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FEDERAL HOME LOAN BANK SYSTEM

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

HOME OWNERS' LOAN CORPORATION

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CONSTITUTIONALITY OF FEDERAL SAVINGS AND LOAN ASSOCIATIONS UPHELD

■ THE constitutionality of creating Federal savings and loan associations was upheld by the United States Circuit Court of Appeals (Seventh Circuit) at Chicago in a decision handed down on May 20, 1938.[1] The Court, by a decision in which two of the three judges concurred, affirmed the decision of the District Court of the United States for the Western District of Wisconsin which declared that the Act providing for the incorporation of Federal savings and loan associations was constitutional and which restrained the Attorney General of the State of Wisconsin and the Banking Commission of the State from hindering the First Federal Savings and Loan Association of Wisconsin, located in Milwaukee, in transacting business as a Federal association within the State of Wisconsin.

The majority opinion, written by Circuit Judge Major and concurred in by Circuit Judge Treanor, held that Federal savings and loan associations are constitutionally created. The first ground stated by the Court in its decision held that these associations were validly created under the constitutional power of Congress to create fiscal agents. The Court pointed out that it is now a settled matter, not subject to dispute, that Congress has the power to create financial corporations as fiscal agents of the Government. The Court said: "We are not concerned so much with the intention of Congress as with the language actually employed in creating such agencies, and the necessity for the same is a matter with which the courts are not concerned. As was said in *Farmers and Mechanics National Bank* v. *Dearing*, *supra*, 34: 'Of the degree of the necessity which existed for creating them, Congress is the sole judge.' The intention or motive of Congress in creating such associations and designating them as fiscal agents, is a matter entirely within the legislative province." The Court quoted with approval a statement by the Supreme Court in the case of *McCray* v. *United States*,[2] discussing the right of the Court to review the motives of Congress in exercising powers granted it under the Constitution: "But this reduces itself to the contention that, under our constitutional system, the abuse by one department of the government of its lawful powers is to be corrected by the abuse of its powers by another department." The Circuit Court in the present case reached the following conclusion: "Under our tri-system of government, it appears not only logical, but sustained by authority that none of the three branches has any right to question the motive that prompted action on the part of another, but always the question is reduced to that of power or authority to do that which is assailed."

"If there is any question of the right of Congress to provide for the creation of such Federal savings and loan associations and their designation as fiscal agents of the Government," the opinion declared, "it seems to us that doubt is dispelled by the Supreme Court in the case of *Smith* v. *Kansas City Title and Trust Company*," in which the United States Supreme Court, in 1921, upheld the constitutionality of the Federal land banks and joint stock land banks.

Another ground for the decision is the general welfare clause of the Constitution, which provides that Congress shall have power to lay and collect taxes to provide for the general welfare of the United States. The Supreme Court recently sustained the validity of certain provisions of the Social Security Act upon the authority of Congress to spend money to provide for the general welfare. The Circuit Court in the present case ruled that: "To our mind the preservation of home owners and the promotion of a sound system of home mortgage is none the less national in scope than the provisions for the unemployed and the aged. Its scope, as affecting the welfare of the Nation as a whole, is of equal importance. To say that Congress has the authority to make provision for one class but not the other is to make a distinction justified by neither logic nor common sense.

[1] Until the decision is reported in the Federal Reporter in due course, mimeographed copies may be obtained from the Editor of the FEDERAL HOME LOAN BANK REVIEW.

[2] 195 U. S. 27, 54.

The problem presented in one case is no less national in its aspect than that presented in the other."

The line of demarcation between a particular and general welfare must be determined largely by solving the question of whether the problem presented is national in scope or merely local, the opinion stated: "Congress, not the courts, is charged with responsibility of making such determination." In support of this conclusion, the Circuit Court quoted the following language of the Supreme Court in *Helvering* v. *Davis* [3]: "The line must still be drawn between one welfare and another, between particular and general. Where this shall be placed cannot be known through a formula in advance of the event. There is a middle ground or certainly a penumbra in which discretion is at large. The discretion, however, is not confided to the courts. The discretion belongs to Congress, unless the choice is clearly wrong, a display of arbitrary power, not an exercise of judgment. This is now familiar law. 'When such a contention comes here we naturally require a showing that by no reasonable possibility can the challenged legislation fall within the wide range of discretion permitted to the Congress.' "

Dissenting Opinion

The dissent of Judge Sparks is practically summarized in these excerpts from his dissenting opinion: "Under the Act here involved no bank is created or authorized, and banking powers are expressly denied to the institutions sought to be established. It is obvious that the Act is not in aid of the Government's power to borrow money. No question is raised as to the scope of the war power, or of the power of eminent domain, or of the power to regulate transactions affecting interstate or foreign commerce. Indeed, no express power under the Constitution, save that of the general welfare clause, has been suggested as a basis to support the fiscal powers referred to in the enactment. Likewise, the fiscal powers and duties created do not in any manner affect the institution and operation of the Building and Savings Associations authorized under the Act. . . . I think that subsection (k) adds nothing to the validity of the Act.

"The only other delegated power upon which appellee seeks to base the validity of the enactment is the general welfare clause. . . . I think . . . that the relief sought to be extended by the Act is local rather than national. Here we have a sovereign State objecting not only on that ground but on the further ground that the relief as extended is not necessary, and is in violation of her laws. Her determination as to lack of necessity should be given great weight, and if that determination is correct, and there is a necessity for relief in other States, it would support the conclusion that the question is local rather than national."

Judge Sparks does not agree with the majority of the Court that the courts are not concerned with the necessity for creating fiscal agents, that being for Congress to determine.

He does not feel that national welfare is served. He feels that merely local welfare is affected, and disagrees with the majority opinion which held that the discretion in determining the line of demarcation between a particular and the general welfare belongs to Congress and not to the courts.

He also differs with the decisions of the Supreme Court in *United States* v. *Butler* and in *Helvering* v. *Davis* that the Hamiltonian view of the general welfare clause of the Constitution is correct. He presents a long argument for the Madisonian view of the general welfare clause.

Historical Review of Powers of Federal Government in Creating Financial Corporations

This decision rendered by the Seventh Circuit Court of Appeals is a leading case in the field. In only a few earlier cases have the courts passed upon the power of the Federal Government to create financial corporations. The first two cases involved the creation of the Second Bank of the United States in the early history of the country; in 1921 the Supreme Court upheld the validity of the Federal land banks in *Smith* v. *Kansas City Title and Trust Company* [4]; and, in 1936, the validity of the creation of national farm loan associations.[5]

The significance of the majority opinion of the Seventh Circuit Court of Appeals can be better appreciated in the light of proper historical perspective of the powers of Government in creating financial corporations. The creation of the Bank of the United States by Congress on February 25, 1791, initiated the establishment of a national financial system and is the first use of the Federal Government's power to create financial corporations. When the charter of the Bank of the United States expired, the Second Bank of the United States was created on April 10, 1816. Its constitutionality was chal-

[3] 301 U. S. 619, 640.

[4] 255 U. S. 180.

[5] 300 U. S. 194.

lenged in two famous cases: *McCulloch* v. *Maryland*[6] in 1819, and *Osborn* v. *Bank of the United States*[7] in 1824. The Supreme Court sustained the validity of the power of Congress to create such financial corporations in the famous opinions in such cases by Chief Justice Marshall, who held that the authority to create such corporations was clearly within the scope of the powers granted to Congress by the Constitution.

There were no more direct attacks upon the constitutionality of financial corporations created by the Federal Government until the validity of the Federal land banks was challenged in the case of *Smith* v. *Kansas City Title and Trust Company*, decided by the United States Supreme Court in 1921.

During this period of more than 100 years from the decision of the Supreme Court in *McCulloch* v. *Maryland*, the national financial system was greatly expanded and integrated. In 1864, the National Bank Act authorized the Comptroller of the Currency to charter national banking associations. Although the constitutionality of this Act has never been directly challenged, the Supreme Court over and over again has clearly indicated that it regarded the exercise by Congress of the power to establish national banks as valid under the Constitution.

The Postal Savings System was established in 1910 and the Federal Reserve System in 1913. The Federal Reserve System, together with the National Banking System, provided a coordinated structure of financial corporations to serve commerce and industry.

The Supreme Court on February 28, 1921, sustained the validity of the Federal Farm Loan Act of 1916 which created the Federal Land Bank System. It is very interesting to note that the present Chief Justice Charles Evans Hughes, then a practicing attorney, as counsel representing the Federal Land Bank of Wichita, reiterated an argument which he had presented as early as 1917 at the request of a number of investment houses, in an opinion holding that the Federal Farm Loan Act was constitutional and that the Farm Loan Bonds issued under that Act were valid securities and exempt from taxation.

In 1920 he urged his views strongly before the Supreme Court and based one of his arguments for the constitutionality of Federal land banks on the power of Congress to "provide for the common defense and general welfare of the United States". He adopted the Hamiltonian construction of the general welfare clause and maintained that this clause did not confer an independent power upon Congress, but prescribed the limits of the taxing power: that is, the general welfare clause defined the objects for which public money may be expended by Congress. Mr. Hughes summed up his reasoning based upon the general welfare clause in these words: "I am unable to conclude that in this plan Congress has transcended its authority of appropriating public money."

His argument in the Supreme Court also supported the constitutionality of the Federal Land Bank System by reason of the power of Congress to establish fiscal agents and the power to create corporations for the purpose of borrowing money on the credit of the United States, and he found that the Federal land banks were lawfully created agencies of the United States because: "They are constituted fiscal agents of the Government and are bound to perform all reasonable duties imposed upon them as such agents."

The Supreme Court chose to render its opinion solely upon the reasoning that Congress had the power to establish fiscal agents, and ignored the general welfare argument.

Before the question of the validity of creating these nationally chartered savings and loan associations to provide home-mortgage credit was presented by the present case, the Federal Government had already been declared to be within its constitutional powers in creating an integrated banking system to serve commerce and industry and a parallel integrated mortgage banking system to provide farm-mortgage and agricultural credit.

In July 1932, Congress established the Federal Home Loan Bank System for the provision of home-mortgage credit, and in June 1933 Congress authorized the Federal Home Loan Bank Board to charter Federal savings and loan associations, which were required to become members of the Bank System, "in order to provide local mutual thrift institutions in which people may invest their funds and in order to provide for the financing of homes".

Before the constitutionality of this legislation was challenged, Congress had created a number of financial corporations wholly owned by the United States Government—the Reconstruction Finance Corporation in January 1932, the Home Owners' Loan Corporation in June 1933, the Federal Deposit Insurance Corporation in June 1933, the Federal Farm Mortgage Corporation in January 1934, and the Federal Savings and Loan Insurance Corporation in June 1934. The courts have upheld the constitutionality of the creation of several of these Government corporations; in fact, of all such corporations that have been before the courts for review.

[6] 4 Wheat. 316.
[7] 9 Wheat. 873.

HOME OWNERSHIP AND BUILDING SOCIETY EXPERIENCE IN ENGLAND

In a recent talk Sir Harold Bellman of London focused attention on his country's record housing output since the War. The REVIEW briefly summarizes some of the most pertinent factors in England's housing achievements

■ THE remarkable record made by Great Britain in recent years in overcoming its post-War housing shortage was clearly brought out by Sir Harold Bellman, London, England, managing director of the second largest building society in the world, in his recent talk before 500 persons attending the United States Building and Loan League banquet in his honor. Sir Harold pointed out that in the 20-year period since the Armistice 3,500,000 low-cost houses have been constructed in England and Wales, through the joint efforts of private enterprise and national and local authorities, increasing the available housing accommodation by nearly 50 percent. Approximately $10,500,000,000 was invested in these homes, on the basis of $3,000 per house and lot.

In the few years preceding the English financial crisis of 1931, the housing output averaged less than 200,000 a year. Three years later, however, it had exceeded 300,000 a year and in 1936 reached 350,000.

Most of these houses were erected by private builders. This would have been impossible without the cooperation and aid of the building societies. These societies have helped to finance at least 2,000,000 of the 3,500,000 dwellings erected during the past two decades. Today English building societies, which are comparable to our savings and loan associations, have assets totaling $3,500,000,000—an increase of more than $3,000,000,000 since the War. Their shareholders number approximately 2,800,000 and during recent years well over $500,000,000 per year has been advanced to their 1,300,000 borrowers. Since 1934, the average new home loan has amounted to $2,875.

Home ownership is spreading fast in England; many families in the middle and low income groups, who in the past were renters, are now achieving home ownership. Quite naturally our first thought is: How have the families of these two income brackets been able to purchase homes?

First, relatively stable wages of the English wage and salary earner and declining living costs provided a considerable margin of surplus income. For example, the total of salaries and wages had declined 3 percent between an average of the years 1924–1927 and the year 1932. On the other hand, total expenditures for food, clothing, liquor, and tobacco fell 15 percent between the same periods and have not tended to rise since then. This increased margin of purchasing power, coupled with less stringent mortgage conditions, probably has been the fundamental factor in stimulating building since it meant money in prospective home owners' pockets for down-payments and large sums of easily obtainable credit on increasingly liberal terms. Subsequent to the War Loan conversion in 1932 which resulted in a reduction in the return on Government obligations, many large investors switched a substantial amount of their funds into the savings media, thereby giving the societies a much larger volume of funds that could be used for new mortgage advances.

Second, in recent years mortgage conditions have been particularly favorable as opposed to those following the War, when the cost of money as well as labor and materials was extremely high. Small down-payments, low interest rates, and long amortization terms make it almost as reasonable to buy as to rent today. Building societies have been accepting down-payments as low as 5 percent (more often 10 percent), the balance amortized over periods of from 20 to 23 years. Interest rates at the present time range from 4½ to 5 percent, whereas in 1920 they ran as high as 6½ percent. Since that time charges for mortgage money have decreased steadily—in 1925 they stood at 5.9 percent; in 1929, 5.8 percent;

in 1933, 5.6 percent; and in 1935, 5.2 percent—keeping pace with a general lowering of all other interest rates.

Normally building societies would advance only 75 percent of the value of the property on first mortgages but with the introduction of the "pool" system, however, advances up to 90 percent, in some cases 95 percent, are allowed. This system protects the society by requiring the builder to put up a small "deposit" representing the difference between the normal loan and the loan actually made. The deposit remains in a pool with the society until the mortgage is sufficiently reduced. In this way the society holds a security to cover possible loss resulting from default. The mortgagor is correspondingly benefited as his down-payment or "personal stake" is much smaller than would be the case if he were required to make the normal cash deposit.

Standards of Construction

The average English house, costing about $3,000 and built by private enterprise for the middle and low income groups, consists of three bedrooms, living room, kitchen, bath, and garden. In no case are there less than four rooms. These homes are of a minimum standard and do not have the usual amenities such as basement, central heating, refrigeration, or closets.

This type of small house is decidedly more popular in Great Britain than apartments; the latter are built only in industrial towns where proximity to factories or other working centers is essential. These apartments are of necessity somewhat smaller than the average house described above and have the same lack of conveniences.

To insure against future overcrowding, the government has passed laws limiting building to 8 houses per acre in rural districts, 12 per acre in cities. While there is no restriction as to the types of houses, the most common at present are the double or 2-family house and the row house.

Construction Costs and Cooperation in the Construction Industry

The cost of materials as well as of labor declined considerably in 1928 and there has been no appreciable rise since then. This downward trend has been maintained principally by improvements in methods and materials. The buying of materials in bulk on long-term contracts also has kept construction costs at a low level.

Of the total cost of construction, labor accounts for only 30 to 35 percent, which probably runs a little less than the average percentage in the United States. Wage rates are determined by the National Joint Council for the Building Industry, composed of building trade employers and employees, but reduced labor costs are due largely to regularity of work. This is due in part to year-round construction in many parts of the country, and to the fact that there are very large construction companies actively engaged in building homes. To assure uniform wage rates, all labor in England is divided into two groups: skilled and unskilled—unskilled labor being apportioned 75 percent the wage amount of the skilled. The basic wage is determined by the cost of living index and is revised periodically as this index fluctuates.

There is further evidence of cooperation between the various elements of the building industry. Supported and approved by the Minister of Health, the Building Industries National Council includes the building societies, home builders, architects, and surveyors. To quote from a recent issue of the London *Economist*, "Any competent builder willing to observe the agreed standards may register with the council, which will then undertake regular and independent inspection of his work while it is in progress, and will issue a certificate to the purchaser that the house conforms to sound and reasonable standards of construction." However, adoption of this service is left up to the building industry and also the purchaser.

The National Association of Building Societies, comparable in its relation to building societies to the United States Building and Loan League and its member building and loan associations, was founded in 1869 "to watch proceedings in Parliament . . . and to further the interests, privileges, and advantages of such societies". After its dissolution in June 1936, the Building Societies Association was formed to carry on this work.

The Joint Council, the National Council, and the National Association already have contributed much towards the hoped-for coordination of the building industry. Their achievements are proof that England has learned many important lessons in trade cooperation.

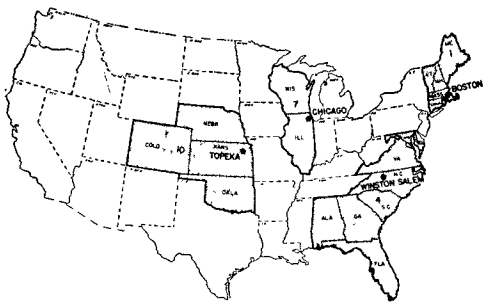
AN ANALYSIS OF THE BUILDING COST INDEX

This second in the series of articles analyzes the cost of materials used in building the standard house. Based on the building cost index published monthly in the REVIEW, it covers 27 cities, located in four Federal Home Loan Bank Districts, reporting in May

■ THE first article in this series, which appeared in the May issue of the REVIEW, provides a background for the present discussion. Reports from all the cities covered by the index were averaged to show the trend of total material and total labor costs involved in building the standard house on which the index is based. The trend of average building costs has been a simple one: from the time the index was started in January 1936 until September 1937, average costs for the country rose at a continually increasing tempo. Since then they have been declining slowly. Following this trend closely from month to month, the REVIEW was able as early as August 1937 to point out that costs had started to decline in some cities and would probably fall more generally: in spite of the fact that the public was only then becoming aware of the rise in costs.

Behind this average trend, however, lie the diverse trends of material and labor costs and the local cost fluctuations of the individual cities. Material costs followed total costs closely, being a heavy contributor to the rise and almost the sole contributor to the fall; while labor costs, although rising at a rate parallel to material costs, levelled off in the fall of 1937 instead of declining. It was not until recent months that labor costs showed signs of decreasing. Local cost fluctuations and cost levels and the factors which affect them will be discussed in this and subsequent articles.

The present article will be devoted to the first group of reporting cities. (The 90 reporting cities are divided into three groups of cities. Each group, covering four Federal Home Loan Bank Districts, reports quarterly in a different cycle of months.) The materials used in building the standard house have been classified by general types, the costs of which are shown as yearly averages for 1936 and 1937 in Table 2. Such averages have been taken to give a measure of regional variations in cost in the least cumbersome way. They do, of course, obscure the



trend of costs, but that is given in Table 1 as an average for all the 27 cities in this reporting group. For purposes of analysis, a brief explanation of the material groups discussed in this article follows.

Unfinished lumber is self-explanatory. It is listed as Short Leaf Pine, Western Fir, or customary local stock. *Mill work* consists of frames and sash, interior and exterior doors, trim, kitchen dressers, and stair material. *Finished lumber*, the cost of which is affected by much the same factors as mill work, consists of shingles, sheathing, siding, molding, ceiling, finished flooring, and shelving. Under *miscellaneous items*, furring, lath, and insulation have been listed. Although insulation is included with the lumber group, it may be of any accepted type: Wall, roll, quilt, or board.

The *masons' materials* are those commonly used in small-house construction: trap rock or gravel, sand, cement, lime, plaster, and brick. Because of the wide variation in the cost and type of *hardware*, only a few major items have been listed to simplify the reporting procedure. These are nails and necessary cast iron chimney pieces. This accounts for the small total cost of hardware items.

To give the best index of trends in *paint material* costs, the basic elements have been listed rather than the manufactured product. This is in conformity with the common practice of mixing paint at the site.

Heating supplies consist of a boiler, fittings, and radiators for a steam heat system. The *plumbing*

supplies include fixtures and fittings in chromium finish for kitchen, bath, lavatory, and laundry.

For a more complete description of materials used, see the article in the FEDERAL HOME LOAN BANK REVIEW for January 1936, reprints of which may be had free of charge by writing to the Editor.

PLAN OF STANDARD HOUSE

There has been a great deal of misunderstanding about the meaning of the phrase "specifications of the standard house" which is used so frequently in connection with the building cost index.

These "specifications" are a much simplified list of material items used in building a small 6-room frame house. The list has been simplified to facilitate reporting, but the items have been carefully selected so that the total index would truly reflect building cost trends.

In the past, it has been thought advisable not to develop any plans of the standard house because of the possibilities of misunderstanding arising from a comparison with the specifications. However, that policy is reversed with this issue to assist in the present analysis of the component parts of the index. On the facing page are plans of a house prepared for the Home Building Service Plan which corresponds in all but minor details with the specifications. The house is frame, of 24,000 cubic feet volume. It has six rooms, an attached 1-car garage.

These illustrations permit some evaluation of the type of house used as a basis and the probable effect of that type on the proportion of materials used and, consequently, on the trend of costs as affected by different materials. In comparing the illustration with the total cost, however, caution must be exercised for the cost is *not* of the house completed and ready for occupancy. A brief explanation of the basis of the index is given in the footnote to Table 3 on page 376.

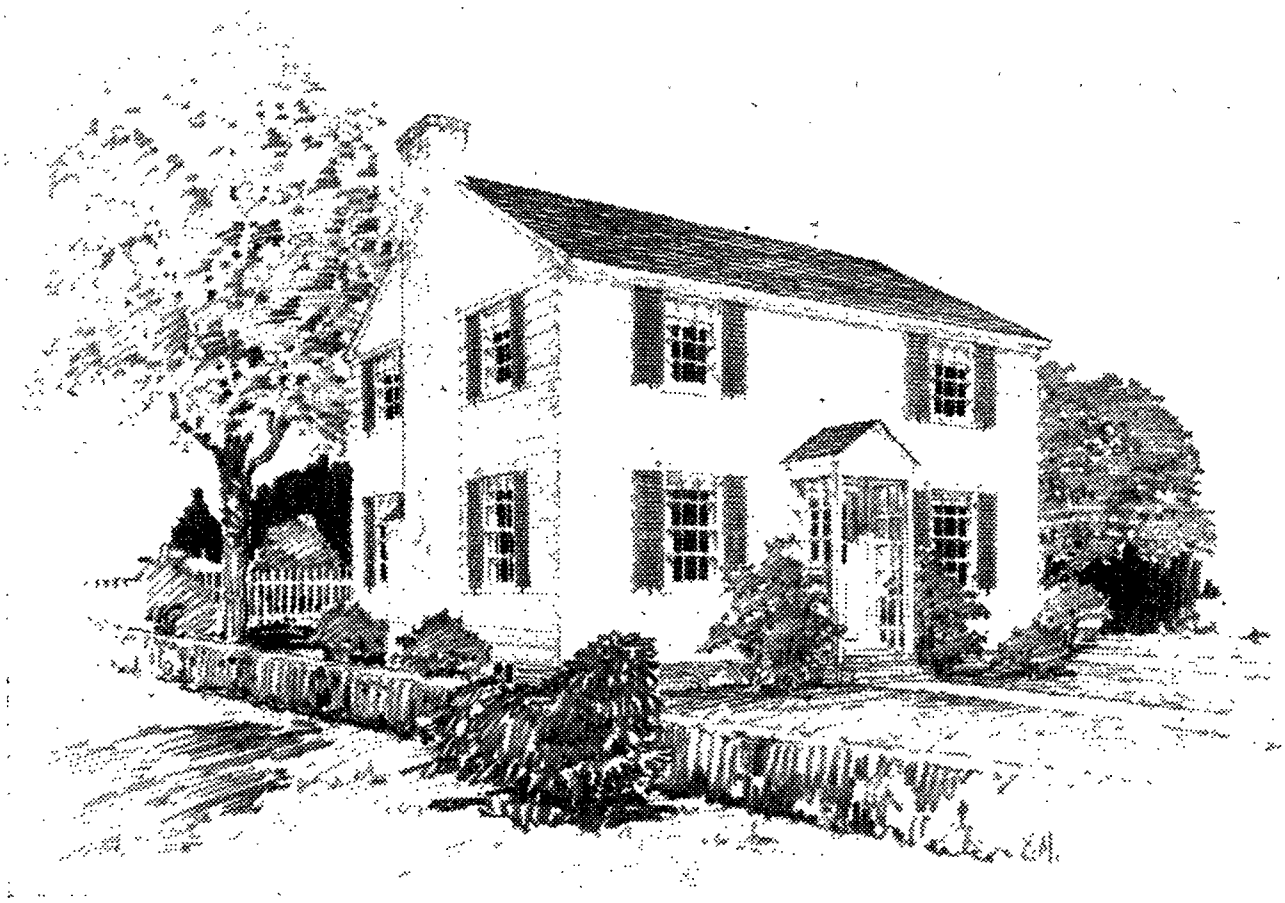
TREND OF COSTS

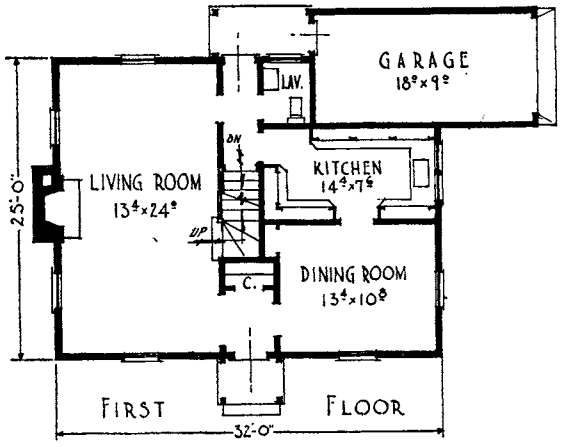
Without exception, the cost of all types of materials used in building the standard house reached a peak in the summer of 1937 and declined thereafter. Labor costs, on the other hand, continued to increase through December of that year. (This applies, however, only to this one group of reporting cities. As was mentioned at the beginning of this article, the average labor cost for *all* reporting cities leveled off early in the fall of 1937. The reason for the difference lies in the variation in reporting periods between the three groups of cities.) These interesting material-labor fluctuations are based on the average cost of material items used in constructing the standard house, as shown in Table 1. The average is for the group of 27 cities reporting in the first cycle. The proportions of materials used are, of course, conditioned by the standard house itself. Lumber constitutes nearly 55 percent of the total material cost, while heating and plumbing represent over 20 percent, masons' materials slightly less than 20 percent, and hardware and painters' materials together about 5 percent.

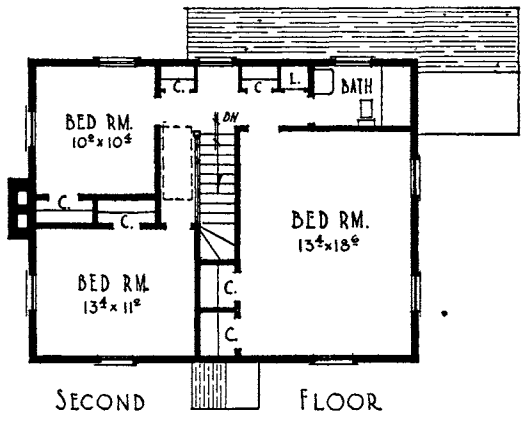
Table 1.—Average cost of materials and labor used in constructing a standard 6-room frame house, by reporting periods

[Includes reporting cities in Boston, Winston-Salem, Chicago, and Topeka Federal Home Loan Bank Districts]

	1936				1937				1938, March
	March	June	Sept.	Dec.	March	June	Sept.	Dec.	
Total lumber	$1,678	$1,698	$1,734	$1,776	$1,896	$1,932	$1,939	$1,894	$1,850
Unfinished lumber	302	302	305	307	339	343	351	329	320
Mill work	527	535	552	568	603	623	622	622	604
Finished lumber	640	646	659	675	721	731	730	709	694
Miscellaneous items	209	215	218	226	233	235	236	234	232
Masons' materials	641	648	648	647	650	657	651	647	644
Hardware	94	93	92	93	96	101	102	102	101
Painters' materials	84	85	85	84	88	90	90	89	86
Total heating and plumbing	670	669	674	692	731	759	774	761	742
Heating supplies	261	256	259	267	277	291	300	293	286
Plumbing supplies	409	413	415	425	454	468	474	468	456
Total materials	3,167	3,193	3,233	3,292	3,461	3,539	3,556	3,493	3,423
Total labor	1,527	1,557	1,582	1,585	1,627	1,665	1,695	1,699	1,688







A house that follows closely the standard house specifications
EARL H. REED, ARCHITECT, CHICAGO

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The fluctuations in costs during the past two years have affected these proportions somewhat. For March of 1936, 1937, and 1938, they are as follows:

	March 1936 Percent	*March 1937 Percent*	*March 1938 Percent*
Lumber	52. 9	54. 8	54. 0
Masons' materials	20. 2	18. 8	18. 8
Hardware	3. 0	2. 8	3. 0
Painters' materials	2. 7	2. 5	2. 5
Heating and plumbing supplies	21. 2	21. 1	21. 7
Total materials	100. 0	100. 0	100. 0

There was also a surprising correlation between the *rate of increase* of these material groups. The rate of increase in costs reached a peak during the winter of 1936–1937. Between December and March the cost of all materials rose 5.1 percent; the greatest rise during this reporting period of any material group was in unfinished lumber which increased 10.4 percent. During this period labor costs rose 2.6 percent which was also a maximum. Declines in masons' materials, finished and milled lumber began between June and September 1937 and were followed during the last reporting period of the year by the other groups. The trends shown in this table should be kept in mind in the analysis of Table 2.

The chart in the next column shows how yearly average costs have changed between 1936 and 1937 for the four Federal Home Loan Bank Districts covered in this study. In District 1, the New England area, total material costs rose more than in the other three Districts, but labor costs rose less than half as much as in the others. The increase in material costs in that area was principally due to a considerable rise in lumber costs in every reporting city and to an even greater but less uniformly distributed rise in the cost of heating and plumbing supplies of 14.0 percent.

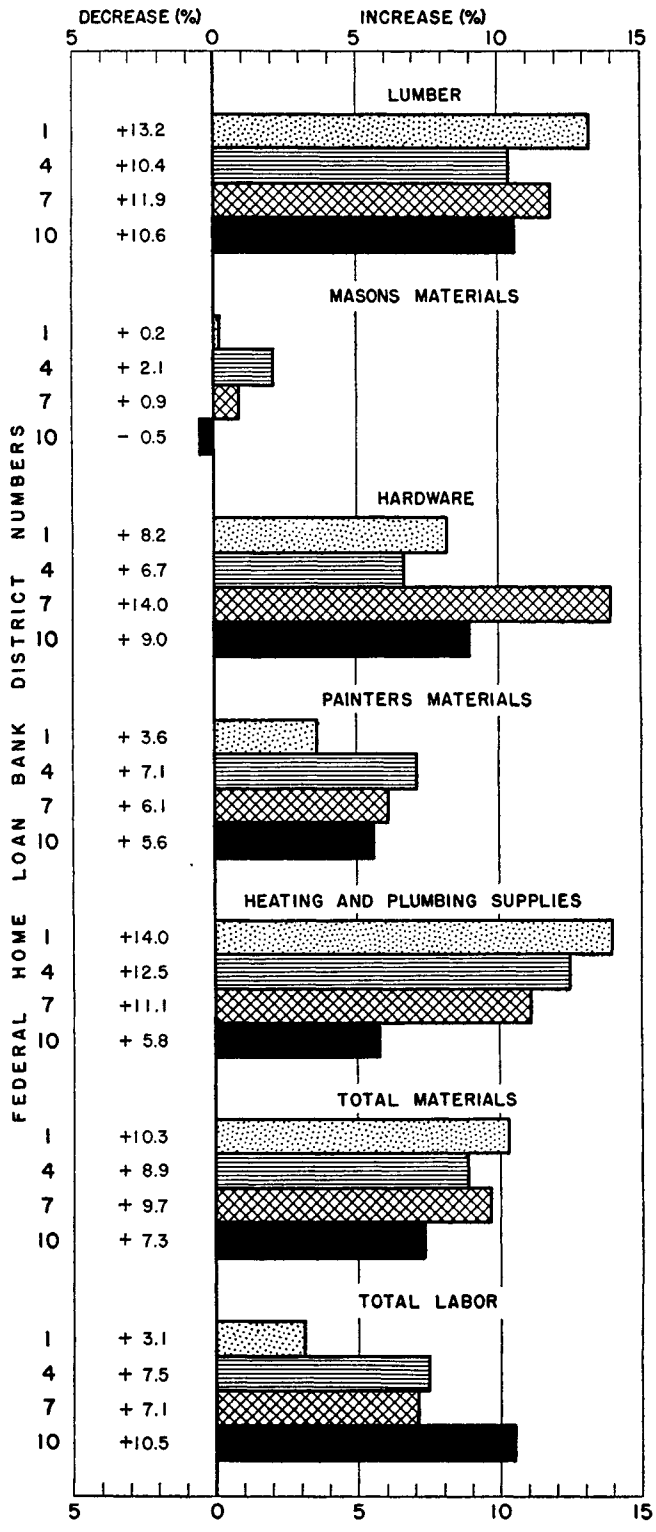
In direct contrast to District 1 is District 10 where labor costs increased more than in any of the other Districts and material costs increased least. In consequence, the 1936 average labor cost was $90 less in District 10 than District 1, but the 1937 average was $23 more.

Masons' materials was the only group which resisted to any extent the trend of costs in 1936 and 1937. The cost of this group increased slightly in Districts 1, 4, and 7, and declined 0.5 percent in District 10. There were, however, declines in the cost of masons' materials in some cities in each District, the greatest decline, of 5.9 percent, taking place in Columbia, South Carolina.

(*Continued on p. 384*)

PERCENT INCREASE OVER 1936 IN 1937 MATERIAL AND LABOR COSTS for constructing a standard six-room frame house in 4 selected Federal Home Loan Bank Districts

(Source: Division of Research & Statistics, Federal Home Loan Bank Board)



FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

FOUR YEARS OF PROGRESS

(JUNE 27, 1934–JUNE 27, 1938)

Number of Insured Institutions	2,008
Assets of Insured Institutions	$2,000,000,000
Number of Shareholders in Insured Institutions	1,900,000

Record of Insured Institutions

1. Net private investment in insured institutions increased 11.7 percent during 1937.

2. Aggregate reserves of insured institutions are almost 10 percent of their aggregate assets.

3. Net cash earnings of insured institutions are approximately 4 percent of invested capital.

Income of Corporation

About $6,000,000 annually, consisting of interest on investments, premiums, and admission fees.

Operating Expense of Corporation

Not one dollar of the interest on the original capital funds or of premiums paid is currently used to pay *expenses*. Total annual expense, which is less than 5 percent of income, has been met from interest received on invested reserve funds.

How Insurance Protects the Institution

1. The Corporation is empowered to prevent a default by making a contribution or loan to, or by purchasing assets of, an insured institution.

2. This same procedure can be followed to restore an institution in default to normal operation.

3. Insurance of accounts promotes confidence among investors, since each investor is protected up to $5,000 against loss. In the event of default and liquidation, the Corporation will give the insured investor the opportunity of accepting an account in an open insured institution equal to his insured investment in the defaulting association. If he prefers, he may accept 10 percent of his insured investment in cash immediately, 45 percent in cash within 1 year and the remaining 45 percent in cash within 3 years from the date of default.

FINANCIAL STATEMENT

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

JUNE 30, 1938

ASSETS		LIABILITIES	
Cash—U. S. Treasury	$118,044	Accounts Payable	$4,790
Accounts Receivable	527,155	Deferred Income	948,369
Investments—U. S. Govt. and Govt. Guaranteed Bonds	112,849,614	Capital	100,000,000
Accrued Interest	583,070	Reserve	13,124,724
Total Assets	$114,077,883	Total Liabilities	$114,077,883

COOPERATION IN THE COLLECTION OF MORTGAGE DATA

■ AN important step in analyzing the violent fluctuations in building volume and in mortgage financing will be taken when adequate information is available to show the extent and effect of those fluctuations. Without statistics which reflect true conditions, both national programs and the programs of the individual institution are hampered. Attempts by trade organizations and others to arouse public awareness of conditions or to advertise a particular trade lose a part of their effectiveness if they cannot state with some certainty just what the particular group did and what they are capable of doing. The same thing applies to the individual institution. A knowledge of what other types of lending institutions are doing affords a yardstick which is valuable not only as a check of operations but in advertising for new business.

The awareness of the need for adequate data has increased tremendously in recent years. National organizations collect valuable information both with their own field forces and through the cooperation of private local agencies. An example of the latter is the submission of monthly reports of mortgage lending by about 2,700 savings and loan associations to the Federal Home Loan Bank Board. Further work is being done locally by far-seeing mortgage lenders who recognize the need for information. In the May issue of the REVIEW the subject of business reviews published by various universities and the information that is available in some of them on construction and financing was discussed.

The local character of residential markets makes home financing first of all dependent on a knowledge of local lending conditions. But that local information must be supplemented by a broader knowledge of general conditions. Superficially the volume of local activity may seem to fluctuate entirely independent of national averages, but a view of the activity of many institutions over a period of years will reveal that it does not. In spite of its local character, home financing and building are fundamentally affected by national conditions.

If the lender knows how his activities relate to those of his competitors and how the lending struc-

Volume of mortgage recordings in the first quarter of 1938, classified by type of mortgagee

[Thousands of dollars]

Area [1]	Building, savings and loan associations	Banks	Insurance companies	Individual	Other types	Not classified	Total
Massachusetts	$12,066	$8,184	[2]	$7,984	[2]	0	$28,234
Hamilton County (Cincinnati, Ohio)	8,191	1,931	$821	[2]	$137	0	11,080
Cuyahoga County (Cleveland, Ohio)	1,698	4,164	2,435	1,885	3,442	$798	14,422
Marion County (Indianapolis, Indiana)	1,660	806	508	[2]	756	0	3,730
Wayne County (Detroit, Michigan)	574	3,266	3,089	[2]	3,020	0	9,949
Cook County (Chicago, Illinois)	2,613	5,174	535	2,067	1,182	0	11,571
Milwaukee County (Milwaukee, Wisconsin)	1,104	574	309	1,152	1,573	1,924	6,636
King County (Seattle, Washington)	848	2,080	2,133	[2]	191	12	5,264
Los Angeles County (Los Angeles, California)	4,966	22,424	6,653	3,500	5,337	20,682	63,562
Total	33,720	48,603	16,483	16,588	15,638	23,416	154,448

[1] Those metropolitan areas (population: 16,000,000) from which the Division of Research and Statistics receives a list or summary of the volume of mortgage recordings.

[2] No report received for this type of mortgagee.

ture of his community compares with that in others, he can gauge his position in the whole financial structure. Without such data, he may be very well satisfied with the 5-percent yearly growth of his institution, but when he finds that the average for his community is a 10-percent growth and that the national average is 7 percent, his satisfaction will vanish.

There is one basic source of valuable information to mortgage lenders which is available but which is at present little used. In all parts of the country, data on mortgages made are available in the county recorder's office. The records in this office are open to any one interested in them. Consequently, a representative of the mortgage-lending institution can easily make a record of mortgages made, at any regular period. Some institutions are doing this and find it very valuable in revealing the activity of other institutions and the relative type of market each seems to be tapping.

The Division of Research and Statistics of the Federal Home Loan Bank Board has been collecting such mortgage recording data as are at present available. The accompanying table is a summary of those data for the first quarter of 1938. It covers only eight large cities and the State of Massachusetts which have about 16,000,000 combined population. Many important areas are not represented at all and no reports have been received from communities smaller than 350,000 population.

The sample is too small to warrant any general estimates but it does show that valuable information could be collected with a minimum of effort. If it were collected in a uniform manner throughout the country vastly more information would be available on the mortgage-lending activity of all types of lenders than is shown on the little table reproduced here. Such recording would show:

1. Trend of mortgage lending by type of lender.
2. Trend of mortgage lending by size of community.
3. Average size of loans made by type of lender.

These are data which at present are not available, and yet which could readily be made available to all through cooperation. As an initial step in such cooperation, the Division of Research and Statistics has

(Continued on p. 361)

Sample Form:

MONTHLY REPORT OF NONFARM MORTGAGE RECORDINGS

NOTE.—Please list dollar amount of each mortgage recorded during month in appropriate column.

Return copy to: Division of Research and Statistics, Federal Home Loan Bank Board, Washington, D. C.

Prepared by: _____ Recordings for month: _____

_____ County: _____

Building and Loan Associations	Mutual Savings Banks	Commercial Banks and Trust Companies	Insurance Companies	Individuals	Other
2, 400	3, 200	4, 800	10, 000	1, 500	
2, 000	2, 800	18, 000	6, 460	1, 800	
3, 200			12, 500		
2, 600					

THE "HOME SELECTOR"...

A new and effective tool of the Federal Home Building Service Plan—eases and speeds the difficult process of guiding the prospect to a satisfactory choice of a house

■ THE merchandising of homes differs greatly from the over-the-counter merchandising of such commodities as cigarettes or waffle irons. The lending institution must deal with a prospect accustomed to buying his commodities in standarized packages with nationally known labels. His ideas about such retail commodities are clear cut.

A totally different situation confronts this same man when he enters the market for a home. The steps necessary for the consummation of his ambition are seldom familiar to him. Very often the house to be sold is yet to be built, and building a home looms in his mind as a major event in his life to be approached with extreme caution. What sort of house shall he choose? How much should it cost in relation to his income? How should the rooms be arranged for the greatest comfort of his family?

To ease this indecision, the Federal Home Building Service Section developed the "Home Selector" feature of the *Portfolio of Small Homes*. This *Portfolio* might aptly be compared with the auto salesman's "demonstrator" since it contains the accessories and equipment needed to answer the questions of the prospective home owner and to show him clearly and pictorially the designs of homes which might meet his requirements. The purpose of the "Home Selector" is to help the lender and the prospect to reach a prompt and mutually satisfactory decision in selecting a house design.

The "Home Selector" is, in fact, a new and advanced method presenting home designs. Special features set it apart from the ordinary plan book. Original in concept, it reflects the results of wide experience in establishing the home seeker in a house suiting family, site, and income.

Attractive and practical home designs, produced by leading residential architects and approved for use under the Plan, are classified by size and cost of construction in the "Home Selector", as shown in the accompanying photograph. A specimen "Certificate of Registration" (evidence that the house was built under the Federal Home Building Service Plan with professional architectural supervision) is prominently displayed and there is ample space for photographs, booklets, forms, and cost estimates. New home designs may be readily added or unsuitable ones eliminated.

Once the prospect's family requirements and financial means have been ascertained, he is directed to the section containing only designs which might meet his requirements. The field of choice is quickly defined. He is not confused by a multiplicity of choices, nor distracted by the human inclination toward wishful window shopping over too costly designs.

In short, the "Home Selector" provides a complete working sales kit to simplify and speed the process of design selection.

Because the "Home Selector" is a new approach to this basic merchandising problem, it offers material for fresh advertising and a new approach to clients. It is worthy of being prominently displayed both by text and illustration in folders, newspaper advertising, and other promotion media. Because it increases the lending institution's capacity to serve and assist prospective home builders, its facilities for business development are limited only by the extent to which it is advertised and used in contacts with the home-building public.

The *Portfolio of Small Homes* containing the "Home Selector" section is supplied to lending institutions approved to operate the Federal Home Building Service Plan at a nominal charge of $10 to cover the cost of the portfolio and design sheets. Distribution is being handled by the Regional Federal Home Loan Banks and by the Federal Home Building Service Section, Federal Home Loan Bank Board Building, Washington, D. C.

The Federal Home Building Service Plan is available to lending institutions approved by the Federal Home Loan Bank Board. Regional Banks are prepared to furnish initial information or to receive formal applications.

Mortgage Recordings

(Continued from p. 359)

prepared forms to be used in making mortgage recordings, a sample of which is shown on this page. As each mortgage is listed separately in the recorder's office at the time it is made, the simplest method of summarizing the data is to list each mortgage by type of institution. This makes any additions unnecessary and reduces the work of collection to the manual listing of figures in the ruled columns provided.

These forms together with complete instructions will be sent to anyone wishing to make summaries of the mortgages recorded in his county. The only request of the Division is that a copy of the recordings be returned to Washington in a postage-paid envelope. Please address all requests for forms to:

Division of Research and Statistics,
Federal Home Loan Bank Board,
Washington, D. C.

The hope is that eventually enough institutions will make monthly recordings and will send copies to Washington to make a national picture possible. Any institution cooperating in this project will be sent a summary of all the recording data available as well as a breakdown of data for communities comparable to its own. This should prove of definite value to the reporting institution.

WINDOW DISPLAYS AND OUTDOOR ADVERTISING FOR SAVINGS AND LOAN ASSOCIATIONS

■ EVERYONE in business today advertises. Every business does not use the media which are the most commonly accepted forms of advertising—newspapers, radio, periodicals, direct mail—but there are many other devices which bring to the attention of the public a particular product or service.

From time to time, the REVIEW has published articles concerning the different types of printed advertisement which go from the association to the home of the prospective buyer or investor—statements of condition, newspaper advertisements, house organs, or letters. There is another form of advertising, however, which is likewise effective, now undergoing a process of continued development among savings and loan associations in every part of the country. This is the printed and pictorial advertising done by means of show-window displays and outdoor billboards.

Although advertising for a financial institution must necessarily be different from that used to promote the sale of consumable retail commodities, and there is a vast difference between the approach which must be made by a retail store and by a savings and loan association, nevertheless, the same people in the same mood pass the windows of both of these establishments. If these people are to stop and learn something of the goods and services to which the advertiser is attempting to call attention, there must be a definite appeal to the interest and curiosity of the passerby.

No matter how attractive or appealing the show window may be, the merchandiser does not expect customers to throng into his store primarily as the result of that particularly attractive display. It is sufficient for his purposes that the display conveys to the public the type and value of services which are offered. The theory of window display advertising can be simply demonstrated. Look at a bright light. Close your eyes or turn off that light and for several seconds you will carry in your mind an after-image of that light. It is this same psychology, scientifically developed, which induces large advertisers to continue their efforts year after year. Attractive window displays are one means by which a savings and loan association can make this same psychological approach to the public. It is often said that a person's first impression is the most lasting. It is not always realized that this first impression may be almost entirely subconscious and that institutions number among their investors and borrowers many people first influenced by the casual impression made by an effective window display. Its image remained in their minds, sometimes for weeks or months, much as the after-image of the electric light was retained when the light itself had been turned off.

CREATING INTEREST IN WINDOW DISPLAYS

Attractive window displays will create those favorable initial impressions which are so important. Although such displays are not expensive and do serve a very definite purpose in a planned program of business development, nevertheless they have not been used as extensively in the advertising of financial institutions as in other types of business. This is due in part to the fact that a savings and loan association, for example, has merchandise which does not lend itself so easily to display.

A good show window can, however, create the idea or desire for the services of the association. Photographs or models or even architects' drawings showing interesting homes will attract the attention of the passerby and will at the same time implant in his mind the knowledge that the association has funds to lend on home mortgages.

To present effectively the position of the savings and loan association in encouraging savings, some associations have successfully resorted to photographic enlargements, such as have been used by banks and life insurance companies. One enlargement might show a homely fireside scene, usually with two older persons, a man and a woman, sitting

by the fireside with several younger persons in the background. This creates the idea of providing through regular savings the comforts which should go with old age. Prior to school vacations, the thought of saving for a college education might be stressed. The idea of saving takes definite root when it can be securely fastened to some specific objective, such as the accumulation of funds for down-payment on a home, for travel, for vacation. By dramatizing those comforts and pleasures which thrift makes possible in an attractive and timely window display, the desire to save is stimulated.

The windows of the telephone company in any community are well worthy of study by those who are interested in effective window displays. Its business, like that of savings and loan associations, is a service. For example, the company may take one telephone book, display it on a background of some rich fabric; possibly the only caption would be the line, "The town is at your feet." The advertisers of cigarettes also have display ideas which are valuable to financial institutions. Their window displays as well as their advertising in newspapers and magazines seldom invite the public to come in and buy. They show a replica of the package, which is usually incidental to the main theme of their advertising. This main theme itself may be a portrait in color; it may be an action picture with airplanes; it may be a picture of a craftsman in one of the trades.

Even with particularly effective window displays, frequent change is necessary to attract and hold public attention. A change of display every two weeks, when possible, or at least every month, is advisable. Displays which incorporate motion and offer a change of idea or scene are most effective. A display which has a definite story cycle and offers a continuing change of form and color will attract and hold the passerby until that cycle has been completed. Even sound can be effectively used at certain times.

Associations which do not have the facilities to create their own displays have obtained satisfactory results through concerns which specialize in such services. Most of these consist of frames for which replaceable posters in colors, emphasizing some aspect of the association's services, are furnished at frequent intervals. Frequently, associations supplement such service. In many cities, there are firms which specialize in dressing windows and renting equipment and they will from time to time make up special displays or even offer a regular service with replacements when desired. The cost of good service of this sort should not be prohibitive to the average association.

The manager of a savings and loan association in California reports that a very close record of all new accounts opened has been maintained since the first of the year, analyzing the different media which have effectively aroused the interest of investors. During the first quarter of 1938, 103 new accounts were opened, in a total amount of $64,282, or an average of $624 per account. To window display advertising were credited 14 accounts in a total amount of $12,487, or an average value of $892. The executive officer writes: "You will note from the above classifications that the accounts originating from the window displays are the highest average of any originating through publicity mediums and undoubtedly are obtained at the least cost per account." Local historical displays and windows showing vividly some little known fact have been found most effective by this association.

In the June issue of the REVIEW some of the results which have been obtained from cooperative advertising by savings and loan associations were discussed. Such cooperation can be carried out for window advertising as well. Local or State groups can arrange with display specialists for a series of appropriate window devices which the groups can rotate from one association to another during a given time.

These specialists can arrange for the shipping, erecting, and servicing of the display as it is passed from one association to another. Appropriate displays should be available for approximately $100 each. If a group of six associations produced six of these units and rotated them on a monthly basis, this would give the desired frequency of change at a minimum of cost. The used equipment could be returned at the end of six months to be rebuilt inexpensively and a second series shipped and rotated in the same manner. By the time this second set had completed its rotation, the first series, in new color and copy, would be available again for routing. With the two sets, the cooperating associations could change the equipment every two weeks and repeat a display only twice a year.

OTHER FORMS OF DISPLAY ADVERTISING

Other forms of display advertising, such as street car and bus cards, railway station signs, and the usual outdoor posters, all have a place in the well-

A Well-located Neighborhood Billboard.

Examples of Good Displays and Well-dressed Show Windows.

This Federal Savings and Loan Association Successfully Dramatizes Its Window Displays.

balanced advertising program. Experience tends to show that this type of advertising is most beneficial in smaller cities. A study of car advertising in the principal cities of the country shows that the majority of cards are those of national advertisers and are confined to merchandise retailing for less than a dollar and that the goods advertised are mainly for home consumption or individual wear. Since the business of an association is largely confined to its own community, the most appropriate and the most effective use of advertising is that which is focused directly upon the community itself. For example, for an association located in a suburban community, advertising posters displayed on the railway platforms along the route to the business center can be used, or car cards on these direct and definite routes between the suburb and the city may be inexpensive but effective.

The value of outdoor advertising will vary tremendously in different localities. The community, the concentration of traffic at display points, and the type of neighborhood or the type of business done in that neighborhood are all factors which have a very definite bearing on the value of this type of promotion. Actual results are difficult to gauge, since it is almost impossible to determine the number of new accounts opened for each advertising dollar spent. However, outdoor advertising concerns have made extensive traffic studies and can state with reasonable accuracy the number of passersby at any location, and the business expectancy from any location selected. Such a survey may be compared with the circulation figures of newspapers and other periodicals. The advertising rates for outdoor posters are based upon this circulation equivalent.

In many cities, there are concerns which specialize in local outdoor advertising. They will prepare selected routes and schedules of locations where billboards will yield the best returns. These are usually located immediately within the community or within the area which the association wishes to cover and are adjacent to thoroughfares most constantly used by the local traffic. Many associations report this to be effective and usually not expensive. The advertiser may select the number of locations and may specify a frequent change of poster and message. Service of this sort can be obtained in some cities for as little as $5 to $10 per month per sign.

Successful use of this form of outdoor advertising demands the selection of locations where the best returns may be secured. These locations are usually immediately within the community and can be located with reasonable certainty at such intersections and highways as carry the highest local traffic count. In selecting locations, the type of traffic must be carefully considered. Panels placed on arterial highways where there is fast-moving traffic are much less valuable than those placed at an intersection controlled by a traffic light. Visual display advertising has a high interest value at neighborhood shopping centers and corners with four intersecting sidewalks.

Numbers of savings and loan associations have conducted cooperative outdoor campaigns recently and generally have found them satisfactory. Eight insured associations in Oklahoma City carried on a 5-month intensive public relations campaign at a total expenditure of $8,000, using 24 billboards for three full months, with a change of paper every month. The monthly cost of these 24 billboards and paper was slightly under $600. In Minneapolis and St. Paul, 10 Federal savings and loan associations in two successive cooperative campaigns included the use of illuminated billboards. The first campaign was an intensive three months' effort which cost $6,200, of which $1,000 was used for four illuminated boards, presenting the following message: "For insured safety and liberal returns invest in a Federal savings and loan association." During a second campaign of four months' duration in the summer of 1937, the cooperating associations continued to use four billboards.

Current Examples of Window Display and Outdoor Advertising

The facing page shows several good examples of window display and outdoor advertising as used by savings and loan associations. The neighborhood billboard in the upper right-hand corner, used by a savings and loan association in the Middle West shows an attractive house with the message, "A house like this—paid for easily like rent. Come in today. We'll show you how." The two posters at the left emphasize the idea of thrift and regular savings.

The three window displays show how varied can be the appeals used. The window display on "Foresight" emphasizes six things for which one might

(*Continued on p. 385*)

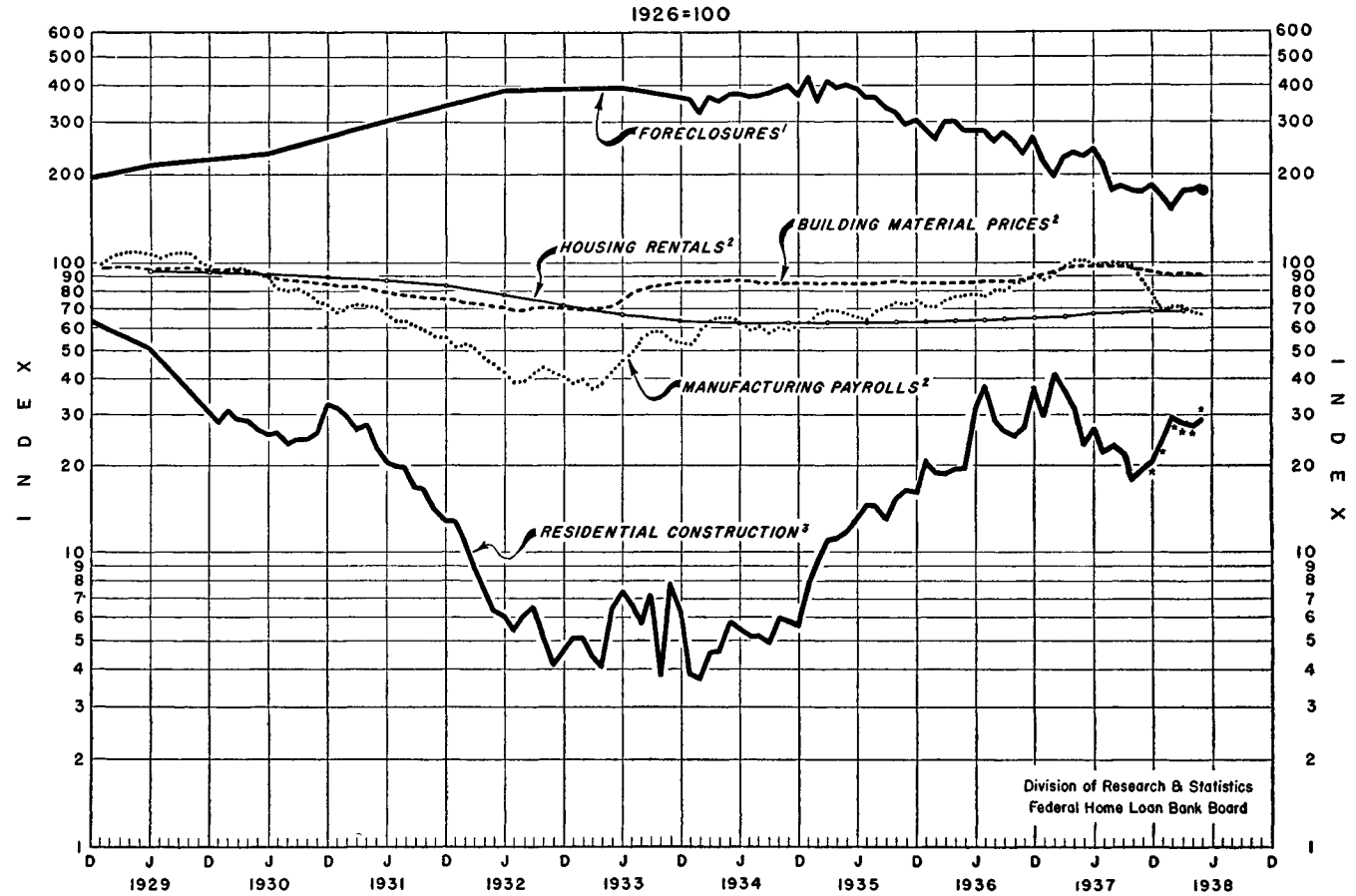
RESIDENTIAL CONSTRUCTION and HOME FINANCING ACTIVITY

■ THE tendency during the past few months has been for residential construction and other factors related to the home-financing field to level off somewhat after sharp declines in 1937 and during the early months of this year, although adverse movements are not completely checked.

The index of residential construction, which is based upon building permit records of the U. S. Department of Labor in cities of 10,000 or more population, dropped sharply during the greater part of last year but showed a strong rally from November through February of 1938, rising from 18 in the low month of October to nearly 30 in February of this year. During the following three months the index, which has been corrected for seasonal variations, has fluctuated within a narrow range at approximately 30 percent of the 1926 level. The May 1938 index of 29 was nearly 25 percent above the level for the corresponding month of last year, and was 6 percent above April.

This movement of the index of residential construction is significantly different from the movement of industrial production, manufacturing employment, and pay-roll indexes. The index of residential construction reached its peak in February 1937 and by October had declined 58 percent. The rally which began in November, however, brought the index of residential construction by May 1938 to a point 30 percent below its peak in February 1937. Industrial production, employment, and pay-roll indexes, on the other hand, receded drastically in the closing months

RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS



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.

of 1937 and in January of this year, and have shown no tendency to rally as yet, even though during the past four months these indexes have followed a more gentle downward movement. By the end of May, the adjusted industrial production index had fallen 35 percent since August 1937. The index of manufacturing employment adjusted for seasonal variation had fallen 25 percent since July 1937. The unadjusted index of factory pay rolls had declined 33 percent since August 1937.

In other words, the rapid decline in residential construction during 1937 has been partially compensated for by an increase in activity during the past four months, while there are no evidences of an increase in the volume of industrial production. It is notable, however, that residential construction in May 1938 amounted to only 29 percent of the 1926 volume, while these other factors approximated 65 to 80 percent of 1926 activity.

Construction costs have tapered off much more during the past year than has the rental market—both of these series having shown signs of stabilizing somewhat during the February–May period; however, a downward trend in these series is still in evidence, especially in the prices of building materials.

With the exception of "brick and tile", all groups of wholesale building material price indexes indicated either a decline or remained stationary during the month of May. The price of lumber registered the largest drop from April (2 percent) while "paint and paint materials", as well as the group of miscellaneous items showed declines greater than one-half of 1 percent. The increase in "brick and tile" prices was relatively insignificant, while the indexes for other material classes remained unchanged. The trends in these price classes may be studied by referring to Table 8 on page 380.

[1926=100]

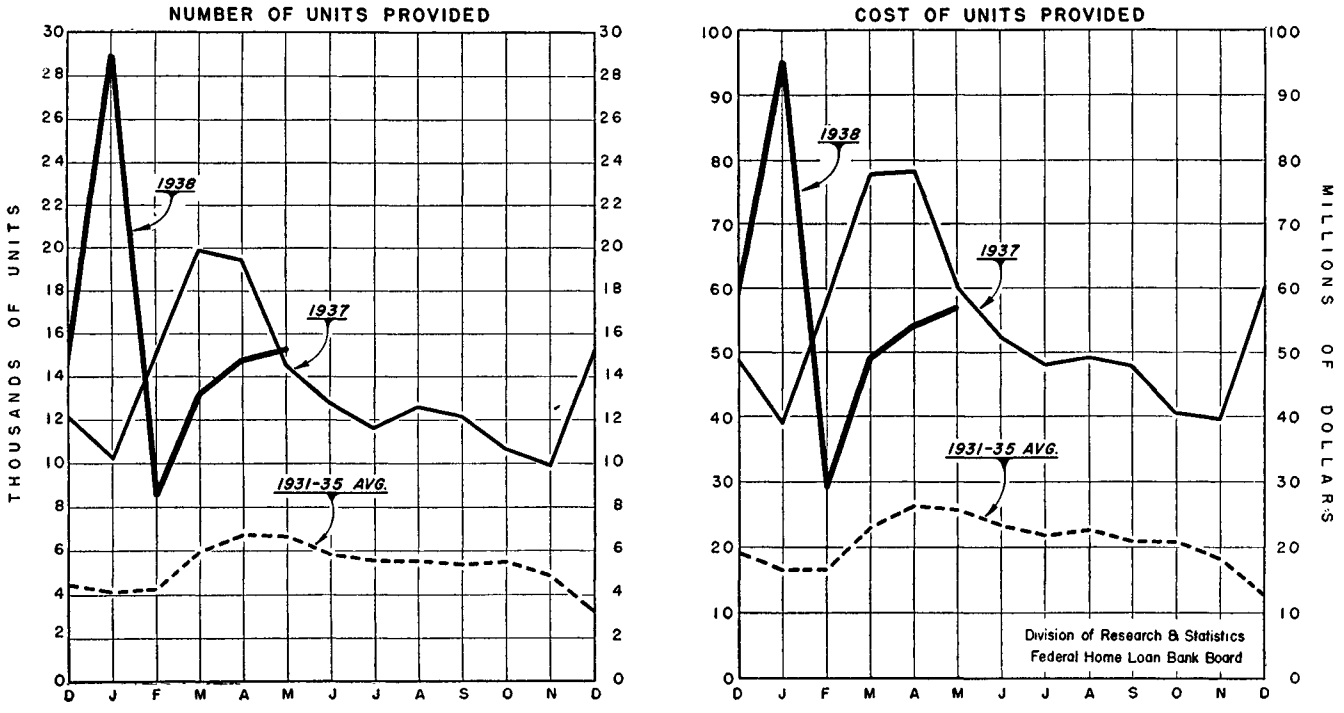
	May 1938	April 1938	Percent change	May 1937	Percent change
Residential construction	[1] 29.0	[1] 27.3	+6.2	23.4	+23.9
Foreclosures (metro. cities)	181.0	177.0	+2.3	230.0	−21.3
Rental market (N. I. C. B)	85.9	86.1	−0.2	85.0	+1.1
Building material prices	90.4	91.2	−0.9	97.2	−7.0
Manufacturing employment	76.4	78.6	−2.8	101.0	−24.4
Manufacturing pay rolls	66.7	68.2	−2.2	101.5	−34.3
Average wage per employee	87.3	86.8	+0.6	100.5	−13.1

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

In spite of a slight falling off in their mortgage-lending activity during May, savings and loan associations have held a very favorable position in

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)



relation to general business conditions. They have made seasonal gains in volume of lending of 50 percent since the first of this year. However, the $62,200,000 loaned by all savings and loan associations during May was 19 percent less than during the same month of 1937.

Residential Construction

■ THE total number of family dwelling units provided in cities of 10,000 or more population has risen for the past three months in line with normal seasonal variation. In May, a total of 15,300 units was provided after a rise of 500 from April, representing a net increase of 600 from May 1937 as indicated in the accompanying charts. During the January–May period, 80,900 dwellings were provided. This total was slightly above the estimated total for the same period of 1937, the rise being due to an increase during the early months of this year in multifamily units attributable to the unusual conditions in New York City. In the first five months of this year, the construction of 1- and 2-family homes indicated a decline of 5,600, which nearly offset the increased building of structures with 3-or-more-family units.

Although the number of dwelling units constructed has risen during the past three months in line with the number of units built in the corresponding period of 1937, the May total estimated cost of these units is still $4,000,000 below May 1937. During the first five months of this year, the cost of 1- and 2-family units dropped $50,700,000 from the corresponding period of last year, while the volume of multifamily construction increased $18,800,000, leaving a net decline of $31,900,000 for the cost of all types of housekeeping structures.

Referring to Table 2 on page 374, it may be seen that in six of the Federal Home Loan Bank Districts, namely, New York, Winston-Salem, Indianapolis, Des Moines, Little Rock, and Los Angeles, the number of units was above those for May 1937. In analyzing construction activity in the individual States within these Districts, it is apparent that in approximately half the number of States, residential building increased over May of 1937.

In the United States as a whole, 24.3 family dwelling units were provided in May per 100,000 population. This represents an increase of slightly less than 1 unit over last month, and a similar rise in the rate over May 1937.

The Los Angeles District indicated a higher rate of construction than any other area, having provided 74 units per 100,000 population, a rise of nearly 12 units from April. The rate of activity over the past two and one-half years has been higher in the Los Angeles District than in any other area, with the exception of three months in the New York District; the extremely high rate for New York in December 1937 and January 1938 was due to the inception of a new building code at the turn of the year.

The Chicago District, which has been almost always lower in rate of construction activity than any of the other areas, indicated a rate of 9 units in May, while the Pittsburgh District was slightly higher with 10 units per 100,000 population.

Indexes of Small-House Building Costs

[*Table 3*]

■ THE cost of constructing a standard 6-room frame house in reporting cities declined generally from March to June, thus continuing the downward trend started in the fall of 1937. The special article analyzing the index of building costs on page 353, gives a detailed analysis of the movements in the various material groups and for labor during the 1936–1937 period for 27 of the cities whose total costs are summarized in Table 3 on page 376 of this section.

According to this index Asheville, North Carolina, was the only reporting city to indicate a drop in June of more than $200 in the total cost from March. In Asheville, costs fell $214 to $5,194, while in five other cities costs declined over $100. Of the remaining communities, 15 decreased less than $100 in total cost, two remained unchanged, and three cities showed rises. There has been no particular uniformity among the changes for cities within any Federal Home Loan Bank District.

Springfield, Illinois, which showed an increase last quarter of over $60 had a cost $173 in excess of the Chicago index, and is now the high-cost city of the group ($7,108). Greensboro, North Carolina, which is substituted for Salisbury, had the lowest cost in June ($4,719) for the cities reporting this month.

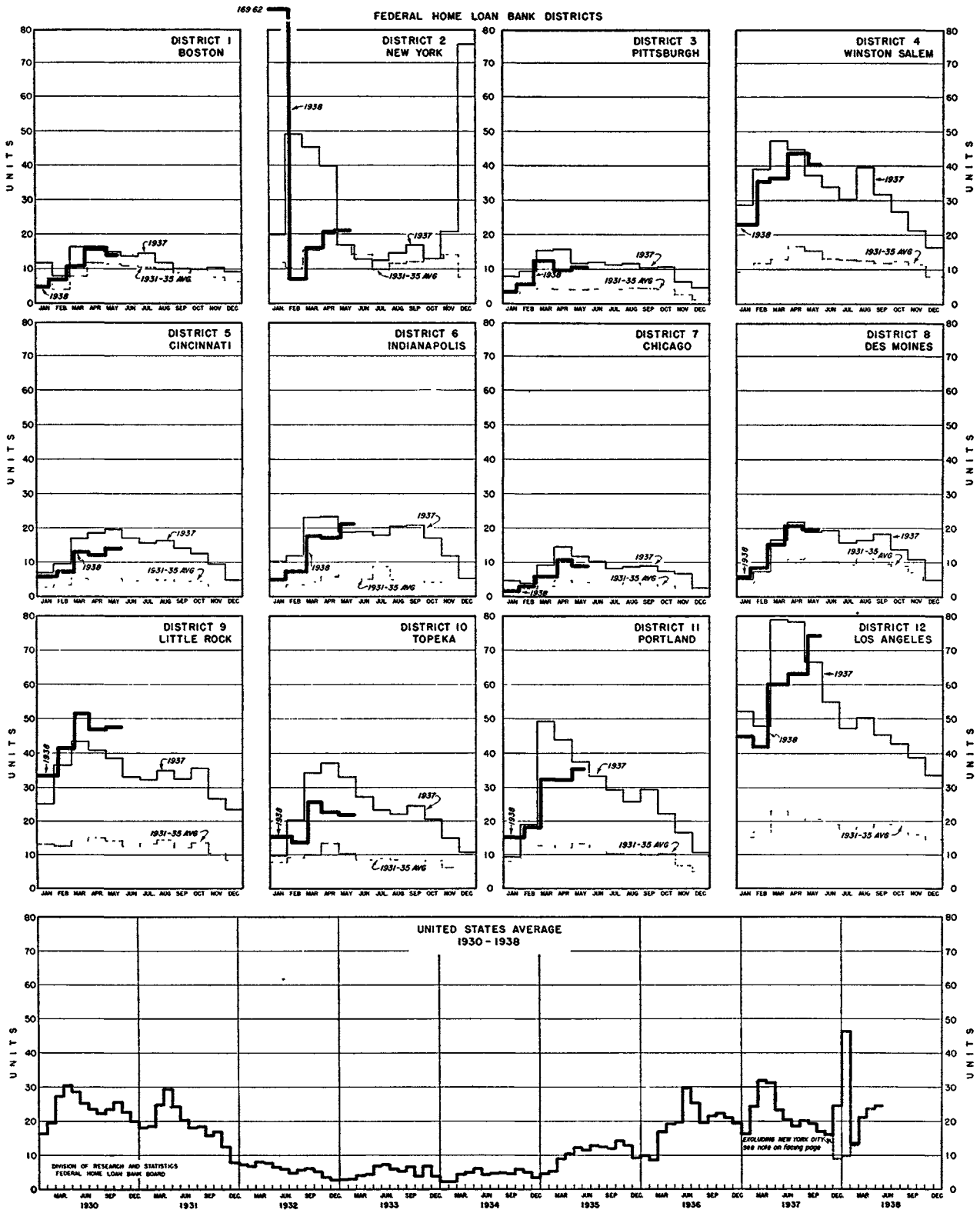
NOTE FOR CHART ON FACING PAGE:

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 US Department of Labor.



The declines in June, as in preceding reporting periods, have been principally due to recessions in material prices which occurred after a sharp rise to the third quarter of 1937. These trends are illustrated on page 354 in the special article on Residential Construction Costs.

Foreclosures

■ THE trend of real estate foreclosures in metropolitan communities over the past three years has been drastically downward, and by the latter months of 1937 had dropped to a level approximating the average month of 1928. In January and February of this year, the index fell below the average month of 1928 in response to seasonal influences. During March and April, rises of a seasonal nature occurred which again brought the index up to the 1928 level.

The index of foreclosures for May 1938 was 181 as compared with 177 for the previous month. This increase of 2.5 percent compares unfavorably with the seasonal drop of 0.3 percent.

In comparison with the same month of last year, May foreclosures in metropolitan communities declined 21.3 percent. For the first five months of 1938 the index was 22.8 percent less than for the same period of 1937. Of the 83 communities reporting in May, 40 showed decreases from April, while 43 indicated increases.

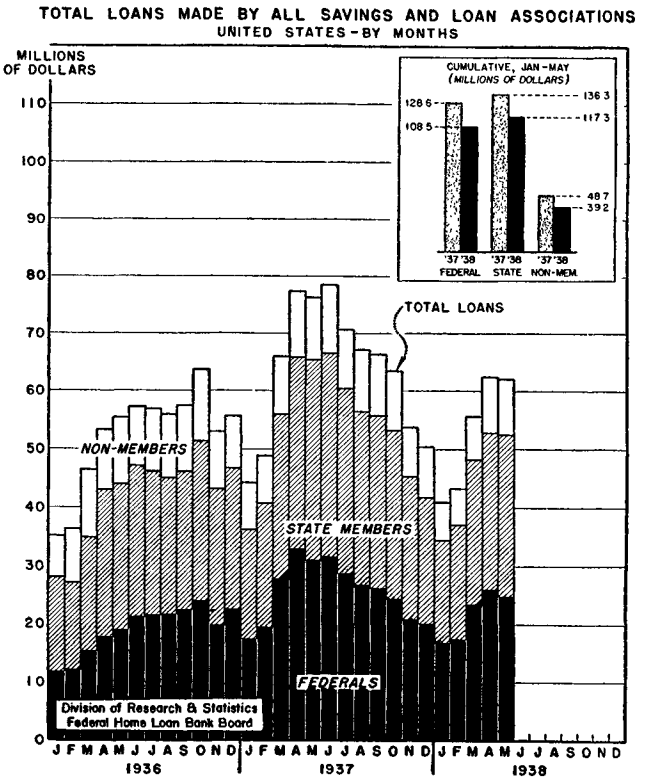
Monthly Lending Activity of Savings and Loan Associations

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

■ IN May, the total volume of new loans made by all institutions of the savings, building and loan type amounted to $62,200,000, a decline of $400,000 or less than 1 percent from April. This represents a slight reversal of the upward trend indicated during the preceding three months as portrayed in the chart on this page. As compared with May 1937, total new mortgage commitments declined $14,200,000. Although the May total was 19 percent below the same month of last year, a seasonal gain of more than 50 percent has been made from the low month of January 1938.

Continuing the upward trend of the early months of 1938, the mortgage-lending activity of State-member and nonmember institutions rose 3 percent and 1 percent, respectively, from April. On the other hand, new loans of Federals registered the first decline (5 percent) since the beginning of 1938. The April–May movements in mortgage lending by State-member and Federal associations are in line with the changes in the corresponding months of last year, when loans by State members increased 4 percent, and by Federals declined 6 percent. In May 1938, loans of Federals and State members each stood 20 percent below the level of May of last year; loans by nonmembers, which account for about one-seventh of total lending activity, declined only 11 percent during this period.

Construction and "other purpose" loans of all savings and loan associations continued in May the upward trend established during earlier months of this year, although each of the other classes showed declines. In the April–May comparison, the volume of construction mortgages written increased 7 percent, while in contrast this type of activity declined 7 percent in the corresponding period last year. An



inverse relationship was true of loans for home purchase: this type decreased 3 percent from April 1938, compared with a 5-percent increase during the April–May 1937 period.

Table 6 on page 378 indicates the trend of mortgage-lending activity by geographic regions. Loans made in May were greater than those made in April in four of the Federal Home Loan Bank Districts (Boston, New York, Topeka, and Portland). State-chartered associations were responsible for the increase in each of these. In only two Districts (Cincinnati and Indianapolis) did Federal savings and loan associations report increases in total loans, although in these areas declines occurred in both State-member and nonmember lending activity. State-member and nonmember institutions each had increased lending volume in seven Districts, but in only the New York, Little Rock, Topeka, and Portland regions did the increases coincide.

As compared with May 1937, mortgage loans made by Federals declined in all Districts, while in the Pittsburgh and Winston-Salem areas loans of State members increased. Nonmembers registered rises over the corresponding month of last year in 4 of the 12 Districts.

Federal Savings and Loan Insurance Corporation

[*Tables 9 and 10*]

■ THERE was a net acquisition of 20 newly insured associations during the month of May, bringing the total number of associations insured by the Federal Savings and Loan Insurance Corporation to 1,989 as of May 31. These institutions had 1,870,000 investors at the end of the month with a total investment of $1,284,000,000. The total assets of insured associations increased $51,000,000 during May to a total of $1,937,000,000 (see Table 9, page 381, for further details).

There were 19 more insured associations under State charter at the end of May than on April 30, after adjustment for transfers to Federal charter and for consolidation of State-chartered insured institutions. The 656 insured associations under State jurisdiction at the end of May had total assets of $748,000,000, and 870,000 investors with total repurchasable capital of $540,000,000.

The 550 State-chartered insured institutions reporting both in April and in May showed a much smaller volume of repurchases but a slightly smaller volume of new investments in the current month than in April (Table 10, page 381). However, as the volume of new investment of these institutions in May exceeded repurchases, the net increase from April in private free capital amounted to over $1,000,000, bringing the total up to $474,400,000 at the end of May. The Home Owners' Loan Corporation had over $400,000 more invested in these associations on May 31 than on April 30; the total H. O. L. C. subscriptions on May 31 amounted to $36,100,000.

At the end of May, these 550 reporting State-insured associations had on their books $31,300,000 in advances from their respective Federal Home Loan Banks—a net increase of nearly $500,000 during the month. Money borrowed from other sources as of May 31 amounted to $3,200,000 after increasing over $100,000 from April 30.

New mortgage loans reported by State-chartered insured associations in May amounted to $10,700,000, an increase of $360,000, or 3.5 percent from the April total, in contrast to the decline registered by Federals. All types of loans increased in May over the preceding month in insured associations with State charters, except those loans made for refinancing of homes, which declined 3.2 percent. The net effect of lending operations and collections was an increase of $3,700,000 in the balance of mortgage loans outstanding during the month, bringing the total to $456,800,000 at the end of May.

Federal Savings and Loan System

[*Table 11*]

■ SIX newly converted and one newly chartered Federal associations were approved by the Federal Home Loan Bank Board during the month of May; however, as three institutions had their charters canceled during the month, the net growth of the Federal Savings and Loan System was only four. On May 31, there were 10 approved Federals which had not as yet become insured. The assets of all approved Federals as of May 31 were approximately $1,196,000,000, after increasing $18,000,000 during the month of May.

Nearly twice as much money was invested in private shares during May as was withdrawn in the 1,286 reporting Federal associations, resulting in a rise of $7,500,000 in private repurchasable capital.

The total Treasury and H. O. L. C. investment in these institutions showed a net increase of $424,000, bringing the total to $210,800,000.

Advances from the Federal Home Loan Banks to the 1,286 reporting Federals amounted to $89,400,000 at the end of May, after increasing $900,000 during the month. Money borrowed from other sources declined over $100,000 to a balance of $1,800,000 as of May 31.

The total volume of lending activity of the reporting sample amounted to $23,900,000 in May, a decline of over $900,000 from April. Construction loans indicated a rise of $260,000 during May, while all other classes declined in volume. The net effect on the volume of loans outstanding when repayments on loans are considered was an increase of $12,200,000. The total amount due on mortgages on May 31 was $897,200,000.

Progress in number and assets of Federal savings and loan associations

	Number		Approximate assets	
	Apr. 30, 1938	May 31, 1938	Apr. 30, 1938	May 31, 1938
New	640	639	$283, 494, 000	$292, 396, 000
Converted	699	704	895, 066, 000	903, 804, 000
Total	1, 339	1, 343	1, 178, 560, 000	1, 196, 200, 000

Growth in Federal Capital

At the beginning of 1937 the privately owned free shares and deposits (private repurchasable capital) of 1,163 Federal savings and loan associations amounted to $472,268,000; at the end of that year it had grown to $554,315,000. This was a net increase of 17.4 percent, or $82,000,000, in one year. The growth of these associations in relation to their assets is shown in the table on this page.

It is interesting that the percentage increase in private repurchasable capital varied directly as the size of the associations—from a 94.2-percent increase in the associations with less than $50,000 in assets to a 3.5-percent decrease in the associations with assets of $10,000,000 and over. The latter size group was the only one to show a decrease in such capital, a decrease compensated for by the addition of two other associations to the $10,000,000 group, which resulted in a total for the six associations of $87,650,000 in private repurchasable capital.

The 120 associations in the $1,000,000 to $2,500,000 size group reported the greatest gain in private capital. Holding $105,673,000 at the end of 1936, they reported a growth of $21,500,000, or 20.4 percent, during the year.

Growth of private repurchasable capital [1] in 1,163 Federal savings and loan associations during 1937

[Amounts are shown in thousands of dollars]

Size of assets	Number of associations	Private repurchasable capital		Percent change	Dollar change
		Dec. 31, 1936	Dec. 31, 1937		
Under $50,000	187	$2, 632	$5, 085	+94. 2	+2, 453
$50,000 to $100,000	163	5, 295	9, 101	+71. 9	+3, 806
$100,000 to $250,000	268	20, 912	30, 787	+47. 2	+9, 875
$250,000 to $500,000	175	30, 146	40, 323	+33. 8	+10, 177
$500,000 to $1,000,000	198	73, 677	92, 485	+25. 5	+18, 808
$1,000,000 to $2,500,000	120	105, 673	127, 199	+20. 4	+21, 526
$2,500,000 to $5,000,000	31	70, 002	80, 273	+14. 7	+10, 271
$5,000,000 to $10,000,000	17	85, 928	93, 780	+9. 1	+7, 852
$10,000,000 and over	4	78, 003	75, 282	−3. 5	−2, 721
Total	1, 163	472, 268	554, 315	+17. 4	+82, 047

[1] Private repurchasable capital includes all privately owned free shares and deposits, and excludes mortgage-pledged shares, guarantee shares, and permanent stock.

Federal Home Loan Bank System

[*Tables 12 and 13*]

■ ADVANCES by the Federal Home Loan Banks during May exceed the amount of advances in any previous month in 1938 and were nearly $1,500,000 greater than advances during April. For the second consecutive month advances exceeded repayments and as a result the balance of advances outstanding increased from $183,749,000 to $186,510,000. However, this net increase of $2,760,250 in the balance of advances outstanding is the lowest gain of any May since 1935 and the volume of $7,552,000 in advances during May represents a decrease of 38 percent from the amount advanced in May 1937.

Seven Banks made a greater amount of advances in May than in April, with the greatest gains shown by the Cincinnati Bank, which more than tripled its April volume, and by the Des Moines, Chicago, and Winston-Salem Banks. Six Banks increased the balance of advances outstanding over the April 30 total, including the Banks at Pittsburgh, Cincinnati, and Los Angeles, which for the second consecutive month reported increases in the balance of advances outstanding.

The net gain of nine members during the month of May was the largest increase in the membership of the Federal Home Loan Bank System since August 1937.

The Fifth Issue of Debentures

The Governor of the Federal Home Loan Bank System announced the offering on June 21, 1938, of a new issue of $41,500,000 of 1-percent consolidated debentures, Series E, of the Federal Home Loan Banks, maturing July 1, 1939. These debentures, which constitute the largest offering so far made by the Bank System, were priced at 100$^{6}/_{32}$, to yield approximately 0.435 percent, and were heavily oversubscribed.

The major purpose of the issue, which represents the fifth public offering made by the Federal Home Loan Banks, is to refund $28,000,000 of 1¼-percent debentures maturing on July 1, 1938. With the retirement of matured debentures the Banks will have $90,000,000 of debentures outstanding:

Series C, 2% 1940 debentures	$25,000,000
Series D, 2% 1943 debentures	23,500,000
Series E, 1% 1939 debentures	41,500,000
	$90,000,000

Mortgage Debts Under the Revised National Bankruptcy Act

■ PUBLIC Law No. 696, H. R. 8046, approved June 23, 1938, which completely revises the National Bankruptcy Act, provides, in Chapter XII, that bankrupt debtors shall have the power to submit plans for scaling down and recasting the terms of their secured and unsecured debts. If the secured and unsecured creditors in each creditor classification, holding more than two-thirds in amount of the debts in that classification, consent to the proposed plan, the plan becomes effective, is binding upon all creditors, and the indebtedness to them is adjusted in accordance with the plan.

Section 517, however, declares that the provisions of Chapter XII shall not apply when the secured creditor is the Home Owners' Loan Corporation, a Federal Home Loan Bank, a member of the Federal Home Loan Bank System, or a creditor of any debtor under a mortgage insured under the terms of the National Housing Act, as amended. Therefore, mortgage loans made by these institutions are not subject to the risk of being scaled down and recast in bankruptcy proceedings.

Resolution of the Board

Federal savings and loan insurance corporation admission fee.

The Board adopted the following resolution on June 10:

Be it resolved, That until further notice any institution applying for insurance of accounts, provided such insurance is granted, shall pay an admission fee in accordance with Section 403 (d) of Title IV of the National Housing Act, as amended May 28, 1935, equal to four cents per one hundred dollars of the total amount of all accounts of an insurable type plus all obligations to its creditors.

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–May totals		Monthly totals			January–May totals	
	May 1938	Apr. 1938	May 1937	1938	1937	May 1938	Apr. 1938	May 1937	1938	1937
1-family dwellings	11, 779	10, 511	11, 001	44, 390	49, 943	$47, 377. 0	$41, 266. 0	$49, 452. 7	$173, 116. 3	$222, 425. 8
2-family dwellings	830	980	824	4, 432	4, 398	2, 190. 7	2, 421. 7	2, 260. 9	11, 232. 0	12, 130. 6
Joint home and business [2]	95	61	103	345	494	386. 0	219. 6	274. 7	1, 181. 2	1, 729. 2
3-and-more-family dwellings	2, 593	3, 227	2, 781	31, 711	25, 138	6, 921. 4	10, 353. 1	8, 933. 3	99, 532. 9	80, 679. 0
Total residential	15, 297	14, 779	14, 709	80, 878	79, 973	56, 875. 1	54, 260. 4	60, 921. 6	285, 062. 4	316, 964. 6
Private housing	15, 297	14, 779	14, 558	80, 877	79, 314	56, 875. 1	54, 260. 4	60, 164. 6	285, 059. 0	314, 061. 9
Public housing [3]	0	0	151	1	659	0. 0	0. 0	757. 0	3. 4	2, 902. 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 May 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	
	May 1938	May 1937	May 1938	May 1937	May 1938	May 1937	May 1938	May 1937
UNITED STATES	15, 297	14, 709	$56, 875. 1	$60, 921. 6	12, 704	11, 928	$49, 953. 7	$51, 988. 3
No. 1—Boston	823	875	3, 622. 9	4, 108. 9	765	747	3, 461. 4	3, 732. 0
Connecticut	197	233	878. 8	1, 222. 2	190	215	864. 3	1, 125. 9
Maine	46	42	153. 3	134. 4	46	39	153. 3	126. 4
Massachusetts	405	458	1, 941. 6	2, 267. 5	354	355	1, 794. 6	2, 002. 4
New Hampshire	45	39	126. 2	125. 9	45	39	126. 2	125. 9
Rhode Island	119	95	464. 0	317. 0	119	91	464. 0	309. 5
Vermont	11	8	59. 0	41. 9	11	8	59. 0	41. 9
No. 2—New York	2, 852	2, 402	10, 344. 1	10, 916. 5	1, 646	1, 314	7, 352. 4	6, 564. 7
New Jersey	264	376	1, 236. 6	2, 171. 0	237	236	1, 176. 9	1, 486. 4
New York	2, 588	2, 026	9, 107. 5	8, 745. 5	1, 409	1, 078	6, 175. 5	5, 078. 3
No. 3—Pittsburgh	619	689	3, 324. 6	3, 462. 9	566	616	3, 127. 8	3, 283. 0
Delaware	4	2	66. 6	21. 8	4	2	66. 6	21. 8
Pennsylvania	504	566	2, 817. 5	3, 067. 2	479	525	2, 733. 6	2, 953. 8
West Virginia	111	121	440. 5	373. 9	83	89	327. 6	307. 4

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

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank Districts and States	All residential dwellings				All 1- and 2-family dwellings			
	Number of family dwelling units		Estimated cost		Number of family dwelling units		Estimated cost	
	May 1938	May 1937	May 1938	May 1937	May 1938	May 1937	May 1938	May 1937
No. 4—Winston-Salem	2,043	1,874	$6,648.8	$7,177.4	1,461	1,331	$5,074.2	$5,846.3
Alabama	87	97	203.8	270.0	83	97	193.8	270.0
District of Columbia	353	616	1,329.6	2,737.4	146	173	858.1	1,630.7
Florida	478	362	1,674.1	1,382.8	426	335	1,552.5	1,328.0
Georgia	186	165	482.5	447.6	182	160	473.7	441.4
Maryland	164	147	526.5	678.6	164	135	526.5	650.6
North Carolina	335	229	948.7	698.6	227	216	613.1	678.0
South Carolina	78	95	244.5	310.6	78	90	244.5	305.6
Virginia	362	163	1,239.1	651.8	155	125	612.0	542.0
No. 5—Cincinnati	779	1,088	3,416.2	4,619.2	694	881	3,142.9	4,075.1
Kentucky	89	131	323.0	346.1	85	119	311.0	318.1
Ohio	536	787	2,682.8	3,810.9	461	592	2,428.7	3,294.8
Tennessee	154	170	410.4	462.2	148	170	403.2	462.2
No. 6—Indianapolis	1,040	910	4,619.2	3,810.3	1,034	888	4,599.2	3,759.3
Indiana	209	273	716.8	1,028.8	209	261	716.8	998.0
Michigan	831	637	3,902.4	2,781.5	825	627	3,882.4	2,761.3
No. 7—Chicago	594	782	3,053.0	4,305.6	574	719	2,997.3	4,109.0
Illinois	367	434	2,073.2	2,812.9	352	425	2,024.5	2,767.9
Wisconsin	227	348	979.8	1,492.7	222	294	972.8	1,341.1
No. 8—Des Moines	718	692	2,605.1	2,510.5	690	657	2,552.6	2,469.7
Iowa	190	142	720.1	586.0	190	142	720.1	586.0
Minnesota	248	198	1,001.5	734.3	248	193	1,001.5	728.5
Missouri	208	293	709.0	1,023.0	184	269	661.5	991.0
North Dakota	26	17	88.0	91.3	26	17	88.0	91.3
South Dakota	46	42	86.5	75.9	42	36	81.5	72.9
No. 9—Little Rock	1,584	1,268	4,083.9	3,669.5	1,515	1,184	3,908.7	3,489.7
Arkansas	41	45	95.4	139.5	41	33	95.4	116.8
Louisiana	168	141	454.6	486.1	160	137	432.6	474.1
Mississippi	106	113	153.7	222.6	102	113	144.0	222.6
New Mexico	41	45	106.3	125.1	36	42	94.8	112.2
Texas	1,228	924	3,273.9	2,696.2	1,176	859	3,141.9	2,564.0
No. 10—Topeka	451	675	1,409.7	2,455.0	421	632	1,351.2	2,371.8
Colorado	96	162	354.8	710.0	88	147	336.8	670.0
Kansas	113	182	317.3	595.7	101	162	297.3	566.5
Nebraska	65	85	209.8	293.6	61	81	199.3	283.6
Oklahoma	177	246	527.8	855.7	171	242	517.8	851.7
No. 11—Portland	583	617	1,942.6	3,139.2	556	589	1,853.1	3,016.3
Idaho	15	32	75.4	97.5	15	29	75.4	91.5
Montana	51	61	131.2	177.6	51	61	131.2	177.6
Oregon	118	141	437.5	508.7	114	141	429.0	508.7
Utah	106	97	358.4	345.7	87	97	293.4	345.7
Washington	266	264	815.6	1,918.5	262	246	799.6	1,836.6
Wyoming	27	22	124.5	91.2	27	15	124.5	56.2
No. 12—Los Angeles	3,211	2,837	11,805.0	10,746.6	2,782	2,370	10,532.9	9,271.4
Arizona	38	50	120.0	157.6	38	40	120.0	127.6
California	3,156	2,764	11,603.2	10,493.1	2,727	2,307	10,331.1	9,047.9
Nevada	17	23	81.8	95.9	17	23	81.8	95.9

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		1937			1936
	1938 June	1937 June	1936 June	June	March	Dec.	Sept.	June	June
No. 1—Boston:									
Hartford, Conn	$0. 239	$0. 264	$0. 235	$5, 743	$5, 869	$6, 101	$6, 346	$6, 332	$5, 646
New Haven, Conn	. 234	. 246	. 231	5, 616	5, 771	5, 832	5, 903	5, 903	5, 535
Portland, Me	. 234	. 238	. 214	5, 608	5, 614	5, 760	5, 796	5, 711	5, 132
Boston, Mass	. 251	. 277	. 246	6, 023	6, 191	6, 601	6, 667	6, 653	5, 902
Manchester, N. H	. 225	. 242	. 228	5, 392	5, 440	5, 601	5, 814	5, 796	5, 473
Providence, R. I	. 247	. 247	. 229	5, 933	5, 991	6, 000	5, 929	5, 927	5, 496
Rutland, Vt	. 238	. 241	. 222	5, 721	5, 739	5, 846	5, 844	5, 795	5, 329
No. 4—Winston-Salem:									
Birmingham, Ala	. 253	. 252	. 224	6, 068	6, 068	6, 068	6, 068	6, 056	5, 378
Washington, D. C	. 261	. 260	. 207	6, 267	6, 268	6, 286	6, 286	6, 234	4, 973
Miami, Fla	. 232			5, 569					
Tampa, Fla	. 237	. 238	. 224	5, 686	5, 731	5, 608	5, 717	5, 716	5, 381
West Palm Beach, Fla	. 253	. 267	. 246	6, 082	6, 204	6, 337	6, 405	6, 400	5, 900
Atlanta, Ga	. 217	. 221	. 206	5, 207	5, 190	5, 267	5, 458	5, 311	4, 949
Baltimore, Md	. 208	. 224	. 209	4, 983	5, 105	5, 171	5, 386	5, 367	5, 012
Cumberland, Md	. 231	. 239	. 226	5, 535	5, 603	5, 643	5, 696	5, 743	5, 424
Asheville, N. C	. 216	. 218	. 200	5, 194	5, 408	5, 410		5, 240	4, 802
Raleigh, N. C	. 226	. 234	. 211	5, 430	5, 444	5, 515	5, 669	5, 627	5, 071
Greensboro, N. C	. 197			4, 719					
Columbia, S. C	. 199	. 203	. 196	4, 776	4, 755	4, 860	4, 874	4, 873	4, 713
Richmond, Va	. 219	. 218	. 203	5, 249	5, 337	5, 370	5, 326	5, 242	4, 871
Roanoke, Va	. 235	. 228	. 207	5, 649	5, 649	5, 696	5, 374	5, 474	4, 980
No. 7—Chicago:									
Chicago, Ill	. 289	. 301	. 281	6, 935	7, 021	7, 226	7, 178	7, 215	6, 736
Peoria, Ill	. 279	. 284	. 259	6, 695	6, 700	6, 705	6, 807	6, 808	6, 227
Springfield, Ill	. 296	. 291	. 271	7, 108	7, 036			6, 978	6, 502
Milwaukee, Wis	. 262	. 271	. 232	6, 281	6, 328	6, 551	6, 542	6, 494	5, 563
Oshkosh, Wis	. 252	. 253	. 232	6, 040	6, 040	6, 027	6, 144	6, 079	5, 576
No. 10—Topeka:									
Denver, Colo	. 269	. 280	. 250	6, 464	6, 562	6, 625	6, 762	6, 714	5, 997
Wichita, Kans	. 244	. 238	. 215	5, 866	5, 677		5, 680	5, 711	5, 164
Omaha, Nebr	. 242	. 249	. 232	5, 814	5, 841	5, 975	6, 111	5, 964	5, 565
Oklahoma City, Okla	. 243	. 243	. 226	5, 840	5, 850	5, 850	5, 838	5, 823	5, 427

[1] The house on which costs are reported is a detached 6-room home of 24,000 cubic feet volume. Living room, dining room, kitchen, and lavatory on first floor; 3 bedrooms and bath on second floor. Exterior is wide-board siding with brick and stucco as features of design. Best quality materials and workmanship are used throughout.

The house is *not* completed ready for occupancy. It includes all fundamental structural elements, an attached 1-car garage, an unfinished cellar, an unfinished attic, a fireplace, essential heating, plumbing, and electric wiring equipment, and complete insulation. It does *not* include wall-paper nor other wall nor ceiling finish on interior plastered surface, lighting fixtures, refrigerators, water heaters, ranges, screens, weather stripping, nor window shades.

Reported costs include, in addition to material and labor costs, compensation insurance, an allowance for contractor's overhead and transportation of materials, plus 10 percent for builder's profit.

Reported costs do *not* include the cost of land nor of surveying the land, the cost of planting the lot, nor of providing walks and driveways; they do not include architect's fee, cost of building permit, financing charges, nor sales costs.

In figuring costs, current prices on the same building materials list are obtained every 3 months from the same dealers, and current wage rates are obtained from the same reputable contractors and operative builders.

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

[Thousands of dollars]

Month	Mortgage loans on homes				Loans for all other purposes	Total loans, all purposes
	Construction	Home purchase	Refinancing	Reconditioning		
1936	$155,463	$188,637	$152,067	$50,618	$80,838	$627,623
January	7,089	9,298	10,265	2,691	5,995	35,338
February	7,027	9,680	10,845	3,229	5,686	36,467
March	9,725	11,920	12,842	3,677	8,474	46,638
April	11,251	15,296	15,728	4,703	6,413	53,391
May	12,812	16,736	12,961	5,207	7,668	55,384
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
May	17,833	19,664	12,992	4,436	7,267	62,192

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

[Amounts are shown in thousands of dollars]

Month	Volume of loans				Percent of total		
	Total	Federal	State members	Nonmembers	Federal	State members	Nonmembers
1936	$627,623	$228,896	$275,972	$122,755	36	44	20
January	35,338	11,764	16,436	7,138	33	47	20
February	36,467	12,105	15,206	9,156	33	42	25
March	46,638	15,310	19,776	11,552	33	42	25
April	53,391	17,740	25,497	10,154	33	48	19
May	55,384	18,966	25,113	11,305	34	45	21
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
May	62,192	24,721	27,816	9,655	40	45	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		Percent increase, May 1938 over Apr. 1938	New loans, May 1937	Percent increase, May 1938 over May 1937
	May 1938	April 1938			
United States: Total	$62,192	$62,621	−1	$76,422	−19
Federal	24,721	26,107	−5	30,998	−20
State member	27,816	26,957	+3	34,616	−20
Nonmember	9,655	9,557	+1	10,808	−11
District 1: Total	6,488	5,993	+8	7,625	−15
Federal	1,861	1,905	−2	2,175	−14
State member	3,391	2,739	+24	3,423	−1
Nonmember	1,236	1,349	−8	2,027	−39
District 2: Total	5,402	5,172	+4	5,980	−10
Federal	1,786	2,272	−21	1,976	−10
State member	1,662	1,475	+13	2,179	−24
Nonmember	1,954	1,425	+37	1,825	+7
District 3: Total	3,455	3,974	−13	3,662	−6
Federal	1,148	1,171	−2	1,211	−5
State member	1,430	1,411	+1	1,384	+3
Nonmember	877	1,392	−37	1,067	−18
District 4: Total	9,128	9,417	−3	9,640	−5
Federal	3,233	3,352	−4	4,227	−24
State member	4,486	4,746	−5	4,067	+10
Nonmember	1,409	1,319	+7	1,346	+5
District 5: Total	8,409	8,519	−1	14,285	−41
Federal	4,252	4,155	+2	6,048	−30
State member	3,860	4,064	−5	7,898	−51
Nonmember	297	300	−1	339	−12
District 6: Total	2,645	2,684	−1	3,636	−27
Federal	1,299	1,201	+8	1,765	−26
State member	1,170	1,267	−8	1,599	−27
Nonmember	176	216	−19	272	−35
District 7: Total	5,692	5,937	−4	7,602	−25
Federal	2,623	2,640	−1	2,659	−1
State member	2,737	3,034	−10	4,309	−36
Nonmember	332	263	+26	634	−48
District 8: Total	4,247	4,333	−2	4,541	−6
Federal	1,730	1,785	−3	2,058	−16
State member	1,365	1,428	−4	1,561	−13
Nonmember	1,152	1,120	+3	922	+25
District 9: Total	4,481	4,541	−1	4,678	−4
Federal	1,654	1,849	−11	1,675	−1
State member	2,367	2,359	0	2,434	−3
Nonmember	460	333	+38	569	−19
District 10: Total	3,640	3,547	+3	4,449	−18
Federal	1,526	1,551	−2	1,809	−16
State member	1,086	1,026	+6	1,092	−1
Nonmember	1,028	970	+6	1,548	−34
District 11: Total	3,025	2,915	+4	3,715	−19
Federal	1,310	1,589	−18	2,201	−40
State member	1,056	864	+22	1,349	−22
Nonmember	659	462	+43	165	+299
District 12: Total	5,580	5,589	0	6,609	−16
Federal	2,299	2,637	−13	3,194	−28
State member	3,206	2,544	+26	3,321	−3
Nonmember	75	408	−82	94	−20

Table 7.—Monthly lending activity and total assets as reported by 2,838 savings and loan associations in May 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 May according to purpose										Total assets May 31, 1938 [3]	Total number of savings and loan associations [4]
			Mortgage loans on 1- to 4-family nonfarm homes								Loans for all other purposes		Total loans, all purposes			
			Construction		Home purchase [1]		Refinancing and reconditioning [2]									
								Amount								
	Submitting reports	Reporting loans made	Number	Amount	Number	Amount	Number	Refinancing	Reconditioning	Number	Amount	Number	Amount		
UNITED STATES	2,838	2,420	4,542	$14,314.7	5,827	$14,681.5	7,881	$10,257.3	$3,155.2	3,687	$5,574.0	21,937	$47,982.7	$3,022,877.2	9,598
Federal	1,298	1,179	2,566	8,321.4	2,679	6,842.4	3,978	5,264.3	1,475.7	1,525	2,068.4	10,748	23,972.2	1,163,637.2	1,343
State member	1,189	1,009	1,740	5,353.2	2,724	6,876.9	3,358	4,430.1	1,412.8	1,828	3,118.4	9,650	21,191.4	1,549,992.9	2,560
Nonmember	351	232	236	640.1	424	962.2	545	562.9	266.7	334	387.2	1,539	2,819.1	309,247.1	5,695
No. 1—Boston	166	155	258	1,006.0	547	1,865.3	700	818.5	349.5	326	432.7	1,831	4,472.0	339,916.3	361
Connecticut	31	27	30	97.7	39	114.0	65	104.4	15.4	14	17.8	148	349.3	22,055.7	52
Maine	20	15	17	31.5	32	58.6	44	29.8	15.3	32	94.2	125	229.4	12,582.9	41
Massachusetts	93	91	169	726.8	338	1,213.9	466	520.1	275.0	205	195.9	1,178	2,931.7	256,801.3	215
New Hampshire	10	10	10	26.7	35	54.3	47	49.9	17.7	25	70.8	117	219.4	9,063.8	30
Rhode Island	6	6	20	95.6	87	358.7	56	105.5	18.3	29	43.6	192	621.7	35,305.5	9
Vermont	6	6	12	27.7	16	65.8	22	8.8	7.8	21	10.4	71	120.5	4,107.1	14
No. 2—New York	272	190	307	1,297.2	344	1,131.6	331	619.3	210.2	166	205.2	1,148	3,463.5	368,550.8	1,707
New Jersey	137	70	20	88.8	63	247.2	56	100.1	42.8	38	40.6	177	519.5	122,806.6	1,423
New York	135	120	287	1,208.4	281	884.4	275	519.2	167.4	128	164.6	971	2,944.0	245,744.2	284
No. 3—Pittsburgh	268	176	147	444.8	336	774.6	271	383.7	97.1	87	93.7	841	1,793.9	122,880.7	2,521
Delaware	6	6	5	10.4	6	16.8	5	0.8	2.7	1	1.7	17	32.4	5,217.2	43
Pennsylvania	236	147	108	376.1	295	667.2	183	272.9	55.0	70	70.3	656	1,441.5	101,583.1	2,410
West Virginia	26	23	34	58.3	35	90.6	83	110.0	39.4	16	21.7	168	320.0	16,080.4	68
No. 4—Winston-Salem	321	291	693	2,214.0	616	1,547.9	1,156	2,290.0	331.5	477	983.0	2,942	7,366.4	292,743.9	1,033
Alabama	17	14	19	27.3	20	29.0	45	39.2	8.0	20	25.8	104	129.3	7,160.0	38
District of Columbia	18	17	124	684.1	77	325.4	386	1,428.7	63.2	180	513.5	767	3,014.9	122,185.3	29
Florida	49	45	107	469.2	60	150.7	95	123.1	43.5	36	111.3	298	897.8	32,104.9	96
Georgia	48	46	89	185.5	55	100.4	174	193.6	34.9	52	53.3	370	567.7	19,774.2	66
Maryland	63	54	12	34.8	208	581.8	57	97.0	12.8	29	43.3	306	769.7	36,530.1	449
North Carolina	55	52	196	413.7	102	169.7	206	157.6	93.6	93	118.0	597	952.6	33,566.2	184
South Carolina	38	33	92	267.7	40	74.4	92	130.6	25.3	26	78.4	250	576.4	16,889.3	79
Virginia	33	30	54	131.7	54	116.5	101	120.2	50.2	41	39.4	250	458.0	24,533.9	92
No. 5—Cincinnati	399	354	589	2,023.2	1,014	2,780.6	1,297	1,406.4	558.2	587	723.4	3,487	7,491.8	578,886.6	973
Kentucky	66	53	74	195.8	127	301.5	195	204.5	62.5	91	92.8	487	857.1	60,825.7	185
Ohio	296	268	407	1,568.7	867	2,434.7	990	1,066.0	463.3	467	582.9	2,731	6,115.6	498,831.3	732
Tennessee	37	33	108	258.7	20	44.4	112	135.9	32.4	29	47.7	269	519.1	19,229.6	56
No. 6—Indianapolis	207	187	261	578.5	451	720.7	683	467.5	269.8	412	425.1	1,807	2,461.6	236,222.3	360
Indiana	150	137	171	361.2	366	548.5	551	300.8	219.7	297	292.2	1,385	1,722.4	138,666.6	284
Michigan	57	50	90	217.3	85	172.2	132	166.7	50.1	115	132.9	422	739.2	97,555.7	76
No. 7—Chicago	275	229	206	760.9	518	1,474.6	735	1,029.2	371.9	287	309.9	1,746	3,946.5	221,969.5	1,038
Illinois	204	172	117	442.6	422	1,189.7	631	916.2	278.8	237	243.7	1,407	3,071.0	160,742.5	836
Wisconsin	71	57	89	318.3	96	284.9	104	113.0	93.1	50	66.2	339	875.5	61,227.0	202
No. 8—Des Moines	198	176	229	695.5	343	767.5	577	757.1	166.1	155	240.1	1,304	2,626.3	139,597.1	446
Iowa	52	49	57	153.1	93	187.7	149	163.1	37.6	32	48.1	331	589.6	27,624.0	99
Minnesota	44	39	88	293.5	72	173.2	147	218.7	69.7	62	135.3	369	890.4	30,809.6	78
Missouri	79	69	57	174.8	159	371.0	226	342.4	33.5	48	45.0	490	966.7	71,794.9	227
North Dakota	13	10	15	46.7	13	27.6	36	24.4	20.8	7	5.8	71	125.3	6,246.4	24
South Dakota	10	9	12	27.4	6	8.0	19	8.5	4.5	6	5.9	43	54.3	3,122.2	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 May 31, 1938.

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

Table 7.—Monthly lending activity and total assets as reported by 2,838 savings and loan associations in May 1938—Continued

[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 May according to purpose										Total assets May 31, 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							
							Number	Amount						
	Submitting reports	Reporting loans made	Number	Amount	Number	Amount		Refinancing	Reconditioning	Number	Amount	Number	Amount	
No. 9—Little Rock	271	243	575	$1,443.7	539	$1,189.0	639	$559.9	$291.6	298	$448.4	2,051	$3,932.6	$179,258.4	400
Arkansas	39	33	39	67.9	64	89.6	84	61.9	26.3	36	34.2	223	279.9	11,654.4	64
Louisiana	70	69	156	519.6	219	599.9	146	132.8	92.9	108	207.7	629	1,552.9	84,196.5	82
Mississippi	27	24	31	43.2	23	26.7	79	39.9	30.3	28	27.9	161	168.0	5,106.4	50
New Mexico	14	13	25	70.4	9	18.8	18	12.0	10.3	19	31.9	71	143.4	4,032.8	21
Texas	121	104	324	742.6	224	454.0	312	313.3	131.8	107	146.7	967	1,788.4	74,268.3	183
No. 10—Topeka	187	170	239	710.2	520	1,073.8	476	469.7	184.8	401	517.6	1,636	2,956.1	175,330.6	368
Colorado	32	29	40	105.2	79	170.0	81	95.4	27.0	53	69.2	253	466.8	23,699.4	59
Kansas	71	65	76	234.3	184	339.0	146	114.8	67.0	95	124.4	501	879.5	54,840.2	149
Nebraska	34	29	42	123.7	101	175.5	114	74.2	54.5	138	139.1	395	567.0	41,120.8	91
Oklahoma	50	47	81	247.0	156	389.3	135	185.3	36.3	115	184.9	487	1,042.8	55,670.2	69
No. 11—Portland	132	114	358	917.3	220	410.8	425	392.8	176.6	219	341.2	1,222	2,238.7	106,458.6	178
Idaho	9	9	20	57.9	19	27.3	38	36.3	5.6	15	13.0	92	140.1	6,526.5	13
Montana	15	14	38	91.7	24	45.2	38	27.4	11.9	27	37.0	127	213.2	9,594.9	23
Oregon	28	24	78	187.7	42	81.5	89	89.6	73.0	39	76.1	248	507.9	25,408.3	36
Utah	8	7	44	141.4	18	43.2	32	36.0	5.5	12	22.9	106	249.0	10,192.6	20
Washington	60	52	164	395.3	107	185.8	218	194.3	77.5	124	184.8	613	1,037.7	50,508.1	71
Wyoming	11	7	13	37.8	10	27.8	10	9.2	3.1	2	7.4	35	85.3	4,124.4	14
Alaska	1	1	1	5.5	0	0.0	0	0.0	0.0	0	0.0	1	5.5	103.8	1
No. 12—Los Angeles	142	135	680	2,223.4	379	945.1	591	1,063.2	147.9	272	853.7	1,922	5,233.3	261,062.4	213
Arizona	3	3	13	27.3	6	22.5	16	29.4	0.8	6	30.1	41	110.1	2,259.5	4
California	134	127	663	2,187.8	362	872.9	558	1,005.9	142.3	261	819.7	1,844	5,028.6	255,822.6	194
Nevada	2	2	1	2.2	0	0.0	7	12.4	3.7	1	1.0	9	19.3	723.6	5
Hawaii	3	3	3	6.1	11	49.7	10	15.5	1.1	4	2.9	28	75.3	2,256.7	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
May	90.4	90.5	95.5	89.3	80.9	77.2	114.9	94.1
Change								
May 1938–Apr. 1938	−0.9%	+0.1%	0.0%	−2.0%	−0.6%	0.0%	0.0%	−0.7%
May 1938–May 1937	−7.0%	−4.7%	0.0%	−13.3%	−3.3%	−1.9%	0.0%	−7.1%

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

[Amounts are shown in thousands of dollars]

	Cumulative number at specified dates						Number of investors [2]	Assets	Private repurchasable capital
	Dec. 31, 1934	Dec. 31, 1935	Dec. 31, 1936	Dec. 31, 1937	Apr. 30, 1938	May 31, 1938	May 31, 1938	May 31, 1938	May 31, 1938
State-chartered associations	4	136	382	566	637	656	868, 800	$747, 706	$538, 645
Converted F. S. and L. A.	108	406	560	672	[3] 692	[4] 694	758, 600	[4] 897, 393	608, 363
New F. S. and L. A.	339	572	634	641	640	639	242, 600	292, 396	136, 726
Total	451	1, 114	1, 576	1, 879	1, 969	[4] 1, 989	1, 870, 000	[4] 1, 937, 495	1, 283, 734

[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] Revised and therefore not comparable with earlier figures.
[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.
[4] In addition, 10 Federals with assets of $6,411,000 had been approved for conversion but had not been insured as of May 31.

Table 10.—Monthly operations of 550 identical insured State-chartered savings and loan associations reporting during April and May 1938

	April	May	Change April to May
			Percent
Share liability at end of month:			
Private share accounts (number)	639, 581	641, 393	+0. 3
Paid on private subscriptions	$473, 259, 800	$474, 357, 000	+0. 2
H. O. L. C. subscriptions	35, 634, 400	36, 056, 500	+1. 2
Total	508, 894, 200	510, 413, 500	+0. 3
Private share investments during month	7, 963, 700	7, 626, 700	−4. 2
Repurchases during month	8, 308, 300	6, 339, 600	−23. 7
Mortgage loans made during month:			
a. New construction	3, 067, 200	3, 129, 900	+2. 0
b. Purchase of homes	3, 413, 600	3, 478, 900	+1. 9
c. Refinancing	1, 908, 700	1, 847, 800	−3. 2
d. Reconditioning	625, 100	652, 300	+4. 4
e. Other purposes	1, 360, 100	1, 628, 000	+19. 7
Total	10, 374, 700	10, 736, 900	+3. 5
Mortgage loans outstanding end of month	453, 062, 900	456, 775, 200	+0. 8
Borrowed money as of end of month:			
From Federal Home Loan Banks	30, 808, 400	31, 279, 900	+1. 5
From other sources	3, 057, 800	3, 189, 000	+4. 3
Total	33, 866, 200	34, 468, 900	+1. 8
Total assets, end of month	653, 624, 500	658, 432, 800	+0. 7

Table 11.—Monthly operations of 1,286 identical Federal savings and loan associations reporting during April and May 1938

	April	May	Change April to May
			Percent
Share liability at end of month:			
Private share accounts (number)	966, 696	970, 791	+0. 4
Paid on private subscriptions	$716, 235, 000	$723, 774, 700	+1. 1
Treasury and H. O. L. C. subscriptions	210, 398, 600	210, 822, 600	+0. 2
Total	926, 633, 600	934, 597, 300	+0. 9
Private share investments during month	17, 007, 700	15, 441, 100	−9. 2
Repurchases during month	9, 210, 400	7, 952, 500	−13. 7
Mortgage loans made during month:			
a. New construction	8, 036, 500	8, 297, 800	+3. 3
b. Purchase of homes	7, 242, 500	6, 800, 800	−6. 1
c. Refinancing	5, 733, 300	5, 241, 600	−8. 6
d. Reconditioning	1, 622, 700	1, 470, 900	−9. 4
e. Other purposes	2, 151, 800	2, 051, 300	−4. 7
Total	24, 786, 800	23, 862, 400	−3. 7
Mortgage loans outstanding end of month	885, 028, 400	897, 180, 300	+1. 4
Borrowed money as of end of month:			
From Federal Home Loan Banks	88, 443, 900	89, 353, 800	+1. 0
From other sources	1, 926, 100	1, 811, 200	−6. 0
Total	90, 370, 000	91, 165, 000	+0. 9
Total assets, end of month	1, 138, 330, 300	1, 153, 621, 300	+1. 3

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

Federal Home Loan Banks	Advances made during May 1938	Advances made during Apr. 1938
No. 1—Boston	$119, 300. 00	$236, 500. 00
No. 2—New York	624, 100. 00	563, 000. 00
No. 3—Pittsburgh	584, 700. 00	670, 783. 33
No. 4—Winston-Salem	943, 800. 00	676, 900. 00
No. 5—Cincinnati	2, 045, 400. 00	646, 650. 00
No. 6—Indianapolis	233, 200. 00	669, 300. 00
No. 7—Chicago	721, 030. 00	471, 832. 28
No. 8—Des Moines	544, 500. 00	325, 100. 00
No. 9—Little Rock	352, 500. 00	487, 000. 00
No. 10—Topeka	405, 450. 00	324, 500. 00
No. 11—Portland	171, 500. 00	233, 500. 00
No. 12—Los Angeles	806, 000. 00	783, 862. 50
Total	7, 551, 480. 00	6, 088, 928. 11

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
May	7, 552	4, 791	186, 510

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
May 31, 1938	[2] 89	[2] 4, 772, 210	761	48, 424, 670	4, 399	190, 528, 900	5, 249	243, 725, 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
May 31, 1938	[2] 26	[2] 1, 126, 000	632	39, 566, 310	4, 049	170, 772, 800	4, 707	211, 465, 110

[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
May	4, 767
Grand total to May 30, 1938	95, 247

[1] Does not include 17,547 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 95,247 completed cases, 509 properties were sold at foreclosure sale to parties other than the H. O. L. C. and 11,966 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 May 31, 1938 [1]

	June 1, 1934 through Apr. 30, 1938	May 1, 1938 through May 31, 1938	Cumulative through May 31, 1938
Cases received [2]	917, 044	13, 386	930, 430
Contracts awarded:			
Number	547, 317	13, 570	560, 887
Amount	$105, 305, 940	$2, 496, 019	$107, 801, 959
Jobs completed:			
Number	536, 143	12, 529	548, 672
Amount	$101, 244, 186	$2, 254, 437	$103, 498, 623

[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.

Building Costs

(*Continued from p. 356*)

A factor behind any cogent analysis of building is the local character of trends. Rents, occupancy, volume of building, and costs fluctuate from month to month according to the flux of local conditions—yet in accord with the general sweep of national conditions. These local trends have the effect of obscuring regional levels of material costs: levels which exist, as may be seen by studying the yearly averages of costs in Table 2.

Lumber, for example, costs less in the Fourth Federal Home Loan Bank District (South Atlantic States—see map) than in any of the other three Districts analyzed this time, in spite of the fact that milled lumber is an expensive item in these States. The Fourth District is a major source of raw lumber but is largely dependent on other areas for its processing. The reverse is true of Oshkosh, Wisconsin, which is a center for the manufacture of lumber products, but lacking in the raw material since the depletion of adjacent timber resources. The cost of lumber during 1937 in Oshkosh was nearly $100 higher than the average for District 4. This is undoubtedly a reflection of the effect of transportation costs on the cost of finished products. Because the standard house is frame, those areas where lumber costs are low—most notably the South Atlantic States—show generally lower costs than other regions.

Generally, high material costs will be found in the Middle West as represented by the Seventh District which encompasses the Chicago area, and in the Tenth District of semi-Western States. Labor costs are also high in the Seventh and Tenth Districts relative to the other two reporting.

Yearly Averages by Cities

Because of these regional variations, a high total cost of the standard house in any city does not necessarily mean the high cost of all materials used in its building or the high cost of all labor.

Table 2.—Cost of materials and labor used in constructing a standard 6-room frame house Federal Home Loan Bank Districts and cities—Average month of 1936 and 1937

Federal Home Loan Bank Districts and cities	Lumber		Masons' materials		Hardware		Painters' materials		Heating and plumbing supplies		Total materials		Total labor	
	1936	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936	1937
Average—all reporting cities	$1,719	$1,915	$646	$653	$93	$101	$85	$89	$676	$755	$3,219	$3,513	$1,559	$1,662
No. 1—Boston	1,693	1,916	647	648	98	106	83	86	665	758	3,186	3,514	1,657	1,709
Hartford, Conn	1,740	1,945	677	681	96	104	82	87	743	913	3,338	3,730	1,637	1,716
New Haven, Conn	1,735	1,986	695	661	104	110	83	87	663	710	3,280	3,554	1,598	1,608
Portland, Me	1,567	1,807	673	681	102	107	91	96	717	848	3,150	3,539	1,406	1,406
Boston, Mass	1,728	1,996	611	603	90	102	80	83	602	688	3,111	3,472	2,051	2,289
Manchester, N. H	1,653	1,747	607	621	92	103	80	81	614	668	3,046	3,220	1,755	1,786
Providence, R. I	1,688	1,952	635	626	95	104	75	78	656	679	3,149	3,439	1,709	1,738
Rutland, Vt	1,739	1,976	633	665	109	115	92	92	661	797	3,234	3,645	1,443	1,423
No. 4—Winston-Salem	1,646	1,817	667	681	90	96	85	91	671	755	3,159	3,440	1,369	1,471
Birmingham, Ala	1,666	1,903	692	747	84	84	90	94	671	699	3,203	3,527	1,561	1,792
Washington, D. C	1,524	1,890	594	635	80	89	82	88	663	954	2,943	3,656	1,571	1,762
Tampa, Fla	1,903	2,032	699	719	99	108	85	96	617	665	3,403	3,620	1,344	1,353
West Palm Beach, Fla	1,797	1,943	750	741	105	107	88	87	796	875	3,536	3,753	1,669	1,833
Atlanta, Ga	1,521	1,637	675	708	91	94	95	95	673	774	3,055	3,308	1,325	1,385
Baltimore, Md	1,622	1,748	579	580	84	89	76	86	643	653	3,004	3,186	1,445	1,489
Cumberland, Md	1,860	1,986	748	744	82	90	79	84	643	684	3,412	3,588	1,377	1,411
Asheville, N. C	1,620	[1] 1,783	625	[1] 682	94	[1] 111	91	[1] 101	668	[1] 720	3,098	[1] 3,397	1,160	[1] 1,286
Raleigh, N. C	1,578	1,737	686	715	91	110	86	90	792	913	3,233	3,565	1,266	1,332
Columbia, S. C	1,447	1,560	647	609	85	78	82	84	640	683	2,901	3,014	1,235	1,245
Richmond, Va	1,531	1,715	670	644	94	98	82	90	649	694	3,026	3,241	1,275	1,418
Roanoke, Va	1,679	1,870	640	654	84	92	88	92	602	722	3,093	3,430	1,205	1,344
No. 7—Chicago	1,899	2,125	585	590	86	98	82	87	714	793	3,366	3,693	1,945	2,083
Chicago, Ill	1,982	2,136	544	526	81	91	81	84	696	739	3,384	3,576	2,529	2,676
Peoria, Ill	1,950	2,180	615	638	99	104	81	86	640	650	3,385	3,658	2,057	2,209
Milwaukee, Wis	1,860	2,283	522	522	74	107	75	87	790	1,000	3,321	3,999	1,643	1,712
Oshkosh, Wis	1,803	1,903	659	672	88	89	91	92	729	781	3,370	3,537	1,552	1,734
No. 10—Topeka	1,808	2,000	642	639	100	109	89	94	671	710	3,310	3,552	1,567	1,732
Denver, Colo	1,766	1,972	642	629	104	108	95	98	660	703	3,267	3,510	2,018	2,292
Wichita, Kans	1,924	2,188	659	655	105	114	93	95	680	708	3,461	3,760	1,119	1,228
Omaha, Nebr	1,785	1,938	650	657	100	105	78	86	707	734	3,320	3,520	1,593	1,737
Oklahoma City, Okla	1,756	1,902	618	616	93	109	90	96	636	693	3,193	3,416	1,539	1,670

[1] Average—June and December.

According to the index, building costs are higher in Chicago than in any of the reporting cities in this group. Yet in Chicago, masons' materials are next to the lowest reported in this group of cities, and hardware costs are also low. On the other hand, lumber costs (over 50 percent of total material costs) were high in both 1936 and 1937 and labor costs were several hundred dollars higher than in any other of the reporting cities.

In the other direction, building costs in Columbia, South Carolina, are extremely low principally because lumber is so cheap in that area. The 1937 average shows a $576 difference in lumber costs between Chicago and Columbia, yet there is only a $562 difference in total material costs.

In comparing cities within a region, however, some significant variations in material cost levels may be observed. Thus, material costs in New Haven, Connecticut, were high in 1937 while in Manchester, New Hampshire, they were comparatively low. Both these cities depend for their existence on industry, but the former is largely affected by New York City cost levels, and is an expanding transportation, jobbing, and wholesale center, while the latter was hard hit by the movement of textile industries to the South, but is now recovering as a result of an intensive and successful campaign to attract new business.

Labor cost levels in building are principally affected by the proportion of unionization: in Boston, where the labor cost as shown by the index is higher than in any other reporting city in that District, building craftsmen are highly organized. In Columbia, South Carolina, the city with lowest labor costs of those reporting in the Fourth District, building workmen are largely unorganized. Regional wage differentials affect costs in these two cities and invite caution in comparing them. Nevertheless, union rates have certainly been an important factor in creating variation from regional levels.

Advertising

(*Continued from p. 365*)

save in this association—education, a new home, a new car, travel, new furniture, or security.

Results Obtained by Associations

The results of window display and outdoor advertising cannot be accurately measured. However, associations which have used these services consistently as part of a well-balanced advertising program agree that these particular forms of institutional advertising are of definite value. Since it is not possible to measure results accurately, these institutions emphasize the necessity for an association to satisfy itself that the location of its display or outdoor advertising is bringing its services to the attention of the greatest proportion of the fixed population in its community which it is possible to reach through this advertising means.

Directory of Member, Federal, and Insured Institutions

Added during May–June

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

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

DISTRICT NO. 1

Massachusetts:
Uxbridge:
Uxbridge Co-operative Bank, 35 North Main Street.

DISTRICT NO. 3

Pennsylvania:
Philadelphia:
Economy Building Association Number 1, 131 South Fourth Street.

DISTRICT NO. 4

South Carolina:
Hartsville:
Mutual Savings & Loan Association, Fifth Street.

DISTRICT NO. 5

Kentucky:
Newport:
Third Ward Loan & Building Association, 610 Monmouth Street.
Ohio:
Cleveland Heights:
Ivanhoe Savings Company, 1838 Coventry Road.
Sidney:
First Mutual Savings & Loan Company, 120 North Ohio Street.
Wadsworth:
Peoples Savings & Loan Company, 110 Main Street.

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

DISTRICT NO. 7

WISCONSIN:
Milwaukee:
First Bohemian National Loan & Building Association, 1872 North Twelfth Street.
Green Bay Avenue Mutual Building & Loan Association, 3346 North Green Bay Avenue.
Guaranty Building & Loan Association, 1811 North Twelfth Street.
West Allis:
Greenfield Avenue Building & Loan Association, 7245 Greenfield Avenue.

DISTRICT NO. 8

IOWA:
Tama:
Mutual Loan & Savings Association of Tama, Iowa.

DISTRICT NO. 9

TEXAS:
Taylor:
Taylor Building & Loan Association.

DISTRICT NO. 10

KANSAS:
Fort Scott:
Liberty Savings & Loan Association, 12 East Wall Street.
NEBRASKA:
Plattsmouth:
Plattsmouth Loan & Building Association.

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

CALIFORNIA:
San Francisco:
German American Building-Loan Association of San Francisco, 620 Market Street (merger with Northern California Building & Loan Association, San Francisco, California).
ILLINOIS:
Chicago:
Russian National Building & Loan Association, 917 North Wood Street (voluntary withdrawal).
Sixteenth Ward Building & Loan Association, 1123 Milwaukee Avenue (voluntary withdrawal).
LOUISIANA:
New Orleans:
Canal Savings & Homestead Association, 5101 St. Claude Street (merger with Hibernia Homestead Association, New Orleans, Louisiana).
MARYLAND:
Baltimore:
Pyramid Building & Loan Association of Baltimore City, Incorporated, 1237 North Carolina Street (removal from membership).
MONTANA:
Kalispell:
Great Western Building & Loan Association (voluntary withdrawal).
NEW YORK:
Port Richmond (Staten Island):
Third Ward Savings & Loan Association, 2068 Richmond Terrace (merger with Polish Savings & Loan Association of Richmond County, N. Y., Port Richmond, New York).
WISCONSIN:
Racine:
Lincoln Building & Loan Association of Racine, 1800 Douglas Avenue (voluntary withdrawal).

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

DISTRICT NO. 3

PENNSYLVANIA:
Cresson:
Cambria County Federal Savings & Loan Association, Post Office Building (converted from Pennsylvania Savings & Loan Association).

DISTRICT NO. 5

OHIO:
Germantown:
Germantown Federal Savings & Loan Association, 41 North Main Street (converted from Germantown Building & Savings Association).
Logan:
Logan Federal Savings & Loan Association, 72 East Main Street (converted from Logan Home & Savings Association).

DISTRICT NO. 7

ILLINOIS:
Springfield:
Home Federal Savings & Loan Association of Springfield, 417 South Fifth Street (converted from Home Building & Loan Association of Springfield).

DISTRICT NO. 10

KANSAS:
Manhattan:
Manhattan Federal Savings & Loan Association, 404 Poyntz Avenue (converted from Manhattan Building, Loan & Savings Association).

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

MAINE:
Rumford:
Rumford Federal Savings & Loan Association, 95 Congress Street (dissolution).

PENNSYLVANIA:
Philadelphia:
Gromac Federal Savings & Loan Association, 1700 Sansom Street (merger with Metropolitan Federal Savings & Loan Association of Philadelphia).

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

DISTRICT NO. 2

NEW JERSEY:
East Orange:
Shepherd Building & Loan Association, 266 Shepherd Avenue.
West Orange:
Llewellyn Building & Loan Association of West Orange, 33 Northfield Avenue.
NEW YORK:
Port Richmond (Staten Island):
Polish Savings & Loan Association of Richmond County, N. Y.,145 Morningstar Road.

DISTRICT NO. 3

PENNSYLVANIA:
Pottstown:
First Federal Savings & Loan Association of Pottstown, 27 North Hanover Street.

DISTRICT NO. 4

DISTRICT OF COLUMBIA:
Washington:
Northwestern Federal Savings & Loan Association, Corner Fourteenth & G Streets, Northwest.
NORTH CAROLINA:
Brevard:
Brevard Federal Savings & Loan Association, 101 Main Street.

DISTRICT NO. 5

OHIO:
Cleveland:
Roumanian Savings & Loan Company, 5705 Detroit Avenue.
Germantown:
Germantown Federal Savings & Loan Association, 41 North Main Street.
Logan:
Logan Federal Savings & Loan Association, 72 East Main Street.
Urbana:
Peoples Savings & Loan Company, 108 North Main Street.

DISTRICT NO. 7

ILLINOIS:
Berwyn:
Tocin Building & Loan Association, 6207 West Cermak Road.
Chicago:
Ben Hur Building & Loan Association, 1650 South Pulaski Road.
Damen Building & Loan Association, 2005 West Fifty-first Street.
Narodni Building & Loan Association, 3707 West Twenty-sixth Street.
Royal Building & Loan Association of South Chicago, 9226 Commercial Avenue.
Silver Leaf Savings & Loan Association, 4848 West Madison Street.
West Highland Building & Loan Association, 1432 West Seventy-ninth Street.
Cicero:
St. Anthony's Lithuanian Parish Building & Loan Association, 1500 South Forty-ninth Street.

DISTRICT NO. 8

MISSOURI:
St. Louis:
Postal Employees Building, Loan & Savings Association, 6936 Idaho Avenue.
St. Joseph:
Provident Building & Loan Association of St. Joseph, 513 Francis Street.
SOUTH DAKOTA:
Sioux Falls:
Home Savings Association, Corner Tenth Street & Maine Avenue.

DISTRICT NO. 9

TEXAS:
Bryan:
Bryan Building & Loan Association, Main Street.

DISTRICT NO. 10

COLORADO:
Durango:
Durango Savings & Building Association, 735 Main Street.
KANSAS:
Fort Scott:
Liberty Savings & Loan Association, 12 East Wall Street.
Manhattan:
Manhattan Federal Savings & Loan Association, 404 Poyntz Avenue.
Salina:
Security Savings & Loan Association, 108 West Iron Avenue.

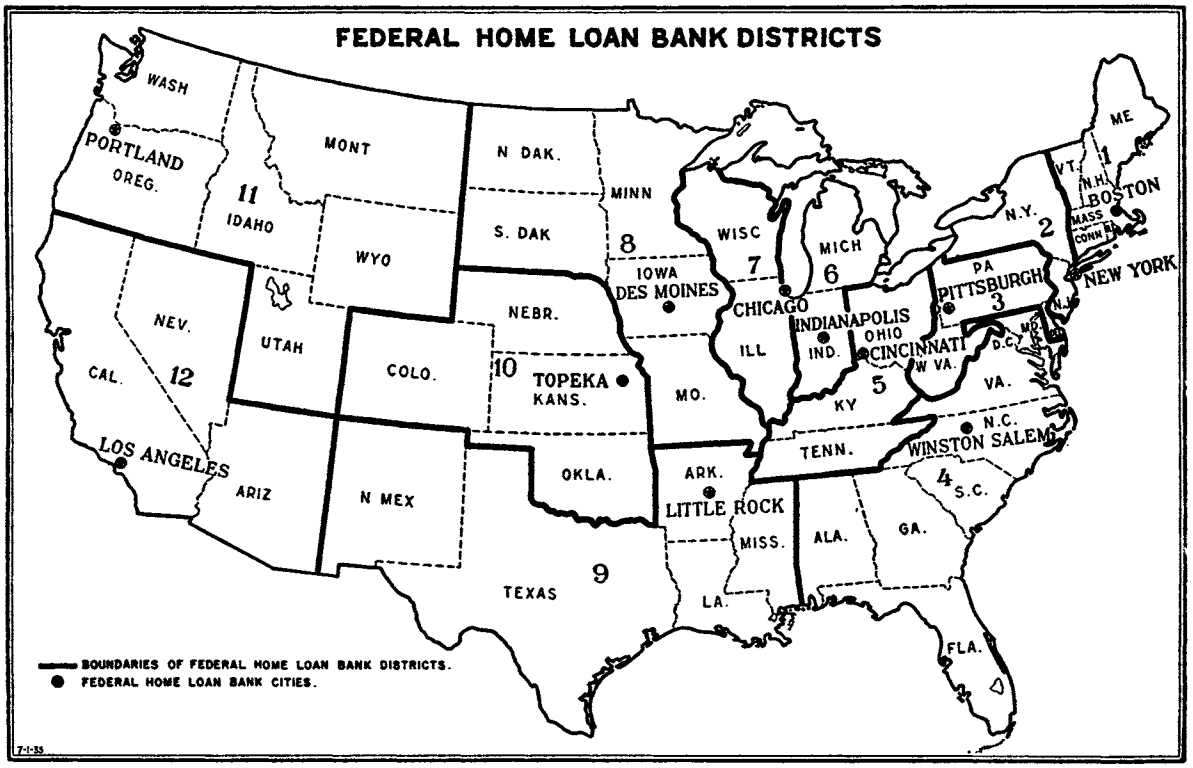
DISTRICT NO. 11

MONTANA:
Havre:
Havre Building & Loan Association, 210 Third Street.

DISTRICT NO. 12

CALIFORNIA:
Los Angeles:
Lincoln Building & Loan Association, 542 South Broadway.
Monrovia:
Monrovia Mutual Building & Loan Association, 515 South Myrtle Avenue.

U. S. GOVERNMENT PRINTING OFFICE: 1938



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