 086	+28	11, 089	−30
	Federal	4, 006	3, 147	+27	5, 288	−24
	State member	3, 603	2, 806	+28	5, 348	−33
	Nonmember	175	133	+32	453	−61
District 6:	Total	2, 681	2, 450	+9	3, 083	−13
	Federal	1, 200	1, 192	+1	1, 395	−14
	State member	1, 227	1, 083	+13	1, 283	−4
	Nonmember	254	175	+45	405	−37
District 7:	Total	5, 209	3, 833	+36	6, 673	−22
	Federal	2, 208	1, 531	+44	2, 628	−16
	State member	2, 769	2, 117	+31	3, 651	−24
	Nonmember	232	185	+25	394	−41
District 8:	Total	3, 933	2, 704	+45	3, 803	+3
	Federal	1, 707	1, 060	+61	1, 792	−5
	State member	1, 235	942	+31	1, 191	+4
	Nonmember	991	702	+41	820	+21
District 9:	Total	4, 448	3, 299	+35	4, 085	+9
	Federal	1, 727	1, 244	+39	1, 374	+26
	State member	2, 417	1, 821	+33	2, 298	+5
	Nonmember	304	234	+30	413	−26
District 10:	Total	3, 602	2, 904	+24	4, 352	−17
	Federal	1, 607	1, 185	+36	1, 763	−9
	State member	1, 219	973	+25	890	+37
	Nonmember	776	746	+4	1, 699	−54
District :	Total	2, 740	1, 732	+58	3, 818	−28
	Federal	1, 613	927	+74	2, 292	−30
	State member	799	610	+31	1, 380	−42
	Nonmember	328	195	+68	146	+125
District 12:	Total	5, 356	4, 386	+22	7, 807	−31
	Federal	2, 077	1, 777	+17	3, 550	−41
	State member	3, 091	2, 479	+25	4, 057	−24
	Nonmember	188	130	+45	200	−6

Table 7.—Monthly lending activity and total assets as reported by 2,766 savings and loan associations in March 1938

[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 March according to purpose											Total assets, Mar. 31, 1938 [3]	Total number of savings and loan associations [4]
			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	2,766	2,312	3,780	$11,595.7	5,272	$12,995.5	7,333	$9,711.8	$2,780.2	3,745	$5,057.9	20,130	$42,141.1	$2,821,110.0	9,709
Federal	1,289	1,182	2,272	7,189.7	2,639	6,586.2	3,856	5,326.5	1,349.2	1,605	2,227.5	10,372	22,679.1	1,124,620.5	1,333
State member	1,099	898	1,358	4,054.6	2,273	5,610.6	3,004	3,998.5	1,198.0	1,785	2,461.4	8,420	17,323.1	1,438,455.0	2,562
Nonmember	378	232	150	351.4	360	798.7	473	386.8	233.0	355	369.0	1,338	2,138.9	258,034.5	5,814
No. 1—Boston	163	140	174	688.5	334	1,124.0	470	551.5	271.5	289	413.2	1,267	3,048.7	315,567.8	362
Connecticut	28	21	29	103.6	24	83.6	28	62.4	6.6	3	3.3	84	259.5	18,191.4	52
Maine	20	15	5	13.6	24	52.5	45	35.3	11.6	27	49.2	101	162.2	11,918.7	42
Massachusetts	93	86	110	470.5	213	735.5	328	376.2	215.5	168	206.7	819	2,004.4	243,030.7	215
New Hampshire	9	8	9	22.4	16	43.7	33	32.6	18.1	52	114.6	110	231.4	8,702.7	30
Rhode Island	7	6	18	71.9	48	180.2	22	34.7	12.2	24	36.0	112	335.0	29,382.7	9
Vermont	6	4	3	6.5	9	28.5	14	10.3	7.5	15	3.4	41	56.2	4,341.6	14
No. 2—New York	286	168	247	1,075.8	278	1,004.2	311	609.6	197.2	180	218.6	1,016	3,105.4	342,869.0	1,782
New Jersey	147	49	15	46.1	43	142.4	35	109.9	10.9	44	43.3	137	352.6	95,672.2	1,498
New York	139	119	232	1,029.7	235	861.8	276	499.7	186.3	136	175.3	879	2,752.8	247,196.8	284
No. 3—Pittsburgh	221	145	61	207.6	240	632.2	289	500.8	94.9	64	84.9	654	1,520.4	99,621.9	2,521
Delaware	9	8	3	4.7	14	50.4	13	18.0	2.1	10	9.0	40	84.2	5,430.8	43
Pennsylvania	187	117	38	152.9	192	507.5	195	388.8	63.4	40	57.0	465	1,169.6	79,857.7	2,410
West Virginia	25	20	20	50.0	34	74.3	81	94.0	29.4	14	18.9	149	266.6	14,333.4	68
No. 4—Winston-Salem	305	274	617	1,700.5	569	1,290.4	962	1,701.2	258.9	470	886.6	2,618	5,837.6	282,492.4	1,035
Alabama	17	16	21	25.7	27	50.2	33	25.6	8.2	22	17.5	103	127.2	6,662.3	43
District of Columbia	16	15	61	333.0	50	207.7	270	864.1	48.2	130	333.9	511	1,786.9	117,280.8	28
Florida	50	45	105	438.4	60	104.7	115	159.1	29.4	45	133.2	325	864.8	31,450.7	96
Georgia	46	43	81	171.4	54	91.5	128	163.5	15.8	58	68.6	321	510.8	17,222.5	64
Maryland	60	45	32	111.8	141	384.2	60	139.0	6.0	27	44.0	260	685.0	34,885.1	450
North Carolina	50	48	166	276.1	119	199.9	183	147.8	65.5	115	121.2	583	810.5	35,048.2	183
South Carolina	35	33	104	220.7	38	72.0	84	81.1	26.5	39	116.2	265	516.5	15,505.9	79
Virginia	31	29	47	123.4	80	180.2	89	121.0	59.3	34	52.0	250	535.9	24,436.9	92
No. 5—Cincinnati	404	353	468	1,586.9	1,004	2,576.0	1,210	1,412.3	444.0	655	830.5	3,337	6,849.7	561,040.0	973
Kentucky	67	57	76	202.7	111	253.6	223	238.1	61.7	109	101.1	519	857.2	59,856.6	185
Ohio	299	262	312	1,214.5	852	2,249.0	869	1,010.3	350.7	510	677.9	2,543	5,502.4	482,719.0	732
Tennessee	38	34	80	169.7	41	73.4	118	163.9	31.6	36	51.5	275	490.1	18,464.4	56
No. 6—Indianapolis	201	187	195	417.6	508	880.8	742	574.5	247.3	388	295.1	1,833	2,415.3	232,879.8	380
Indiana	146	137	114	209.2	391	593.5	555	329.3	199.0	248	168.6	1,308	1,499.6	134,498.4	304
Michigan	55	50	81	208.4	117	287.3	187	245.2	48.3	140	126.5	525	915.7	98,381.4	76
No. 7—Chicago	278	240	163	500.1	514	1,477.4	726	1,105.3	403.7	266	415.1	1,669	3,901.6	255,636.6	1,043
Illinois	204	180	107	355.4	445	1,282.7	612	986.1	341.3	196	312.7	1,360	3,278.2	191,630.2	836
Wisconsin	74	60	56	144.7	69	194.7	114	119.2	62.4	70	102.4	309	623.4	64,006.4	207
No. 8—Des Moines	196	164	202	649.4	335	717.4	580	849.1	173.2	169	261.8	1,286	2,650.9	140,838.0	447
Iowa	52	46	51	174.1	92	146.9	133	205.4	51.5	37	41.3	313	619.2	24,991.2	100
Minnesota	43	37	62	220.3	63	143.4	167	262.8	58.0	61	165.8	353	850.3	35,394.0	78
Missouri	76	64	73	232.2	161	405.8	242	361.7	51.6	54	40.6	530	1,091.9	71,548.7	227
North Dakota	17	10	9	17.4	8	11.3	24	5.3	7.9	11	9.7	52	51.6	6,603.3	24
South Dakota	8	7	7	5.4	11	10.0	14	13.9	4.2	6	4.4	38	37.9	2,300.8	18

[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 Mar. 31, 1938.

[4] The number of member associations of the Federal Home Loan Bank System reported as of Mar. 31, 1938, and the number of nonmembers based upon the most recent available data for 1936 or 1937, with adjustment for conversion through Mar. 31, 1938, except for Maryland where the number of nonmembers is estimated.

Table 7.—Monthly leading activity and total assets as reported by 2,766 savings and loan associations in March 1938—Continued

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank Districts and States	Number of associations: Submitting reports	Number of associations: Reporting loans made	Construction: Number	Construction: Amount	Home purchase: Number	Home purchase: Amount	Refinancing and reconditioning: Number	Refinancing and reconditioning: Amount: Refinancing	Refinancing and reconditioning: Amount: Reconditioning	Loans for all other purposes: Number	Loans for all other purposes: Amount	Total loans, all purposes: Number	Total loans, all purposes: Amount	Total assets, Mar. 31, 1938	Total number of savings and loan associations
			Loans made in March according to purpose: Mortgage loans on 1- to 4-family nonfarm homes												
No. 9—Little Rock	274	240	541	$1,386.8	557	$1,241.4	649	$715.9	$224.8	334	$530.2	2,081	$4,099.1	$174,327.9	401
Arkansas	39	37	41	84.5	50	88.5	98	94.8	26.6	72	75.1	261	369.5	11,331.3	66
Louisiana	70	62	152	503.2	218	544.4	131	118.8	92.4	107	291.2	608	1,550.0	85,346.9	82
Mississippi	28	26	26	36.0	15	22.1	56	48.8	17.7	35	23.9	132	148.5	5,163.1	50
New Mexico	14	12	12	27.7	6	11.3	22	15.4	11.2	11	10.4	51	76.0	3,843.1	21
Texas	123	103	310	735.4	268	575.1	342	438.1	76.9	109	129.6	1,029	1,955.1	68,643.5	182
No. 10—Topeka	190	170	220	598.0	450	970.0	492	520.4	175.9	425	506.7	1,587	2,771.0	163,337.0	369
Colorado	35	28	38	114.1	60	147.2	71	73.2	35.9	48	78.0	217	448.4	21,466.9	60
Kansas	66	58	63	153.3	119	228.7	144	127.0	52.3	99	124.0	425	685.3	45,419.1	149
Nebraska	38	34	33	105.0	92	154.9	110	92.4	38.7	149	132.3	384	523.3	43,783.2	91
Oklahoma	51	50	86	225.6	179	439.2	167	227.8	49.0	129	172.4	561	1,114.0	52,667.8	69
No. 11—Portland	124	110	304	785.2	232	485.8	439	475.4	170.2	270	334.1	1,245	2,250.7	102,002.9	179
Idaho	9	9	23	63.1	21	36.6	35	45.9	13.7	33	24.4	112	183.7	6,325.1	13
Montana	14	12	25	79.0	11	21.6	27	30.4	10.7	20	31.2	83	172.9	8,973.9	23
Oregon	26	23	81	194.1	49	104.2	84	109.5	28.6	45	74.2	259	510.6	24,485.5	36
Utah	9	7	22	84.0	18	47.8	34	49.0	14.9	15	36.5	89	232.2	10,029.7	21
Washington	55	50	144	334.2	126	261.7	241	229.7	95.8	155	162.0	666	1,083.4	48,538.9	71
Wyoming	10	8	7	16.6	7	13.9	18	10.9	6.5	2	5.8	34	53.7	3,551.3	14
Alaska	1	1	2	14.2	0	0.0	0	0.0	0.0	0	0.0	2	14.2	98.5	1
No. 12—Los Angeles	124	121	588	1,999.3	251	595.9	463	695.8	118.6	235	281.1	1,537	3,690.7	150,496.7	217
Arizona	3	3	9	25.8	10	31.2	13	24.8	1.9	2	4.7	34	88.4	2,037.4	4
California	116	113	574	1,954.7	235	549.7	442	654.8	113.2	230	254.9	1,481	3,527.3	145,551.7	198
Nevada	2	2	0	0.0	1	1.6	2	2.8	1.6	1	2.5	4	8.5	723.4	5
Hawaii	3	3	5	18.8	5	13.4	6	13.4	1.9	2	19.0	18	66.5	2,184.2	10

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
1937								
January	91.3	89.7	95.5	93.0	83.7	77.1	104.7	92.9
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
August	96.3	95.5	95.5	99.5	84.1	78.8	114.9	101.0
September	96.2	95.0	95.5	99.0	84.6	80.6	114.9	100.8
October	95.4	93.4	95.5	97.3	84.2	80.6	114.9	100.2
November	93.7	92.9	95.5	94.8	81.5	79.6	114.9	98.7
December	92.5	92.0	95.5	93.8	80.2	79.6	114.9	96.9
1938								
January	91.8	91.8	95.5	92.6	80.1	79.6	114.9	95.8
February	91.1	91.5	95.5	91.0	79.2	79.6	114.9	95.3
March	91.5	91.1	95.5	91.3	82.2	78.9	114.9	94.8
Change:								
Mar. 1938–Feb. 1938	+0.4%	−0.4%	0.0%	+0.3%	+3.8%	−0.9%	0.0%	−0.5%
Mar. 1938–Mar. 1937	−4.6%	−0.8%	0.0%	−10.6%	−2.0%	+1.7%	+1.8%	−4.1%

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

	Cumulative number at specified dates						Number of share-holders	Assets	Share and creditor lia-bilities
	Dec. 31, 1934	Dec. 31, 1935	Dec. 31, 1936	Dec. 31, 1937	Feb. 28, 1938	Mar. 31, 1938	Mar. 31, 1938	Mar. 31, 1938	Mar. 31, 1938
State-chartered associations	4	136	382	566	599	623	828, 013	$690, 782, 574	$605, 152, 553
Converted F. S. and L. A	108	406	560	669	681	685	761, 321	856, 588, 247	791, 022, 689
New F. S. and L. A	339	572	634	645	644	644	192, 578	259, 407, 346	246, 868, 753
Total	451	1, 114	1, 576	1, 880	1, 924	1, 952	1, 781, 912	1, 806, 778, 167	1, 643, 043, 995

[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 437 identical insured State-chartered savings and loan associations reporting during February and March 1938

	February	March	Change February to March
Share liability at end of month:			*Percent*
Private share accounts (number)	545, 453	545, 374	(1)
Paid on private subscriptions	$390, 150, 500	$389, 618, 400	−0. 1
H. O. L. C. subscriptions	32, 332, 800	32, 623, 000	+0. 9
Total	422, 483, 300	422, 241, 400	−0. 1
Private share investments during month	6, 538, 100	6, 629, 400	+1. 4
Repurchases during month	6, 451, 900	6, 841, 600	+6. 0
Mortgage loans made during month:			
a. New construction	1, 584, 600	2, 217, 400	+39. 9
b. Purchase of homes	2, 098, 200	2, 659, 500	+26. 8
c. Refinancing	1, 148, 800	1, 551, 800	+35. 1
d. Reconditioning	413, 800	526, 200	+27. 2
e. Other purposes	815, 300	1, 014, 700	+24. 5
Total	6, 060, 700	7, 969, 600	+31. 5
Mortgage loans outstanding end of month	371, 548, 400	373, 608, 200	+0. 6
Borrowed money as of end of month:			
From Federal Home Loan Banks	25, 050, 800	24, 260, 900	−3. 2
From other sources	2, 337, 700	2, 514, 000	+7. 5
Total	27, 388, 500	26, 774, 900	−2. 2
Total assets, end of month	532, 119, 600	533, 752, 800	+0. 3

[1] Less than one-tenth of 1 percent change.

Table 11.—Monthly operations of 1,283 identical Federal savings and loan associations reporting during February and March 1938

	February	March	Change February to March
Share liability at end of month:			*Percent*
Private share accounts (number)	935, 881	948, 104	+1. 3
Paid on private subscriptions	$696, 009, 000	$703, 335, 900	+1. 1
Treasury and H. O. L. C. subscriptions	211, 510, 500	211, 873, 000	+0. 2
Total	907, 519, 500	915, 208, 900	+0. 8
Private share investments during month	17, 167, 600	17, 359, 600	+1. 1
Repurchases during month	10, 292, 500	10, 017, 000	−2. 7
Mortgage loans made during month:			
a. New construction	5, 329, 900	7, 180, 200	+34. 7
b. Purchase of homes	4, 693, 800	6, 519, 700	+38. 9
c. Refinancing	4, 262, 400	5, 208, 300	+22. 2
d. Reconditioning	1, 116, 400	1, 335, 600	+19. 6
e. Other purposes	1, 679, 200	2, 218, 000	+32. 1
Total	17, 081, 700	22, 461, 800	+31. 5
Mortgage loans outstanding end of month	855, 619, 400	870, 221, 000	+1. 7
Borrowed money as of end of month:			
From Federal Home Loan Banks	90, 814, 800	88, 598, 900	−2. 4
From other sources	1, 786, 400	1, 898, 400	+6. 3
Total	92, 601, 200	90, 497, 300	−2. 3
Total assets, end of month	1, 106, 728, 000	1, 119, 158, 200	+1. 1

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

Federal Home Loan Banks	Advances made during Mar. 1938	Advances made during Feb. 1938
No. 1—Boston	$85, 000. 00	$142, 000. 00
No. 2—New York	541, 000. 00	994, 000. 00
No. 3—Pittsburgh	377, 150. 00	461, 050. 00
No. 4—Winston-Salem	757, 700. 00	421, 000. 00
No. 5—Cincinnati	327, 000. 00	478, 750. 00
No. 6—Indianapolis	117, 500. 00	132, 500. 00
No. 7—Chicago	458, 165. 15	512, 722. 57
No. 8—Des Moines	413, 973. 00	127, 000. 00
No. 9—Little Rock	455, 000. 00	295, 000. 00
No. 10—Topeka	270, 900. 00	210, 600. 00
No. 11—Portland	517, 000. 00	108, 500. 00
No. 12—Los Angeles	580, 185. 65	187, 500. 00
Total	4, 900, 573. 80	4, 070, 622. 57

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 through June	59, 000	37, 344	167, 057
July	10, 221	7, 707	169, 571
August	11, 116	5, 080	175, 607
September	9, 330	5, 426	179, 511
October	8, 991	4, 461	184, 041
November	7, 001	3, 707	187, 336
December	17, 591	4, 832	200, 095
1938			
January	3, 723	13, 280	190, 538
February	4, 071	7, 091	187, 518
March	4, 900	9, 293	183, 125

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
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
Aug. 31, 1937	126	6, 007, 210	586	39, 633, 420	4, 088	177, 603, 700	4, 800	223, 244, 330
Sept. 30, 1937	126	6, 082, 210	623	41, 510, 420	4, 217	182, 523, 000	4, 966	230, 115, 630
Oct. 31, 1937	127	6, 192, 210	639	42, 148, 470	4, 255	184, 052, 200	5, 021	232, 392, 880
Nov. 30, 1937	[2] 116	[2] 5, 757, 210	665	43, 308, 470	4, 285	185, 109, 200	5, 066	234, 174, 880
Dec. 31, 1937	112	5, 357, 210	666	43, 490, 020	4, 324	187, 015, 400	5, 102	235, 862, 630
Jan. 31, 1938	113	5, 382, 210	675	44, 055, 020	4, 342	187, 668, 400	5, 130	237, 105, 630
Feb. 28, 1938	106	5, 197, 210	692	44, 816, 020	4, 360	188, 535, 900	5, 158	238, 549, 130
Mar. 31, 1938	[2] 100	[2] 4, 992, 210	711	45, 975, 130	4, 368	188, 885, 900	5, 179	239, 853, 240
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
June 30, 1937	63	2, 381, 000	440	30, 283, 600	3, 509	150, 368, 400	4, 012	183, 003, 000
July 31, 1937	52	1, 934, 000	465	31, 176, 600	3, 647	155, 917, 000	4, 164	189, 027, 600
Aug. 31, 1937	48	1, 926, 000	492	32, 950, 600	3, 742	159, 511, 500	4, 282	194, 388, 100
Sept. 30, 1937	47	1, 901, 000	510	33, 675, 720	3, 849	164, 226, 200	4, 406	199, 802, 920
Oct. 31, 1937	48	1, 931, 000	535	34, 954, 770	3, 918	166, 447, 700	4, 501	203, 333, 470
Nov. 30, 1937	[2] 38	[2] 1, 426, 000	559	36, 086, 770	3, 950	167, 154, 600	4, 547	204, 667, 370
Dec. 31, 1937	40	1, 526, 000	564	36, 331, 270	3, 997	168, 762, 300	4, 601	206, 619, 570
Jan. 31, 1938	40	1, 526, 000	573	36, 843, 270	4, 009	169, 035, 300	4, 622	207, 404, 570
Feb. 28, 1938	36	1, 491, 000	582	37, 073, 270	4, 024	169, 670, 300	4, 642	208, 234, 570
Mar. 31, 1938	[2] 33	[2] 1, 401, 000	596	37, 714, 270	4, 033	170, 057, 800	4, 662	209, 173, 070

[1] Refers to number of separate investments, not to number of associations in which investments are made.
[2] Reduction due to insurance or federalization of associations.

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: Jan. 1 through June 30	23, 459
July 1 through Dec. 31	26, 899
1938: January	4, 811
February	4, 334
March	4, 906
Grand total to Mar. 31, 1938	85, 610

[1] Does not include 19,082 properties bought in by H. O. L. C. at foreclosure sale but awaiting expiration of the redemption period before title in absolute fee can be obtained.

In addition to the 85,610 completed cases, 468 properties were sold at foreclosure sale to parties other than the H. O. L. C. and 10,897 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 Mar. 31, 1938 [1]

	June 1, 1934, through Feb. 28, 1938	Mar. 1, 1938, through Mar. 31, 1938	Cumulative through Mar. 31, 1938
Cases received [2]	893, 958	12, 579	906, 537
Contracts awarded:			
Number	526, 544	10, 401	536, 945
Amount	$100, 763, 488	$2, 173, 992	$102, 937, 480
Jobs completed:			
Number	517, 297	10, 199	527, 496
Amount	$96, 999, 567	$2, 144, 727	$99, 144, 294

[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 prior to Apr. 15, 1937.

F. H. L. B. System

(Continued from p. 293)

The Federal Home Loan Bank of Topeka is the only Bank which has maintained its balance of advances outstanding in excess of the amount reported on December 31, 1937. At the end of March, however, only the Portland and the Little Rock Banks were able to report advances outstanding which were greater in amount than at the end of February.

Interest Rates

The Federal Home Loan Bank of Des Moines has established a 3¼-percent annual collectible interest rate, effective April 1, 1938, on all outstanding loans to members on and after that date, to continue in effect until further action by the board of directors. The old rates were: 3½ percent on all advances up to $1,000,000; 3 percent if the balance of advances outstanding to any one member equaled or exceeded $1,000,000.

Business Reviews

(Continued from p. 287)

deeds recorded per 1,000 families. A comparison is then made between this index and the "Indiana General Business Curve." Later, the Bureau plans to supplement these data with statistics on the volume of foreclosures, dollar volume of mortgage recordings, vacancy surveys, interest rates charged on first mortgages, and a rental index.

This type of information is not only extremely valuable to Federal Home Loan Banks and member institutions but to all persons concerned with home-mortgage finance. A few of the Banks have already cooperated with universities in their respective Districts in supplying data for these business reviews. For example, since January the Federal Home Loan Bank of Little Rock has provided the Louisiana State University, for publication in the *Louisiana Business Review*, monthly statistics on the number and amount of construction loans made by all insured institutions in the Ninth District. The Federal Home Loan Bank of Indianapolis has contributed ideas as well as data to the *Indiana Business Review* for its real estate section.

Local Mortgage Recording Studies

Not only have some Federal Home Loan Banks cooperated with universities in these studies, but a few abstract and title companies in different sections of the country have also added their help. At present, a number of abstract and title companies and one Federal savings and loan association in Cincinnati are known to be compiling and making public valuable information on local mortgage and deed recordings. An abstract and title company in Detroit and a title company in Indianapolis both compile monthly statistics relating to mortgage recordings in Wayne County, Michigan, and Marion County, Indiana, respectively, which they make available to the Federal Home Loan Bank of Indianapolis. Likewise, title companies in Cincinnati, Seattle, and Los Angeles supply the same type of information to the Federal Home Loan Banks of their districts.

This is evidence of a further step in the development of local statistics: their correlation by regions to provide the basis for a comparison between communities. So far this procedure of collection and reporting has developed sporadically in scattered parts of the country as local institutions recognize the pressing need for adequate data on the operation of their business. The value of the process would be increased tremendously if standards were developed by a central correlating agency, and if uniform methods of reporting were adopted. This subject will be discussed in the next issue of the Review.

The survey made by the Federal Home Loan Bank Review of studies currently being carried on by university business schools of significant trends in real estate activity is not a comprehensive one. It simply indicates some significant developments which have been brought to the attention of the Review in a study of material available in the different libraries of Washington and in correspondence with university business schools. Because these developments are of interest to home-financing institutions, it is planned to continue the collection of data in this field and the Review will be glad to receive information at any time with respect to university publications which deal with current real estate and mortgage-lending activity. Reports of cooperative undertakings by home-financing institutions with universities, or with abstract and title companies, for the purpose of developing local data on mortgage recordings are also requested.

Resolutions of the Board

AMENDMENT TO RULES AND REGULATIONS FOR FEDERAL SAVINGS AND LOAN ASSOCIATIONS, PROVIDING THAT VOLUNTARY REPURCHASES OF FULL-PAID INCOME SHARES HELD BY THE SECRETARY OF THE TREASURY WILL BE CREDITED UPON THE PURCHASE REQUESTS WHICH THE SECRETARY OF THE TREASURY IS PERMITTED BY STATUTE TO MAKE: Adopted April 8, 1938; effective immediately.

Section 37 of the Rules and Regulations for Federal Savings and Loan Associations was amended by adding at the end thereof the following:

Investments in full-paid income shares repaid by an institution voluntarily to the Secretary of the Treasury will be credited upon the next succeeding requests by the Secretary of the Treasury for the retirement or repurchase of such investments from such institution to the extent of such voluntary repayments.

AMENDMENT TO RULES AND REGULATIONS FOR INVESTMENTS BY THE HOME OWNERS' LOAN CORPORATION IN SECURITIES OF SAVINGS AND LOAN ASSOCIATIONS, PROVIDING THAT VOLUNTARY REPURCHASES OF H.O.L.C. INVESTMENTS WILL BE CREDITED UPON THE PURCHASE REQUESTS WHICH THE HOME OWNERS' LOAN CORPORATION IS PERMITTED BY STATUTE TO MAKE: Adopted April 8, 1938.

Paragraph numbered 4 of the first resolve of the Rules and Regulations for Investments by the Home Owners' Loan Corporation in Securities of Savings and Loan Associations was amended by inserting after the first sentence, the following:

Investments repaid voluntarily to the Corporation will be credited upon the next succeeding requests by the Corporation for the repurchase or withdrawal of investments from such institution to the extent of such voluntary repayments.

Directory of Member, Federal, and Insured Institutions

Added during March–April

I. INSTITUTIONS ADMITTED TO MEMBERSHIP IN THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN MARCH 16, 1938, AND APRIL 15, 1938[1]

[Listed by Federal Home Loan Bank Districts, States, and cities]

DISTRICT NO. 3

PENNSYLVANIA:
New Brighton:
New Brighton Building & Loan Association, 1021 Third Avenue.
Philadelphia:
Harry T. Rosenheim Building & Loan Association, 1616 Walnut Street.
James W. Baird Building Association, 10 South Eighteenth Street.
Second Caledonia Building Association, 724 South Broad Street.
Southwark Foundry Building Association, 5302 Lebanon Avenue.

[1] During this period 2 Federal savings and loan associations were admitted to membership in the System.

DISTRICT NO.

ALABAMA:
Birmingham:
Guaranty Savings Building & Loan Association, 2124 First Avenue.

DISTRICT NO. 5

OHIO:
Trenton:
Trenton Building & Loan Association.

DISTRICT NO. 6

INDIANA:
Indianapolis:
Peoples Mutual Saving & Loan Association, 118 North Delaware Street.
MICHIGAN:
Buchanan:
Industrial Building & Loan Association of Buchanan, Michigan.

DISTRICT NO. 7

ILLINOIS:
Macon:
Macon Savings Loan & Building Association.

DISTRICT NO. 8

IOWA:
Council Bluffs:
Insurance Plan Savings & Loan Association, 19 North Main Street.
MISSOURI:
Kansas City:
United Savings & Loan Association, 927 Walnut Street.
Marceline:
Marceline Home Savings & Loan Association.
St. Joseph:
South St. Joseph Building & Loan Association, Corner Tenth & Penn Streets.
SOUTH DAKOTA:
Watertown:
Midland National Life Insurance Company.

DISTRICT NO. 10

KANSAS:
Leavenworth:
Leavenworth Mutual Building Loaning & Savings Association, 506 Shawnee Street.

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN MARCH 16, 1938, AND APRIL 15, 1938

ILLINOIS:
Chicago:
Parkway Building & Loan Association, 2659 West Twenty-first Street (merger with Albert Wachowski Loan & Savings Company, Chicago, Illinois).
LOUISIANA:
New Orleans:
Acme Homestead Association, 802 Poydras Street (sale of assets to First Homestead & Savings Association, New Orleans, Louisiana).
Crescent City Building & Homestead Association, 714 Union Street (sale of assets to First Homestead & Savings Association, New Orleans, Louisiana).
MARYLAND:
Baltimore:
East Avenue Building & Loan Association of Baltimore City, 3200 East Baltimore Street (removal from membership).
Peabody Heights Building & Loan Association of Baltimore City, 2437 St. Paul Street (voluntary withdrawal).
MISSOURI:
Kansas City:
First Mortgage Savings & Loan Association, 318 Dwight Building (merger with United Savings & Loan Association, Kansas City, Missouri).
NEW JERSEY:
Newark:
J & M Building & Loan Association of Newark, New Jersey, 42 Lincoln Street (voluntary withdrawal).
PENNSYLVANIA:
Pittsburgh:
Orpheus Building & Loan Association of Pittsburgh, Pennsylvania, 505 Larimer Avenue (voluntary withdrawal).
Twenty-first Ward Building & Loan Association No. 4 of Pittsburgh, 505 Larimer Avenue (voluntary withdrawal).
Western Pennsylvania Building & Loan Association of Allegheny, 401 Federal Street (voluntary withdrawal).
Wilkes-Barre:
Wyoming Valley Building & Loan Association, 25 West Market Street (removal from membership).

II. FEDERAL SAVINGS AND LOAN ASSOCIATIONS CHARTERED BETWEEN MARCH 16, 1938, AND APRIL 15, 1938

DISTRICT NO. 3

PENNSYLVANIA:
Philadelphia:
Clearfield Federal Savings & Loan Association, 7300 Frankford Avenue (converted from Clearfield Building Association of Philadelphia).
Pottstown:
First Federal Savings & Loan Association of Pottstown, 27 North Hanover Street (converted from Pottstown Building & Loan Association).

DISTRICT NO. 4

ALABAMA:
Mobile:
Mobile Federal Savings & Loan Association, 154 St. Louis Street (converted from Mobile Building & Loan Association).
NORTH CAROLINA:
Brevard:
Brevard Federal Savings & Loan Association.

DISTRICT NO. 5

KENTUCKY:
Frankfort:
First Federal Savings & Loan Association of Frankfort, 205 St. Clair Street (converted from Greater Frankfort Building & Loan Association).
OHIO:
Cleveland:
South Side Federal Savings & Loan Association, 3114 West Twenty-fifth Street (converted from South Side Savings & Loan Association of Cleveland, Ohio).
Third Federal Savings & Loan Association of Cleveland, 6214 Fleet Avenue.
Dayton:
Lincoln Federal Savings & Loan Association of Dayton, 1800 West Third Street (converted from West Dayton Savings Association).

DISTRICT NO. 9

TEXAS:
Galveston:
Guaranty Federal Savings & Loan Association, 2128 Mechanic Street.

DISTRICT NO. 10

OKLAHOMA:
Oklahoma City:
First Federal Savings & Loan Association of Oklahoma, 109 North Broadway (converted from Federal Savings & Loan Association of Oklahoma).

CANCELATIONS OF FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTERS BETWEEN MARCH 16, 1938, AND APRIL 15, 1938

ILLINOIS:
Chicago:
Marquette Federal Savings & Loan Association, 2351 Addison Street (failure to complete organization).
IOWA:
Clarion:
Wright County Federal Savings & Loan Association of Clarion, Crowe Block (merger with Webster City Federal Savings & Loan Association, Webster City, Iowa).
SOUTH DAKOTA:
Sioux Falls:
First Federal Savings & Loan Association of Sioux Falls, Corner Tenth Street & Main Avenue (failure to complete organization).

III. INSTITUTIONS INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION BETWEEN MARCH 16, 1938, AND APRIL 15, 1938

DISTRICT NO. 2

NEW JERSEY:
Irvington:
Supreme Building & Loan Association of Irvington, N. J., 1345 Springfield Avenue.
Ridgefield Park:
Park Building & Loan Association of Ridgefield Park, N. J., 198 Main Street.
NEW YORK:
North Tarrytown:
Tarrytown and North Tarrytown Savings & Loan Association, 250 North Washington Street.

DISTRICT NO. 3

PENNSYLVANIA:
Philadelphia:
Northern Liberties Federal Savings & Loan Association, 16 West Queen Lane.

DISTRICT NO. 4

ALABAMA:
Birmingham:
Guaranty Savings Building & Loan Association, 2124 First Avenue.
MARYLAND:
Baltimore:
Atlantic Federal Savings & Loan Association, 1617 East Federal Street.

DISTRICT NO. 5

KENTUCKY:
Frankfort:
First Federal Savings & Loan Association of Frankfort, 205 St. Clair Street.
OHIO:
Cleveland:
South Side Federal Savings & Loan Association, 3115 West Twenty-fifth Street.
Dayton:
Lincoln Federal Savings & Loan Association of Dayton, 1800 West Third Street.
Steubenville:
Ohio Valley Savings & Loan Company, 426 Washington Street.

DISTRICT NO. 6

INDIANA:
Evansville:
Permanent Loan & Savings Association of Evansville, 27 Southeast Third Street.
MICHIGAN:
Detroit:
Detroit Federal Savings & Loan Association, 210 Barlum Tower Building.

DISTRICT NO. 7

ILLINOIS:
Chicago:
Adams Building & Loan Association, 3938 West Twenty-sixth Street.
Apollo-Uland Building & Loan Association, 106 North Pulaski Road.
Borivoj Building & Loan Association, 1536 West Eighteenth Street.
Keistuto Loan & Building Association No. 1, 840 West Thirty-third Street.
Lstibor Building & Loan Association, 3856–58 West Twenty-sixth Street.
Midwest Savings & Loan Association, 3030 West Cermak Road.
Lincoln:
Lincoln Savings & Loan Association, 600 Broadway.
Springfield:
Springfield Building & Loan Association, 604 East Capitol Avenue.
Springfield City Savings & Loan Association, 320 East Adams Street.
Workingmen's Savings & Homestead Association, 215 South Fourth Street.

DISTRICT NO. 8

IOWA:
Council Bluffs:
Insurance Plan Savings & Loan Association, 19 North Main Street.
MISSOURI:
Kansas City:
United Savings & Loan Association, 927 Walnut Street.
Palmyra:
Palmyra Saving & Building Association.
St. Joseph:
South St. Joseph Building & Loan Association, Corner Tenth & Penn Streets.

DISTRICT NO. 9

TEXAS:
Galveston:
Guaranty Federal Savings & Loan Association, 2128 Mechanic Street.

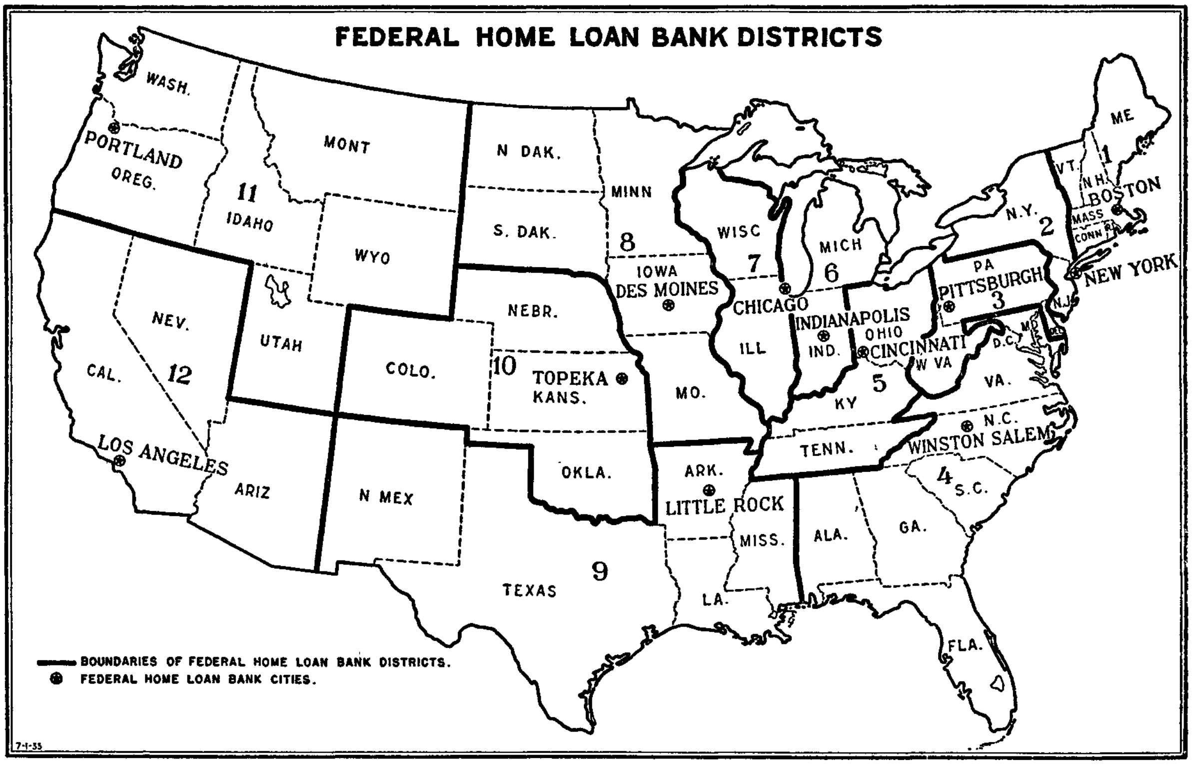
DISTRICT NO. 10

OKLAHOMA:
Oklahoma City:
First Federal Savings & Loan Association of Oklahoma, 109 North Broadway.

Vacancies

THE *Survey of Current Business* finds from scattered reports which are available that residential vacancies during 1937 have apparently held at the low figures attained during 1936, and in some cases have declined even further. The trend in residential vacancies has been steadily downward since 1932, and in 1936 several of the larger cities reported less than 2 percent of the total number of dwelling units unoccupied. Vacancy percentages at the end of 1937 for single-family dwelling units were: Denver, 1.1 percent; Oakland, 1.4 percent; Minneapolis, 0.7 percent; and Chicago, 1.7 percent. Houston showed a vacancy ratio of 1.1 percent on a total of 71,000 buildings.

U. S. GOVERNMENT PRINTING OFFICE: 1938



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