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HOME OWNERS' LOAN CORPORATION

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THE PROBLEM OF REAL ESTATE OWNED BY INSTITUTIONS

Marked assimilation of the amount of real estate held by savings and loan associations was shown in 1937. There is general agreement today that the trend of building costs will be the fundamental factor in determining the policy of institutional holders of real estate during 1938.

■ RECENTLY an important statement was widely publicized and singled out for editorial comment in many of the leading newspapers of the country: "Before there can be any sound and wholesome increase in the volume of residential construction, the present high volume of institutionally-owned real estate must be assimilated." Most editorial comment agreed that much recent discussion of the housing problem failed to take adequately into account the present large volume of real estate owned by financial institutions.

There was almost no attempt, however, in this editorial comment to present statistics concerning the volume of residential property in the hands of private institutional lenders today. Commentators were well aware of the fact that authoritative national figures for the amount of repossessed residential property in this country are lacking. It is estimated by the Division of Research and Statistics of the Federal Home Loan Bank Board that the total amount of repossessed real estate of all types in the hands of commercial banks, mutual savings banks, life insurance companies, and savings and loan associations at the end of 1937 amounted to a little more than $4,000,000,000, but for the country as a whole it would be extremely difficult to determine with any accuracy the proportion of these total holdings which is made up of residential property.

In the case of savings and loan associations, however, the Federal Home Loan Bank Board is able to present statistics which are highly interesting to all home-financing institutions, since it is believed that more than 90 percent of the total amount of real estate owned by savings and loan associations consists of residential property. At the end of 1936, all savings and loan associations held approximately $1,150,000,000 of repossessed real estate, excluding office buildings and real estate sold on contract. One year later, on December 31, 1937, it was estimated that all savings and loan associations held approximately $1,100,000,000 in real estate—a decrease of approximately $50,000,000, or 4.3 percent, during the year.

Assimilation of Real Estate Holdings

Complete figures are now available on regional trends throughout the country during 1937 with respect to the real estate held by member savings and loan associations. There are some very significant indicators, as Table 1 shows. Three hundred and eighty-six Federal savings and loan associations, which on December 31, 1936 held $79,000,000 of the total amount of $82,000,000 in real estate owned by all 1,212 Federal savings and loan associations chartered on that date, during the year 1937 disposed of a little over $9,000,000 of this real estate. This resulted in a decrease of 11.7 percent in the amount of their real estate holdings.

Table 1.—Trend of real estate owned and real estate contracts in 386 Federal associations during 1937

	Dec. 31, 1936	Dec. 31, 1937	Increase or decrease	Percent change
Real estate owned	$78, 912, 939	$69, 641, 552	−$9, 271, 387	−11. 7
Real estate contracts	21, 476, 276	29, 701, 078	+8, 224, 802	+38. 3

These 386 Federal savings and loan associations were well distributed geographically, being located in 37 States. At the end of 1937, in 28 States a decrease was recorded in the amount of real estate owned by these Federal associations, and in only 9 States was there any increase. The real estate sold on contract by these same 386 Federal associations increased during the year by more than $8,000,000. The amount of real estate contracts increased in 24 States, remained unchanged in 2, and decreased in 11 States.

Decreases ranging from 20 to 30 percent in the amount of real estate owned were recorded by 13 of the 28 States in which these Federal associations reported declines.

As these figures show, the disposition of most owned real estate during 1937 was accomplished by transferring it to a real estate contract basis. By strict standards, real estate contracts might be regarded as another form of owned real estate. Judged by such standards, the *net* decrease in real estate holdings for these 386 Federal associations in 1937 was a little more than $1,000,000, or approximately 1 percent of real estate owned plus real estate contracts. However, the Federal Home Loan Bank of Little Rock states that recent reports of examinations in the Ninth District showed that real estate sales contracts, regardless of the size of the down payments, were performing very satisfactorily and reports from several other Bank Districts likewise show encouraging trends in real estate contracts.

There are other trends which seem to parallel closely the drop in real estate holdings shown by these 386 Federal associations. All 1,212 Federal savings and loan associations which had been chartered at the end of 1936 reported real estate holdings (excluding real estate contracts) in an amount equal to 10.6 percent of their total assets. On December 31, 1937, 1,319 Federal savings and loan associations, representing all of the 1,328 Federal associations which had been chartered and were actively operating on that date, reported real estate holdings which amounted to only 8.4 percent of total assets. In every Federal Home Loan Bank District but one, real estate owned amounted to a smaller percentage of total assets at the end of 1937 than at the end of 1936. In the Boston District, which was the single exception, the increased ratio of real estate to total assets was due to the fact that during 1937 extensive reorganization programs involving conversion to Federal charters were carried out, which resulted in lower asset figures after adjustments were made for pledged shares. In six of the Federal Home Loan Bank Districts, despite substantial increases in the number of State-chartered associations converted to Federal charter during 1937, the dollar amount of real estate owned by all Federal associations was less at the end of 1937 than at the end of 1936. In every Federal Home Loan Bank District the dollar amount of real estate sold on contract by Federal associations increased.

For two groups of savings and loan associations, the downward trend in real estate owned and the upward trend in real estate contracts were evident during 1937: for 386 Federal associations selected as a representative sample, and for all Federal savings and loan associations. Were these same trends true during 1937 of a much more comprehensive group—all of the member savings and loan associations of the Federal Home Loan Bank System?

The answer is clear from Table 2. For the country as a whole, 3,746 member savings and loan associations reported a total dollar volume of $522,109,000 in owned real estate, or 16.5 percent of total assets, on December 31, 1936. By December 31, 1937, the 3,890 savings and loan associations which were then members of the Bank System reported $488,501,000 in owned real estate, or 13.8 percent of total assets. During 1937, there was a net decrease of $33,608,000 in the amount of real estate owned by all member savings and loan associations, despite a large increase in the number of members. Real estate contracts increased by $34,236,000 to 3.6 percent of total assets at the end of 1937.

The same general trends of owned real estate as were indicated by the sample groups of Federal associations were, therefore, true of all member savings and loan associations during 1937, as Table 2 makes evident. In every Bank District, owned real estate constituted a smaller percentage of total assets at the end of 1937 than at the end of 1936. In only one District (Boston) was the dollar volume of real estate owned by member associations greater at the end of 1937 than at the end of 1936, and this increase was due to the reorganization program carried on in the Boston District during 1937.

Member savings and loan associations in every one of the 12 Federal Home Loan Bank Districts reported a greater dollar volume of real estate sold on contract at the end of 1937 than at the end of 1936. There were, however, three Districts in which the percentage of real estate sold on contract to total assets was greater at the end of 1936 than at the end of 1937: Little Rock, Portland, and Los Angeles.

Assimilation by the market of this volume of repossessed properties may be attributable in part to the increased cost of construction of residential property during the latter part of 1936 and the early months of 1937. The proportion of loans for home purchase to total loans made by savings and loan associations showed a significant increase from 30 percent in 1936 to 35 percent in 1937 which would tend to confirm this belief.

Present Policy of Institutional Holders of Real Estate

Although these trends are certainly favorable, it is apparent that the situation is still grave. The question in the minds of many executives of financial institutions today is whether these favorable trends in the disposition of owned real estate can be continued and expanded during 1938, in view of the possible stimulation of the construction of new houses for sale and for rent. At the present time building costs are showing definite declines throughout the country which may lessen the buyer resistance to purchase of new homes.

(*Continued on p. 325*)

Table 2.—Trends in real estate owned and in real estate contracts for all member savings and loan associations during 1937

[Source: Division of Research and Statistics, Federal Home Loan Bank Board]

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank Districts: as of December 31	Number of member savings and loan associations	Real estate owned		Real estate sold on contract	
		Amount	Percent of total assets	Amount	Percent of total assets
United States:					
1936	3,746	$522,109	16.5	$93,908	3.0
1937	3,890	488,501	13.8	128,144	3.6
No. 1—Boston:					
1936	165	34,054	11.6	336	0.1
1937	194	45,910	11.4	639	0.2
No. 2—New York:					
1936	412	114,933	25.3	4,977	1.1
1937	425	113,499	24.2	7,174	1.5
No. 3—Pittsburgh:					
1936	535	36,467	17.5	2,426	1.2
1937	558	36,182	16.3	4,196	1.9
No. 4—Winston-Salem:					
1936	426	15,019	5.7	2,735	1.0
1937	429	11,912	3.8	3,087	1.0
No. 5—Cincinnati:					
1936	526	97,440	14.4	14,925	2.2
1937	550	84,690	11.5	23,829	3.2
No. 6—Indianapolis:					
1936	188	42,609	19.6	18,119	8.3
1937	201	35,981	15.3	27,305	11.6
No. 7—Chicago:					
1936	472	82,508	24.6	13,787	4.1
1937	481	76,465	21.0	20,336	5.6
No. 8—Des Moines:					
1936	227	17,406	12.0	5,707	3.9
1937	233	16,328	10.1	6,505	4.0
No. 9—Little Rock:					
1936	265	20,472	14.2	2,985	2.1
1937	283	18,409	10.5	3,551	2.0
No. 10—Topeka:					
1936	223	28,361	21.2	8,246	6.2
1937	228	24,940	16.8	10,776	7.3
No. 11—Portland:					
1936	134	5,827	6.4	8,045	8.8
1937	135	4,665	4.3	8,837	8.2
No. 12—Los Angeles:					
1936	173	27,013	13.9	11,620	6.0
1937	173	19,520	8.9	19,909	5.4

RECONDITIONING OWNED REAL ESTATE

The first article in this issue points out the problem confronting mortgage lenders in the disposition of owned real estate; this article discusses reconditioning that real estate for sale and cites H. O. L. C. experience.

THE possession of a large volume of real estate by savings and loan associations creates a series of special problems because that real estate must be thought of in terms of eventual sale rather than merely as an income-producing asset. Such problems are often made more pressing by the rundown and obsolete condition of properties acquired through foreclosure. A general decline in values, improper maintenance and other factors attendant upon foreclosure often combine to endanger seriously the institution's equity. They make necessary a realistic approach since frequently loss cannot be avoided by even the most expert.

The realistic approach to the problem of selling acquired properties will demand a careful consideration of the advisability of reconditioning. In deciding how to sell a property to best advantage, the manager must decide whether it is to be sold without change and subject to probable loss or whether more money is to be put into the property in the form of reconditioning in an effort to create a more favorable market for the property. It is equally as important to know when not to recondition as to know how to recondition for the best interests of the association may be served if a loss is accepted and the property sold.

Reconditioning to be profitable must increase the value of the property above the cost of the work done, and must improve the appearance and attractiveness of the property so as to widen the range of potential buyers. The problem of how much should be spent and for what purposes has no easy solution. It is one which will tax the experience and judgment of the best savings and loan manager and his technical advisers.

One of the most important factors to consider in reconditioning is the quality of the house in relation to the neighborhood in which it is located. The difficulty of selling a $10,000 house in a $5,000 neighborhood will be elaborated upon by any realtor, and is the basis of an axiom in reconditioning: When the value of a property is below that of surrounding houses it is frequently possible to spend money on improvements to good advantage, but when the value is greater than its neighbors, major expenditures are seldom advisable. When people buy a $10,000 house, they prefer a neighborhood of $10,000 houses (or better) and if the property does not satisfy those preferences, its price will have to be lowered if it is to be sold.

There are, of course, other important considerations for the lending institution. If it owns property or holds mortgages in the neighborhood of a rundown dwelling in its possession, the necessity for protection expands to include the equity in those other dwellings. Reconditioning may not pay returns in the particular rundown dwelling but will so protect the other investments as to be justifiable.

Repairs to a building are either structural or decorative. In the rehabilitation of many dwellings both are necessary. Structural repairs are a fundamental protection of the institution's equity, and the sale of dwellings certified as structurally sound helps to create a reputation for fair dealing.

However, structural repairs often do not show, and unfortunately, will have little effect on the salability of dwellings. Buyers are more influenced by externals: by new paint, styles, and fixtures. The provision of these things is often necessary in making a dwelling attractive to the public.

Because of the interrelation of economic, design, and structural factors in any extensive reconditioning job, persons of experience and training are needed. The technique is as specialized as that involved in mortgage lending and is best assigned to specialists who understand all the factors involved. This is particularly true during a period of falling market prices, a time when the mortgagee's equity is endangered.

The experienced manager of a mortgage-lending institution has, and will continue, to judge when properties need small and incidental repairs, but in those cases requiring more extensive work he usually calls in the technician to assist him.

The wide experience of the Home Owners' Loan Corporation in reconditioning has proved the value of technical advice in the estimation of necessary repairs and of technical supervision of the work as it progresses.

Examples of H. O. L. C. Experience

Reproduced on these pages are photographs of four properties reconditioned by the Reconditioning Division of the Home Owners' Loan Corporation. They are not average examples of H. O. L. C. reconditioning but were picked to emphasize the effect of both large and small expenditures on different kinds of properties in different locations. They show the external appearance of the properties at the time they were acquired by the Corporation and their appearance after reconditioning for rent and for sale. The appraised value at the time of acquisition is shown together with the cost of reconditioning and the subsequent appraised value. It is to be noted that in each case there was a net increase in value above the cost of the repair work—a gauge of the wisdom of the expenditure. This is no indication, however, that the Corporation made a profit on these properties. Rather, it has given the Corporation an opportunity to reduce possible losses resulting from acquisition.

As the illustration shows, Property A was an architectural monstrosity when acquired by the Corporation. It was in a rundown condition and could be neither rented nor sold satisfactorily. Further, it was located in a New England town where rents and sale demands were increasing very slowly. However, the population trend of the community was upward, commercial and real estate activity were improving, the neighborhood of the house was of acceptable quality, and the property location was very good.

Because the value of the property was below that of the neighborhood and the factors listed above balanced favorably, a complete transformation was undertaken at a total cost of $1,338. The interior and exterior appearance was entirely transformed, changing it from a 2-family to a 1-family residence. Mechanical equipment was checked and repaired.

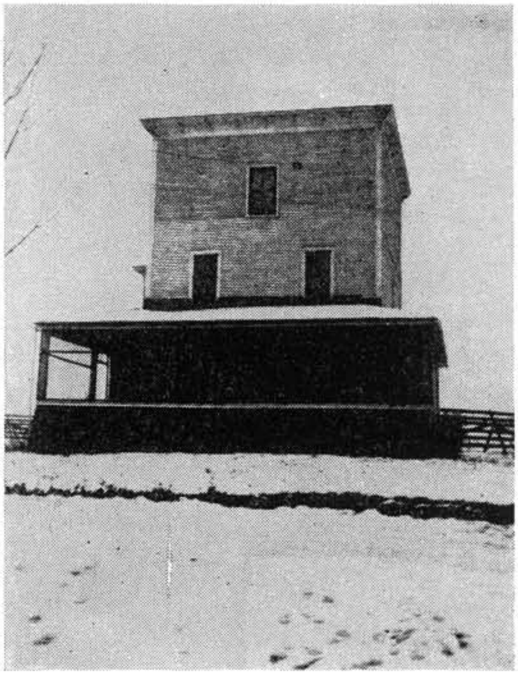
Before reconditioning, independent appraisers valued the building at $1,500 and after reconditioning at $4,250—a net increase above costs of $1,411. Obviously, in this case, the full value of the reconditioning could not be measured in dollars. The improved appearance of the building materially increased its salability and widened the range of potential purchasers.

If this change had not been made, the Corporation would most certainly have sustained a loss of capital. Competent technical supervision was an important element in effecting the change. The experienced appraisers who made the original report on this property suggested general changes which would increase its market value. This was professional opinion from the point of view of the real estate market. Then officials of the Reconditioning Division, on the basis of these suggestions, made a detailed technical analysis of the work necessary to rehabilitate the property, and provided technical supervision of the actual construction. The final allocation of funds was approved by the Property Management Division.

Property B, located in the Middle West, represents a different type of problem. Structurally the building was in fairly good condition. All that was needed was a new roof and surface decoration to make it attractive to potential purchasers. The cost of putting it in a marketable condition was only $317 and resulted in an increase of $549 in the value of the property, or $132 above the cost of reconditioning. The work was justified in that the prospects of marketing the property were considerably improved. Although this reconditioning problem was handled by the established Reconditioning and Property Management Divisions of the H. O. L. C., it is probably such as could be handled without technical assistance.

One of the most difficult types of building to rent or sell is the rundown business property, because appearance is so important a factor in any merchandising establishment. Property C, a combined business and residence, is an example of this type of problem. Although located in an old section of a New England city, one where business and industry had gradually crept in, it was below the neighborhood standard when acquired and was in poor repair.

Some structural repairs were made, but the greatest expense was in redecoration. The exterior was stuccoed, the second floor porch glazed, and the interior refinished. The total cost of reconditioning in this case was $1,139 whereas the increase in the value of the property was $1,361 greater than the

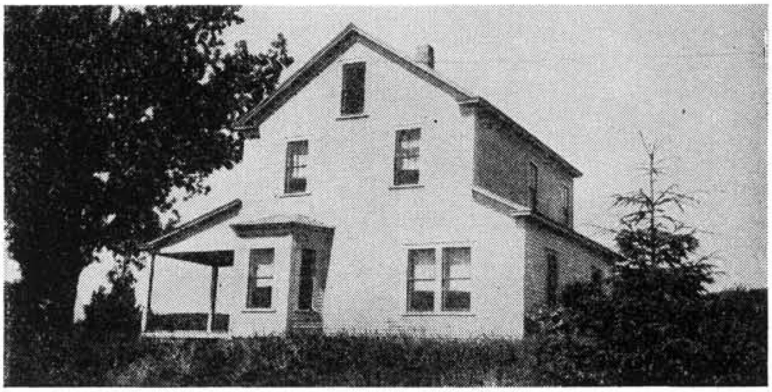


← BEFORE: Appraised value—$1,500

PROPERTY "A"

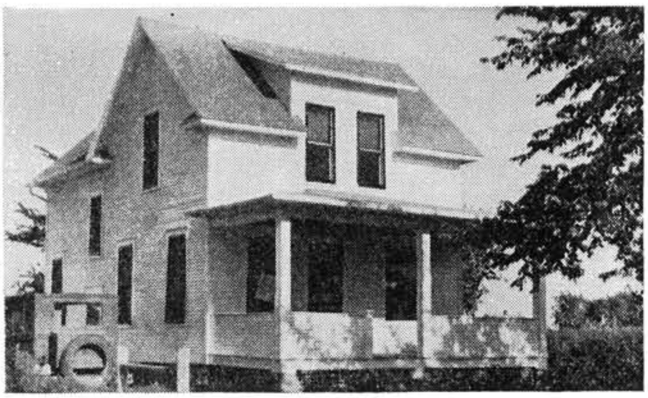
Cost of Reconditioning—$1,338

↓ AFTER: Appraised value $4,250



← BEFORE: Appraised value $2,300

↓ AFTER: Appraised value $2,750



PROPERTY "B"

Cost of Reconditioning—$317

cost of the improvements. If the appraised value of the property had been higher than that of neighboring houses, no such an expenditure would have been justifiable as it would probably have resulted in an additional loss to the Corporation.

Property D is located in a fair residential section of a Texas city. It differs from the others in that it is in a rent section and is composed of two buildings—a 5-room bungalow and a 2-story frame duplex. (The bungalow may be seen behind the duplex in the "after" picture.) Being in a rental section, it would probably be purchased as an investment rather than as an owner-occupied residence. This somewhat conditioned the work undertaken. Nevertheless, had the property been in an unsatisfactory neighborhood, the large expenditure made would not have been justifiable.

When acquired, this property was in need of repairs and paint. The work done represents an excellent use of reconditioning funds. Foundation piers were rebuilt, a new roof put on, floors refinished, interior walls papered, and other necessary work done. This thorough reconditioning project cost the Corporation $1,619, or 39 percent of the property's value before reconditioning, but the Corporation realized a net increase in appraised value of $1,383 above the cost of repairs.

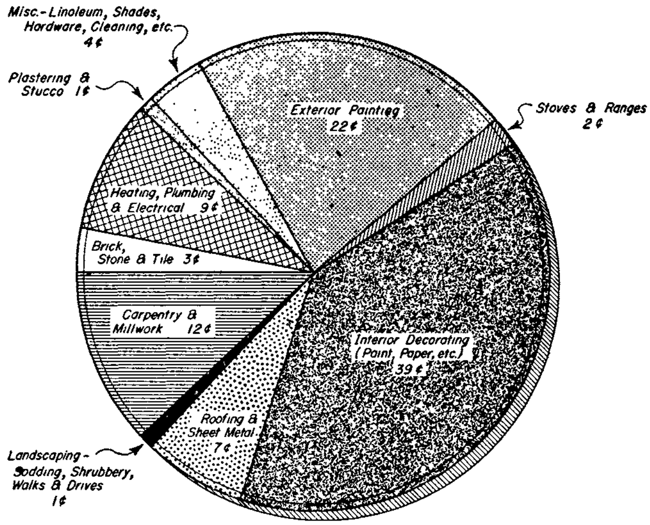
Based on the experience of the Reconditioning Division of the Home Owners' Loan Corporation, reconditioning of acquired properties costs an average of 10 percent of the appraised value before reconditioning. This is an expenditure which should be made only with the greatest care and forethought.

Most private lending institutions do not have a sufficient volume of acquired properties to justify the maintenance of special departments for the development of reconditioning programs. However, the magnitude of the Home Owners' Loan Corporation's operations requires it to have a Property Management Division organized specially for the management of acquired properties. This Division, in coordination with the Appraisal and Reconditioning Divisions, proceeds systematically in the determination of appropriate reconditioning for rental and sales purposes. They have spent an average of $300 on the 45,000 properties reconditioned for the market.

In most cases the appraisers who made the original recommendations for reconditioning and the architects and other technicians who drew the specifications and directed the actual work were engaged by the Appraisal and Reconditioning Divisions on a fee basis from among the available professionals in the locality in which the work was to be done.

It is interesting that of every dollar spent by the Home Owners' Loan Corporation in reconditioning acquired properties for sale, approximately 22 cents went for exterior painting and 39 cents for interior

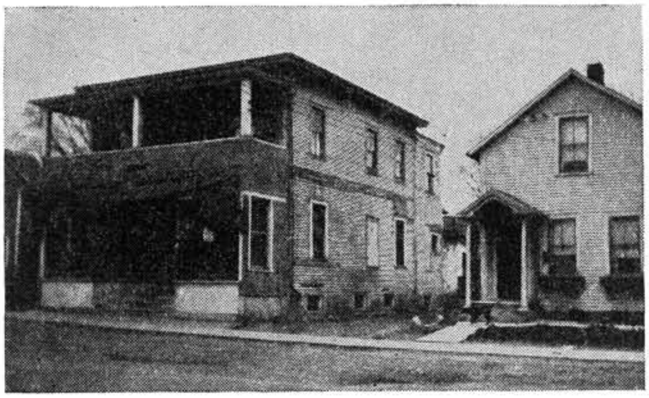
WHERE THE RECONDITIONING DOLLAR GOES



Note - This diagram is based upon a sample analysis of representative Initial Reconditioning Cases on Acquired Properties in process during March, 1938.

painting, papering, floor finishing, and other decoration, while carpentry and millwork took only 12 cents, roofing and sheet metal work, 7 cents, and mechanical repairs, 9 cents. The purposes for which the average dollar was spent are shown on the accompanying chart.

These proportions may be partly due to the fact that on many properties decoration was all that was needed. The Corporation's policy at the time of making the original loans was to require reasonably protective repairs so that if the property was acquired less structural work was necessary. Thus, the greater portion of present expense is directed to decorative as contrasted to structural repairs.

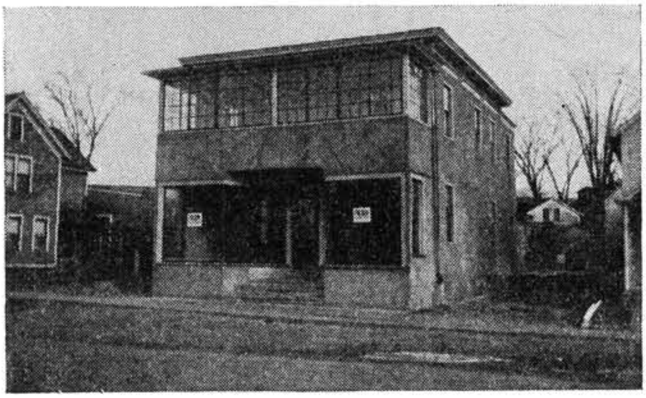


PROPERTY "C"

Cost of Reconditioning—$1,139

↑ BEFORE: Appraised value—$4,000

AFTER: Appraised value—$6,500 →

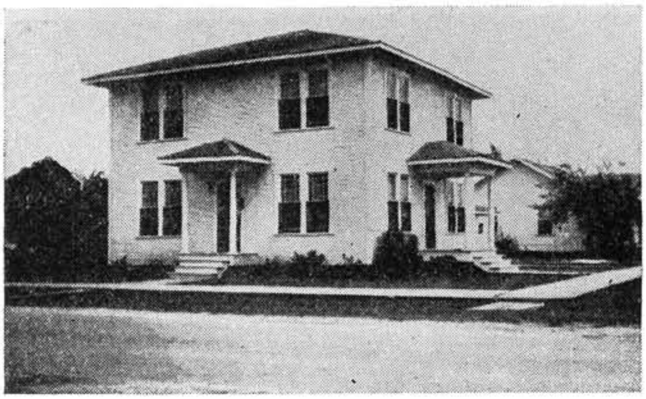


← BEFORE: Appraised value—$4,200

↓ AFTER: Appraised value—$7,203

PROPERTY "D"

Cost of Reconditioning—$1,383



PREPARATION AND ADJUSTMENT OF A SAVINGS AND LOAN ASSOCIATION BUDGET

This third and concluding article in the series on budgetary control discusses the steps which can be taken in the preparation of a savings and loan budget and suggests methods of making proper adjustments after the budget has been in operation during a trial period.

■ THE preparation of a formal operating budget for the first time for a savings and loan association does not need to be a complicated matter. First of all, the association must have accurate data on its actual operations for the preceding operating period. With these data at hand, the next step is a careful analysis of each item of income and expense during the period of operations just ended. A third step preliminary to the drafting of a budget for the ensuing period is the establishment of definite goals to be attained in the coming six months or year, both as to the amount of new mortgage loans to be originated, the desired increase in the balance of loans outstanding, the desired increase in share capital, and progress in a definite program for the solution of any operating problems of the particular association.

The accompanying Table 1 illustrates the various items which might make up an operating budget for any savings and loan association. This illustrative budget form has been developed by the Office of the Governor of the Federal Home Loan Bank System, and is being used by the Federal Home Loan Banks as a model for member institutions. The item numbers of the left-hand column correspond exactly with the item numbers of the standard form of annual report. The actual figures which are used are fairly typical of the operations of a normally-growing association in a city of from 5,000 to 10,000 population. Although figures and ratios themselves cannot, of course, be developed in a single budget to apply generally to all associations, the analysis of the various operating items and the methods of procedure provide a useful groundwork for any association in its preparation of a budget adapted to its own particular needs.

THE OPERATING BUDGET

The proposed budget for an association, as is shown in the accompanying table, is divided into two principal sections. The first section (Table 1) analyzes the gross operating income and the operating expense by items to disclose the subtotal (III), net operating income before interest and other charges. The analysis is then carried further by deducting interest charges to show net operating income (V). The addition of items of non-operating income and the deduction of non-operating charges then yields the net income for the period (IX).

The second principal section of the budget sheets (Table 2) shows the distribution of net income during the period just ended. It also shows such basic data as the growth in assets during the period and the growth in capital, together with the figures showing the trend in Federal Home Loan Bank advances, in mortgage loans outstanding, and in real estate owned.

This detailed analysis enables the association to determine significant operating ratios. In the case of the illustrative association, during the calendar year 1936 operating expense amounted to 30.7 percent of gross operating income and to 1.7 percent of average net assets. Net operating income was equivalent to a return of 4.2 percent on the average invested capital.

Table 1.—**Illustrative operating budget for a savings and loan association**

	Actual operations from Jan. 1, 1936, to Dec. 31, 1936	Proposed budget from Jan. 1, 1937, to Dec. 31, 1937	Actual operations from Jan. 1, 1937, to Dec. 31, 1937
I. GROSS OPERATING INCOME:			
1. Interest:			
a. On mortgage loans—cash collections	$25, 002	$30, 500	$28, 875
c. All other	100	250	212
2. Premium or commission on loans (loan fee)	1, 010	1, 650	1, 502
5. a. Gross income from operation of real estate owned	4, 015	2, 000	2, 711
b. Less: Cost of repairs, taxes and maintenance	2, 495	1, 600	1, 740
Net income or loss from real estate owned	1, 520	400	971
7. Dividends	150	200	200
8. Miscellaneous operating income	0	50	94
9. Gross operating income	27, 782	33, 050	31, 854
II. LESS OPERATING EXPENSE:			
10. a. Compensation of directors, officers, etc	4, 494	5, 100	4, 852
b. Collection expense	0	0	0
11. Legal services	350	0	0
12. Expense accounts of directors, officers, etc	0	50	48
13. Rent, light, heat, etc	650	650	650
15. Furniture, fixtures and equipment	355	300	311
16. Advertising	715	900	1, 010
17. Stationery, printing and office supplies	290	300	322
18. Telegraph, telephone, postage and express	148	200	181
19. Insurance and bond premiums	352	400	380
20. Federal insurance premium	462	780	754
22. Supervisory examinations	490	500	551
23. Organization dues	27	50	75
24. Other operating expense	197	250	320
25. Total operating expense	8, 530	9, 480	9, 454
III. NET OPERATING INCOME BEFORE INTEREST AND OTHER CHARGES	19, 252	23, 570	22, 400
IV. LESS INTEREST CHARGES:			
27. On advances from F. H. L. B	3, 062	3, 750	3, 425
V. NET OPERATING INCOME	16, 190	19, 820	18, 975
VI. ADD NON-OPERATING INCOME:			
31. Profit on sale of real estate	0	500	252
33. Other non-operating income	0	0	0
VIII. LESS NON-OPERATING CHARGES:			
36. Loss on sale of real estate	0	800	475
IX. NET INCOME FOR THE PERIOD	16, 190	19, 520	18, 752

Determination of Plans for the Coming Year

Once this analysis of actual operations has been made and carefully studied the management is in a position to consider what definite objectives they will set for the association during the coming year. Such plans will usually include not only definite programs for an estimated increase in mortgage-lending activity and in private investments but will also set definite goals for the disposition of owned real estate and for the development of adequate advertising and public relations programs. Management at this time can also consider such questions as the adoption of a plan of variable interest rates and the measures which can be taken to alter operating ratios which do not seem entirely satisfactory.

The process which might be followed in determining objectives during the year can be illustrated by the sample budget sheets. The management of this association analyzed the business of the association during 1936 and of the community as showing good possibilities of continued expansion. They estimated that during the period of the 12 months of 1937 for which they were budgeting, they would be able to increase their mortgage loans outstanding by $175,000. This would necessitate a substantial increase over the $150,000 volume of new loans made during 1936 (Table 2). However, they also planned to adopt a plan of variable interest rates which meant that instead of anticipating a return of 6 percent on all their mortgage loans, interest would be received during 1937 at a rate closer to 5½ percent. In budgeting the probable income from mortgage loans, it was estimated that the $225,000 in new loans would be on the books for an average period of six months during 1937. Anticipated interest income from mortgage loans during 1937 was, therefore, estimated at $30,500 (Item 1a). (Figures for budget estimates were rounded and not carried out to exact totals in dollars and cents.)

A second definite objective was to increase the association's capital by $100,000 during the year, in comparison with approximately $75,000 in new investments received during 1936. Assuming that this additional capital of $100,000 would be invested for an average period of six months during 1937, dividends at the rate of 3½ percent for the year were estimated at $16,625.

A third definite objective was the disposition of a major part of the real estate owned by the associa-

***Table 2.*—Distribution of net income and basic operating data**

	Actual operations from Jan. 1, 1936, to Dec. 31, 1936	Proposed budget from Jan. 1, 1937, to Dec. 31, 1937	Actual operations from Jan. 1, 1937, to Dec. 31, 1937
Distribution of Net Income:			
Federal insurance reserve	$720	$950	$950
Reserve for contingencies	1,600	1,300	1,000
Dividends (3½ percent)	13,300	16,625	16,200
Undivided profits	570	645	602
Net Income	16,190	19,520	18,752
Basic Operating Data:			
Total assets beginning of period	451,429	550,250	550,253
Total assets end of period	550,253	700,000	649,872
Total capital beginning of period	350,824	425,000	424,929
Total capital end of period	424,929	525,000	489,627
F. H. L. B. advances beginning of period	75,000	100,000	100,000
F. H. L. B. advances end of period	100,000	150,000	125,000
Mortgage loans beginning of period	350,212	450,400	450,430
Mortgage loans end of period	450,430	625,000	598,715
Loans made during period	149,825	225,000	185,225
Real estate beginning of period	51,212	49,800	49,825
Real estate end of period	49,825	10,000	25,011
Ratios:			
Percent operating expense to gross operating income	30.7	28.7	29.6
Percent operating expense to average net assets	1.7	1.5	1.6
Percent net operating income to average invested capital	4.2	4.2	4.1
Interest rate	6%	5-5½-6%	5-5½-6%
Loan fee	2½%	1-2½%	1-2½%

tion. During 1936, only a small reduction had been made in this account. During 1937, management planned to reduce the amount of real estate owned from approximately $50,000 to $10,000 by following a well-planned program. Management also felt that the ratio of operating expense to operating income was too high and they budgeted to reduce the 30.7 ratio of 1936 to a 28.7 ratio during 1937. At the same time they made provision for the anticipated growth of the association by increasing the compensation (Item 10a) of the managing officer. Anticipating also an increase in accounting transactions, provision was made to permit the employment of an additional bookkeeper on part-time to assist the permanent bookkeeper for the association. Special legal services (Item 11) which had been rendered during 1936 were not anticipated for 1937, but provisions were made to send the executive officer to a State League Conference (Item 12).

Since the association maintained an independent office, no change was anticipated in the amount expended for rent, light, and heat (Item 13).

It appeared evident that increased advertising expenditures would be necessary during 1937 if the association were to succeed in its objectives of increasing mortgage loans and share capital and of disposing of the bulk of its owned real estate, so the advertising appropriation (Item 16) was increased from $715 to $900. It was also estimated that an additional $50,000 in advances from the Federal Home Loan Bank would be required on July 1 in order to meet demands for mortgage loans during 1937, and interest charges on Federal Home Loan Bank advances (Item 27) were increased for that purpose. Estimates were then made of the probable profit and loss on the sale of real estate (Item 5) during the year.

By totaling the budget estimates, management found that net income for 1937 would be $19,520 (Item IX).

A tentative distribution (Table 2) showed that this net income would prove sufficient to pay dividends at the rate of 3½ percent for the year, to make the required transfer to the Federal Insurance Reserve, and still would permit a reasonable amount to be added to the reserve for contingencies and to the undivided profits account. (This association had received subscriptions to its share accounts from the Home Owners' Loan Corporation in the amount of $150,000. Consequently, required transfers to the Federal Insurance Reserve against this subscription were based only upon the $5,000 insured by the Federal Savings and Loan Insurance Corporation.)

The management felt that this budget would permit the association to achieve its objectives and at the same time lower the ratios of operating expense to gross operating income to 28.7 percent and of operating expense to average net assets to 1.5 percent.

Comparison of Budget with Actual Operations During 1937

At the end of December 1937, the management of this association found that they had been reasonably successful in estimating their operations for a year in advance. Due in part to the unexpected business recession, they did not attain their complete objectives in the amount of mortgage loans made, in the amount of new capital received, or in the disposition of owned real estate, but marked progress was made.

Although their actual gross operating income was less than had been projected, due to the fact that interest was paid on a smaller volume of mortgage loans than had been anticipated, their actual total operating expense was estimated with extreme accuracy. Their main additional expense which had not been budgeted was an increase of $110 for advertising expenditures, which were made when it became apparent that without aggressive merchandising the association was not going to attain the objectives which it had set for itself.

Adjustment of the Budget

Experience of many associations has been that more accurate budgeting is possible and greater flexibility is secured when the budget for the calendar year is spread into two 6-month periods. Comparison of the budget with actual operations at the end of the first six months makes discrepancies clearly evident. In the illustrative example comparisons of the volume of new business developed by the end of June 1937 showed that it was essential to increase the advertising expenditures during the following six months over budget estimates in order to approach more nearly the objectives for the year. Such adjustments at 6-month intervals enable management to alter programs and to make budgetary retrenchments and expansions currently where they are needed.

At the end of the year a comparison can be made not only between the actual operations and the proposed budget for the year, but between the two 6-month sections of the budget. If the analysis made at the end of the first six months were accurate, the budget estimates for the latter half of the year should correspond more closely in each instance to actual figures than did the estimates for the first six months.

Monthly Budget Comparisons

The Director of Education and Research for the American Savings and Loan Institute addressed the Southeastern Group Conference of the United States Building and Loan League at the end of April on the subject, "What Kind of an Operating Budget", and gave an example of successful use of monthly budgetary comparisons by means of monthly reports of income and expense.

The report of income and expense is made each month to the directors of the association. It is simple in form, consisting of only four columns. Column 1 gives the actual itemized dollar amounts of income and expense for the current month. Column 2 records the increase or decrease in dollars of each item over the preceding month. Column 3 gives itemized cumulative dollar amounts of income and expense for the entire operating period from the beginning of the new period through the current month, and Column 4 carries for comparative purposes the budget estimate for these items for this same operating period.

An excerpt from the illustration used will make clear the type of monthly report. The following tabulation is taken from the sample report and shows how the various items of income would be treated in preparing the monthly report to directors of income and expense for May 31, 1938.

Income

	May 1938	Increase or decrease over last month	Jan. 1, 1938, to May 31, 1938	Budget estimate for Jan. 1, 1938, to May 31, 1938
Gross operating income:				
Interest income on mortgage loans	$16,027.40	−$61.20	$79,283.50	$80,515.00
Interest income on home purchase notes	1,840.32	+39.86	9,811.47	10,000.00
Net income on real estate	684.57	+52.10	3,424.61	3,333.00
Income collected in advance, amortized	1,557.00	−104.00	6,942.50	7,215.00
Income collected in advance, current	952.30	−41.20	4,781.22	5,500.00
Miscellaneous	268.50	+22.00	1,315.40	1,250.00
	21,330.09	−92.44	105,558.70	107,813.00

The complete report shows similar itemized figures for operating expense and net income, to which is added a special memorandum for directors which shows the amounts available for dividends and undivided profits at the end of each month after reserve requirements are satisfied.[1]

Such monthly budget estimates for each item do not have to be prepared and estimated each month independently in advance. A less satisfactory but usable method is to project a budget figure for each item for the entire 6-month period and then to establish a monthly budget estimate for each item by dividing the estimate for the 6-month period in six equal parts.

Operating Ratios

With the more accurate relationships established either by semiannual or by monthly comparisons of actual figures with budget estimates, the detailed comparison for the full year between the budget and actual operations acquires added significance and the budget for the following year can be projected with greater assurance. In those cases in which an association feels that its operating ratios do not correspond to ratios of similar associations operating under similar conditions in its area, the management can always secure information from the Federal Home Loan Bank for that District as to the Bank's experience with the usual operating ratios for any particular income or expense item of member institutions.

Typical operating budgets for associations with assets of $200,000 to $5,000,000 were given in detail in Bulletin No. F–3 of the Federal Home Loan Bank of New York in August 1937. In December 1937, the Federal Home Loan Bank of Chicago published a detailed study of the operating expenses and balance sheets for the year 1936 of Federal savings and loan associations in Illinois, giving operating cost expressed in terms of percentage of operating income for a number of different expense items, showing standard deviations of each percentage around its average for all associations.

[1] The two illustrative budgets discussed by the Director of Education and Research, one for an association with assets of $1,000,000, and the other for an association with assets of $4,400,000, together with the illustrative monthly report to directors of income and expense, may be obtained from the United States Building and Loan League, 333 North Michigan Avenue, Chicago, Illinois.

Resolutions of the Board

AMENDMENT TO RULES AND REGULATIONS FOR FEDERAL SAVINGS AND LOAN ASSOCIATIONS, LIMITING THEIR POWERS TO SELL LOANS: Adopted May 17, 1938; effective immediately.

The second sentence of subsection (d) of Section 42 of the Rules and Regulations for Federal Savings and Loan Associations, which limited the power of an association to sell loans *during any calendar year* to an amount not in excess of 25 percent of the total amount of loans originated during such period, was amended to read as follows:

No association shall make any sale of any loan at any time if the total dollar amount of loans sold, including such sale, within the twelve months period immediately preceding the date of such sale, exceeds a sum equivalent to 25 percent of the dollar amount of all loans originated by such association within such period.

On April 26, the Federal Home Loan Bank Board passed a resolution providing two forms for use by Federal savings and loan associations operating under Charter K as alternatives to the forms approved May 14, 1937. The two new forms are for use in jurisdictions which permit or require a husband and wife to hold property as tenants by the entirety and which release the institution from liability to both of the parties upon payment to either the husband or wife of all or a part of their investment upon the signature of either. The wording in these forms must be used unless and until other forms are approved by the Board.

Exhibit 40, being Application for Membership and Signature Card, membership of husband and wife as tenants by the entireties (with right of survivorship) of a share account, is as follows:

Account No. ---------

(1) Husband: -------------; ------------; ------------
Surname First Name Middle Name

(2) Wife: -----------------; ------------; ------------
Surname First Name Middle Name

The undersigned hereby apply for membership and for a -------------- share account in the ABC Federal Savings and Loan Association of XYZ and for the issuance of evidence of membership in the approved form in the joint names of the undersigned as tenants by entireties.* Receipt is hereby acknowledged of a copy of the charter and bylaws of said association. Specimens of the signatures of the undersigned are shown below, and the association is hereby authorized to act without further inquiry in accordance with writings bearing either signature; it being understood and agreed that either of the undersigned who shall first act shall have power to act in all matters related to the membership and any share account in said association held by the undersigned, whether the other person named in the certificate be living or not. The repurchase or redemption value of any such share account or other rights relating thereto may be paid or delivered in whole or in part to either of the undersigned, who shall first act, and such payment or delivery or a receipt or acquittance signed by either of the undersigned shall be a valid and sufficient release and discharge of said association.

Signature (1)------------------------ (2)--------------
Street Address----------------------- --------------
City and State----------------------- --------------
Telephone---------------------------- --------------
Occupation--------------------------- --------------
Dated--------------------Introduced by --------------

*The certificate issued pursuant to this application must be filled out by writing in the first blank space the names of the tenants by entireties; for example, "John Doe and Mary Doe" immediately followed by the words "as tenants by the entireties, with the right of survivorship". Tenants by the entireties, with right of survivorship, constitute one member, as a partnership constitutes one member.

Exhibit 41, being Application for Membership and Signature Card, membership (tenants by the entireties) of borrowers, is as follows:

Account No. ----------

(1) Husband: -------------; -------------; -------------
Surname First Name Middle Name

(2) Wife: --------------; --------------; --------------
Surname First Name Middle Name

(as tenants by the entireties, with right of survivorship)

The undersigned hereby applies for a membership in the ABC Federal Savings and Loan Association of XYZ and for the issuance of evidence of membership in the approved form† upon the making of a loan which has been applied for, in the joint names of the undersigned, as tenants by the entireties, with the right of survivorship. Receipt is hereby acknowledged of a copy of the charter and bylaws of said association. Specimens of the signature of the undersigned are shown below, and the association is hereby authorized to act without further inquiry in accordance with writings bearing either signature; it being understood and agreed that either of the undersigned who shall first act shall have power to act in all matters related to the membership in said association held by the undersigned, whether the other person named in the certificate be living or not. Upon the death of one of the undersigned, the association is thereupon authorized to act without further inquiry, in accordance with writings bearing the signature of the survivor of us.

Signature (1) ---------------------- (2) -------------
Street Address ---------------------- -------------
City and State ---------------------- -------------
Dated -------------------- Introduced by -------------

†The certificate issued pursuant to this application for membership of borrower as tenants by the entirety must be filled out by inserting in the first blank space the name of the tenants by the entireties; for example, "John Doe and Mary Doe, as tenants by the entireties, with the right of survivorship". Tenants by the entireties, with the right of survivorship, constitute one member, as a partnership constitutes one member.

Cooperative Advertising

An outline of recent cooperative advertising campaigns by savings and loan associations analyzes their scope, cost, methods of organization, use of different advertising media, and actual results obtained.

■ A significant development in the public relations of savings and loan associations during the past two years has been the growth of cooperative advertising campaigns—in cities, in counties, and even in State-wide programs. At the present time, there are at least 25 to 35 cooperative campaigns being carried on in different parts of the country.

The Federal Home Loan Bank Review has selected a few representative cooperative campaigns to indicate something of the scope, cost, methods of organization, diversification of advertising appropriation, and actual results obtained.

Not all of the following groups of cooperative advertisers have been carrying on campaigns long enough to be able to check actual results. It is particularly significant, however, that many of these reporting groups stress the fact that immediate results, although great, are secondary. The primary result which they seek is education of the public. They emphasize one outstanding fact which their experience reveals: Effective cooperative advertising, like good advertising of individual financial institutions, is *cumulative* in its effect. A well-planned consistent program over a period of months succeeds where sporadic and intensive campaigns of shorter duration have failed.

Oklahoma City

The eight insured savings and loan associations of Oklahoma City began a 5-month cooperative campaign in the last week of November 1937. The total cost of the campaign was $8,000.

There are several special features about the Oklahoma City campaign which are of interest. In the first place, a consistent, yet at the same time a flexible, program was followed. The managers of the eight associations met every Monday for lunch and discussed ideas for the advertising program for the immediate future. In this way, by keeping a little ahead of the deadline, timely advertising was assured. No definite program of the amount of advertising to be run each week was established at the beginning of the campaign because through the efforts of the State League Office in Oklahoma City and through the Monday luncheons, space was occasionally conserved to permit ample resources for a larger spread on some particular occasion.

The advertising by these Oklahoma City associations has been largely allocated to newspapers. The campaign started with a ¾-page ad in color, followed by standard 40-inch advertisements. The art work was prepared locally through an advertising agency. From November 25 to March 17, a 40-inch newspaper ad was run each week. In March, however, a Sunday paper instituted a building page and a schedule of an advertisement every other week in the Sunday paper and also in an afternoon daily paper was adopted. The Sunday building page uses each week one of the plans in the small-home portfolio of the Federal Home Building Service Plan.

At the beginning of the campaign, a full month's showing of 24 billboards was used. Later, with change of paper and many new boards, there was another full month's showing. In March, 24 boards were taken to give publicity to the Federal Home Building Service Plan. The monthly cost of billboards and paper was slightly under $600.

In March the group initiated a 5-minute radio program, featuring three minutes of commercial announcements and two minutes devoted to news flashes of by-gone days. This program offered to send any interested person "Home Life", the monthly publication of the Advertising and Business Development Division of the United States Building and Loan League, for a 6-month period. By this means, a number of names of prospects were added to their mailing list, and some check of the interest in their program was provided.

There were two important results already evident at the end of four months of this campaign. During

January 1938, following the payment of December dividends, the eight cooperating associations gained about $600,000 in new investments. The Assistant Secretary of the Oklahoma Building and Loan League writes: "This was larger than has been taken in at any peak period in the last several years." Even more important was the fact that withdrawals were considerably less than they ordinarily are. The managers were all in agreement that the emphasis laid on insured safety attracted most of the new money and likewise held money already invested in their associations.

Greater Cleveland Area

Twenty-five insured savings and loan associations in the Greater Cleveland area have likewise been conducting a cooperative campaign since the end of November 1937. Their campaign was planned to carry through until May 1, and began with a series of advertisements in black and white in a leading Sunday paper. With the new year, however, the entire program was transferred to the rotogravure section. The copy in this whole series of advertisements was prepared primarily to promote confidence and to acquaint the general public with the function of savings and loan associations. Insurance of accounts was emphasized. Each advertisement carried the signature "Insured Savings and Loan Associations of Cuyahoga County" and listed the names of the 25 participating associations.

The Advertising Committee believes that it is almost impossible to check actual results of an advertising program of this nature. However, most of the participating associations have reported comments by customers and shareholders. An informal check-up indicates that . . . "the majority of the participating associations have reported increases in their deposits and share accounts since the first of January, in spite of local business conditions." A member of the Advertising Committee for the Cuyahoga County Savings and Loan League states: "Personally, I feel that the participating companies and associations are sufficiently well pleased with the tangible results of the advertising campaign to want to continue some form of joint program after the present series is completed."

New York City

Fifteen Federal savings and loan associations in the Metropolitan area of New York have been participating in a cooperative advertising campaign since October 1937, running one large advertisement in a New York evening paper of 300,000 circulation every three weeks. The signature used is "Federal Savings and Loan Associations of Metropolitan New York. Mutual Savings and Home-Financing Institutions. Consult an officer of any 'Federal' regarding dividend rates, bonus advantages and protection for your savings." Each advertisement carries the names and addresses of the 15 cooperating associations.

The copy used in this newspaper work has been prepared by a local advertising agency and is designed to answer typical questions asked by prospective savers. The cost for participating associations for each insertion is as follows:

Assets	*Cost for each insertion*
$2,000,000 and over	$45.00
$1,000,000 and over	25.00
$750,000 and over	20.00
Under $750,000	15.00

As more Federal associations enter the program it is expected that additional newspapers and more frequent insertions will be used.

News releases are also used in connection with the advertising program. Each month a simple 1-page questionnaire is sent by the Cooperative Advertising Committee to all 39 Federal savings and loan associations in the metropolitan area. From these statistics, two news releases are compiled and given to the metropolitan newspapers each month. One story on savings receipts goes to the financial pages and the other release on mortgage-lending activity goes to the real estate pages.

This group of associations did not anticipate great immediate results from this program. The intention was to perform a valuable service by education of the public over a period of months in the work carried on by savings and loan associations, but already cooperating associations find that unusually satisfactory results are being obtained. A substantial number of new accounts have been opened during the campaign and the increasing volume of savings receipts shows the greater confidence of old savings members. Eight of the cooperating Federal associations reported at the end of the first three months of the campaign and all indicated that they were well satisfied with the results obtained. One of the participants increased its resources by 12 percent in the preceding six months. Another was averaging more new accounts every three days than was the average *per month* for the 8-month period preceding

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the campaign. Another association has averaged 100 new accounts a day since the initiation of this campaign. In general the associations seem to agree that much of the new savings business can be directly traced to the advertising campaign, and several report that it is "increasingly unnecessary to sell the association to a prospect".

Minneapolis—St. Paul

During the last 18 months, three different cooperative advertising campaigns have been conducted in the Twin Cities area. The first campaign was an intensive three months' effort in which 10 Federal savings and loan associations, with total assets of about $17,000,000, participated. Two large associations bore 75 percent of the expense, which amounted in all to about $6,200. The campaign itself began in December 1936.

Of the $6,200 which was appropriated for the intensive campaign, $3,400 was allocated to newspaper advertising, $1,800 to radio, and $1,000 to billboards. The newspaper advertising appeared mainly in one St. Paul and one Minneapolis paper but for a few of the larger spreads all five newspapers were used. The radio advertising consisted of two 50-word spot announcements daily and sponsorship of two broadcasts of sport news in the evening. There were four illuminated billboards, two in each city, which emphasized the insurance of share accounts. The billboards remained for a full 6-month period.

At the end of January 1937, which marked the completion of the first two months of this campaign, the cooperating Federal associations reported that the number of new accounts opened was seven times as great as in the corresponding period during the preceding year and that the value of these new accounts was six times as great as in that same period.

Following the successful completion of this intensive campaign, a 4-month campaign began about July 1, 1937, at a total cost of $4,000. Newspapers again were used chiefly. Four billboards were also employed, but no radio was used in the second campaign.

A third campaign began in January 1938, and continued for two months at a total cost of $730. The participants were the six Federal savings and loan associations in St. Paul, and the advertising was confined to St. Paul newspapers. Fifteen advertisements were used in all, with an advertisement appearing twice each week in both of the daily newspapers. Eight advertisements were published in a St. Paul German weekly newspaper. The copy stressed insurance of share accounts, and the names of the six participating associations were rotated above the joint signature, "Federal Savings & Loan Associations of St. Paul."

The results of this campaign for all associations are not available but one of the largest of the cooperating participants reported that the association had received 931 new accounts in four months, amounting to an addition of $543,000 in new money, or a net increase of $410,000 for the 4-month period. Participating associations were said to be well pleased with the results and cooperative campaigns will possibly be resumed again in the early summer.

Little Rock

Associations in Little Rock are now in their second year of cooperative advertising. The original impetus for cooperative advertising came in October 1936, when Federal associations began to make one insertion a week in each of the two daily papers. The initial campaign was renewed for six months, and ended in October 1937. At the present time a campaign of cooperating insured savings and loan associations is being carried on, with weekly advertisements of the group appearing in the papers.

New Orleans

When "Insured Savings Week" was held in New Orleans last June, the homesteads could point to a record of more than two years of cooperation, beginning in the summer of 1935, when 13 homesteads were approved for insurance of share accounts. During this 2-year period, approximately $60,000 was disbursed in a joint advertising campaign.

Reports as of December 31, 1937 show that during 1937 the extensive reorganization program in New Orleans was carried to completion. Every one of the 38 homesteads was insured. As a part of the reorganization program, during the first six months of 1937, the number of homesteads decreased from 53 to 41. Assets dropped by $10,000,000; the number of members fell from 87,000 to 62,000. With the completion of the reorganization program, and under the stimulus of such cooperative undertakings as "Insured Savings Week," during the last six months of 1937 the homesteads showed a reversal of the former trend. Although the number of homesteads decreased to 38, there was an increase in total assets of over $2,000,000, and an increase in the number of members from 62,000 to 75,000.

During January 1938 the insured homesteads carried on an intensive campaign, following the payment of dividends.

Present Trends in Cooperative Campaigns

These campaigns seem typical of many currently being conducted. Members of the County Leagues are carrying on campaigns in Marion County, Indiana, and in Milwaukee County, Wisconsin. Insured State-chartered institutions are cooperating in Philadelphia and in Milwaukee County. Both insured Federal and State-chartered associations are engaging in joint efforts in Indianapolis and in Canton, Ohio. Federal associations will be found in joint activity in Evansville, Indiana, in Baltimore, in Philadelphia, and in a State-wide campaign in Massachusetts. In recent months, cooperative campaigns have also been conducted in communities in California, Colorado, Georgia, Illinois, and Missouri.

There is a steadily growing trend towards cooperative advertising, at first limited to specific types of institutions in a single city, but which now includes in many cases all savings and loan associations in cities or counties. Again, the emphasis is being placed more and more on the primary goal of education of the public in the services and functions of the savings and loan association—but immediate results in the form of new investments and new loans are noted in many instances.

The methods of organization used are extremely flexible. In many cases the campaigns have been conducted by a committee elected by the cooperating associations to handle the entire program. Flexibility is assured by such means as weekly luncheons for all the managers, when the campaign can be constantly discussed and revised.

Finally, it is significant that these campaigns have permitted economies in the advertising budgets of individual associations, at the same time increasing the effectiveness of advertising both through better copy and more frequent and consistent display in newspapers. In many cases, a more adequate diversification of the advertising appropriation in newspapers, billboards, radio, and the other media which are open to financial institutions is obtained. It is highly significant with respect to cost that the Oklahoma City insured associations found that new investments developed by the cooperative campaign were "proportionately distributed among the cooperating associations, regardless of size."

Real Estate Owned

(Continued from p. 310)

There is increasingly general agreement, however, that the trend of building costs will be the fundamental factor in determining the immediate policy of institutional holders of real estate, although there are two different schools of thought as to what that immediate policy is likely to be.

One school of thought thinks that now is the time to price owned real estate realistically and to attempt aggressively to reduce its volume in the belief that there will soon be an increasing volume of new construction at stable or decreasing costs. It is contended that such a trend will reduce the value of present real estate holdings, without even taking into account reduced values due to the normal operation of both depreciation and obsolescence. The holders of repossessed real estate must recognize that these properties are depreciating by use and by obsolescence year by year. Further, reserves for losses involved in the liquidation of such properties should have been, and in most cases were, provided and it is in the interest of such holders to use their reserves in pricing their acquired real estate on a realistic basis. This would provide for an orderly but persistent liquidation of such properties into private hands.

There is another school of thought, however, that believes that there will be an increasing volume of new construction but that as the volume of new building increases, building costs will again advance. This is a point of view which finds confirmation in recent studies made by the *Real Estate Analyst*. As building costs advance, there will also be an increase in the value of existing real estate holdings, and the prospective buyer may find his requirements suited better by the purchase of an existing home at liberal terms and a bargain price than by the construction of a new home at advancing costs.

Although these two groups differ in their analysis of the immediate policy to be followed with respect to owned real estate, they do agree that the fundamental factor which will determine this policy is the trend of construction costs during the next few months. They also agree on the fundamental point that savings and loan associations are not designed to operate as real estate holding companies and that no matter what the immediate policy may be, plans must be laid for eventual disposition of real estate owned by these home-financing institutions.


STRENGTH
Dedicated to Your SERVICE
There is food for thought in the four condensed statements shown above, especially when you consider that the huge sums they represent are only a part of the strength behind your insured building and loan association. Important, too, is the sterling, dependable character of the American home buyer—men and women who love their homes and honor their homestead contractual obligations. That is why we say, "Not a Care in the World" when your savings are invested in an Insured Homestead.
Savings Earn 3½% Dividends, Current Rate
Money to Loan
Buy, Build or Repair Your Home
Under the new direct-reduction plan, your homestead offers you money at the lowest interest rates in homestead history. Get from your Insured Homestead their liberal easy-pay loan proposition on the home of your choice today.
INSURED
Sponsored by the Following Insured Homesteads:
ALGIERS AMERICAN CANAL CARROLLTON COMMONWEALTH CONTINENTAL DIXIE DRYADES FIRST FRENCH MARKET GENERAL GLOBE
NEW ORLEANS HOMESTEADS
9TH DISTRICT MEMBERS HOME LOAN BANK
FEDERAL HOME LOAN BANK 9TH DISTRICT
Easy Payments will buy.... future SECURITY which only your OWN HOME will give you
There is one satisfying safeguard for your future which is available to nearly every one. It means rent-free shelter in future years, freedom from worry, pride of ownership and permanent independence. It is owning your own home! It is available to you because saving and loan associations are in the sole business of making this thing possible . . . ON EASY MONTHLY PAYMENTS. The saving and loan plan has been in successful operation for over 100 years. It has enabled millions in the United States to own their homes. This plan is a tested one. Why not pay rent to yourself and
Examples o
FEDERAL SAVINGS & LOAN ASSOCIATIONS in Metropolitan New York
Staten Island
OF THE PEO
THE FE
THE U
TO PROVIDE SAVINGS WITH A
WILL my savings tion so impo upon which It is a questi Loan answers completely.
The Federal Savings and the United States Governm . . . to provide safety for sa nationwide system now num institutions with close to 70 sets of more than three-qua
Every Federal Associat owned by its members (eve tered and supervised by the
Bank your Rent Checks in a HOME OF YOUR OWN!
Instead of paying for the other fellow's home, wouldn't you a lot rather be banking those same rent checks each month in a home of your own?
Of course you would! And it's easy, with one of our low cost, self-reduction loans.
A small down payment . . . then monthly payments no more than you're now putting out for rent . . . till, some morning you get out of bed to find that instead of an accumulation of rent receipts, you have a clear title to a home.
CURRENT DIVIDEND RATE 4%
If you want A HOME OF YOUR OWN
There's security in a home of your own . . . an assurance for the future that is difficult to achieve in any other way. A well built house, located in a good neighborhood, equipped with modern conveniences, is a constant source of satisfaction to the owner and to the whole community.
Pride in the community and satisfaction in the knowledge that we can sometimes make it a better place to live increases our interest in those who are desirous of enjoying a home of their own, or of improving a house that is now owned by them. We welcome inquiries of this type at all times.
The security demanded by sound management is assured by staffs trained in the recognition of sound investments; their approval of a loan assures the advisability of the project from the viewpoint of both association and home-owner. This service, like many others offered by these institutions is always available to everyone desiring to use it.
Investigate Our "Low Cost" Federal Home Loan Plans—
No Future Renewal Expenses or Worry With Our Safe "Pay-From-Income" Plan! Let Us Show You How!
We're Glad to Make A LOAN LIKE THIS!
THE Federal SAVINGS & LOAN ASSOCIATIONS of Evansville
First Federal 2200 W. Franklin St.
Evansville Federal 14 N. W. Fourth St.
Mid-West Federal
Union Federal 10 N. W. Sixth St.
SOLD ON SAVING?
INSURED
"Of course. I'm sold on saving. And why shouldn't I be? I can't lose—my account is insured. I'm earning a good return. When I've needed money, I've been able to draw . . . And that total is the start of a home for both of us. Sure, I'm sold on saving."
CURRENT RATE 3% ON SAVINGS
INSURED SAVINGS & LOAN
SAV WHI OF S INS
FE

Recent Cooperative Advertising

...ting lon... loans on ... importa... such in- ...n encouraging savings ...wnership is emphasized ... that a total of five ...s is in the custody of ... associations of this ...d there by more than ... people, mostly wage ... salaried workers. ...ection of long-term ...ents a different prob- ...does that of demand ...posits in banks, where

mentality of the National Government, the Federal Savings and Loan Insurance Corp. was established to provide such insurance. It operates only for the benefit of insured institutions and their great number of shareholders and investors. It has a capital of $100,000,000 subscribed by the Government. In addition, it is building up substantial reserves from premiums paid by the insured institutions. The privilege of insurance is extended only to well managed,

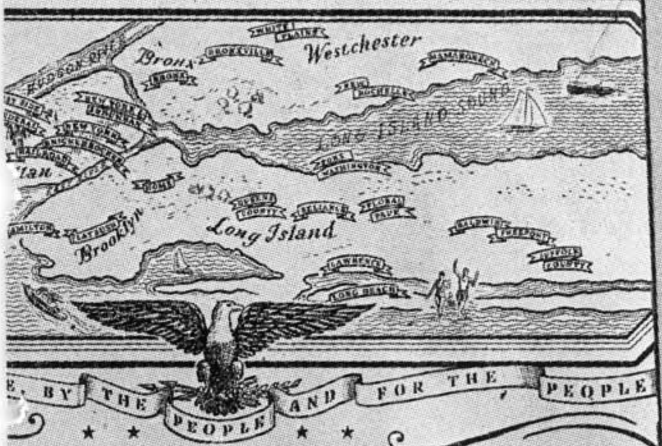
requirements. Once granted their certificate of insurance they must comply with the regulations of the Insurance Corp. and are subject to regular examination by that body.

Up to April 30, institutions to the number of 1,683 located in all parts of the country and holding combined resources of $1,380,000,000 had become insured. Through them almost a million and a half investors now enjoy the security of insurance of their savings.

$208,000,0... LOANED IN

In the year 1936, Fe... ings and loan associati... a total of approximat... 000,000, which is equ... over 17 per cent of th... lending on homes ... financial institutions in ...try.

Of this total, more ... 000,000 was for the con... and improvement of res... borrowers.



...E, BY THE PEOPLE AND FOR THE PEOPLE

...ERAL SAVINGS AND LOAN SYSTEM
Organized by
...ITED STATES GOVERNMENT

...AL SAFETY FOR ...UATE RETURN

...afe?" There is no ques- ...for you to ask . . . none ...ould be so fully assured, ...hich Federal Savings and

... system was organized by ...or this primary purpose ... . . . your savings. This ...more than 1,200 member ... savers and combined as- ... of a billion of dollars.

... although co-operatively ...er is a member), is char- ...d States Government and

TO FOSTER HOME OWNERSHI... THROUGH LOW COST MORTGA...

You have dreamed of a little home of you... your dreams come true! Your nearest Federal ... Loan Association is ready and willing to help.

They offer you funds to build, buy o... your mortgage in installments of as little a... month per thousand dollars borrowed. This ... ment pays interest and pays off the mortgage ... home debt-free.

No renewal fees to pay, no red tape, no de... you build, buy or finance, consult your nea... Savings and Loan Association. They will gladl... fully on any question regarding home building ...

Primary Advantages of
Federal Savings and Loan Mortgage I...

... REGULARLY
...E SAFETY
...VINGS IS
...RED!

Savings at a 'Federal' are insured up to $5,000 by an instrumentality of the United States Government.

THE FEDERAL SAVINGS AND LOAN SYSTEM ESTABLISHED BY THE UNITED STATES GOVERNMENT

...ERAL SAVINGS & LOAN
...ASSOCIATIONS *of Metropolitan New York*
...TUAL SAVINGS AND HOME FINANCING INSTITUTIONS

Insured Homesteads Offer You LOANS for Hom...

It's Easy to Purchase the Home ...
Choice on the New Direct Reduct...

NO DISCOUNTS . . . . NO PRE...
NO BONUSES

Own Your Own Home!

"Not a Care in the World"
When Your Savings Are in an Insured ...

Savings invested in Insured Homestead Shares ... annum, payable semi-annually, at the current rate. ... sured up to $5000.00 by an agency of the U. S. Govern... the Insured Homesteads.

"As little as $1.00 a day May bring a home your wa...

ONLY 5 MORE DAYS

to Make Your Money Earn that Extra Dividend!

Lazy dollars never yet made any man rich. What do they care if time slips by and opportunities pass! But you do care! Decide now to put your savings to work for you. Accept our invitation today—make your dollars bring you in that extra dividend that 3½% holds for you above your present earnings. Remember—January 15 is the last day in which to make your savings earn dividends from January 1.

Only Insured Homestead Shares Combine . . .

SAFETY

Your money is insured against loss up to $5000 by an agency of the Federal government.

HIGH EARNINGS

Our current dividend rate of 3½% per annum is the highest earning of any investment the principal of which is guaranteed.

3½% PER ANNUM Current Dividend Rate
Money Invested by January 15
Earns Dividends from January 1

...OANS FOR HOMES—Insured Homesteads ...harge No Bonuses. No Premiums. No Dis...unts on Loans for Homes. Consult us about ...r money needs.

"Not a Care in the World"

WHEN YOUR SAVINGS ARE IN AN INSURED HOMESTEAD

...nsored by the Following Insured Homesteads

RESIDENTIAL CONSTRUCTION and HOME-FINANCING ACTIVITY

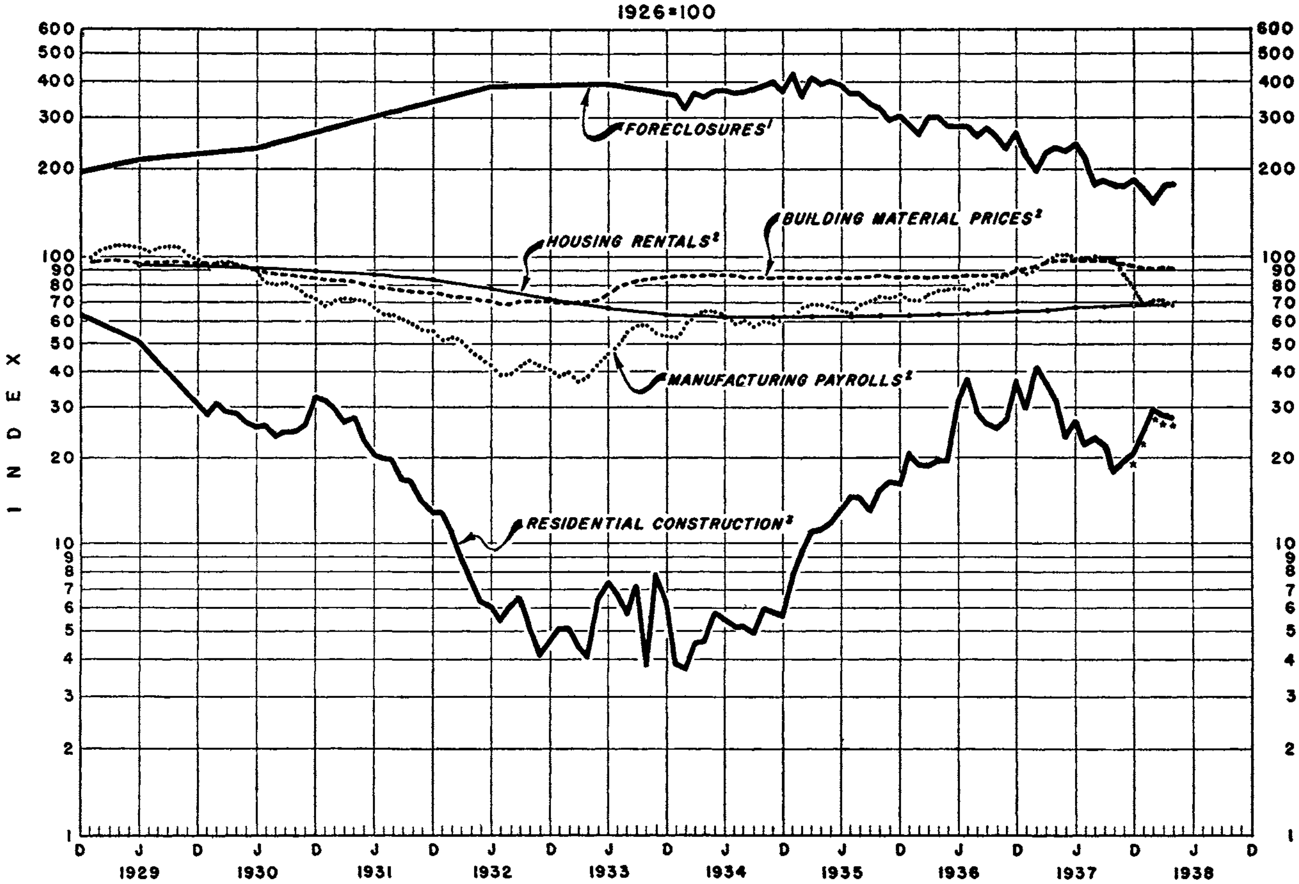
■ ALTHOUGH the volume of residential units built in April was 11.2 percent greater than in March, it was not up to the average increase between these two months of 13.1 percent. Such a tendency to lag behind average trends was evident in most phases of the building and financing field for the current reporting month.

The following trends were contrary to the average of past experience for March and April. Foreclosures rose 0.6 percent. Mortgage lending by savings and loan associations was up 12.2 percent, a smaller rise than during the past two years. Manufacturing employment and pay rolls dropped 2.6 and 3.8 percent as compared with an average rise of 0.4 and 1.4 percent respectively during the past five years. Advances to member institutions by the Federal Home Loan Banks rose 24 percent from March to April, but were only 63 percent of the volume of advances during April 1937.

Wholesale building material prices declined in April 0.3 percent to an index of 91.2. This decline was principally due to plumbing and heating materials which dropped 2.2 percent. All classes of materials showed declines except cement, structural steel, and miscellaneous materials. Those materials which have remained stable in cost are those for which the index of cost is the highest. It is interesting that the two materials having the highest cost indexes, cement and structural steel, are little used in residential construction.

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.

During April, 14,779 new dwelling units were provided in all cities of 10,000 or more population. Ten thousand five hundred eleven of this number were 1-family dwellings, 3,227 were multifamily dwellings, and 1,041 were of other types. These figures are based on building permits reported to the Department of Labor.

For the first four months of 1938, 65,581 dwelling units were built at a total cost of $228,187,300. During the same months of last year slightly fewer units (65,264) were built, but the total cost was greater by $28,855,700. This year's totals are above last year's because of the large volume of permits issued in January, as may be seen on the chart on this page. Unusual conditions in New York City caused the contraseasonal January figure.

[1926=100]

	April 1938	March 1938	Percent change	April 1937	Percent change
Residential construction [1]	27.3	28.2	−3.2	31.9	−14.4
Foreclosures (metro. cities)	177.0	176.0	+0.6	237.0	−25.3
Rental market (N. I. C. B.)	86.1	86.4	−0.3	84.1	+2.4
Rentals (Labor Department)	--------	69.1	--------	[2] 65.6	--------
Building material prices	91.2	91.5	−0.3	96.7	−5.7
Manufacturing employment	78.6	80.7	−2.6	100.8	−22.0
Manufacturing pay rolls	68.0	70.7	−3.8	101.2	−32.8
Average wage per employee	86.5	87.6	−1.3	100.4	−13.8

[1] Corrected for normal seasonal variations.
Includes a correction for New York City because of irregular conditions arising from inception of new building code.
[2] As of Mar. 15, 1937.

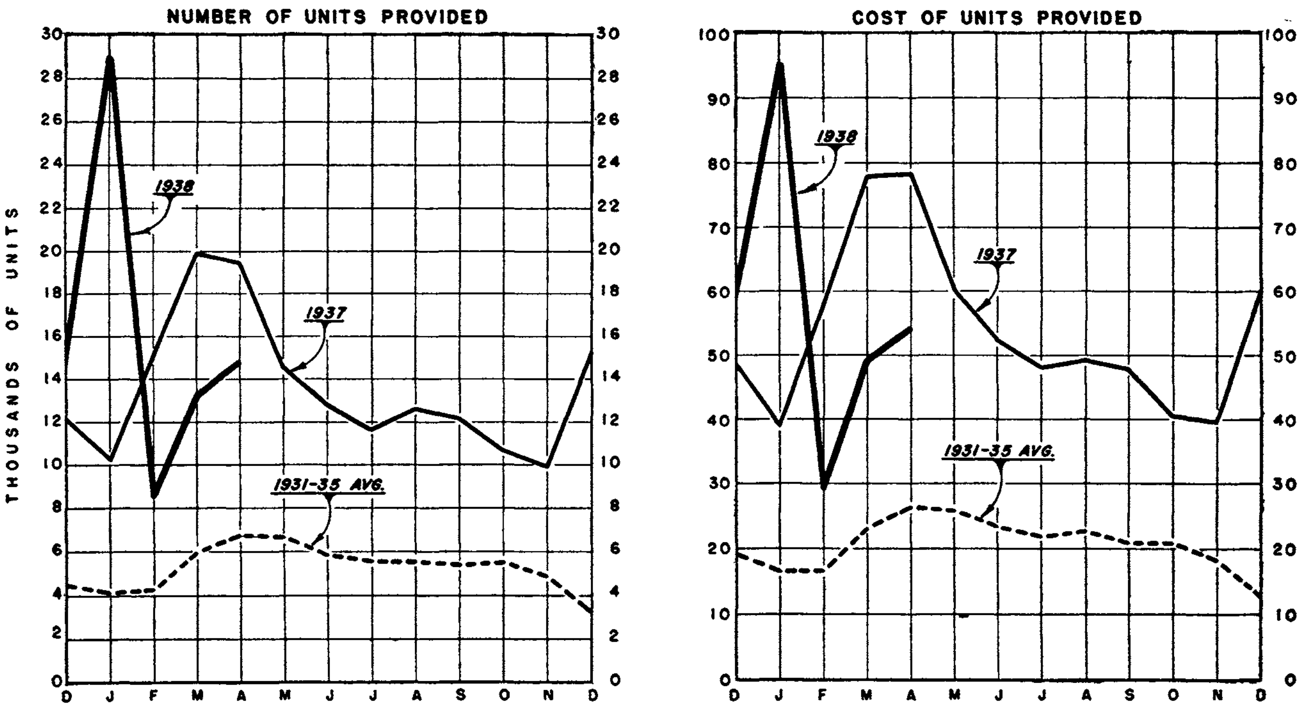
Rate of Building

In April as compared to March the rate of residential building, as measured by the estimated number of privately financed family dwelling units provided per 100,000 population, increased in all cities of more than 10,000 population in six Federal Home Loan Bank Districts, changed less than 1 unit in three Districts, and declined in three Districts. As a result, the United States average rose from 21.1 units to 23.5 units. The largest increase (of 7.2 units) took place in the Winston-Salem District, making the rate there 43.6 dwelling units per 100,000 population. The largest decline (of 4.7 units) was in the Little Rock District.

The rate of building in the Los Angeles District in April was 62.9 units, higher than in any other District. In the Little Rock District the rate was 46.7, or second highest in spite of the decline from March;

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)



in the Winston-Salem District it was 43.6, or third. Apparently building is proceeding at a greater rate in the West than in other parts of the country with the exception of the South Atlantic Coast, because highest rates for the current month were in Districts Nos. 9, 10, 11, 12, and 4. In all Districts except Nos. 1 and 9 the rate of building in April 1938 was less than in April 1937.

Foreclosures

The Federal Home Loan Bank Board has been collecting information on real estate foreclosures ever since it was organized in 1932. Monthly reports are received from cooperating officials in about 1,300 counties which represent about 65 percent of the total population of the country. This current information has been supplemented by data for 1926 (the base year of 100 for the metropolitan communities index) and for intervening years.

The accompanying map of the United States shows the number of foreclosures per 1,000 nonfarm dwellings for the years 1934, 1936, and 1937. The rate of foreclosure during those three years has been greatest in the North Central and North Atlantic regions and lowest in the Rocky Mountain region. In California, Colorado, District of Columbia, Illinois, Michigan, Minnesota, and Wisconsin, the 1937 rate was less than half of the 1934 rate, but was more than double the 1934 average in North Dakota and Vermont. There were 14 other States with higher rates in 1937 than in 1934. However, the declines were great enough to cause successive declines in the United States average rate for the three years covered.

Not only has the rate of foreclosure lacked uniformity in different parts of the country, but has varied considerably in cities of different size. The accompanying table shows that foreclosures in the past year were substantially below those in 1934, 1935, and 1936 in all sizes of cities. The most significant fact, however, is that the rate of foreclosure varies directly as the size of the community. This holds true in spite of the relatively greater decline in rate in the largest cities during the past four years.

The index of real estate foreclosures in metropolitan communities for April 1938 was 177 as compared with 176 for the previous month. This increase of 0.6 percent compares unfavorably with the seasonal drop of 1.3 percent.

In comparison with the same month of last year, April foreclosures in metropolitan communities declined 25.3 percent. For the first four months of 1938, the index showed foreclosures to be 23.2 percent less than for the first four months of 1937. Of the 82 communities reporting in April, 40 showed decreases from March, while 39 indicated increases, and 3 no change.

Number of foreclosures each year per 1,000 nonfarm dwellings, by size of community [1]

Size groups	1937	1936	1935	1934
Under 5,000	3.9	4.2	4.0	4.2
5,000 to 19,999	5.7	6.0	6.9	7.0
20,000 to 59,999	9.1	10.9	12.6	12.8
60,000 and over	11.9	15.8	20.8	20.7
Total	8.1	9.9	12.1	12.2

[1] It is estimated that about 15 percent of nonfarm foreclosures are on commercial properties.

Indexes of Small-House Building Costs

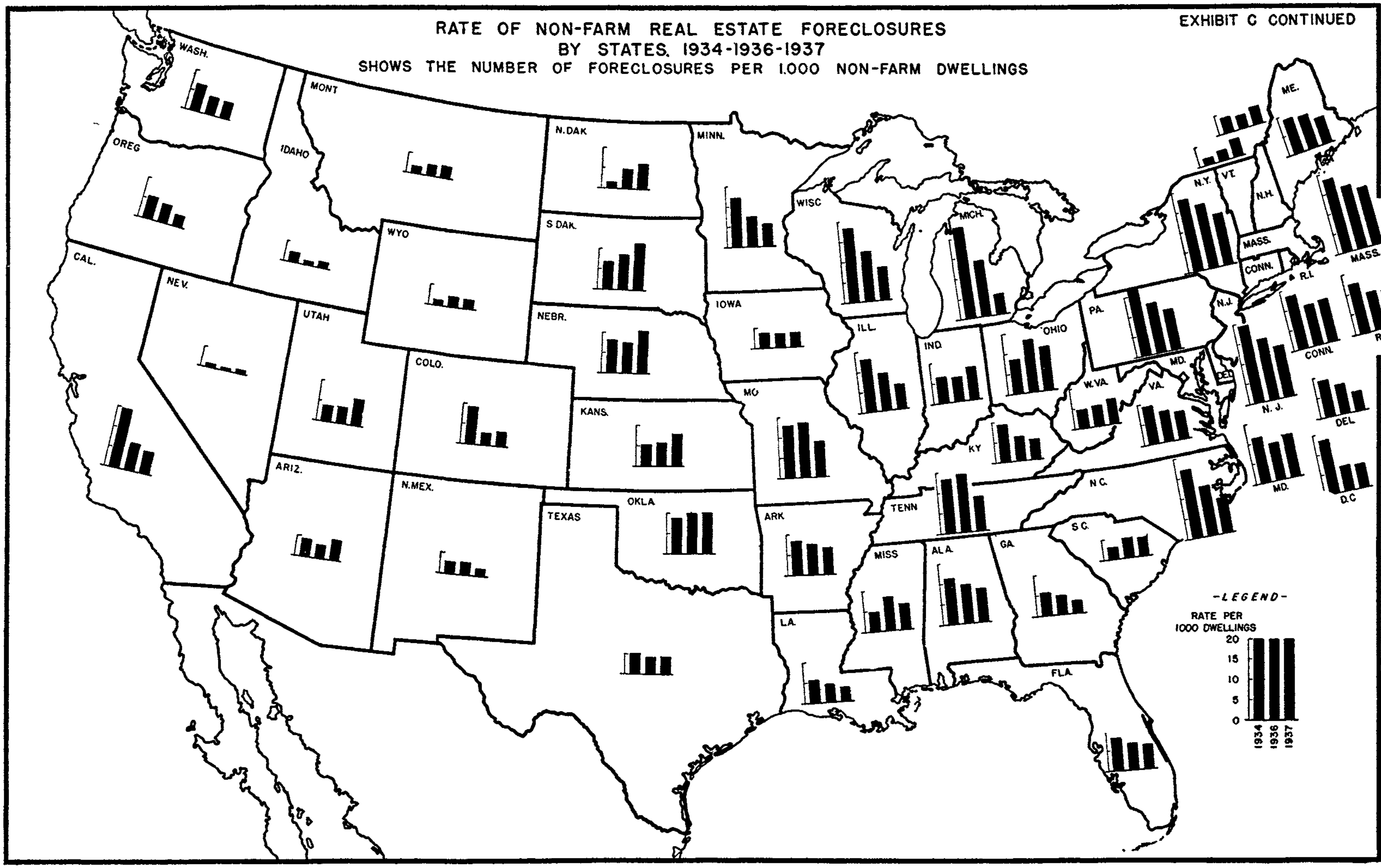
[Table 3]

■ THE cost of building the standard house decreased or showed a change of less than 1 percent in every city reporting for both February and May with the exception of Pittsburgh. In that city costs rose 3.2 percent. There were, however, increases of less than 1 percent in five cities. Pittsburgh, besides showing an increase for the current reporting period, is the highest cost city of this group, with a total cost of $6,718, but there are cities in the other reporting groups which indicate a higher cost.

The greatest decline in costs between February and May was in Charleston, West Virginia, where a 4.3-percent drop reduced the cost index from $6,218 to $5,951. Second was San Diego with a 4.0-percent drop to $5,855.

Costs in May 1938 were below those in May 1937 in 18 of the 22 cities, an indication of the considerable drop in costs which has taken place during the past winter. According to the analysis of building costs in the May Review, a still further drop may be expected to take up the lag between wholesale and retail material prices. The decline of the past winter has been principally due to material prices. Labor costs have declined very slightly.

The current increase in costs in Pittsburgh was entirely due to labor, counteracting a small decline in material costs. This was a part of a general rise in labor costs in Pennsylvania. However, this is the only reporting area in which labor costs have risen.



RATE OF NON-FARM REAL ESTATE FORECLOSURES
BY STATES, 1934-1936-1937
SHOWS THE NUMBER OF FORECLOSURES PER 1,000 NON-FARM DWELLINGS

Generally, they have remained stationary except that a good part of the drop in costs in San Diego was due to labor.

Material costs have declined more widely, being largely responsible for the declines in costs.

Extensive revisions have been made in the cost index for all cities to correct reporting errors brought to light as a trend developed. Consequently, the figures in Table 3 do not correspond exactly to the figures reported in earlier issues of the REVIEW.

Monthly Lending Activity of Savings and Loan Associations

[Tables 4, 5, 6, and 7]

■ FOR the third consecutive month the estimated lending activity of all savings and loan associations increased over the volume of the preceding month. In April, all savings and loan associations were estimated to have made new loans of $62,621,000, an increase of 12.2 percent over March. In spite of the fact that all types of loans stood at a higher level in April than in March, and that Federal associations, State members, and nonmembers all increased their volume of lending during April, loans for that month stood 19.2 percent below the level of April 1937. However, it exceeded the amount of lending in April 1936 by 17.3 percent.

Every Federal Home Loan Bank District reported a greater amount of loans for April than for March except the Topeka District, where a 2-percent decrease was recorded. The largest percentage gains over March occurred in Winston-Salem, Boston, and Chicago, where increases of 31 percent, 29 percent, and 14 percent, respectively, were reported. The Winston-Salem District, where lending activity was 1 percent above the volume of April 1937, was the only District which could report a greater lending volume in April 1938 than during the corresponding month last year.

During the first four months of 1938, savings and loan associations were estimated to have made $52,754,000 of loans for new construction in comparison with $65,317,000 for the corresponding period in 1937 and $35,092,000 in 1936. Loans for construction and home purchase combined in April 1938 amounted to 58.9 percent of total loans. During the entire year 1937, these two categories of loans comprised 62.5 percent of the total and in 1936, 55 percent. There were no major changes in the proportions between the several categories of loans during April. Home purchase and reconditioning loans increased slightly, new construction remained almost unchanged, and refinancing and other purpose loans declined. During April the percentage distribution of loans compared with the average percentage distribution for the entire year 1937 was as follows:

	April 1938	*Average for year 1937*
Construction	26. 5	27. 4
Home purchase	32. 5	35. 0
Refinancing	22. 1	21. 1
Reconditioning	7. 5	6. 5
Other purposes	11. 4	10. 0
	100. 0	100. 0

During April, State-chartered members of the Federal Home Loan Bank System made 43 percent of total loans by all savings and loan associations. Federal associations made 42 percent and nonmembers made 15 percent. This distribution is exactly the same as in April 1937, but reflects the increased lending activity of Federal associations since 1936. In April 1936 the distribution of loans was: State-chartered members, 48 percent; Federals, 33 percent; and nonmembers, 19 percent. Each type of association increased its lending volume over March of this year, but no type showed an increase over April 1937. Only Federal associations and State members reported greater lending volume in April 1938 than in April 1936.

Federal Savings and Loan Insurance Corporation

[Tables 9 and 10]

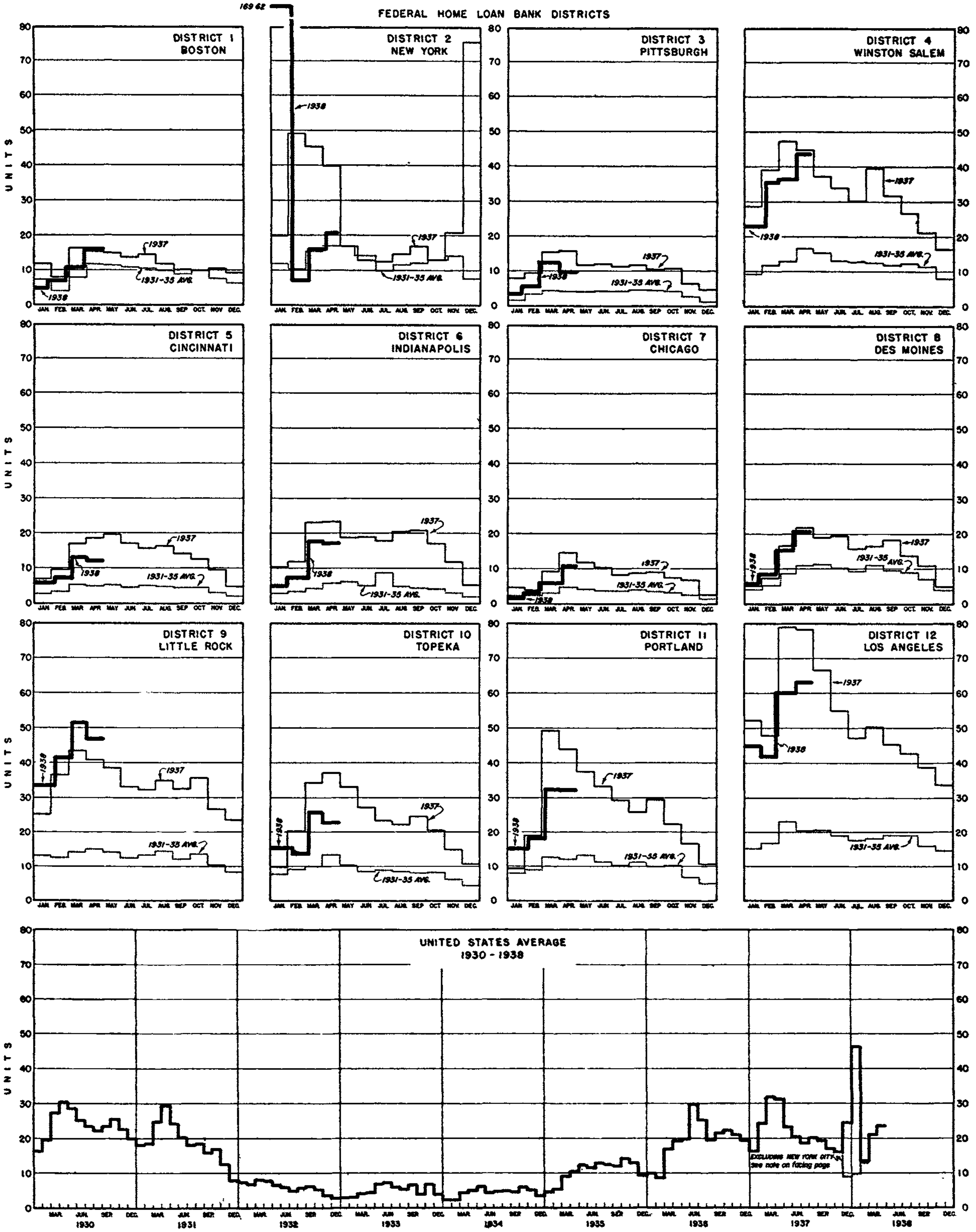
■ MORTGAGE-lending activity by 489 reporting insured State-chartered savings and loan associations was 5.7 percent greater in April than in March. These associations loaned $9,470,500 in April, of which 29.1 percent went for new building construction, 33.1 percent went for the purchase of homes, 18.0 percent went for the refinancing of mortgages, 6.6 percent went for reconditioning, and 13.2 percent for other purposes.

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.



The responsibility for the increase in April over March was principally in the construction and home purchase categories; the former increased 12.0 percent and the latter, 7.0 percent. At the end of April the volume of mortgage loans outstanding was $423,663,600—a 0.7-percent increase during the month.

Private investments and repurchases in the 489 reporting associations held about the same relationship in April as in March. Investments amounted to $700,000 less than repurchases, but this caused only a 0.1-percent decline during the month in the $478,884,700 of repurchasable capital.

Borrowings from all sources remained relatively stable during April as did combined assets, which were $610,726,200 at the end of the month.

During April, 16 State-chartered savings and loan associations, 4 converted Federal associations, and 1 new Federal association were insured. There were, however, four withdrawals so the net increase brought the total to 1,969 insured institutions with $1,885,847,000 in assets.

These data which are given in greater detail in Table 9 have been completely revised. Consequently, the number of investors, assets, and private repurchasable capital cannot be compared with earlier months.

Federal Savings and Loan System

[*Table 11*]

■ FEDERAL savings and loan associations continue to report increases in the volume of their mortgage lending. In April, 1,264 associations loaned 10.9 percent more than they did in March. This is the third consecutive month that the volume has been increasing. It is, however, slightly below the March–April average of 17 percent for the three previous years. New construction and reconditioning, in accord with the usual spring upturn in building, increased 13.8 percent and 22.1 percent, respectively. These were the largest increases. Home purchase loans rose 12.1 percent in volume and refinancing loans 9.5 percent. The volume of loans for other purposes declined 4.8 percent from March.

As a result of these shifts in the purposes for which loans were made, new construction loans were 32.7 percent of the total made in April; home purchase loans were 29.1 percent; refinancing loans, 23.2 percent; reconditioning loans, 6.4 percent; and loans for all other purposes, 8.6 percent.

New share investments in these reporting Federals remained almost the same in April as in March, while repurchases declined 6.8 percent, resulting in a slight net improvement. April investments amounted to $17,363,000 and repurchases to $9,313,400. The total share liability at the end of April was $923,909,200—an increase of over $8,000,000 during the month.

Advances outstanding from the Federal Home Loan Banks were almost the same at the end as at the beginning of April, amounting to $89,436,800, while loans from other sources declined 4.3 percent to $1,803,500. Total assets of these 1,264 Federals amounted to $1,134,655,700 on April 30, an increase of 1.3 percent.

Progress in number and assets of Federal savings and loan associations

	Number		Approximate assets	
	Mar. 31, 1938	Apr. 30, 1938	Mar. 31, 1938	Apr. 30, 1938
New	641	640	$274, 230, 665	$283, 494, 000
Converted	692	699	863, 710, 087	895, 066, 000
Total	1, 333	1, 339	1, 137, 940, 752	[1] 1,178,560,000

[1] Revised and therefore not comparable with March 31.

Federal Home Loan Bank System

[*Tables 12 and 13*]

■ THE lending activities of the Federal Home Loan Banks showed a marked improvement during the last 10 days of April. As a result, the balance of advances outstanding turned upward for the first time since the record high level of $200,095,000 in advances outstanding was reached at the end of December 1937. Advances outstanding at the end of April amounted to $183,749,000, a net gain of $624,082 over the total outstanding at the end of March.

The total amount of advances made by all Banks increased 25 percent over March totals. An increase of approximately 11 percent in the number of residential units built in cities of more than 10,000 population in April was a significant factor in this rise. The amount of advances during April was greater than in March in all Federal Home Loan Bank Districts except Winston-Salem, Des Moines, and Portland, but the April total of advances made by all Banks was 37 percent below the total of $9,640,000 in April 1937. Repayments during the month of April amounted to $5,465,000, a decrease of 41 percent from the March level. In seven Districts repayments were less than the amount of new advances.

On April 30, 1938, the Pittsburgh Bank was the only one with a balance of advances outstanding in excess of the amount outstanding on December 31, 1937. Of the seven Banks reporting increases in advances outstanding on April 30 over March 31, the Indianapolis and Los Angeles Banks led with gains of 4.1 percent and 4 percent, respectively. Reductions in advances outstanding in five Bank Districts ranged from 0.6 percent in Winston-Salem to 3.3 percent in Des Moines.

During the past year, a significant trend in all Bank Districts has been the increase in the proportion of long-term advances. Long-term advances represented 77.8 percent of total advances outstanding on April 30, 1938, in comparison with the ratio of 68.2 percent of total advances on April 30, 1937.

A net increase of two members during April brought the total membership of the Federal Home Loan Bank System to 3,940. The accompanying table shows the average size, as measured by the average amount of assets, of members of the Federal Home Loan Bank System. The United States average of all members, which includes mutual savings banks and insurance companies, was $1,062,173; the average for all building and loan associations was $926,218.

The average size of member institutions of the savings and loan type in the Boston District was $2,635,185, more than a million dollars greater than the average for any other District. That high average was further increased to $2,988,083 with the inclusion of the eight member mutual savings banks. In four other Federal Home Loan Bank Districts the average size of member savings and loan associations was over one million dollars and in six others the average of all members was over one million dollars.

The Federal savings and loan associations which have been converted from State associations have, as an average, $1,215,000 in assets while State-chartered member associations have average assets of $961,000. Smallest in size are the newly organized Federals, the average assets of which amount to $375,000.

Average size of all member institutions and all savings, building and loan members by Federal Home Loan Bank Districts as of Mar. 31, 1938

Federal Home Loan Bank Districts	All members	Savings, building and loan members
UNITED STATES	$1,062,173	$926,218
No. 1—Boston	2,988,083	2,635,185
No. 2—New York	1,121,144	1,121,144
No. 3—Pittsburgh	414,768	405,386
No. 4—Winston-Salem	1,026,832	759,822
No. 5—Cincinnati	1,385,700	1,334,428
No. 6—Indianapolis	1,145,386	1,145,386
No. 7—Chicago	790,773	786,277
No. 8—Des Moines	697,799	722,104
No. 9—Little Rock	1,074,394	623,975
No. 10—Topeka	735,269	671,824
No. 11—Portland	795,202	795,197
No. 12—Los Angeles	1,591,028	1,293,712

Federal National Mortgage Association Note Issue

■ THE Federal National Mortgage Association, the entire capital stock of which is owned by the Reconstruction Finance Corporation, has offered $25,000,000 of its 2-percent notes dated May 16, 1938 and maturing in five years for the purpose of providing additional funds to be used primarily in purchasing mortgages insured by the Federal Housing Administration and in making loans secured by Federal Housing Administration insured mortgages. There were approximately 4,500 subscriptions to this initial issue of obligations of the Federal National Mortgage Association in an aggregate amount of $1,305,000,000, according to an announcement by the Chairman of the Reconstruction Finance Corporation. The notes and the income derived from them are exempt from Federal, State, municipal and local taxation, except for surtaxes, estate, inheritance, and gift taxes.

The Federal National Mortgage Association was organized with an initial paid-up capital of $10,000,000 and a surplus of $1,000,000 in February 1938.

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–April totals		Monthly totals			January–April totals	
	April 1938	March 1938	April 1937	1938	1937	April 1938	March 1938	April 1937	1938	1937
1-family dwellings	10, 511	10, 060	12, 812	32, 611	38, 942	$41, 266. 0	$39, 835. 6	$57, 137. 6	$125, 739. 3	$172, 973. 1
2-family dwellings	980	918	1, 128	3, 602	3, 574	2, 421. 7	2, 549. 4	3, 391. 5	9, 041. 3	9, 869. 7
Joint home and business [2]	61	97	127	250	391	219. 6	273. 1	463. 7	795. 2	1, 454. 5
3- and more-family dwellings	3, 227	2, 215	5, 853	29, 118	22, 357	10, 353. 1	6, 746. 4	18, 798. 4	92, 611. 5	71, 745. 7
Total residential	14, 779	13, 290	19, 920	65, 581	65, 264	54, 260. 4	49, 404. 5	79, 791. 2	228, 187. 3	256, 043. 0
Private housing	14, 779	13, 289	19, 522	65, 580	64, 756	54, 260. 4	49, 401. 1	78, 410. 1	228, 183. 9	253, 897. 3
Public housing [3]	0	1	398	1	508	0. 0	3. 4	1, 381. 1	3. 4	2, 145. 7

[1] Estimate is based on reports from communities having approximately 95 percent of the population of all cities with population of 10,000 or over.
[2] Includes 1- and 2-family dwellings with business property attached.
[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 April 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	
	April 1938	April 1937	April 1938	April 1937	April 1938	April 1937	April 1938	April 1937
UNITED STATES	14, 779	19, 920	$54, 260. 4	$79, 791. 2	11, 552	14, 067	$43, 907. 3	$60, 992. 8
No. 1—Boston	930	894	3, 551. 1	4, 763. 2	764	829	3, 197. 7	4, 562. 4
Connecticut	174	215	789. 4	1, 123. 8	168	199	771. 9	1, 091. 9
Maine	45	62	144. 0	210. 8	39	56	133. 1	198. 8
Massachusetts	525	466	2, 056. 5	2, 723. 0	371	429	1, 731. 5	2, 579. 1
New Hampshire	77	21	137. 7	53. 9	77	21	137. 7	53. 9
Rhode Island	101	124	395. 6	621. 9	101	118	395. 6	608. 9
Vermont	8	6	27. 9	29. 8	8	6	27. 9	29. 8
No. 2—New York	2, 787	5, 387	11, 229. 0	21, 061. 4	1, 286	1, 594	5, 825. 9	7, 794. 9
New Jersey	529	502	1, 990. 9	2, 560. 2	234	288	1, 118. 4	1, 846. 2
New York	2, 258	4, 885	9, 238. 1	18, 501. 2	1, 052	1, 306	4, 707. 5	5, 948. 7
No. 3—Pittsburgh	583	925	2, 737. 8	4, 820. 9	507	898	2, 542. 7	4, 746. 0
Delaware	53	8	183. 0	37. 0	17	8	83. 0	37. 0
Pennsylvania	448	761	2, 233. 6	4, 168. 8	411	757	2, 147. 5	4, 157. 3
West Virginia	82	156	321. 2	615. 1	79	133	312. 2	551. 7

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

[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	
	April 1938	April 1937	April 1938	April 1937	April 1938	April 1937	April 1938	April 1937
No. 4—Winston-Salem	2, 213	2, 247	$7, 394. 4	$7, 469. 8	1, 602	1, 712	$5, 429. 3	$6, 125. 1
Alabama	107	145	184. 0	263. 2	107	125	184. 0	215. 0
District of Columbia	223	557	1, 155. 9	2, 365. 4	175	223	1, 039. 9	1, 429. 2
Florida	426	464	1, 430. 7	1, 560. 2	375	440	1, 333. 5	1, 494. 9
Georgia	206	237	458. 9	578. 5	202	191	451. 4	534. 5
Maryland	172	227	569. 2	910. 7	172	224	569. 2	906. 7
North Carolina	801	296	2, 457. 9	772. 5	320	240	803. 1	653. 7
South Carolina	73	127	246. 2	353. 1	66	119	234. 4	326. 1
Virginia	205	194	891. 6	666. 2	185	150	813. 8	565. 0
No. 5—Cincinnati	682	1, 426	2, 997. 4	6, 040. 2	631	904	2, 830. 8	4, 201. 8
Kentucky	97	149	288. 3	392. 2	97	137	288. 3	372. 2
Ohio	468	732	2, 410. 4	3, 843. 6	417	620	2, 243. 8	3, 406. 3
Tennessee	117	545	298. 7	1, 804. 4	117	147	298. 7	423. 3
No. 6—Indianapolis	842	1, 127	3, 748. 3	5, 736. 2	836	1, 124	3, 725. 8	5, 734. 2
Indiana	180	260	635. 1	1, 121. 8	180	260	635. 1	1, 121. 8
Michigan	662	867	3, 113. 2	4, 614. 4	656	864	3, 090. 7	4, 612. 4
No. 7—Chicago	708	974	3, 340. 1	5, 433. 9	495	913	2, 585. 4	5, 289. 0
Illinois	516	522	2, 515. 5	3, 415. 7	306	499	1, 774. 8	3, 355. 1
Wisconsin	192	452	824. 6	2, 018. 2	189	414	810. 6	1, 933. 9
No. 8—Des Moines	751	786	2, 626. 7	3, 083. 7	699	753	2, 508. 9	3, 009. 1
Iowa	197	214	654. 8	891. 6	192	204	639. 3	853. 0
Minnesota	276	228	1, 049. 4	969. 9	255	213	1, 015. 1	951. 9
Missouri	199	283	726. 2	1, 055. 3	183	279	685. 2	1, 045. 3
North Dakota	28	27	90. 4	90. 0	28	23	90. 4	82. 0
South Dakota	51	34	105. 9	76. 9	41	34	78. 9	76. 9
No. 9—Little Rock	1, 560	1, 343	4, 010. 5	3, 914. 3	1, 463	1, 234	3, 781. 0	3, 688. 8
Arkansas	96	37	174. 7	113. 9	75	30	139. 0	99. 5
Louisiana	176	149	448. 1	539. 3	172	125	441. 2	483. 9
Mississippi	126	110	208. 1	215. 8	118	102	185. 2	206. 3
New Mexico	40	50	110. 0	127. 0	36	50	101. 5	127. 0
Texas	1, 122	997	3, 069. 6	2, 918. 3	1, 062	927	2, 914. 1	2, 772. 1
No. 10—Topeka	467	757	1, 498. 6	2, 701. 9	431	667	1, 425. 6	2, 489. 2
Colorado	108	233	365. 0	907. 2	84	174	322. 0	770. 2
Kansas	120	171	333. 1	558. 1	108	150	303. 1	501. 4
Nebraska	58	104	197. 7	350. 2	58	100	197. 7	344. 2
Oklahoma	181	249	602. 8	886. 4	181	243	602. 8	873. 4
No. 11—Portland	533	724	1, 664. 0	2, 441. 7	494	654	1, 588. 9	2, 322. 9
Idaho	19	37	60. 6	108. 6	19	27	60. 6	88. 6
Montana	47	98	105. 7	231. 3	47	78	105. 7	206. 3
Oregon	102	217	394. 8	835. 8	98	201	384. 8	809. 8
Utah	84	71	336. 7	334. 6	84	71	336. 7	334. 6
Washington	241	277	659. 9	846. 5	222	262	606. 8	812. 7
Wyoming	40	24	106. 3	84. 9	24	15	94. 3	70. 9
No. 12—Los Angeles	2, 723	3, 330	9, 462. 5	12, 324. 0	2, 344	2, 785	8, 465. 3	11, 029. 4
Arizona	50	48	170. 3	172. 0	41	44	158. 3	158. 0
California	2, 648	3, 266	9, 181. 0	12, 027. 3	2, 278	2, 725	8, 195. 8	10, 746. 7
Nevada	25	16	111. 2	124. 7	25	16	111. 2	124. 7

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 May	1937 May	1936 May	1938 May	1938 Feb.	1937 Nov.	1937 Aug.	1937 May	1936 May
No. 3—Pittsburgh:									
Delaware:									
Wilmington	$0. 246	$0. 241	$0. 222	$5, 914	$5, 914	$5, 811	$5, 811	$5, 782	$5, 340
Pennsylvania:									
Harrisburg	. 243	. 250	. 226	5, 839	5, 898	5, 904	5, 995	5, 995	5, 421
Philadelphia	. 232	. 249	. 204	5, 560	5, 531	5, 755	5, 972	5, 972	4, 886
Pittsburgh	. 280	. 281	. 241	6, 718	6, 512	6, 708	6, 786	6, 745	5, 787
West Virginia:									
Charleston	. 248	. 245	. 224	5, 951	6, 218	6, 240	6, 282	5, 875	5, 370
Wheeling	. 262			6, 287		6, 636	6, 503		
No. 5—Cincinnati:									
Kentucky:									
Lexington	. 220	. 229	. 209	5, 290	5, 379	5, 520	5, 618	5, 490	5, 025
Louisville	. 238	. 254	. 222	5, 722	5, 861	5, 970	6, 083	6, 098	5, 329
Ohio:									
Cincinnati									
Cleveland									
Columbus	. 237	. 260	. 225	5, 688	5, 687	6, 097	6, 429	6, 237	5, 403
Tennessee:									
Memphis	. 236	. 239	. 210	5, 661	5, 652	5, 800	5, 804	5, 743	5, 044
Nashville	. 209	. 226	. 212	5, 024	5, 144	5, 476	5, 504	5, 421	5, 098
No. 9—Little Rock:									
Arkansas:									
Little Rock	. 215	. 220	. 216	5, 164	5, 164	5, 186	5, 208	5, 285	5, 184
Louisiana:									
New Orleans	. 259	. 243	. 212	6, 207	6, 197	6, 142	5, 941	5, 822	5, 078
Mississippi:									
Jackson	. 255	. 245	. 222	6, 111	6, 061	5, 968	6, 086	5, 881	5, 339
New Mexico:									
Albuquerque	. 271	. 277	. 251	6, 509	6, 586	6, 646	6, 690	6, 659	6, 016
Texas:									
Dallas	. 239	. 253	. 232	5, 743		6, 068	6, 068	6, 070	5, 578
Houston	. 243	. 258	. 237	5, 823	5, 981	6, 143	6, 162	6, 204	5, 693
San Antonio	. 252	. 260	. 228	6, 058	6, 088	6, 228	6, 231	6, 231	5, 479
No. 12—Los Angeles:									
Arizona:									
Phoenix	. 274	. 281	. 253	6, 567	6, 695	6, 741	6, 802	6, 737	6, 065
California:									
Los Angeles	. 238	. 250	. 218	5, 723	5, 896	5, 926	6, 001	6, 002	5, 223
San Diego	. 244	. 254	. 224	5, 855	6, 098	6, 184	6, 144	6, 097	5, 381
San Francisco	. 266	. 267	. 245	6, 395	6, 363	6, 375	6, 452	6, 407	5, 875
Nevada:									
Reno	. 273	. 276	. 263	6, 550	6, 634	6, 666	6, 666	6, 629	6, 324

[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: Construction	Mortgage loans on homes: Home purchase	Mortgage loans on homes: Refinancing	Mortgage loans on homes: Reconditioning	Loans for all other purposes	Total loans, all purposes
1936	$155, 463	$188, 637	$152, 067	$50, 618	$80, 838	$627, 623
January	7, 089	9, 298	10, 265	2, 691	5, 995	35, 338
February	7, 027	9, 680	10, 845	3, 229	5, 686	36, 467
March	9, 725	11, 920	12, 842	3, 677	8, 474	46, 638
April	11, 251	15, 296	15, 728	4, 703	6, 413	53, 391
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
April	16, 603	20, 341	13, 872	4, 681	7, 124	62, 621

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: Total	Volume of loans: Federal	Volume of loans: State members	Volume of loans: Nonmembers	Percent of total: Federal	Percent of total: State members	Percent of total: Nonmembers
1936	$627, 623	$228, 896	$275, 972	$122, 755	36	44	20
January	35, 338	11, 764	16, 436	7, 138	33	47	20
February	36, 467	12, 105	15, 206	9, 156	33	42	25
March	46, 638	15, 310	19, 776	11, 552	33	42	25
April	53, 391	17, 740	25, 497	10, 154	33	48	19
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
April	62, 621	26, 107	26, 957	9, 557	42	43	15

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, April 1938	New loans, March 1938	Percent increase, Apr. 1938 over Mar. 1938	New loans, April 1937	Percent increase, Apr. 1938 over Apr. 1937
United States:	Total	$62,621	$55,803	+12	$77,500	−19
	Federal	26,107	23,356	+12	32,915	−21
	State member	26,957	25,088	+7	33,153	−19
	Nonmember	9,557	7,359	+30	11,432	−16
District 1:	Total	5,993	4,662	+29	7,284	−18
	Federal	1,905	1,338	+42	2,318	−18
	State member	2,739	2,391	+15	2,991	−8
	Nonmember	1,349	933	+45	1,975	−32
District 2:	Total	5,172	4,704	+10	5,241	−1
	Federal	2,272	1,727	+32	1,798	+26
	State member	1,475	1,558	−5	1,489	−1
	Nonmember	1,425	1,419	0	1,954	−27
District 3:	Total	3,974	3,505	+13	4,082	−3
	Federal	1,171	1,061	+10	1,319	−11
	State member	1,411	1,402	+1	1,572	−10
	Nonmember	1,392	1,042	+34	1,191	+17
District 4:	Total	9,417	7,179	+31	9,318	+1
	Federal	3,352	3,085	+9	3,680	−9
	State member	4,746	3,377	+41	4,163	+14
	Nonmember	1,319	717	+84	1,475	−11
District 5:	Total	8,519	7,784	+9	13,781	−38
	Federal	4,155	4,006	+4	6,688	−38
	State member	4,064	3,603	+13	6,545	−38
	Nonmember	300	175	+71	548	−45
District 6:	Total	2,684	2,681	+1	3,658	−27
	Federal	1,201	1,200	+1	1,842	−35
	State member	1,267	1,227	+3	1,560	−19
	Nonmember	216	254	−15	256	−16
District 7:	Total	5,937	5,209	+14	8,260	−28
	Federal	2,640	2,208	+20	3,156	−16
	State member	3,034	2,769	+10	4,478	−32
	Nonmember	263	232	+13	626	−58
District 8:	Total	4,333	3,933	+10	4,447	−3
	Federal	1,785	1,707	+5	2,185	−18
	State member	1,428	1,235	+16	1,331	+7
	Nonmember	1,120	991	+13	931	+20
District 9:	Total	4,541	4,448	+2	4,856	−7
	Federal	1,849	1,727	+7	1,633	+13
	State member	2,359	2,417	−2	2,454	−4
	Nonmember	333	304	+10	769	−57
District 10:	Total	3,547	3,602	−2	4,743	−25
	Federal	1,551	1,607	−4	2,040	−24
	State member	1,026	1,219	−16	1,261	−19
	Nonmember	970	776	+25	1,442	−33
District 11:	Total	2,915	2,740	+6	4,159	−30
	Federal	1,589	1,613	−2	2,487	−36
	State member	864	799	+8	1,507	−43
	Nonmember	462	328	+41	165	+180
District 12:	Total	5,589	5,356	+4	7,671	−27
	Federal	2,637	2,077	+27	3,769	−30
	State member	2,544	3,091	−18	3,802	−33
	Nonmember	408	188	+117	100	+308

Table 7.—Monthly lending activity and total assets as reported by 2,818 savings and loan associations in April 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 April according to purpose											Total assets, Apr. 30, 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]								
								Amount							
	Submitting reports	Reporting loans made	Number	Amount	Number	Amount	Number	Refinancing	Reconditioning	Number	Amount	Number	Amount		
UNITED STATES	2,818	2,416	4,453	$13,834.3	5,931	$15,026.0	8,269	$10,789.6	$3,357.9	4,146	$5,419.3	22,799	$48,427.1	$2,931,718.1	9,657
Federal	1,271	1,177	2,517	8,290.9	2,805	7,333.9	4,139	5,830.2	1,619.9	1,705	2,149.0	11,166	25,223.9	1,146,900.2	1,339
State member	1,185	1,003	1,715	4,928.5	2,686	6,732.5	3,558	4,411.6	1,493.3	2,018	2,825.7	9,977	20,391.6	1,527,105.5	2,559
Nonmember	362	236	221	614.9	440	959.6	572	547.8	244.7	423	444.6	1,656	2,811.6	257,712.4	5,759
No. 1—Boston	164	152	235	896.0	440	1,436.1	685	988.1	389.3	288	327.3	1,648	4,036.8	327,569.0	362
Connecticut	29	27	38	135.1	29	120.7	69	90.7	71.2	18	26.4	154	444.1	19,666.3	52
Maine	21	16	13	20.8	44	87.5	31	15.6	16.2	27	28.5	115	168.6	12,970.9	42
Massachusetts	91	86	149	610.5	283	992.6	470	717.5	246.2	129	156.5	1,031	2,723.3	251,849.3	215
New Hampshire	9	9	9	18.7	20	27.9	37	31.9	14.8	62	62.5	128	155.8	8,832.0	30
Rhode Island	8	8	19	97.8	53	176.7	56	86.2	28.2	34	41.1	162	430.0	29,914.4	9
Vermont	6	6	7	13.1	11	30.7	22	46.2	12.7	18	12.3	58	115.0	4,336.1	14
No. 2—New York	275	174	319	1,360.4	331	1,229.7	330	701.0	206.4	281	208.0	1,261	3,705.5	360,380.2	1,759
New Jersey	142	57	9	35.8	66	227.9	43	80.3	31.0	34	43.7	152	418.7	124,323.9	1,475
New York	133	117	310	1,324.6	265	1,001.8	287	620.7	175.4	247	164.3	1,109	3,286.8	236,056.3	284
No. 3—Pittsburgh	257	179	112	344.9	347	866.6	322	415.8	125.8	96	137.8	877	1,890.9	119,702.3	2,521
Delaware	6	5	4	16.5	14	38.6	17	22.4	0.8	10	4.9	45	83.2	5,199.3	43
Pennsylvania	225	154	79	262.6	302	762.3	218	301.3	91.2	67	96.8	666	1,514.2	98,619.9	2,410
West Virginia	26	20	29	65.8	31	65.7	87	92.1	33.8	19	36.1	166	293.5	15,883.1	68
No. 4—Winston-Salem	315	281	840	2,458.4	575	1,531.0	1,162	1,987.6	367.6	607	1,215.6	3,184	7,560.2	288,585.2	1,032
Alabama	20	18	37	60.8	22	31.6	48	43.7	15.5	33	37.2	140	188.8	7,728.1	38
District of Columbia	20	19	208	889.4	62	360.1	361	1,149.6	69.9	213	572.0	844	3,041.0	123,009.6	28
Florida	49	43	103	415.7	51	138.1	110	174.5	42.0	48	197.3	312	967.6	31,814.4	96
Georgia	45	40	81	169.0	46	92.8	152	182.7	31.8	54	50.5	333	526.8	17,796.5	66
Maryland	53	45	39	151.8	158	458.1	43	59.2	16.8	34	57.1	274	743.0	27,885.3	450
North Carolina	56	53	199	358.8	117	202.9	243	176.7	84.3	143	182.1	702	1,004.8	39,181.3	183
South Carolina	40	34	118	258.4	43	91.6	100	77.0	54.9	33	55.6	294	537.5	16,385.9	79
Virginia	32	29	55	154.5	76	155.8	105	124.2	52.4	49	63.8	285	550.7	24,784.1	92
No. 5—Cincinnati	402	356	495	1,751.8	1,102	2,905.8	1,368	1,510.7	561.5	690	756.2	3,655	7,486.0	561,692.6	973
Kentucky	64	55	76	215.4	126	314.5	265	252.7	100.6	99	114.6	566	997.8	59,810.9	185
Ohio	301	268	327	1,299.5	944	2,527.5	989	1,093.4	417.8	570	614.2	2,830	5,952.4	483,074.7	732
Tennessee	37	33	92	236.9	32	63.8	114	164.6	43.1	21	27.4	259	535.8	18,807.0	56
No. 6—Indianapolis	203	185	208	477.5	479	765.0	820	539.0	307.6	466	379.9	1,973	2,469.0	235,290.3	360
Indiana	147	136	124	235.9	398	595.6	622	303.7	250.3	319	249.5	1,463	1,635.0	136,417.6	284
Michigan	56	49	84	241.6	81	169.4	198	235.3	57.3	147	130.4	510	834.0	98,872.7	76
No. 7—Chicago	284	241	186	573.0	606	1,801.1	785	1,260.2	356.4	232	321.0	1,809	4,311.7	237,454.3	1,043
Illinois	205	176	106	285.8	496	1,511.4	664	1,089.7	294.4	175	267.9	1,441	3,449.2	167,451.1	836
Wisconsin	79	65	80	287.2	110	289.7	121	170.5	62.0	57	53.1	368	862.5	70,003.2	207
No. 8—Des Moines	196	178	232	717.7	406	888.7	557	724.8	209.7	178	279.6	1,373	2,820.5	144,920.0	446
Iowa	51	48	65	220.2	120	249.2	137	120.5	57.8	44	49.9	366	697.6	28,027.6	99
Minnesota	42	38	87	299.3	134	334.8	180	256.7	80.2	54	135.5	455	1,106.5	36,167.7	78
Missouri	78	71	65	174.3	124	266.4	200	338.8	53.2	69	87.8	458	920.5	70,880.5	227
North Dakota	15	12	8	13.8	13	19.1	27	7.3	9.9	3	1.7	51	51.8	6,568.4	24
South Dakota	10	9	7	10.1	15	19.2	13	1.5	8.6	8	4.7	43	44.1	3,275.8	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 Apr. 30, 1938.

[4] The number of member associations of the Federal Home Loan Bank System reported as of Apr. 30, 1938, and the number of nonmembers based upon the most recent available data for 1936 or 1937, with adjustment for conversion through Apr. 30, 1938, except for Maryland where the number of nonmembers is estimated.

Table 7.—Monthly lending activity and total assets as reported by 2,818 savings and loan associations in April 1938—Continued

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank Districts and States	Number of associations		Loans made in April according to purpose											Total assets, Apr. 30, 1938	Total number of savings and loan associations
			Mortgage loans on 1- to 4-family nonfarm homes							Loans for all other purposes		Total loans, all purposes			
			Construction		Home purchase		Refinancing and reconditioning								
								Amount							
	Submitting reports	Reporting loans made	Number	Amount	Number	Amount	Number	Refinancing	Reconditioning	Number	Amount	Number	Amount		
No. 9—Little Rock	268	256	568	$1, 399. 9	559	$1, 219. 3	614	$723. 4	$242. 1	387	$534. 8	2, 128	$4, 119. 5	$179, 596. 6	401
Arkansas	38	37	38	73. 3	56	101. 8	73	47. 7	29. 5	81	91. 6	248	343. 9	11, 347. 9	65
Louisiana	71	68	171	488. 9	215	563. 8	126	226. 5	75. 3	154	272. 4	666	1, 626. 9	86, 421. 6	82
Mississippi	28	27	27	41. 5	18	23. 8	39	21. 0	14. 0	23	21. 4	107	121. 7	5, 771. 7	50
New Mexico	14	13	32	86. 3	11	13. 7	25	21. 9	24. 7	8	11. 1	76	157. 7	3, 922. 7	21
Texas	117	111	300	709. 9	259	516. 2	351	406. 3	98. 6	121	138. 3	1, 031	1, 869. 3	72, 132. 7	183
No. 10—Topeka	184	166	232	656. 7	482	1, 000. 7	493	465. 3	220. 8	410	566. 7	1, 617	2, 910. 2	176, 367. 8	368
Colorado	33	28	44	95. 7	89	188. 9	78	76. 5	45. 8	47	64. 3	258	471. 2	23, 510. 0	59
Kansas	70	68	76	222. 1	144	252. 2	150	117. 9	67. 3	114	168. 3	484	827. 8	56, 255. 3	149
Nebraska	33	26	38	119. 7	112	228. 3	111	89. 4	66. 7	115	94. 5	376	598. 6	42, 525. 6	91
Oklahoma	48	44	74	219. 2	137	331. 3	154	181. 5	41. 0	134	239. 6	499	1, 012. 6	54, 076. 9	69
No. 11—Portland	130	117	340	903. 3	246	478. 3	461	542. 4	148. 5	222	309. 6	1, 269	2, 382. 1	108, 720. 7	179
Idaho	9	9	25	55. 6	26	67. 1	50	73. 7	17. 6	17	15. 8	118	229. 8	6, 453. 6	13
Montana	16	15	32	94. 5	32	46. 9	54	53. 2	15. 4	15	25. 6	133	235. 6	10, 812. 5	23
Oregon	26	24	86	224. 2	35	65. 1	102	99. 9	37. 5	34	63. 6	257	490. 3	24, 830. 2	36
Utah	9	7	38	126. 5	13	30. 6	31	54. 3	8. 0	9	14. 7	91	234. 1	11, 824. 3	21
Washington	59	53	142	344. 8	122	230. 6	208	246. 9	58. 6	144	180. 6	616	1, 061. 5	50, 553. 0	71
Wyoming	10	8	15	47. 8	18	38. 0	16	14. 4	11. 4	3	9. 3	52	120. 9	4, 141. 4	14
Alaska	1	1	2	9. 9	0	0. 0	0	0. 0	0. 0	0	0. 0	2	9. 9	105. 7	1
No. 12—Los Angeles	140	131	686	2, 294. 7	358	903. 7	672	931. 3	222. 2	289	382. 8	2, 005	4, 734. 7	191, 439. 1	213
Arizona	3	2	14	85. 1	14	33. 3	6	12. 8	0. 7	3	6. 4	37	138. 3	2, 151. 9	4
California	133	125	668	2, 194. 9	337	851. 0	653	897. 1	216. 4	280	368. 3	1, 938	4, 527. 7	186, 841. 8	194
Nevada	2	2	2	8. 6	3	7. 0	4	5. 1	0. 9	2	1. 0	11	22. 6	726. 6	5
Hawaii	2	2	2	6. 1	4	12. 4	9	16. 3	4. 2	4	7. 1	19	46. 1	1, 718. 8	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	83. 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
April	91. 2	90. 4	95. 5	91. 1	81. 4	77. 2	114. 9	94. 8
Change								
Apr. 1938–Mar. 1938	−0. 3%	−0. 8%	0. 0%	−0. 2%	−1. 0%	−2. 2%	0. 0%	0. 0%
Apr. 1938–Apr. 1937	−5. 7%	−4. 7%	0. 0%	−11. 6%	−3. 0%	−1. 9%	0. 0%	−5. 1%

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

	Cumulative number at specified dates						Number of investors	Assets	Private repurchasable capital
	Dec. 31, 1934	Dec. 31, 1935	Dec. 31, 1936	Dec. 31, 1937	Mar. 31, 1938	Apr. 30, 1938	Apr. 30, 1938	Apr. 30, 1938	Apr. 30, 1938
State-chartered associations	4	136	382	566	623	637	704, 615	$711, 960, 000	$515, 864, 000
Converted F. S. and L. A.	108	406	560	672	[2] 688	[3] 692	766, 400	[3] 890, 393, 000	605, 333, 000
New F. S. and L. A.	339	572	634	641	641	640	228, 500	283, 494, 000	129, 331, 000
Total	451	1, 114	1, 576	1, 879	1, 952	1, 969	1, 699, 515	1,885,847,000	1, 250, 528, 000

[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.

[2] In addition four Federals with assets of $1,443,000 had been approved for conversion but had not been insured as of March 31.

[3] In addition, seven Federals with assets of $4,673,000 had been approved for conversion but had not been insured as of April 30.

Table 10.—Monthly operations of 489 identical insured State-chartered savings and loan associations reporting during March and April 1938

	March	April	Change March to April
Share liability at end of month:			*Percent*
Private share accounts (number)	620, 299	614, 798	−0. 9
Paid on private subscriptions	$444, 501, 000	$443, 736, 500	−0. 2
H. O. L. C. subscriptions	34, 681, 800	35, 148, 200	+1. 3
Total	479, 182, 800	478, 884, 700	−0. 1
Private share investments during month	7, 194, 300	7, 212, 200	+0. 2
Repurchases during month	7, 855, 700	7, 950, 400	+1. 2
Mortgage loans made during month:			
a. New construction	2, 462, 700	2, 757, 300	+12. 0
b. Purchase of homes	2, 934, 300	3, 139, 200	+7. 0
c. Refinancing	1, 851, 700	1, 707, 400	+7. 8
d. Reconditioning	616, 900	621, 000	+0. 7
e. Other purposes	1, 096, 100	1, 245, 600	+13. 6
Total	8, 961, 700	9, 470, 500	+5. 7
Mortgage loans outstanding end of month	420, 726, 000	423, 663, 600	+0. 7
Borrowed money as of end of month:			
From Federal Home Loan Banks	28, 358, 800	28, 586, 100	+0. 8
From other sources	2, 789, 300	2, 768, 000	−0. 8
Total	31, 148, 100	31, 354, 100	+0. 7
Total assets, end of month	608, 188, 500	610, 726, 200	+0. 4

Table 11.—Monthly operations of 1,264 identical Federal savings and loan associations reporting during March and April 1938

	March	April	Change March to April
Share liability at end of month:			*Percent*
Private share accounts (number)	951, 027	961, 766	+1. 1
Paid on private subscriptions	$702, 410, 900	$710, 633, 700	+1. 2
Treasury and H. O. L. C. subscriptions	213, 174, 500	213, 275, 500	+0. 1
Total	915, 585, 400	923, 909, 200	+0. 9
Private share investments during month	17, 347, 400	17, 363, 000	+0. 1
Repurchases during month	9, 994, 800	9, 313, 400	−6. 8
Mortgage loans made during month:			
a. New construction	7, 208, 800	8, 204, 000	+13. 8
b. Purchase of homes	6, 512, 200	7, 300, 500	+12. 1
c. Refinancing	5, 318, 500	5, 821, 700	+9. 5
d. Reconditioning	1, 324, 100	1, 616, 100	+22. 1
e. Other purposes	2, 253, 200	2, 145, 400	−4. 8
Total	22, 616, 800	25, 087, 700	+10. 9
Mortgage loans outstanding end of month	871, 468, 100	885, 438, 800	+1. 6
Borrowed money as of end of month:			
From Federal Home Loan Banks	89, 555, 000	89, 436, 800	−0. 1
From other sources	1, 884, 000	1, 803, 500	−4. 3
Total	91, 439, 000	91, 240, 300	−0. 2
Total assets, end of month	1, 120, 230, 900	1, 134, 655, 700	+1. 3

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

Federal Home Loan Banks	Advances made during Apr. 1938	Advances made during Mar. 1938
No. 1—Boston	$236, 500. 00	$85, 000. 00
No. 2—New York	563, 000. 00	541, 000. 00
No. 3—Pittsburgh	670, 783. 33	377, 150. 00
No. 4—Winston-Salem	676, 900. 00	757, 700. 00
No. 5—Cincinnati	646, 650. 00	327, 000. 00
No. 6—Indianapolis	669, 300. 00	117, 500. 00
No. 7—Chicago	471, 832. 28	458, 165. 15
No. 8—Des Moines	325, 100. 00	413, 973. 00
No. 9—Little Rock	487, 000. 00	455, 000. 00
No. 10—Topeka	324, 500. 00	270, 900. 00
No. 11—Portland	233, 500. 00	517, 000. 00
No. 12—Los Angeles	783, 862. 50	580, 185. 65
Total	6, 088, 928. 11	4, 900, 573. 80

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
April	6, 089	5, 465	183, 749

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
Apr. 30, 1938	[2] 95	5, 062, 210	739	47, 324, 670	4, 382	189, 693, 900	5, 216	242, 080, 780
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
Apr. 30, 1938	[2] 29	[2] 1, 326, 000	613	38, 590, 570	4, 039	170, 147, 800	4, 681	210, 064, 370

[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
April	4, 870
Grand total to Apr. 30, 1938	90, 480

[1] Does not include 18,370 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 90,480 completed cases, 489 properties were sold at foreclosure sale to parties other than the H. O. L. C. and 11,417 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 Apr. 30, 1938 [1]

	June 1, 1934, through Mar. 31, 1938	Apr. 1, 1938, through Apr. 30, 1938	Cumulative through Apr. 30, 1938
Cases received [2]	905, 499	13, 103	918, 602
Contracts awarded:			
Number	535, 880	11, 455	547, 335
Amount	$102, 903, 833	$2, 404, 312	$105, 308, 145
Jobs completed:			
Number	526, 485	9, 661	536, 146
Amount	$99, 144, 558	$2, 099, 059	$101, 243, 617

[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.

Directory of Member, Federal, and Insured Institutions

Added during April–May

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

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

DISTRICT NO. 1

CONNECTICUT:
  Mystic:
    Mystic Building & Loan Association, Incorporated, 44 Washington Street.
MASSACHUSETTS:
  Malden:
    Fellsway Co-operative Bank, 353 Main Street.

DISTRICT NO. 2

NEW YORK:
  Port Richmond:
    Polish Savings & Loan Association of Richmond County, New York, 145 Morningstar Road.

DISTRICT NO. 3

PENNSYLVANIA:
  Oaks:
    Oaks Building & Loan Association, Fire Hall.
  Philadelphia:
    Frank J. Tobey Building & Loan Association, 6539 Elmwood Avenue.
  Pittsburgh:
    Brownsville Road Building & Loan Association, 2705 Brownsville Road.
  Rochester:
    Rochester Building & Loan Association, 361 Brighton Avenue.

DISTRICT NO. 5

OHIO:
  Dayton:
    Home Savings & Loan Association, 112 West Second Street.
  New Richmond:
    Clermont Building, Loan & Savings Company, Front Street.

DISTRICT NO. 8

MISSOURI:
  St. Joseph:
    Provident Building & Loan Association of St. Joseph, 513 Francis Street.

DISTRICT NO. 9

MISSISSIPPI:
  Jackson:
    Standard Life Insurance Company of the South, North Congress Street.

DISTRICT NO. 10

NEBRASKA:
  Omaha:
    Service Life Insurance Company, 304 South Eighteenth Street.

DISTRICT NO. 12

CALIFORNIA:
  Los Angeles:
    Federal Building & Loan Association, 3871 Wilshire Boulevard.
  Santa Paula:
    Santa Paula Building & Loan Association, 940 Main Street.

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

HAWAII:
  Hilo:
    Hawaii Building & Loan Association, Limited, 125 Kamehameha Avenue (voluntary withdrawal).
MARYLAND:
  Baltimore:
    Chancery Building & Loan Association, 2552 Edmondson Avenue (voluntary withdrawal).
    Independent Patterson Park Permanent Loan and Building Association of Baltimore City, Patterson Park and Fairmount (voluntary withdrawal).
NEW JERSEY:
  East Orange:
    Fairway Building & Loan Association of East Orange, New Jersey, 131 Main Street (merger with Brick Church Building & Loan Association of East Orange, New Jersey, East Orange, New Jersey).
PENNSYLVANIA:
  Philadelphia:
    Girard Savings & Loan Association, 5428 Arlington Street (voluntary withdrawal).
  Pittsburgh:
    Hope Building & Loan Association of Allegheny City, 407 East Ohio Street (voluntary withdrawal).
SOUTH CAROLINA:
  Laurens:
    Palmetto Building & Loan Association (voluntary withdrawal).

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

DISTRICT NO. 3

PENNSYLVANIA:
  Philadelphia:
    Garfield Federal Savings & Loan Association of Philadelphia, 510 West Girard Avenue (converted from Garfield Building Association of Philadelphia).
    Gromac Federal Savings & Loan Association, 1700 Sansom Street (converted from Gromac Building & Loan Association).

DISTRICT NO. 4

DISTRICT OF COLUMBIA:
  Washington:
    Northwestern Federal Savings & Loan Association, Corner Fourteenth and G Streets, Northwest (converted from Northwestern Savings & Loan Association, Takoma Park, Maryland).

DISTRICT NO. 12

CALIFORNIA:
  Los Angeles:
    Southern Federal Savings & Loan Association, 3871 Wilshire Boulevard (converted from Federal Building & Loan Association).
  San Diego:
    Bay City Federal Savings & Loan Association, 1202 Fourth Street (converted from Bay City Building & Loan Association).

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

ARKANSAS:
  Little Rock:
    Guaranty Federal Savings & Loan Association, Commerce Bank Building (merger with Pulaski Federal Savings & Loan Association, Little Rock, Arkansas).
    State Federal Savings & Loan Association, 203 West Capitol Avenue (merger with First Federal Savings and Loan Association of Little Rock, Little Rock, Arkansas).
UTAH:
  Salt Lake City:
    Prudential Federal Savings & Loan Association, 515 Templeton Building (merger with First Federal Savings & Loan Association of Butte, Butte, Montana).[1]

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

DISTRICT NO. 2

NEW JERSEY:
  East Orange:
    Brick Church-Fairway Building & Loan Association, 28 Washington Place.

DISTRICT NO. 3

PENNSYLVANIA:
  New Brighton:
    New Brighton Building & Loan Association, 1021 Third Avenue.
  Philadelphia:
    Hestonville Building & Loan Association, 1482 North Fifty-second Street.
    Somerton Building & Loan Association, County Trust Company Building.
  Shamokin:
    Black Diamond Building & Loan Association of Shamokin, 8 South Market Street.
    West Ward Building & Loan Association of Shamokin, 8 South Market Street.

DISTRICT NO. 5

OHIO:
  Dayton:
    Home Savings & Loan Association, 112–18 West Second Street.
  London:
    Citizens Loan & Savings Company, 1 South Main Street.

DISTRICT NO. 7

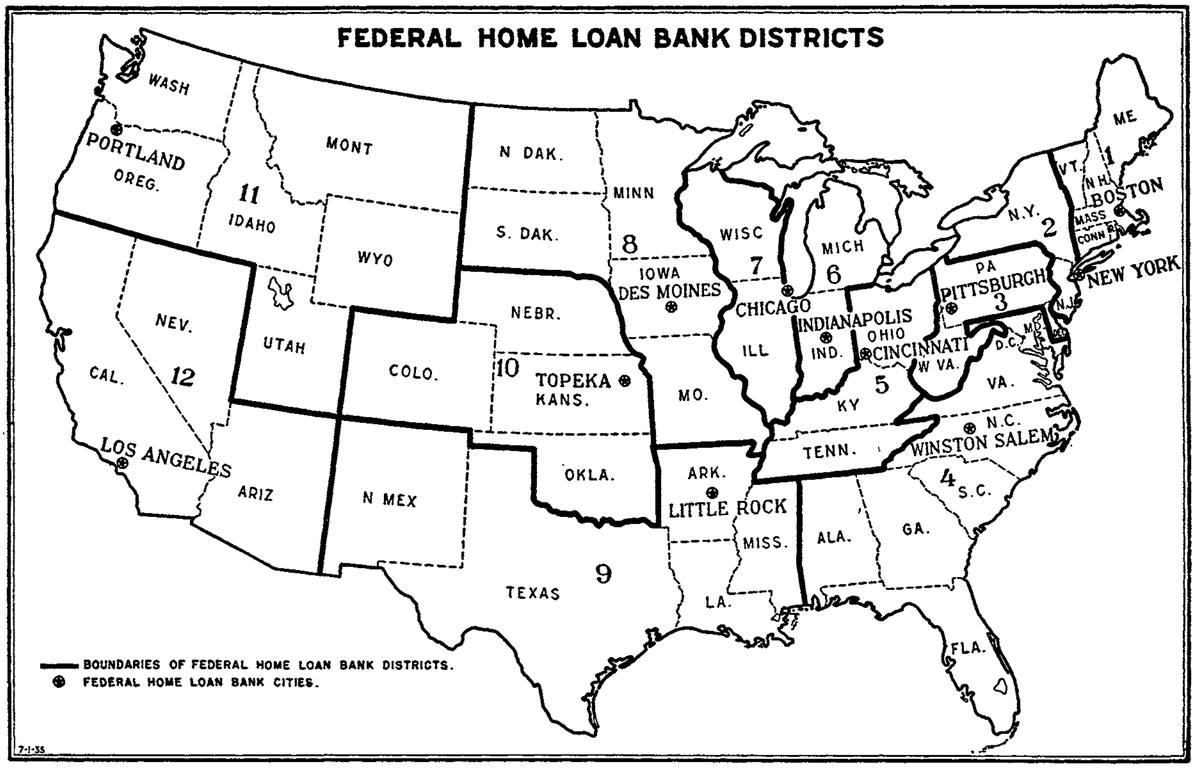
ILLINOIS:
  Chicago:
    Bell Savings, Building & Loan Association of Illinois, 208 West Washington Street.
    Gage Park Building Loan & Homestead Association, 2624 West Fifty-first Street.
    Kalifornie Building & Loan Association, 2419 South Albany Avenue.
    Labe Building & Loan Association, 4564 North Pulaski Road.
    Northwestern Saving Building & Loan Association, 2304 North Western Avenue.
    "Zlata Koruna" Loan & Building Association, 3832 West Twenty-second Street.
  Oak Park:
    Community Building & Loan Association of Oak Park, 1048 Lake Street.

DISTRICT NO. 12

CALIFORNIA:
  Riverside:
    Citrus Belt Building & Loan Association, 3950 Market Street.
  Santa Ana:
    Santa Ana Building & Loan Association, 601 North Main Street.

[1] The First Federal Savings & Loan Association of Butte, Butte, Montana, after the merger, changed its name and location as follows: Prudential Federal Savings & Loan Association, Salt Lake City, Utah.

U. S. GOVERNMENT PRINTING OFFICE: 1938



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