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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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SUBSCRIPTION PRICE OF REVIEW. The FEDERAL HOME LOAN BANK REVIEW is the Board's medium of communication with member institutions of the Federal Home Loan Bank System and is the only official organ or periodical publication of the Board. The REVIEW will be sent to all member institutions without charge. To others the annual subscription price, which covers the cost of paper and printing, is \$1. Single copies will be sold at 10 cents. Outside of the United States, Canada, Mexico, and the insular possessions, subscription price is \$1.60; single copies, 15 cents. Subscriptions should be sent to and copies ordered from Superintendent of Documents, Government Printing Office, Washington, D. C. APPROVED BY THE BUREAU OF THE BUDGET.

BUSINESS PROMOTION EXPENDITURES OF SAVINGS AND LOAN ASSOCIATIONS DURING 1938—PART 2

Analysis of the business promotion programs of 900 member savings and loan associations reveals marked differences in the amount and distribution of advertising funds as the association operating income varies.

■ DURING June, executives of many savings and loan associations are planning to present business promotion appropriations for the last six months of 1939 to boards of directors for approval. In many cases, promotional budgets are being used this year for the first time. The second "Hunt for Facts" questionnaire brought 900 replies to the Public Relations Department of the Federal Home Loan Bank Board from member savings and loan associations. These replies showed that the number of members planning business promotion *in advance* was nearly twice as great in 1939 as in 1938.¹

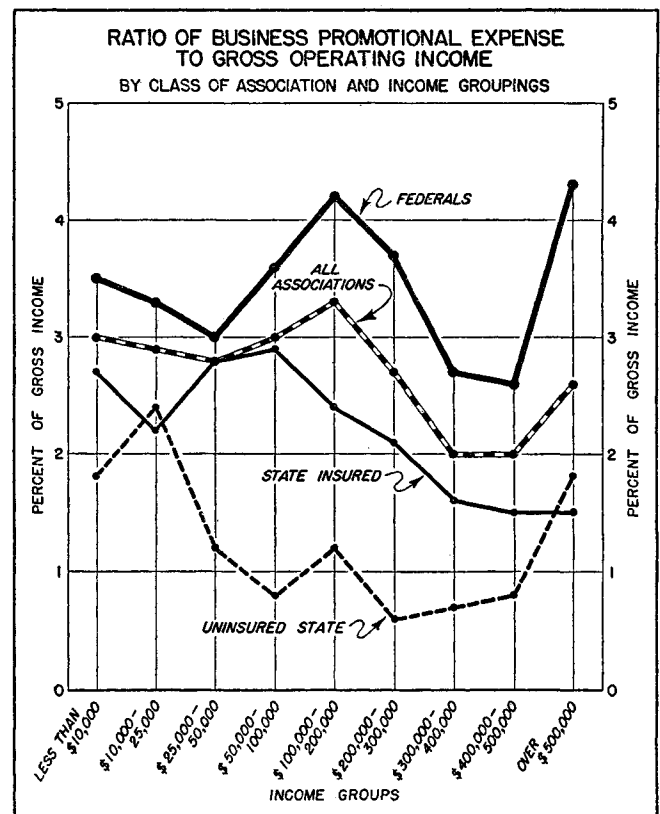
Around the conference table, officers and directors of savings and loan associations should have comparisons with promotional programs of institutions enjoying approximately the same amount of business volume, if an intelligent approach is to be made to the problem. In the past, reliable and comprehensive comparisons have not been available. To answer this need, business development programs of reporting members have been classified according to the gross operating income of the associations in 1938, and the results summarized.

These are the facts a manager will find in studying the three published tables: how much associations of comparable size actually spent for business promotion in 1938 and how much it cost to obtain each dollar of new private capital received in 1938; how they distributed the advertising dollar among the different media and how frequently each advertising medium was used.

This grouping tends to eliminate extremes, and the ratios within each income group become more dependable indices of the typical association in that classification. The manager who is seeking increased efficiency in the use of business development funds is given in the tables a detailed picture of the programs used in 1938 by associations with similar earnings.

¹ "Business Promotion Expenditures of Savings and Loan Associations during 1938", FEDERAL HOME LOAN BANK REVIEW, May 1939, p. 230.

These typical promotional programs, however, do not in any way establish ideal standards. Although a grand total of \$1,834,408 was disbursed by reporting members for all forms of business development, the typical association spent only \$2,189—2.75 percent of average gross operating income. In terms of promotional expense, it cost these associations only 1½ cents to obtain every dollar of new private share capital they received in 1938. In comparison with prevailing ratios in many other fields, this is a very modest annual investment for the purpose of creating new business volume.



The curves for Federal associations and for State-insured members follow a similar pattern. Peak ratios of business promotion expenditure for all associations combined, and for Federal associations and uninsured State members as well, are found in the \$100,000 to \$200,000 group.

BUSINESS PROMOTION EXPENDITURES FOR ASSOCIATIONS OF DIFFERENT SIZES

Table 1 makes it clear that the smaller associations were spending relatively more for business development than larger institutions. The greatest emphasis was placed on business promotion in 1938 by members with gross incomes ranging from \$50,000 to \$100,000, and \$100,000 to \$200,000. Promotional expenditures by these two groups amounted to 3 percent and 3.25 percent, respectively, of gross income. For these two groups, there were greater percentage increases in the average business promotion expenditure than in the average gross operating income. Only the largest associations with incomes above \$500,000 showed a similar trend.

Two general observations are of particular interest: (1) Nearly four-fifths of the associations which supplied income figures had less than \$100,000 in gross income; (2) total gross operating income of \$62,100,000 reported by these institutions represented a return of 5.24 percent on their total year-end assets of \$1,187,000,000.

COST OF NEW PRIVATE SHARE CAPITAL TO THESE ASSOCIATIONS

The last column of Table 1 shows that it cost these reporting associations approximately 1½ cents to

obtain every dollar of new private share capital they received during 1938. Since these expenditures for business promotion also contributed to the building of the loan portfolio and the retention of old investments, however, it may be assumed that the actual net business promotion cost for each dollar of new private share capital obtained was less than 1 cent. This is so much less than comparable promotional costs in other fields that it raises the question whether savings and loan associations are devoting large enough appropriations to business development to assure maximum results for their money.

There were wide variations in the cost of new capital to members in different income classifications. The smallest associations were able to acquire new private capital at a smaller cost than larger institutions. Highest cost per dollar of new private capital received was 1.35 cents, recorded by associations in the \$100,000 to \$200,000 income range—the group with the highest ratio of promotional expenditure to gross operating income.

It is probable, however, that in some instances the lower cost per dollar of new private share capital shown by the smaller members was due to the fact that their advertising programs were concentrated to a greater extent upon attracting investments. Larger institutions in some cases advertised less

Table 1.—Business promotion expenditure of 838 member associations

[Calendar year 1938]

Gross income group	Number of associations	Average gross operating income	Average business promotion expenditure	Ratio of business promotion expenditure to:		
				Total gross operating income	Total assets, Dec. 31, 1938	Total new private share capital received
				Percent	Percent	Percent
Over \$500,000.....	16	\$812,380	\$20,724	2.55	0.139	1.33
\$400,000-\$500,000.....	12	448,957	8,815	1.96	.109	1.06
\$300,000-\$400,000.....	11	334,824	6,772	2.00	.100	1.34
\$200,000-\$300,000.....	30	243,443	6,484	2.66	.142	1.17
\$100,000-\$200,000.....	99	135,620	4,408	3.25	.164	1.35
\$50,000-\$100,000.....	142	68,698	2,064	3.00	.163	1.23
\$25,000-\$50,000.....	153	36,529	1,014	2.77	.142	1.05
\$10,000-\$25,000.....	190	16,404	477	2.91	.141	0.93
Under \$10,000.....	143	5,659	170	3.00	.121	0.72
All income groups.....	796	77,976	2,143	2.75	.144	1.21
Unclassified.....	42	-----	3,063	-----	1.113	0.96
All reporting associations.....	838	-----	2,189	-----	2.141	2.119

¹ For 33 associations with combined assets of \$107,725,903 and total business promotion expenditure of \$121,242.

² For 829 associations with combined assets of \$1,294,880,949 and total business promotion expenditure of \$1,834,408.

³ For 743 associations with total new private share capital of \$142,018,748 and total business promotion expenditure of \$1,692,419.

Table 2.—Distribution of the advertising expenditures of 835 member associations

[Calendar year 1938]

Gross income group	Number of reporting associations	Total advertising expenditure	Association average expenditure	Percentage distribution of total advertising expenditure										
				Newspapers	Printed material	Radio	Billboards	Window and office display	Special outside signs	House organs	Car and bus cards	Motion picture	Miscellaneous	Total
Over \$500,000.....	16	\$303,305	\$18,957	42.7	7.6	10.5	13.5	1.5	0.5	6.5	3.3	-----	13.9	100.0
\$400,000-\$500,000.....	12	100,433	8,369	52.2	8.9	5.9	6.6	5.2	1.0	2.8	4.9	-----	12.5	100.0
\$300,000-\$400,000.....	11	63,459	5,769	46.4	8.1	4.4	10.1	2.9	3.6	4.1	0.6	-----	19.8	100.0
\$200,000-\$300,000.....	30	168,523	5,617	43.6	8.1	11.0	5.3	4.4	1.0	7.0	1.3	(¹)	18.2	100.0
\$100,000-\$200,000.....	99	385,190	3,891	51.3	8.6	7.9	5.5	3.5	1.8	5.2	1.2	0.4	14.6	100.0
\$50,000-\$100,000.....	142	253,620	1,786	46.2	13.4	7.3	3.4	4.9	2.1	3.2	1.5	0.1	17.9	100.0
\$25,000-\$50,000.....	153	141,104	922	50.3	11.3	8.3	2.6	5.6	2.7	1.9	0.3	1.4	15.6	100.0
\$10,000-\$25,000.....	190	76,636	403	52.0	11.1	2.6	1.2	7.0	4.9	3.4	0.8	1.3	15.7	100.0
Under \$10,000.....	140	22,015	157	57.7	17.7	1.1	(¹)	6.9	3.1	1.1	-----	0.2	12.1	100.0
All classified associations.....	793	1,514,284	1,910	47.8	9.7	8.1	6.4	3.9	1.8	4.6	1.8	0.3	15.6	100.0
Unclassified.....	42	124,121	2,955	65.5	7.1	8.6	2.3	2.2	1.3	1.6	1.5	0.2	9.7	100.0
All reporting associations.....	835	\$1,638,405	\$1,962	49.1	9.5	8.1	6.1	3.8	1.7	4.4	1.8	0.3	15.2	100.0

¹ Less than 0.1 percent.

² In addition, \$5,512.18 could not be classified according to media making the actual advertising expenditure reported \$1,643,917. Three income group and total association averages are affected slightly by this adjustment.

frequently for new capital, or even placed restrictions upon the amount of money they would accept, and directed their 1938 business development programs mainly to building the volume of loans.

DISTRIBUTION OF THE ADVERTISING DOLLAR

Savings and loan executives who are determining advertising programs are interested not only in *how much* these associations spent for business promotional programs during 1938, but also *how* they distributed these funds. Which was the leading outlet for savings and loan advertising expenditures? Was there a wide variance in the way that associations in different gross operating income brackets allocated their advertising money? The answer to these and other questions which may be raised are found in Table 2 which indicates nine operating income classifications and shows the percentage of the total advertising expenditure devoted to each of the different media.

Broadly speaking the 1938 savings and loan advertising dollar was spent as follows: newspapers, 49 cents; miscellaneous media, 15 cents; printed material, 9.5 cents; radio, 8 cents; and billboards, 6 cents. Those receiving less than 5 cents out of every dollar were house organs, window and office displays,

car and bus cards, special outdoor signs, and motion pictures.

FREQUENCY OF USE

Only four out of the 10 different classes of advertising media which were tabulated in this survey were used by more than half of the reporting member associations: newspapers, printed material, miscellaneous media, and window and office displays (Table 3).

It is significant to note the difference in emphasis placed upon these four leading media by associations in different income groupings. In general it may be said that as the income of associations increased and larger appropriations for advertising campaigns were available, there was a tendency to devote less of the total funds to these four media. For every income group up to \$300,000 the percentage of the total advertising expenditure allotted to the combination of newspapers, printed material, window and office displays, and miscellaneous media, decreased as the association income increased (Table 2).

NEWSPAPERS

The favorite advertising medium of nearly all business concerns is the newspaper. Savings and loans are no exceptions to this rule as more than

nine out of every 10 associations used newspapers to reach prospective borrowers and investors. They spent nearly half (49.1 percent) of their total advertising expenditure for this purpose. More than five times as much money was distributed for newspaper space as for any other single medium.

PRINTED MATERIAL

Although ranking third from the standpoint of its relationship to total advertising expenditure, printed material was used by almost seven out of every 10 associations. The aggregate amount disbursed for printed material exceeded \$155,000 and additional amounts for calendars and other pieces more properly classed as direct-mail advertising forms were included by some institutions in their miscellaneous grouping.

MISCELLANEOUS MEDIA

Three-fifths of all reporting associations indicated some spending among several minor types of media classified under a miscellaneous heading. Approximately 15 cents out of every dollar spent—the second largest portion of the advertising funds—was allocated to such things as advertising pencils, calendars, pocket memorandum books, fans, car license holders, novelty Christmas gifts to contractors and real estate men and telephone directory advertisements.

Participation by 37 associations in home savings bank campaigns accounted for nearly one-fifth of the miscellaneous expenditures and it is likely that other

institutions paid out additional amounts for these campaigns without so designating on the report form.

WINDOW AND OFFICE DISPLAYS

More than half of the 835 institutions indicated the use of window and office displays to attract the attention and arouse the interest of passers-by and association patrons. The relatively small cost involved in arranging for these displays is evidenced by the fact that in spite of their wide usage, the aggregate money invested in them was less than 4 percent of the total advertising expenditure.

LESS FREQUENTLY USED MEDIA

In discussing the frequency of use of advertising media it was pointed out that the determining factor in most cases was the operating income of the association. The use of the remaining forms, therefore, was restricted primarily to the larger associations as increased advertising appropriations permitted greater diversification.

Eight cents of the savings and loan advertising dollar in 1938 was spent for *radio* programs, and one association out of every five made use of this newest advertising medium. Its use, however, apparently depended quite largely upon the size of the institution and the availability of radio facilities. As the gross operating income of the associations increased, so did the frequency of the use of radio as an advertising medium. Whereas only one association

(Continued on p. 291)

Table 3.—Percentage of reporting associations at given income levels using an individual advertising medium

[Calendar year 1938]

Gross income group	Number of associations reporting	Newspapers	Printed material	Radio	Billboards	Window and office display	Special outside signs	House organs	Car and bus cards	Motion pictures	Miscellaneous
Over \$200,000.....	69	98.5	78.3	42.0	46.4	71.0	17.4	40.6	17.4	2.9	82.6
\$100,000—\$200,000.....	99	97.0	74.7	40.4	27.3	62.6	26.3	30.3	10.1	8.1	85.9
\$50,000—\$100,000.....	142	95.1	79.6	26.8	19.0	65.5	17.6	15.5	8.5	4.9	70.4
\$25,000—\$50,000.....	153	98.7	68.6	22.2	13.1	61.4	17.0	8.5	3.9	7.2	64.7
\$10,000—\$25,000.....	190	94.2	61.1	9.5	7.4	43.2	16.8	5.8	2.6	6.8	56.3
Under \$10,000.....	140	86.4	60.7	4.3	1.4	31.4	10.0	1.4	-----	2.1	32.9
All classified associations.....	793	94.6	69.0	20.8	15.4	53.5	17.0	13.4	5.7	5.5	62.3
Unclassified.....	42	97.6	57.1	21.4	16.7	47.6	19.0	14.3	7.1	4.8	42.9
All reporting associations.....	835	94.7	68.4	20.8	15.4	53.2	17.1	13.4	5.7	5.5	61.3

A SAFER HOME-MORTGAGE DEBT

In 1938 the outstanding home-mortgage indebtedness increased for the first time since 1930, accompanying a small addition to the value of our existing stock of dwellings. Examination of trends in the home-mortgage debt from 1920 to 1938 reveals that the amortized loan, first introduced in this country by savings and loan associations, is the foundation for a sounder home-mortgage structure.

■ THE Federal Home Loan Bank Board recently made public a preliminary estimate of a \$300,000,000 increase over the previous year-end figure in the outstanding volume of funds invested in home mortgages at the end of 1938. After seven successive years of unbroken declines, this 1938 increase in the estimated outstanding home-mortgage debt indicates that we may have added a little to the value of our existing stock of residential buildings last year, by building new units and bringing sub-standard units up to par faster than existing dwellings depreciated or were lost through demolition, fire, and similar causes. This is contrary to the trend shown during the years 1930-1937, when we were apparently consuming our dwellings at a rate faster than we were replacing them.

Annual changes in the outstanding home-mortgage indebtedness have closely paralleled annual changes in net capital formation in residential real estate (as Chart A shows)¹. (Net capital formation in any year is the cost of new nonfarm residential construction and of such substantial alterations and repairs as call for building permits, less the estimated consumption of existing dwellings caused by fire loss, demolition, and depreciation.)

According to estimates of net capital formation in nonfarm residential real estate made by the National Bureau of Economic Research, from 1925 to 1929 we were raising the general standard of housing in this country, for new dwellings were added and old ones repaired more rapidly than old building depreciated to sub-standard levels, or were destroyed or demolished.² During this period, the home-mortgage debt expanded sharply. From 1930 to 1935, however, there were deficits in net capital formation in residential real estate. With the exception of 1930, when a relatively small increase was recorded, the home-mortgage debt declined sharply in each of these years.

¹ "The Nonfarm Home-Mortgage Debt in the United States: A Review", FEDERAL HOME LOAN BANK REVIEW, August 1938, p. 388.

² "National Income and Capital Formation, 1919-1935", by Simon Kuznets.

Although estimates of net capital formation in residential real estate are not available for the years subsequent to 1935, Federal Home Loan Bank Board estimates show declines in the outstanding home-mortgage debt in 1936 and 1937. Since there is normally so close a relationship between the two trends, the increase in mortgage indebtedness in 1938 provides the first clear-cut indication that we have ceased to live upon our capital and have begun to make small additions to the value of our existing stock of dwellings.

RAPID GROWTH OF THE HOME-MORTGAGE DEBT, 1920-1930

Trends in the outstanding urban home-mortgage debt in the decade 1920-1930 contrast sharply with the declines of recent years. Prime fact about the urban home-mortgage debt during this decade was its rapid expansion from less than \$9,000,000,000 in the years prior to 1920 to a record total of nearly \$22,000,000,000 in 1930. The bulk of this growth in debt took place in the years 1926-1930 when the peak annual volume of residential building had already been passed. Commercial bank holdings of home mortgages trebled between the end of 1925 and the end of 1930. Insurance company holdings more than doubled. Savings and loan associations increased their home-mortgage investments from \$4,577,000,000 in 1925 to \$6,984,000,000 in 1930. Mutual savings banks recorded a rise in their home-mortgage portfolios from \$2,375,000,000 to \$3,300,000,000 in this same period.

A major weakness in the structure of the home-mortgage debt was not so much its size as the fact that a large proportion of it was held in short-term loans, with the entire principal sum falling due at the end of three to five years in many instances. As a result, many of these home-mortgage loans which were originated during the period of the greatest growth in the home-mortgage debt came due at the end of the decade and in the early 1930's, during a

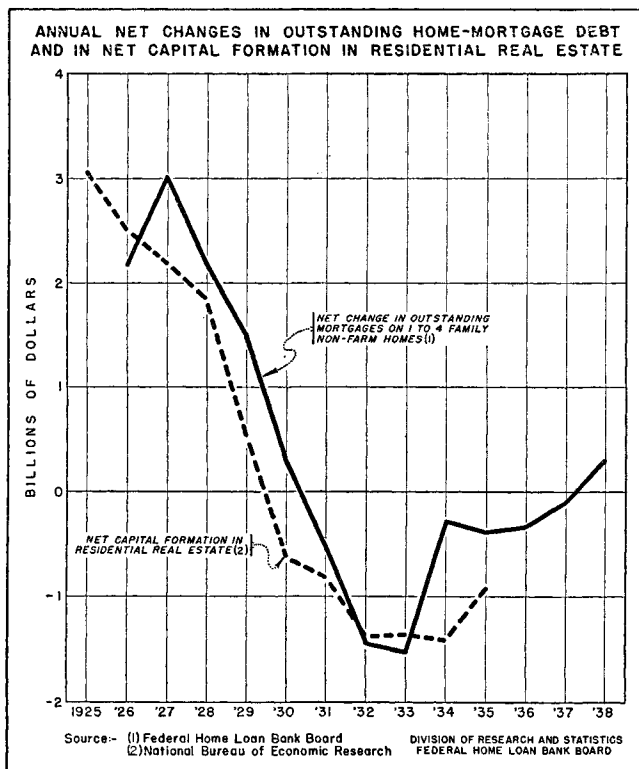
period of acute credit stringency. Mortgagors unable to renew their short-term loans were confronted with foreclosure and loss of their properties as mortgagees sought to liquidate the debts.

Resting upon this foundation of short-term loans was a dangerous superstructure of second and third mortgages, written at high interest rates and imposing a heavy burden in carrying charges upon the mortgagors.

A salient fact also was that the peak annual volume of home-mortgage lending occurred in 1928, but it was in 1925 that residential building volume attained its highest point and the greatest volume of construction loans was made. During the intervening three years of 1926, 1927, and 1928, a major factor in the rapid increase of the home-mortgage debt was the borrowing against existing homes to finance purchases of stocks, automobiles, and other goods.

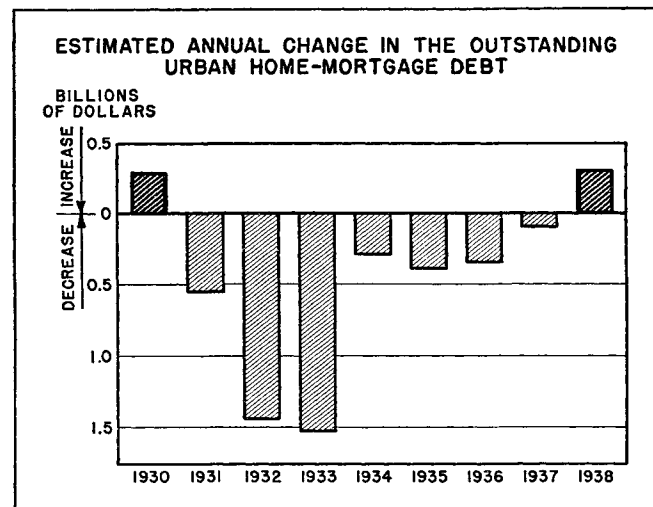
Accompanying the rapid expansion in the home-mortgage debt was a serious inflation of real estate values. At the end of the decade, short-term loans, poor planning, poor construction, inflated appraisals, high interest rates, speculation and over-building,

Chart A



The building of homes goes hand in hand with the provision of credit. The closeness of the relationship between annual changes in the volume of home-mortgage indebtedness and in net capital formation in residential real estate seems to show that, in the modern economy, housing goes forward or backward in direct relation to increases or decreases in the outstanding home-mortgage debt.

Chart B



The year 1938 was the first since 1930 to show an estimated increase in the outstanding urban home-mortgage debt. Declines in each of the seven years, 1931 to 1937, resulted in an estimated reduction in home-mortgage indebtedness amounting to more than 4½ billions of dollars.

had all contributed to the development of an unsound real estate structure.

TRENDS IN HOME-MORTGAGE INDEBTEDNESS, 1930-1938

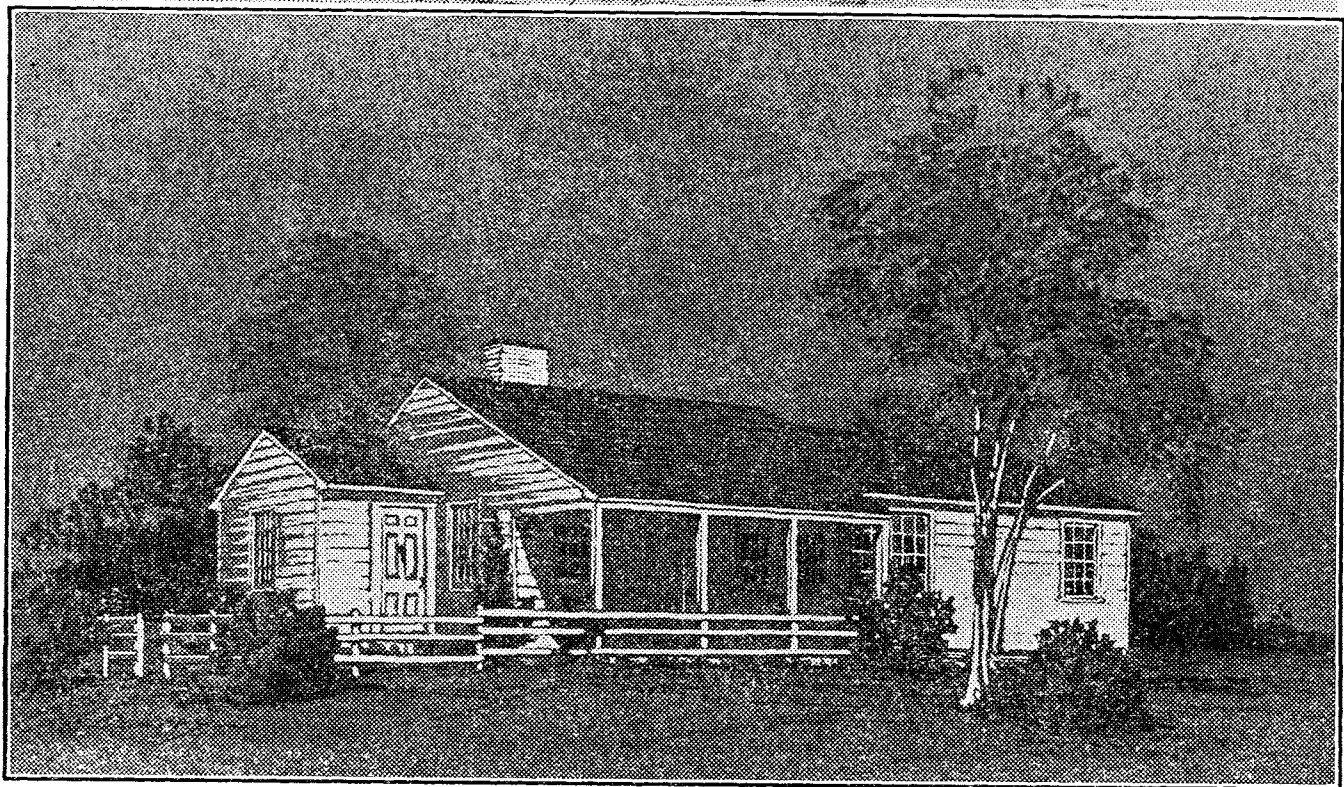
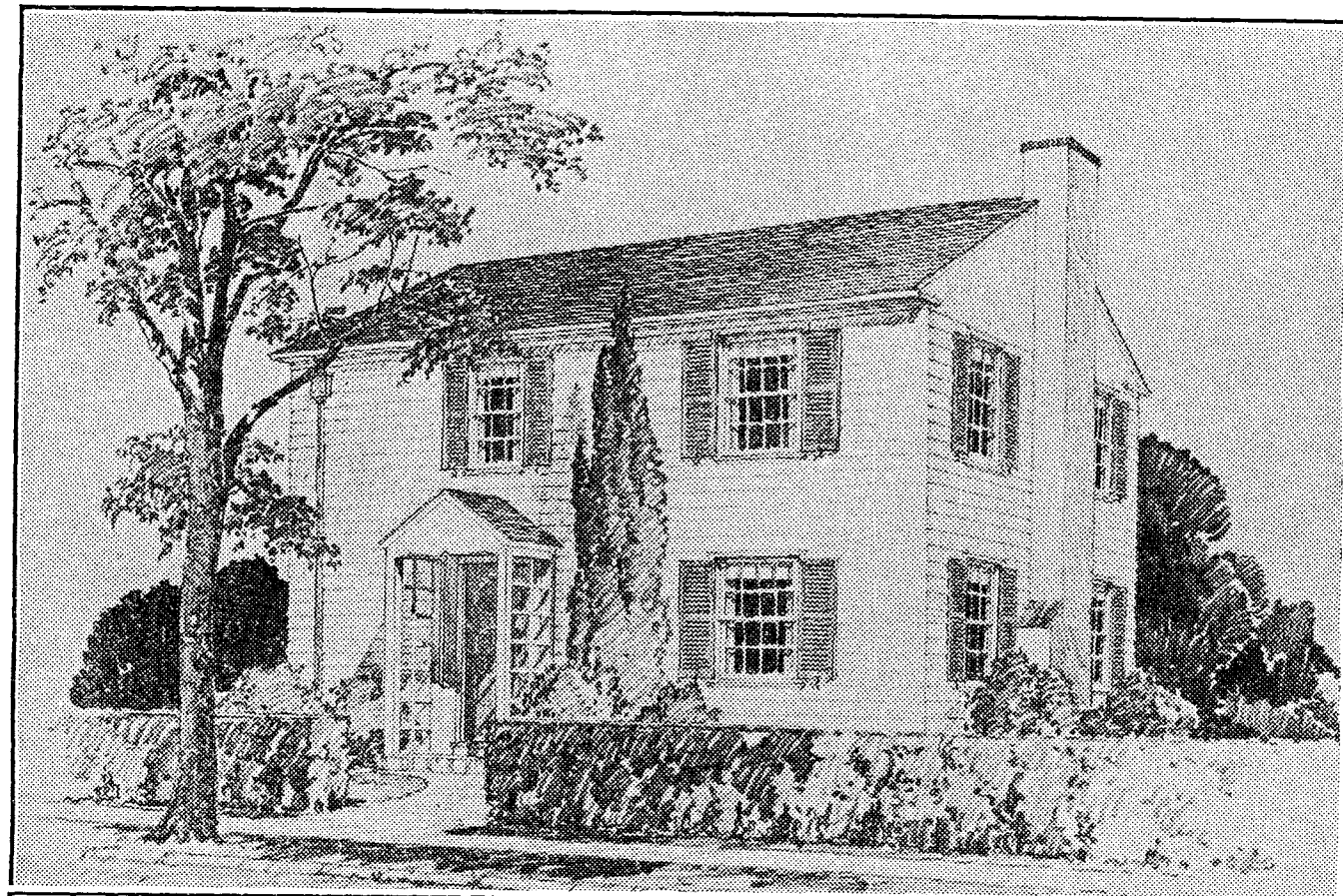
After the peak home-mortgage indebtedness of nearly \$22,000,000,000 was reached in 1930, the outstanding volume of funds invested in home mortgages dropped sharply. Declines in each year from 1931 to 1937, inclusive, are estimated to have reduced the outstanding debt by more than four and one-half billions of dollars (Table 1).

Table 1: Estimated annual change in the outstanding urban home-mortgage debt

[Millions of dollars]	
1931	-\$549
1932	-1,443
1933	-1,527
1934	-289
1935	-391
1936	-345
1937	-101
Total decline from 1930	-4,645

In 1932 and 1933 there was a precipitous decline of a billion and a half dollars a year in the nonfarm home-mortgage debt. This decline was due principally to four factors. There had been a great increase in home-mortgage foreclosures, the largest

(Continued on p. 270)



SAFEGUARDING THE MORTGAGE LOAN

New building materials and methods and the demand for low-cost homes have complicated the responsibility of the lender. Architectural design offers protection for loan security and opportunities for lowering cost.

■ MORTGAGE lenders are concerned with at least two important factors in making new loans for the construction or purchase of homes: the credit rating of the prospective borrower—his ability and willingness to pay—and the value of the property which will serve as security for the money loaned.

Many associations have considered the first of these factors—the appraisal of the moral risk—of greater importance than sound evaluation of the security underlying the mortgage loan. Actually both are essential requisites. The substantial quantities of institutionally owned real estate now held are witness to the fact that sound home-financing technique involves more than a consideration of the ability of borrowers to meet the terms of mortgage contracts. Properly safeguarded mortgage loans require in addition a scientific appraisal of the property from the standpoint of its resale value, because it may become necessary at some later date to acquire the security in satisfaction of the loan.

The introduction of new materials and building methods, while increasing in many instances the efficiency of the builder and the quality of the building, have complicated the responsibility of the lending institution in accurately measuring the value of modern dwellings. Further, the desire for new homes at the present time is concentrated largely in the field of small houses which must be built to meet the requirements of low-cost as well as of sound construction. This new small-house field has created many problems in every branch of the building industry.

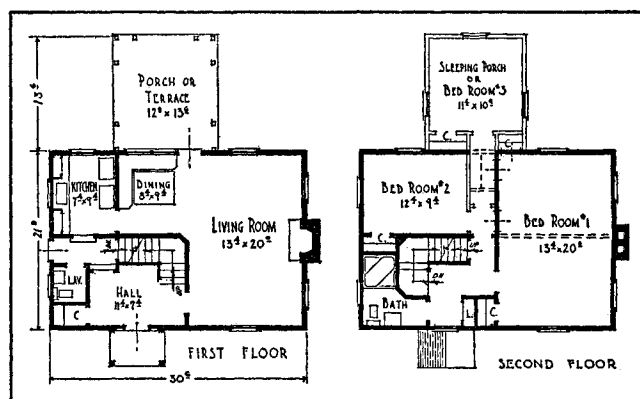
Fortunately there are several widely accepted principles of design which incorporate the thought of leading architects and designers who are solving many of these difficulties through adequate small-house planning. As a guide to mortgage lenders the following tests for soundness in small-house design have been suggested.

THE ELEMENTS OF SOUND DESIGN

1. The importance of good circulation to the human body is a fact easily appreciated by most people, yet few realize that this same quality of good

circulation, of being able to move freely, is also the determining factor in the functioning of any well-planned dwelling. Because of the reduced dimensions and concentrated use of space in a small house, the provision for short, straight, uncrowded floor space in which to move within a room, or from one room to another, is of even greater importance.

With good circulation, family life can flow smoothly even in very small quarters. Without it, no one has enough space and housekeeping becomes a complicated and irksome burden that even the most modern labor-saving household conveniences cannot overcome. "Good circulation is the keynote to privacy and does much to avoid family friction," says one small-house designer.



GOOD CIRCULATION

In this plan, the key to good circulation is the side entry hall which links the front hall and the kitchen, the kitchen and basement stairs, and the kitchen and second floor. There is no need for traffic through the living room as a result. This hall also allows direct access to the basement and laundry from the service yard. See upper illustration on facing page.

Unless the plans upon which the advancement of funds are being considered will allow the housewife easy access from her kitchen to the front door, for example, it is a fact worth noting on the loan application. It is not enough that the present applicant does not object to such inconveniences. From the standpoint of the mortgagee, it may be necessary at some later date to resell this property and the lack of good circulation might incur sales resistance.

2. Closely allied with the problem of good circulation are the number and size of rooms, which are

determined largely by the requirements of the individual family. The proper arrangement of partitions, doors, and windows is important for two reasons: (1) in minimizing cost, for it permits the introduction of standardized materials and construction methods; and (2) in providing for the maximum use value of the small house.

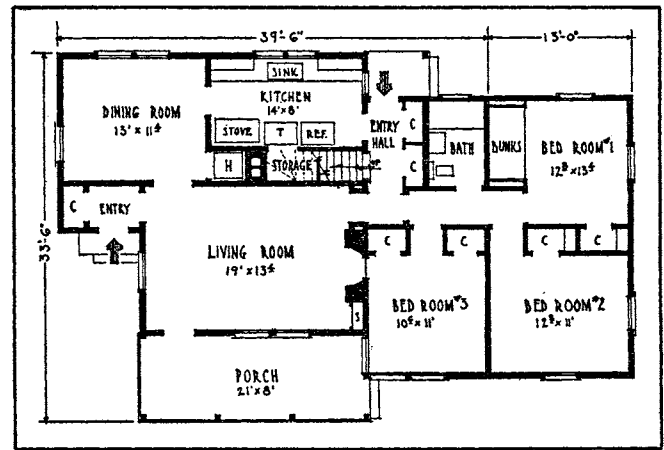
The apportionment of wall space for furniture placement, the location of windows in relation to furniture groups, and the proper amount of free space that should be left around furniture are difficult factors for the layman to visualize from a blue-print or even from the completed, but unfurnished house. Unfortunately it is not possible to reduce their consideration to a prescribed formula. Space requirements are definitely influenced by local conditions, prejudices, and the manner of living of the individuals who occupy the dwelling now, or who may occupy it in the future. The answer as to whether or not a particular design gives adequate consideration to these problems may require the services of a competent technician who is skilled in such analysis.

3. The dimensions of doors, stairs, furniture and similar plan factors become proportionately larger as the dimensions of a room are reduced. One of the basic difficulties in small-house designing, therefore, is to provide room dimensions which satisfy architectural needs and also provide adequate facilities for the satisfaction of human requirements.

The solution to this problem by the modern school of architectural thought has been found in the development and extensive application of multiple-use areas. Examples of such efforts to attain concentrated use of space are found in living-dining space, kitchen-dinette areas, and the combination of guest accommodations with the living room couch. Careful consideration must be given to the arrangement of these areas in a small-house design and their efficient usage will lend added value to the completed house.

4. One authority on small-house design has stated that "the best designed house plans will produce undesirable property unless the physical characteristics of the location upon which the dwelling is to be constructed have been taken into consideration." Technically known as "orientation," this process involves the appraisal of such factors as exposure to sun and wind, topography, convenient access to the street and garage, and privacy.

Of all the elements of design, proper orientation is probably the most difficult with which to deal satis-



PROPER ORIENTATION

With proper exposure to sun, prevailing wind, and view attained by the position illustrated, the street can be on any side of the house. If it is on the porch or dining room facades, the end entry would be used. If the street is located on the kitchen or bedroom facades, the main entrance would be into the hall adjacent to the kitchen. See lower illustration on page 264.

factorily and perhaps for this reason it is most frequently overlooked. A well-oriented house design is essential in the construction of a desirable piece of real estate which will have definite resale value and affords additional protection for the mortgage loan.

COORDINATED DESIGN AND CONSTRUCTION ECONOMY

The influence of scientific small-house architectural design is not limited to its contribution in providing the mortgagee with an assurance of the lasting value of his loan security. *The designing of small houses is a process by which the products of the building industry are coordinated and adapted to the housing needs of low-income families.* As such it becomes the basic and determining factor underlying the cost of materials and labor, of maintenance and repairs, and of financing and insurance.

There are many excellent designs and styles of small-house architecture which may be used in various sections of the country, and it is to the advantage of the home purchaser, the mortgage lender, the material manufacturer and dealer, and the builder that such designs be used frequently. It is important, however, that the design selected for an individual house be chosen with an understanding of local customs and family requirements as well as the principles of good design. Any attempt to adapt architectural style to unnatural conditions is a dangerous experiment. A style or design which is firmly established in one locality

(Continued on p. 292)

RESIDENTIAL BUILDING—DEMAND AND SUPPLY

Rent levels and occupancy on the one hand, and building costs, financing charges, taxes, and other costs of ownership on the other hand, largely determine the volume of new building in any given year. Some fundamental relationships between these influences are analyzed in a technical monograph recently published by the National Resources Committee.

■ IS it possible to determine how many houses will be built in future years? According to a study by Lowell J. Chawner, recently published by the National Resources Committee: "Some indication of future trends might be made from time to time, particularly if suitable statistics upon vacancies, rents and other measures of the market for residential shelter, as well as statistics upon the distribution of family income and the migration of families could be made available."¹

Home-mortgage lending institutions have a real need in their daily business for maintaining reliable current figures on such local trends as vacancies, rents, and building costs. They will find in this study an additional incentive for developing such statistics, for the report clearly shows their importance in helping to predict future trends and thereby minimizing our alternate periods of shortages and over-building.

After studying the relationships which existed during the past four decades between the rate of construction of new housing units and such factors as increases in families, family income available for shelter, and costs of ownership, Mr. Chawner concluded that these economic and social influences have a definite relationship to the volume of building. To express the relations of these economic influences to the volume of building in mathematical terms, an equation was developed. It was then tested by comparing the estimates of residential building derived from this equation with the number of units actually constructed. These annual estimates were in close agreement with the number of residential units actually built over the period 1914 through 1937.

Many of the statistics used in this equation unfortunately are not currently available. No reliable

figures exist to tell us the current average income of nonfarm families, for example, or to indicate the condition of the market as measured by rents and the percentage of occupancy. In spite of the close correlation of the values derived from the equation for past years with the actual number of units constructed, more adequate and more representative current statistics will be needed before this formula can be developed to indicate future trends. In the meantime, estimates of the future number of families appear to be the only element upon which any quantitative measures of future need can be based.

Basing his calculations upon estimates of the prospective increases in the number of private families over the next few years, Mr. Chawner finds that "a substantial annual increase for a decade or more in the physical need for dwelling units" is indicated. Due allowance was made for probable expectancy of life, marital status, sex, race-nativity and age composition of the population. For the present 5-year period ending in 1944, it is very roughly estimated that annual requirements will average approximately 550,000 dwelling units in nonfarm areas and possibly 40,000 units in farm areas. This includes those necessary for the replacement of units taken out of use and allows for conversion of large single-family houses to multifamily dwellings and of residential structures to use as stores and offices in nonfarm areas.

Such estimates of future need are important to a quantitative understanding of the problem. Any statistical method, however, which attempts to project past trends must be used with caution. In recent years the character of the demand for housing has been changing gradually. We are developing new ideals for site coverage and better design; we are carrying out slum clearance and building garden cities. What effects such changes will have cannot be predicted, but they make it evident that estimates of future need as to number or quality of houses would not apply under changed conditions.

¹ Mr. Chawner, Chief of the Division of Economic Research of the Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce, prepared "The Residential Building Process: An Analysis in Terms of Economic and Social Influences" for the Industrial Committee of the National Resources Committee. This technical monograph, from which these facts and figures are taken, may be obtained at a price of 10 cents per copy from the Superintendent of Documents, Government Printing Office, Washington, D. C.

ECONOMIC CONDITIONS INFLUENCING ADDITIONS TO SUPPLY OF RESIDENTIAL UNITS

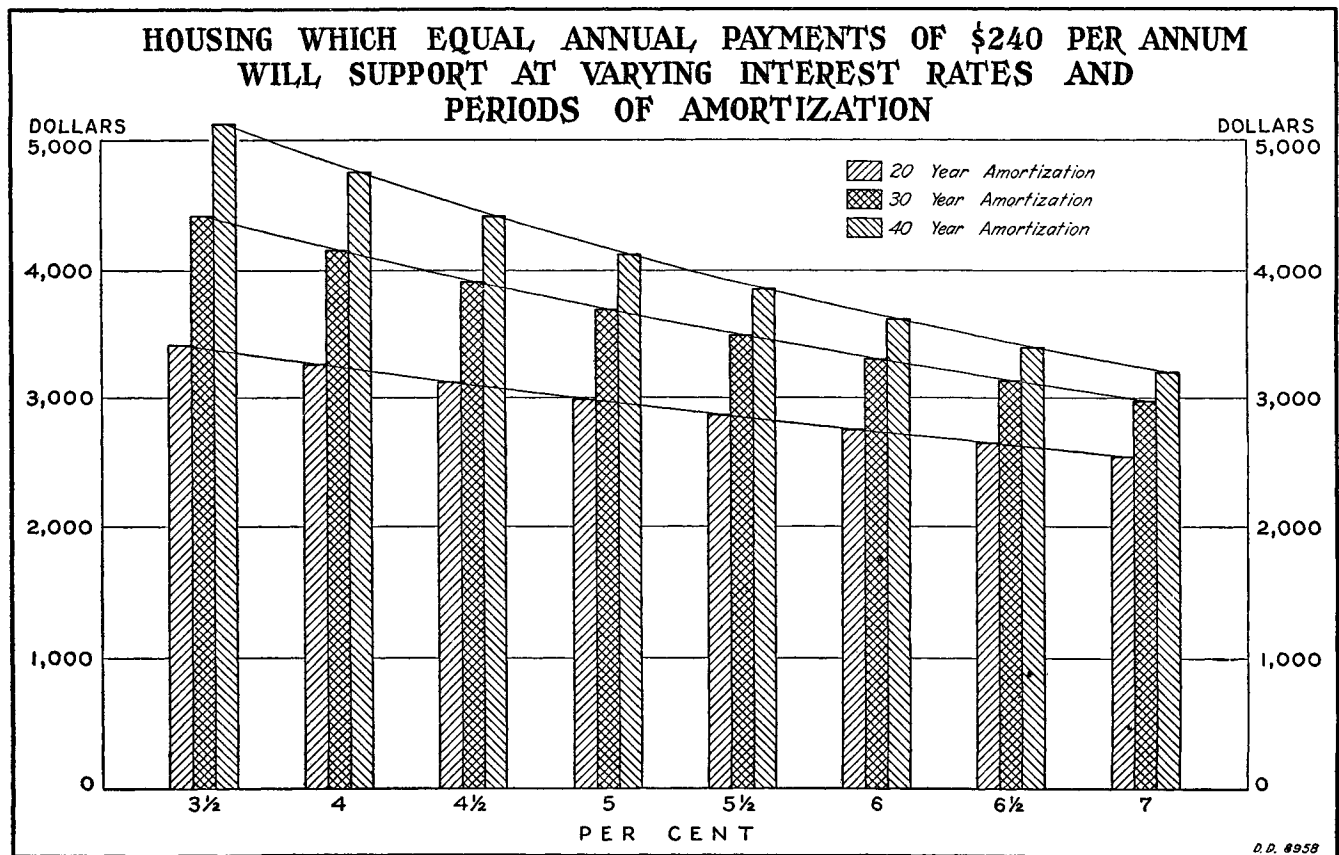
Additions to the standing supply of available dwellings do not depend largely upon costs of production, as would be the case with most nondurable commodities. Building costs are important, but other costs of ownership also exert a direct influence on building activity. Included in costs of ownership are interest and other financing charges, taxes, maintenance costs, and annual loss of value due to depreciation and obsolescence. As economic demand increases, cost of property ownership very soon plays an important part in determining the volume of construction of new units. This study places particular emphasis on two factors affecting the supply of new units: building costs and financing charges.

Although improvements in the facilities included in houses have been substantial during the past two decades, changes in residential building methods have been slight. As a result, a moderately rising

long-time trend in the prices of building materials, accompanied by a much steeper trend in wage rates in the building trades, has produced a substantial increase in building costs during the past two or three decades. In 1915 building costs were roughly half what they were during the period 1920 to 1930 and roughly two-thirds of the costs during 1932 to 1936 inclusive. "The failure of residential building to share in the technological developments which have made possible both high wages and lower costs in many types of manufacturing production has seriously hindered the improvement of housing conditions."

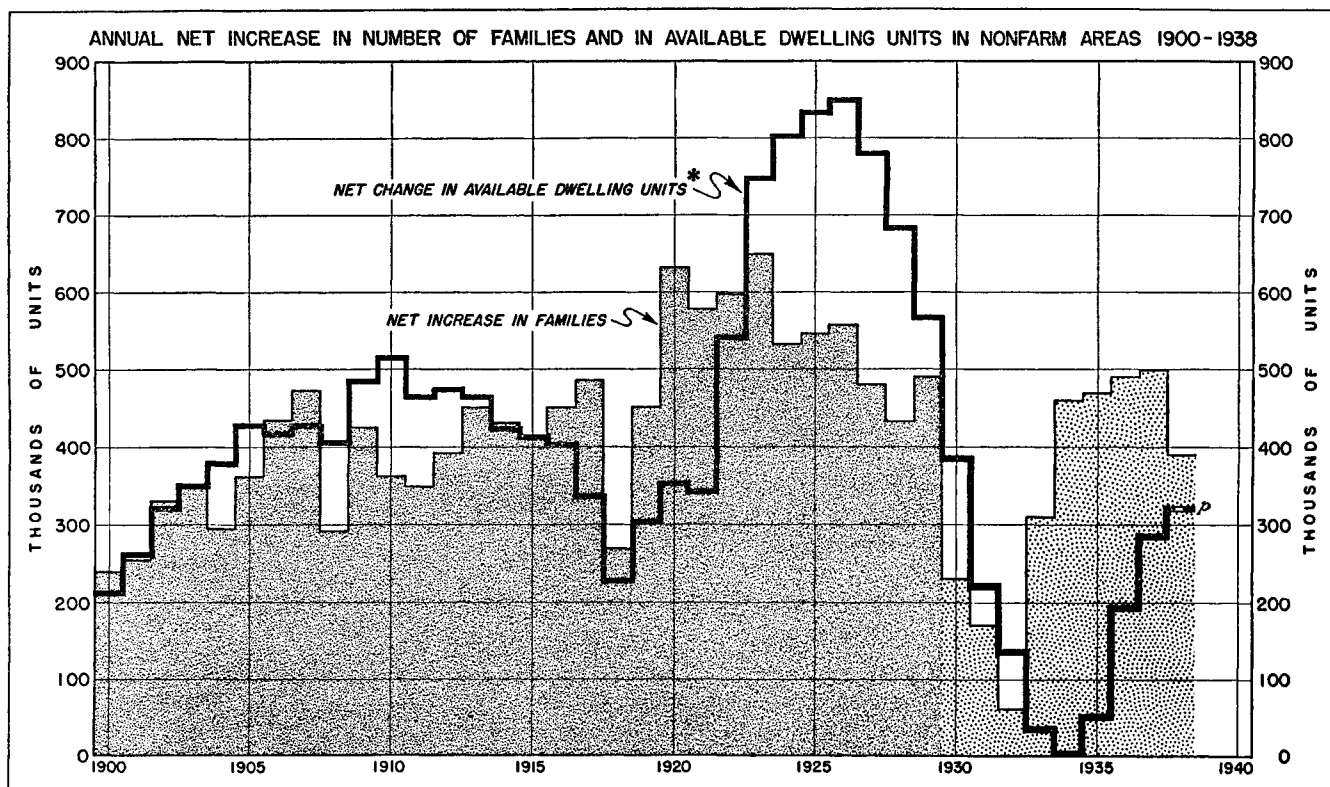
Of particular interest to mortgage-lending institutions are financing charges, which make up part of the cost of ownership. A readily understandable chart shows the mathematical relationship between a capital expenditure and the annual payment required to sustain that expenditure at varying interest rates and under different periods of amortization (Chart A).

Chart A



Source: Construction and Real Property Section, Division of Economic Research, Bureau of Foreign and Domestic Commerce. Equal annual payments of \$240 for 20 years will sustain a capital expenditure of approximately \$2,700 when interest rates are 6½ percent, and one of \$3,000 at interest rates of 5 percent. The same annual payments over 30 years with interest rates at 4½ percent will sustain a capital expenditure of approximately \$3,900.

Chart B



Source: Construction and Real Property Section, Division of Economic Research, Bureau of Foreign and Domestic Commerce.

*Represents new units built plus units added by conversions minus units demolished minus units taken out of use by fire and other catastrophe.

Data for "net increase in families" from 1930 through 1938 based on preliminary estimates.

ADJUSTMENT OF SUPPLY TO DEMAND

When compared with the standing supply of available shelter, the annual production of new housing units is relatively small. Only in peak years has it amounted to as much as 4 percent of the existing supply, and in 1933 and 1934, new units amounted to less than 0.3 percent.

Additions to the available supply of housing depend not only on new building, but also upon conversion of large single-family houses to multifamily dwellings. Deductions arise from conversion of residential structures to stores and offices, and withdrawal of dwellings from use by demolition and by destruction through fire, flood, tornado, and other catastrophes.

Conversion of houses into apartments produced an estimated average annual net increase of approximately 50,000 units from 1920 to 1930; in 1934 and 1935, some 30,000 units were added by this process.

The number of units withdrawn from use from all causes amounted to not more than 10 percent of the number of new units built during the decade 1920 to 1929. Destruction from fire and flood and other

causes removed some 30,000 units per year, while demolition of residential structures, which took place at a very low rate and was largely due to changes in land use from residential to commercial or other purposes, probably accounted for not more than 30,000 family units per year during this decade. With the Federal Government's assistance in removing, without cost to owners, structures that municipal authorities have condemned as unsafe, or otherwise unfit for use, the rate of demolition has been substantially increased during the past four or five years. In 1934 and 1935, the number of houses taken out of use each year was twice as great as the annual average in the 1920 to 1930 period.

The adjustment of the supply of dwelling units to the current demand through these processes of new building, conversion, demolition and destruction occurs slowly. The comparison of the annual net increase in the number of families and in available dwelling units in nonfarm areas in Chart B shows clearly the tendency to over-build in periods of declining demand. Following peaks in the net increase

(Continued on p. 280)

Home-Mortgage Debt

(Continued from p. 263)

in the history of the country, and the acquisition of these thousands of properties by mortgagees technically liquidated the indebtedness upon them. Simultaneously the volume of new mortgage lending dropped sharply. The regular reduction by amortization of outstanding loans also contributed to reduction of the total figure. In addition, lending institutions called great numbers of good loans at maturity, refusing to renew unless borrowers reduced the amounts of their loans and accelerated amortization.

Since 1933, the reduction in the home-mortgage debt has been gradual. The sharp decline was checked as a result of the large volume of loans refinanced by the Home Owners' Loan Corporation, and by 1937, it had tapered down to a decrease of only \$100,000,000.

Although the total volume of home-mortgage lending in 1938 was not quite as great as in 1937, there were several favorable factors which combined to reverse the trend of the preceding years by increasing the outstanding home-mortgage indebtedness. First, foreclosures in 1938 had fallen to a point only moderately above the 1926 level. The volume of foreclosures was 22 percent less than in 1937, and showed an improvement in every month of 1938 over the corresponding month of the previous year. Coupled with the declining foreclosure rate was the substantial volume of sales of the real estate owned by financial institutions, enabling such holders to transfer many properties on the security of mortgages to new owners, thus increasing the debt. A third factor was the lengthening of amortization periods of new loans, which meant that monthly principal repayments, because they were spread out over a longer term, tended to be smaller in amount, and thus constituted a proportionately smaller reduction of indebtedness.

A SAFER HOME-MORTGAGE DEBT

Although most houses that were mortgaged in 1930 are still mortgaged, the obligations have been reduced and refinanced on the average on a long-term basis. Since the record level of home-mortgage debt of \$22,000,000,000 was reached in 1930, it is estimated that approximately \$18,000,000,000 in

new mortgages have been written, enabling millions of home owners to place their indebtedness on a long-term plan of amortization. As a result of the widespread substitution of the long-term amortized loan for the short-term straight mortgage, the mortgage debt of the country is on a much sounder and safer basis. Another favorable factor is the tendency among lenders today to investigate more carefully the credit risk involved and the moral responsibility of the borrower, thus avoiding reliance solely upon the physical security itself for the repayment of the loan. In addition, the widespread growth of the single mortgage system has virtually eliminated the second and third mortgage, which in the past often burdened the borrower with excessively high interest and other financing charges.

The Federal Home Loan Bank Board's study stressed the fact that a large sum of money properly placed in amortized loans may be considered safe and a total home-mortgage debt equal to that which existed in 1929 and 1930 would not represent the danger that it did in those earlier years. Amortized loans, reduced by the home buyers' monthly payments, do more than gradually liquidate their debt. Not only does each individual loan become safer each year, but each repayment provides funds for new lending without increasing the total mortgage debt. For example, the amortization of 10 billions of dollars in home mortgages at the rate of even 5 percent a year would represent the release of \$500,000,000 of funds available for new construction loans each year, without involving any debt increase.

A significant part in the creation of this sounder home-mortgage structure was taken by savings and loan associations, which introduced the amortized loan for the first time in this country many decades ago. For many years, savings and loan associations were the only institutions employing the long-term amortized loan plan. It was not until the Home Owners' Loan Corporation 15-year loan, at a 5-percent interest rate, directed nationwide attention to its advantages that this loan plan began to be more widely adopted. Added impetus was given in following years by the Federal Housing Administration's insured home mortgage, based on the same theory, and by the large volume of amortized direct-reduction loans written by Federal and State-chartered savings and loan associations. Similar amortization plans, now in use by almost all home-financing institutions in the country, owe their basic principles to the original savings and loan association amortized loan.

NEW LOW: "The cost of money now is lower than it has ever been at any time for which we have a record."

Board of Governors, Federal Reserve System, Federal Reserve Bulletin, April 1939.

EDUCATION: "To know something about the design, construction, and use of shelter space, appears to me to be a fundamental part of any educational process concerned with the improvement of man and his environment."

Carl Feiss, Journal of Home Economics, April 1939.

ADVERTISE: "As a matter of fact, I know of no commodity or of no type of business that has a better opportunity to make use of merchandising and advertising than your business (savings and loans), because you have at your command three of the greatest possible appeals in selling. One is thrift and the others are love of home ownership, and, finally, security."

Prof. Kenneth Dameron, Ohio State University, American Building Association News, March 1939.

EXPERIENCE: "The most significant thing about the experience of the Home Owners' Loan Corporation has been that people with small incomes carrying moderate loans on homes they could afford to occupy, have met their obligations better than those with better incomes living in better class homes."

John H. Fahey, Chairman, Federal Home Loan Bank Board, before the National Association of Mutual Savings Banks, May 1939.

RESERVES: "Associations should strive for total true reserves of at least 10 percent of assets."

U. S. Building & Loan League, "Policies—1939".

INCOME: "Income payments to individuals in the United States amounted to \$16,105,000,000 in the first quarter of 1939, an increase of 2 percent over the \$15,788,000,000 in the corresponding period of 1938, the Department of Commerce announced. The March total was 3.3 percent higher than in March 1938, but industrial pay rolls continued to decline."

New York Times, Apr. 28, 1939.

Accidents in the home

"Last year, for the first time, home accidents killed more people than automobiles, became the largest single cause of accidental death. . . . The accident-proof home, of course, cannot exist, but the fact that more than half of all home accidents occur in kitchens and on inside and outside stairs should be enough to prove that proper precautions in house design can do much to reduce the total. . . . They are a challenge to the architect and the home-building industry to do everything within their power to bring a reduction in home accidents corresponding to those being made in other fields."

Architectural Forum, May 1939.

Employment

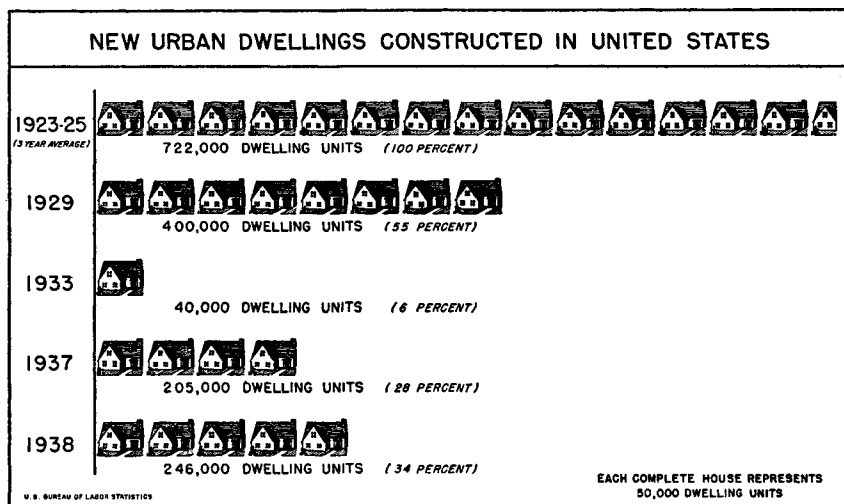
"Housing can provide more indirect employment than any other American industry. Sixty-seven other industries depend on it for their existence, but 800,000 fewer workers are employed today in building than in 1929. If we could put these men back to work they would automatically carry back 2,000,000 other workers in railroads, factories, mines and forests."

Hon. Frances E. Perkins, Secretary of Labor, Washington Post, Apr. 21, 1939.

Construction economy . . .

"A major difficulty is that no single industry supplying home-building products can affect the price of the home as finally built. This creates a situation where the individual industry is powerless. Only government pressure can tie up the various conflicting problems so that practical action, working toward a concerted price drop, is possible."

Thurman W. Arnold, Chief, Anti-Trust Division, U. S. Department of Justice, Freehold, Mar. 1, 1939.



Labor Information Bulletin, April 1939.

MEMBERSHIP PROGRESS OF THE FEDERAL HOME LOAN BANK SYSTEM

■ AT the end of March there were 3,950 members of the Federal Home Loan Bank System with total assets of \$4,493,637,000—a net increase of 11 institutions over the past 12 months. A geographical distribution of these 3,950 institutions is shown in Chart A.

Twenty-eight savings and loan associations with assets of \$26,000,000 became members of the System during the first quarter of 1939, the same number as in the preceding quarter, yet greater in assets by \$11,000,000. However, during the first quarter of last year, 40 associations with assets of \$48,000,000 were admitted to membership.

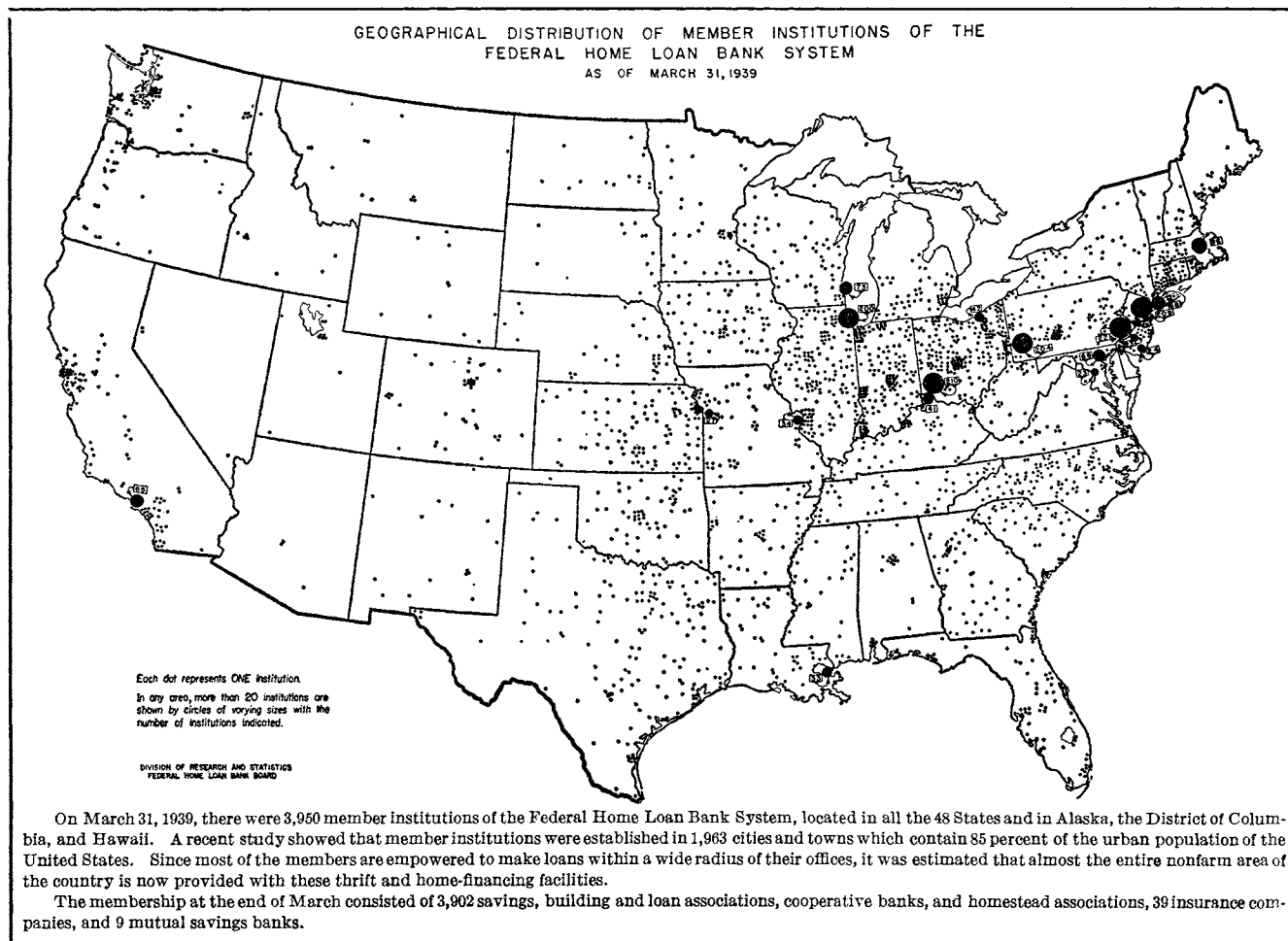
Pennsylvania led other States in number of Bank System members with 520 institutions. Ohio came

second with 440; Illinois had 353; and New Jersey, 294. In assets, Ohio topped other States with \$672,299,000. Other leaders were: Massachusetts, \$480,325,000; California, \$297,687,000; Illinois, \$250,006,000; New York, \$246,930,000; New Jersey, \$232,503,000; and Pennsylvania, \$221,745,000.

Federal Home Loan Bank member assets increased by nearly \$310,000,000 during the year ended March 31, 1939 in spite of the seemingly small growth in number of members. Largely responsible for this small net increase in number were the many mergers and consolidations that had been effected.

Although mergers decrease the total number of member institutions, at the same time they increase the average size (in terms of assets) of these asso-

Chart A



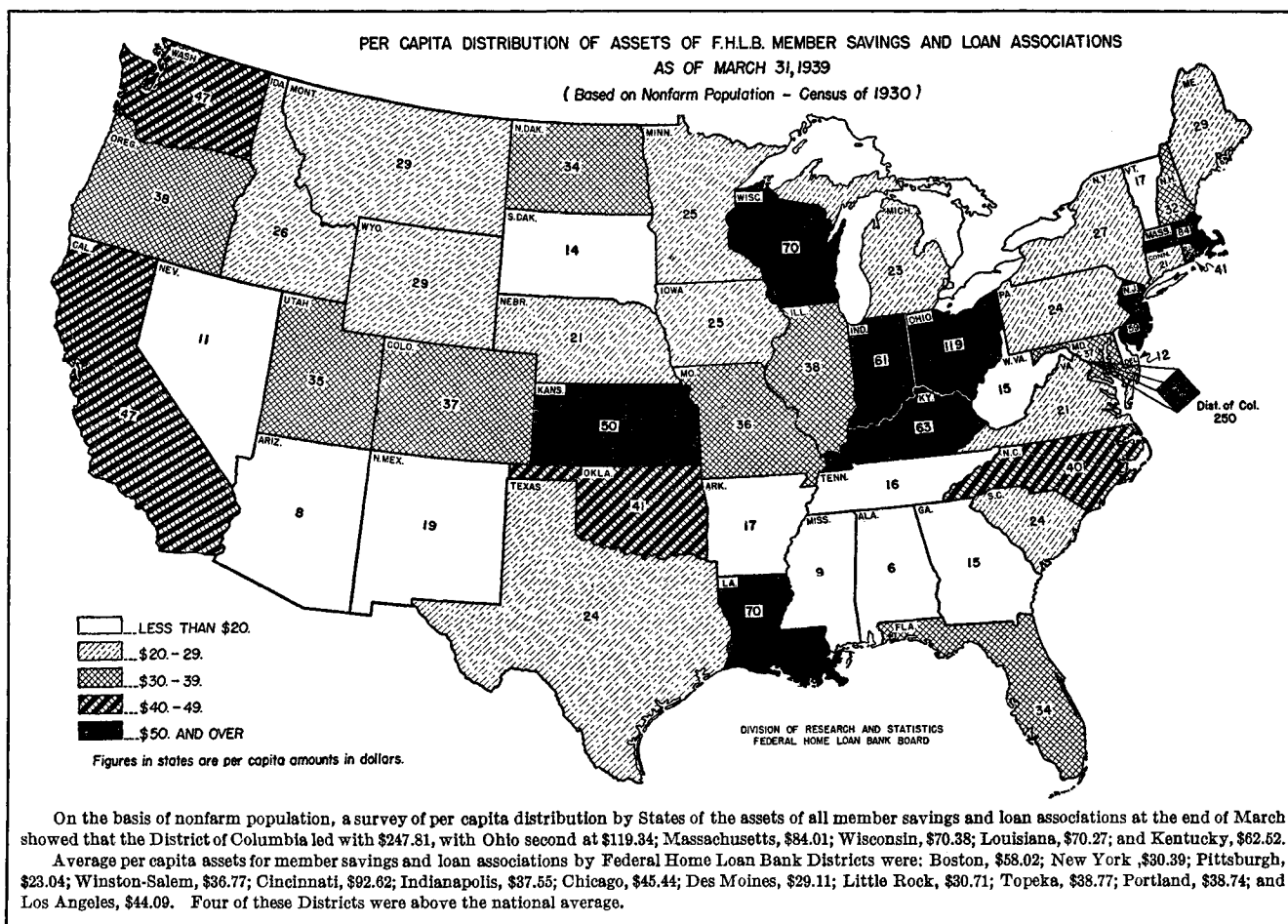
ciations. A comparison of the average size of all member savings, building and loan associations, by Federal Home Loan Bank Districts, as of the end of March 1938 and 1939, is shown in the following table:

Federal Home Loan Bank Districts	Mar. 31, 1939	Mar. 31, 1938
UNITED STATES.....	\$983, 944	\$926, 218
No. 1—Boston.....	2, 138, 762	2, 635, 185
No. 2—New York.....	1, 144, 232	1, 121, 144
No. 3—Pittsburgh.....	423, 917	405, 386
No. 4—Winston-Salem.....	894, 375	759, 822
No. 5—Cincinnati.....	1, 371, 885	1, 334, 428
No. 6—Indianapolis.....	1, 154, 038	1, 145, 386
No. 7—Chicago.....	820, 867	786, 277
No. 8—Des Moines.....	747, 176	722, 104
No. 9—Little Rock.....	711, 120	623, 975
No. 10—Topeka.....	692, 664	671, 824
No. 11—Portland.....	904, 037	795, 197
No. 12—Los Angeles.....	1, 410, 757	1, 293, 712

As may be seen from the above table, all Federal Home Loan Bank Districts except Boston shared in this growth in average size of institution. However, since by far the largest average size associations are found in the First District, the withdrawal of only a few large institutions can have a decided effect on the District average.

Based on the 1930 Census figures for nonfarm population, a per capita distribution by States of the assets of all member savings and loan associations at the end of March reveals that the Cincinnati and Boston Federal Home Loan Bank Districts had the highest per capita assets—\$92.62 and \$58.02, respectively. Per capita assets of all savings and loan members averaged \$41.55, and 12 States and the District of Columbia had per capita assets as high or higher than that for the United States as a whole. The per capita distribution of the assets of all Federal Home Loan Bank member savings and loan institutions by individual States is shown in Chart B.

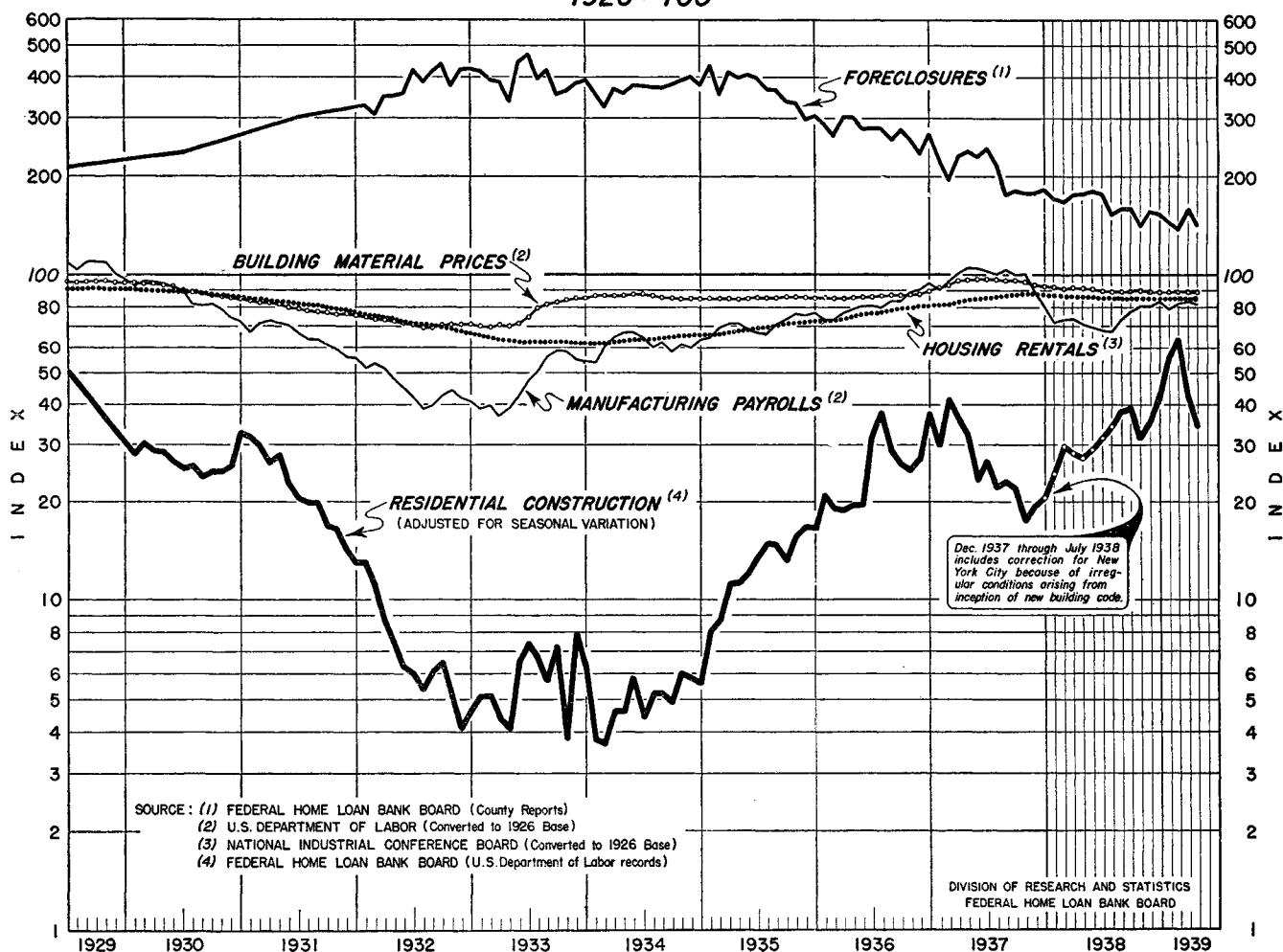
Chart B



SUMMARY OF RESIDENTIAL CONSTRUCTION AND HOME-FINANCING ACTIVITY

- I. *Seasonally corrected index of residential construction declined in April for the second successive month, contrary to usual expanding building activity.*
 - A. *Greatest concentration of declines found along the Middle- and South-Atlantic Coast. Increases shown in New England and the Portland District.*
 1. *Despite these declines, the average level of the residential construction index for the January-April period now stands 80 percent above the same 1938 period.*
 - B. *Favorable factors: building costs continue gradual decline, while rents remain stable.*
 - C. *Unfavorable: consumer purchasing power declined in April.*
- II. *April mortgage recordings show savings and loan associations continuing as the primary source of home-mortgage credit (31.2 percent of the total amount recorded).*
 - A. *During first four months of 1939, savings and loan associations are estimated to have loaned \$271,000,000 (14-percent increase over 1938).*
 - B. *Construction and home-purchase loans tend to account for an increasing proportion of total loan volume.*
- III. *Foreclosures declined more than seasonally in April.*

RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
1926 = 100



RESIDENTIAL CONSTRUCTION and HOME-FINANCING ACTIVITY

RESIDENTIAL building activity receded in April from the March level in many sections of the country, counter to a normal seasonal rise; as a result, the seasonally corrected index of residential construction for the United States declined nearly 20 percent during April. Despite two successive recessions in the past two months, the average level of the index for the January-April period now stands 80 percent above the same 1938 period.

Prominent business analysts forecast early in the year that 1939 would be an outstanding residential building year—some forecasters believed that this year's volume would be as high as 50 or 60 percent above 1938. Precipitous rises in construction during January and February were due largely to Government-financed low-cost housing projects, although private construction shared liberally in this increase; sharp drops during the following two months brought the April index down to 34, thus approximating the 1938 average. For 1939 as a whole to show a net rise in residential construction of 50 percent over last year, as forecast, there must be a resumption of

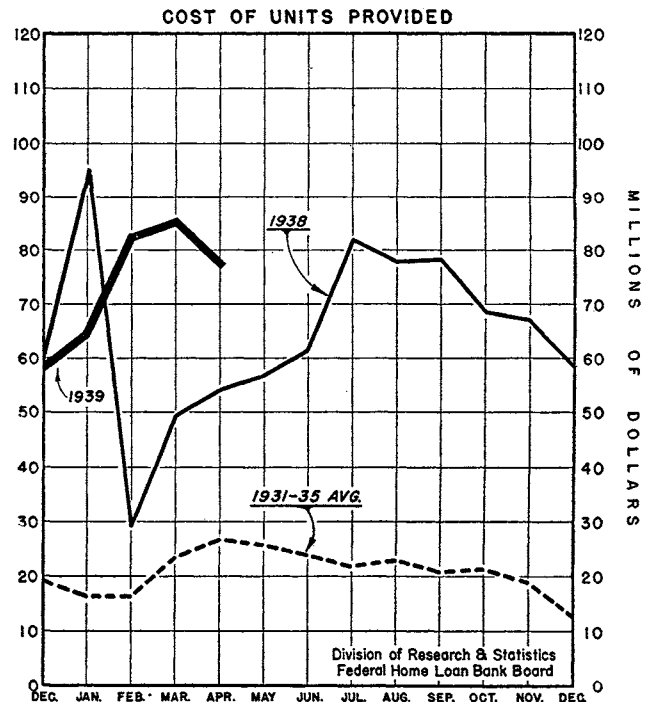
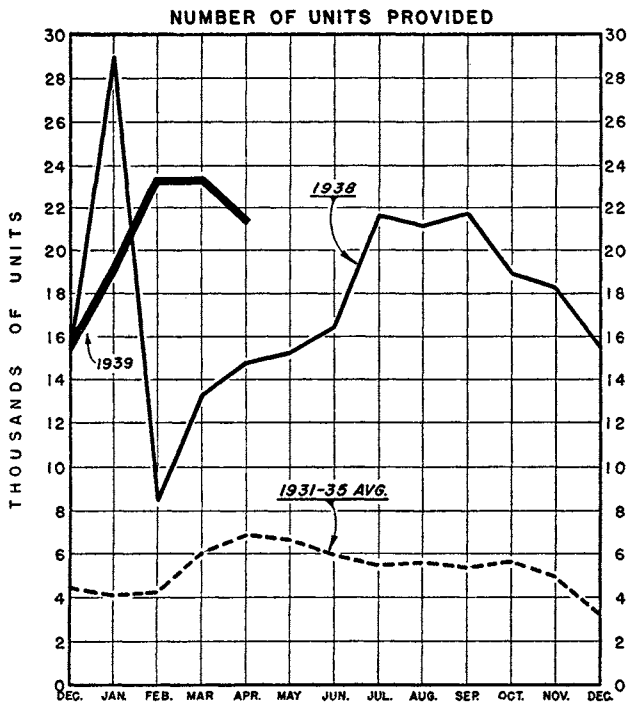
the previous upward trend during the following months. The seasonally corrected index must average better than 50 for the remaining eight months of this year in order to substantiate these expectations.

In analyzing factors which may influence the future trend of residential construction activity, it is noted that few drastic changes have taken place during the opening months of 1939. Over the past four months the relationship between rentals received from residences and the cost of building has remained fairly constant, so there has been no depressing tendency from that source. Building costs, by gradually declining in the face of stability in the level of rental incomes, should encourage rather than discourage prospective home builders.

The most unfavorable movement in April among the factors influencing house construction was the decline in gross purchasing power, as indicated by indexes of employment and pay rolls; April employment is usually better than in March, and pay rolls are greater. The recession which occurred from March in the total amount paid to industrial workers

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)



[1926=100]

Type of index	April 1939	March 1939	Percent change	April 1938	Percent change
Residential construction ¹	34.3	42.3	-18.9	27.3	+25.6
Foreclosures (metro. cities).....	141.0	157.0	-10.2	177.0	-20.3
Rental index (N. I. C. B.).....	85.1	85.0	+0.1	86.1	-1.2
Building material prices.....	89.6	89.8	-0.2	91.2	-1.8
Manufacturing employment.....	89.8	89.9	-0.1	84.3	+6.5
Manufacturing pay rolls.....	81.5	83.4	-2.3	71.6	+13.8
Average wage per employee.....	90.8	92.8	-2.2	84.9	+6.9

¹ Corrected for normal seasonal variations.

represented a lessening of current funds made available for the purchase of consumers' goods. Thus both industrial and commercial employees, with smaller income being received, would be less inclined to undertake the construction of a home than during a period of rising income levels.

Mortgage-lending statistics do not fluctuate as much as indices of residential construction. As indicated by mortgage-recording statistics, a decline of less than 3 percent occurred from March to April in the volume of home financing by all classes of lenders, as compared with the 9-percent drop indicated by the estimated cost of residential building. Construction loans reported by savings and loan associations rose 12 percent during this same period. This lack of uniformity makes direct comparison between these two series impractical.

Savings and loan associations increased their lending activity during the month of April in each of the five purpose classifications; this is in line with the usual seasonal rise. Federals increased their lending 12 percent over March as compared with an 8 percent rise for State-chartered members; as a result, in April, Federal institutions loaned a greater dollar volume than State members for the first time in the five and one-half years since the issuance of the first Federal charter.

Residential Construction

■ APPROXIMATELY 2,000 fewer family dwelling units were placed under construction during April in cities of 10,000 population or over than in March. Single-family homes, 2-family homes, homes with incidental business properties attached, and multifamily structures, all suffered a set-back from March to April, despite the usual tendency for residential building activity to accelerate at this time of the year. All of these classes, however, showed equal or greater activity in April than during the same 1938 month, both in the number of units provided, and in the estimated expenditures required for the construction of those units.

Despite the relative stability in construction activity from February to March and the subsequent dip in April, total units for the first four months of 1939 registered a rise of 33 percent from the corresponding period of last year. Excluding New York City from the comparison in both years, the cumulative 1939 total number of units for the first four months was 63 percent above that for the same time last year. (Initiation of a new building code in New York City greatly inflated building permit data in early 1938.)

Nearly one-half of the States in the country shared in the March-to-April decline in the number of units provided, with the greatest concentration being along the Middle- and South-Atlantic Seaboard; building throughout New England and the Portland Bank District showed favorable movements.

April construction activity was substantially greater than the same month of last year in each of the 12 Federal Home Loan Bank Districts, and in most of the States within these Districts. The greatest amounts of residential building among the various sections of the country in April, as well as in most previous months, were recorded in the New York and Los Angeles Districts; however, since the latter District has a relatively small population, the ratio of construction to population, as portrayed on page 285 is much greater in Los Angeles than in any other section of the country. Chicago continues to be the District with the lowest residential building rate.

Small-House Building Costs

[Tables 3 and 6]

■ MATERIAL prices continued their gentle downward trend again in April, bringing the wholesale index of the United States Department of Labor down 2 percent below the same 1938 month; miscellaneous material items and structural steel accounted for the bulk of this decline.

Construction costs for the standard house

[1936=100]

Element of cost	Apr. 1939	Mar. 1939	Percent change	Apr. 1938	Percent change
Material.....	102.9	103.0	-0.1	105.2	-2.2
Labor.....	111.9	112.4	-0.4	111.4	+0.4
Total.....	105.9	106.1	-0.2	107.2	-1.2

A 2-percent drop from April of last year was also reflected in the cost of materials used in constructing a standard 6-room frame house. This cost index has been receding now for over one and one-half years, although in the latter months of 1938 and so far this year the trend has leveled off appreciably, and stands at a level 7 percent below the August 1937 peak month.

The cost of labor used in constructing the standard 6-room house has been vacillating within a narrow range during the past year, but persistently moving to higher levels; a decline from March-to-April brought the index to less than one-half of 1 percent above April of last year.

For the 24 cities quoting material and labor costs for the standard 6-room house in May and February of this year, a preponderance of declines was shown; seven of these cities reported total drops of more than \$100 during the past quarter-year, while only one city (Wheeling, West Virginia) registered an increase greater than \$100.

Foreclosures

■ THE 10-percent decline of real estate foreclosures in metropolitan communities during April, which brought the index from 157 for March to 141 (1926=100), was a substantially greater drop than

the 1-percent seasonal decline for this period. In relation to their respective corresponding months of 1938, the decline for April (20 percent) was more pronounced than those for the earlier months of this year.

Foreclosure activity during the first four months of this year was 15 percent below that for the same period of 1938 but was 76 percent above that for a corresponding period in 1926.

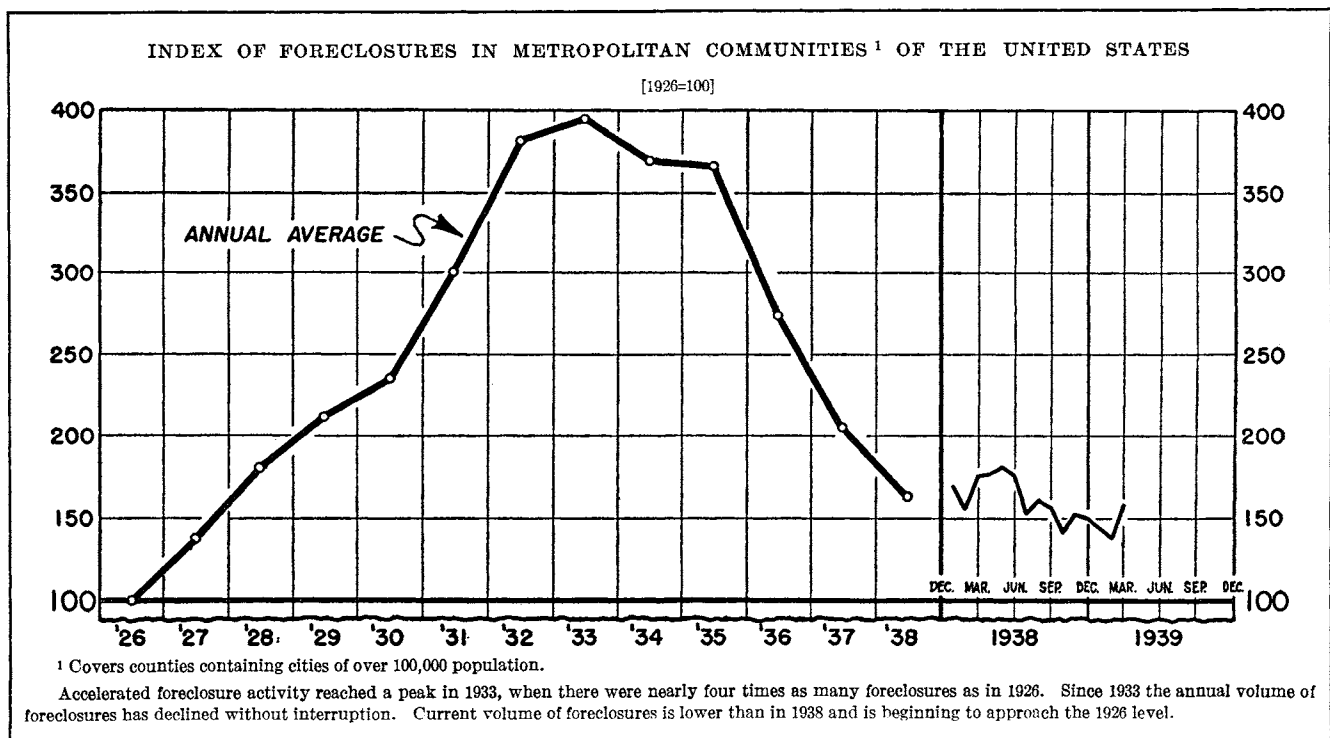
Of the 82 communities reporting for April, 51 showed decreases and 27 increases, while 4 indicated no change in foreclosure activity from March.

Mortgage Recordings

[Tables 13 and 14]

■ APRIL home-mortgage financing activity (\$304,351,000) declined 2.6 percent from March, but evidenced an increase of 5 percent over March after adjusting both months for the number of business days.

Among the various types of mortgage lenders, only savings and loan associations and mutual savings banks reported greater activity than last month. The April increase of almost 3 percent by savings and loan associations, arising from the recording of almost \$95,000,000 of home mortgages (loans of \$20,000 or less) resulted in these institutions con-



tinuing as the primary source of home-mortgage credit. Savings and loan associations in 25 States showed a larger dollar volume of business in April than in March. Some concentration of this increased activity existed throughout the Middle West.

Mortgage recordings by type of mortgagee

[Amounts shown in thousands of dollars]

Type of lender	Per- cent change from March	Per- cent of April amount	Cumula- tive re- cordings (4 months)	Per- cent of total record- ings
Savings and loan associa- tions.....	+2.7	31.2	\$322, 148	29.6
Insurance companies.....	-5.2	8.8	97, 137	8.9
Bank and trust companies.....	-8.3	24.1	273, 780	25.2
Mutual savings banks.....	+2.9	3.3	34, 486	3.2
Individuals.....	-2.4	18.3	204, 263	18.8
Others.....	-3.3	14.3	156, 008	14.3
Total.....	-2.6	100.0	1, 087, 822	100.0

New Mortgage-Lending Activity of Savings and Loan Associations

[Tables 4 and 5]

■ GREATER new lending activity in April was reported by savings and loan associations in most areas of the country. The estimated total new loans of \$83,400,000 for all associations in April represents a rise of over \$10,000,000, or 14 percent, from the previous month as well as from April 1938.

New York District led the April rise in new mortgage-lending activity with an increase of 55 percent, while the Topeka and Los Angeles Federal Home Loan Bank Districts (Table 4, page 286) were the

New mortgage loans distributed by purpose

[Amounts are shown in thousands of dollars]

Purpose	Apr. 1939	Mar. 1939	Per- cent change	Apr. 1938	Per- cent change
Construction.....	\$23, 727	\$21, 254	+12	\$17, 710	+34
Home purchase.....	29, 903	24, 705	+21	25, 494	+17
Refinancing.....	15, 384	14, 871	+3	15, 772	-2
Reconditioning.....	4, 974	4, 211	+18	5, 683	-12
Other purposes.....	9, 437	8, 337	+13	8, 648	+9
Total.....	83, 425	73, 378	+14	73, 307	+14

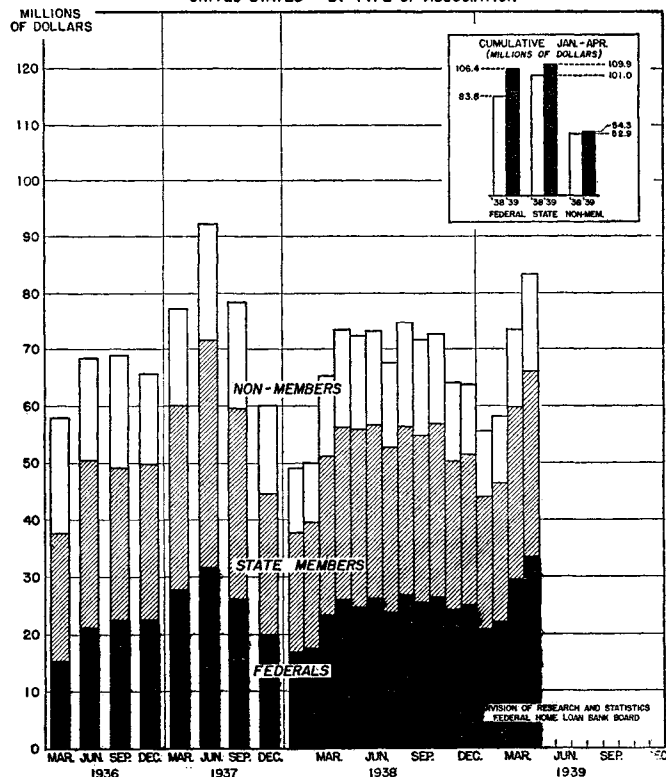
only areas showing a lower lending volume in April than in March.

Total new loans of savings and loan associations for the January-April period totaled \$270,700,000—a 14-percent improvement over the same 4-month period of last year. Each of the 12 Districts shared in this rise. The Cincinnati District retained its lead as that District where savings and loan associations were most active; \$44,000,000 were loaned by this type of institution in the Cincinnati District during the January-April period of this year, as compared with \$37,000,000 in Winston-Salem, which ranked second in volume.

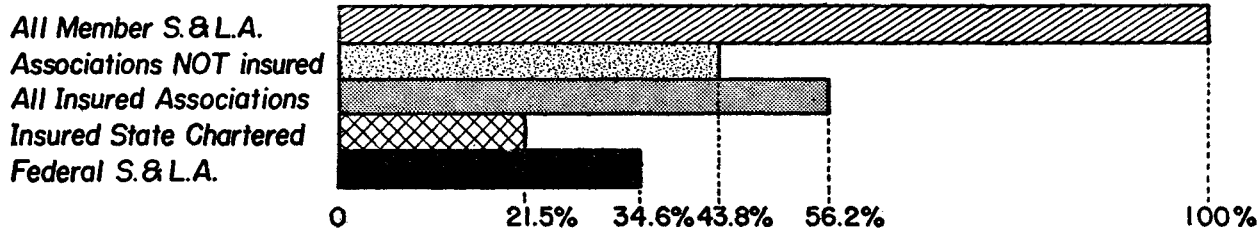
Home-purchase loans led other types in the March-to-April increase (+21 percent); however, as compared with the same month of last year, construction loans showed the greatest rise (+34 percent). Over the past year or so there has been a strong tendency for these two types combined to account for a larger and larger proportion of total loan volume.

All association types indicated greater lending activity in April than in either the preceding month or in April 1938. However, nonmembers showed the greatest rise from last month (+30 percent), while Federals led in comparison with the preceding April with a 28-percent rise.

TOTAL LOANS MADE BY ALL SAVINGS AND LOAN ASSOCIATIONS
UNITED STATES - BY TYPE OF ASSOCIATION



ASSETS OF UNINSURED S.&L.A. AND ASSOCIATIONS INSURED BY THE F.S.&L.I.C. AS A PERCENT OF TOTAL ASSETS OF ALL MEMBER S.&L.A.



There were 2,095 insured member savings and loan associations on December 31, 1938 (53.6 percent of the total savings and loan membership of the Federal Home Loan Bank System). Assets of these insured institutions made up 56.2 percent of the total assets of all member savings and loan associations.

Federal Savings and Loan Insurance Corporation

[Tables 7 and 8]

■ A SURVEY of the trend of private repurchasable capital in comparable insured savings and loan associations from December 1938 through March 1939, which was recently completed by the Division of Research and Statistics, reveals a growth of more than 5 percent in the volume of free shares outstanding. Florida showed a larger increase in capital (26 percent) than any other State having more than one association reporting—most of these Florida institutions being “new” Federals. Following is the United States summary of trends in capital for comparable insured associations:

[Amounts are shown in thousands of dollars]

Type of association	Number of associations	Private repurchasable capital		
		Mar. 31, 1939	Dec. 31, 1938	Percent change
State-chartered.....	691	\$585,428	\$571,341	+2.5
Converted F. S. & L. A.	712	704,440	672,386	+4.8
New F. S. & L. A.	625	207,121	178,535	+16.0
Total.....	2,028	1,496,989	1,422,262	+5.3

State-chartered institutions, as may be seen from the above table, had the smallest increase in capital of any type of insured association during the first quarter of this year. From March to April, private capital again increased, according to reports received from 667 comparable State institutions; however, loans outstanding rose much more rapidly. Borrow-

ings declined in April in this group, as did the volume of lending activity for the month.

Federal Home Loan Bank System

[Table 9]

■ THE declining trend in total advances outstanding was again in evidence during the month of April 1939, when the usual seasonal increase in advances failed to materialize. However, the net decline during this month was only half as great as that during March 1939. Total new advances made by the Banks during April amounted to \$3,600,000, and repayments amounted to \$8,000,000, resulting in a net reduction in advances outstanding during the month of \$4,400,000. This brought the total of advances outstanding at the end of April to \$157,200,000—less than the balance of advances outstanding reported for the same month last year, but more than the April 1937 total.

For the first four months of 1939 new advances totaled \$12,700,000. This is \$6,000,000 (32 percent) less than the amount of advances made for the comparable period in 1938; repayments of advances during the first four months of 1939 have been \$19,300,000 (55 percent) higher than last year.

Advances outstanding at the end of April 1939 constituted approximately 83 percent of the average of advances outstanding during 1938 (\$189,700,000). Only Delaware, the District of Columbia, North Dakota, and Wyoming, had a higher percent of their 1938 average balances of advances outstanding on April 30 than on December 31, 1938.

Greatest improvement in lending operations during April was shown by the Los Angeles, Portland, and Topeka Districts, although only the Los Angeles and Portland Banks reported a larger volume of advances than repayments during April. The

Topeka District, however, showed only a fractional reduction in its advances outstanding, in contrast to the reduction of 4 percent recorded at the end of March. Seven Bank Districts reported a greater volume of new advances made during April than during March, while nine Districts had a smaller amount of repayments during the month.

There was a net gain of one member in the Federal Home Loan Bank System during the month of April, resulting from the admission of nine institutions to membership and the withdrawal of eight members, which brought the total membership to 3,951 at the end of the month.

Federal Savings and Loan System

[Table 7]

■ AS of April 30, 1939, there were 1,381 savings and loan associations under Federal charter, with assets of \$1,377,000,000. There were six more converted associations at that time than at the end of March, while the number of Federals originally organized by subscription of shares remained unchanged. Total assets of all Federals rose nearly \$25,000,000 from March to April, of which nearly \$20,000,000 was due to growth in previously existing Federals. Over \$5,000,000 was brought into the System by conversion of former State-chartered institutions.

During April, reports were received from 1,318 Federals, which also reported in March. These reports indicate that although private repurchasable capital increased \$14,000,000 from March, money was being loaned at a still greater rate. Total loan volume of these associations in April amounted to \$32,000,000, which was offset by repayments of only \$14,000,000; thus, the outstanding loan balance increased \$18,000,000.

Progress in number and assets of Federal savings and loan associations

Type of association	Number		Approximate assets	
	Apr. 30, 1939	Mar. 31, 1939	Apr. 30, 1939	Mar. 31, 1939
New.....	639	639	\$373, 297, 000	\$364, 593, 000
Converted.....	742	736	1, 003, 834, 000	988, 969, 000
Total...	1, 381	1, 375	1, 377, 131, 000	1, 353, 562, 000

Repayment of borrowings from Federal Home Loan Banks and other sources continued to exceed new borrowings in April, according to comparable reporting Federal savings and loan associations. This marks the fourth consecutive month in which the total balance of borrowed money has declined.

Residential Building

(Continued from p. 269)

of families, the additions to the number of available units (largely due to new building) tend to exceed substantially the current needs. Building reached a peak in 1910, three years after the largest increase in families in that period. The peak in actual building in 1926 also occurred three years after the peak in the annual increase of families in 1923.

Similarly, during periods of increasing need in terms of families (as in 1918 and 1932) building failed to respond immediately. In 1938, the ratio of families to available housing units was still increasing after an interval of five years. This delay in the response of building is partly due to the fact that excess vacancies must be worked off in such periods of increasing families, and in part to the fact that property owners and builders are slow to realize that changed conditions exist.

HOME-FINANCING INSTITUTIONS CAN HELP LOCALLY

To check over-building, to adjust supply more closely to current needs, to predict more accurately future needs in housing, it is clear from Mr. Chawner's study that more adequate, more representative, and more current statistics are needed. Development, analysis, and use of adequate vacancy data, of better figures on marriages, divorces, and migration, of distribution of family income, are all means of lessening the shortages and the over-building which appear to have occurred fairly regularly in this country for more than one hundred years. Until more satisfactory comprehensive statistics are developed, however, home-financing institutions can maintain current figures on such trends as vacancy, rents, and building costs for their own communities and thus play an important part in keeping the supply of housing in balance with the local demand.

Such a project is well adapted to cooperation in local communities by civic groups or by city or county leagues of savings and loan associations.

Resolution of the Board

AMENDMENT TO RULES AND REGULATIONS FOR FEDERAL SAVINGS AND LOAN SYSTEM, PROVIDING THAT ANY FEDERAL ASSOCIATION HOLDING, IN ADDITION TO A FIRST MORTGAGE, A FURTHER MORTGAGE UPON THE SAME REAL ESTATE MAY NOT SELL SUCH FIRST MORTGAGE UNLESS IT DISPOSES OF ALL MORTGAGES UPON SUCH REAL ESTATE: Adopted May 5, 1939; effective May 10, 1939.

Paragraph (d) of Section 203.13 of the Rules and Regulations for the Federal Savings and Loan System was amended by adding at the end thereof the following:

No Federal association which holds a mortgage or other instrument securing a debt which is a first lien upon real estate and which simultaneously holds one or more additional mortgages or other instruments securing a debt and constituting liens inferior to the first lien upon the same real estate, shall sell or otherwise dispose of any such mortgage or other instrument, unless it shall simultaneously sell or otherwise dispose of all mortgages or other instruments constituting inferior liens upon the same real estate (Sec. 5 (a) of H. O. L. A. of 1933, 48 Stat. 132; 12 U. S. C. 1464 (a)).

Directory of Member, Federal, and Insured Institutions

I. INSTITUTIONS ADMITTED TO MEMBERSHIP IN THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN APRIL 16, 1939, AND MAY 15, 1939

DISTRICT NO. 2

- NEW JERSEY:**
Hawthorne:
Progressive Building & Loan Association of Hawthorne, New Jersey, 459 Lafayette Avenue.
Laurel Springs:
Inter-Boro Building & Loan Association, 404 White Horse Pike.
Newark:
Black Diamond Building & Loan Association of Newark, New Jersey, 744 Broad Street.
Broadway Mutual Building & Loan Association of Newark, New Jersey, 11 Bloomfield Street.
NEW YORK:
Fairport:
Fairport Savings & Loan Association, 45 South Main Street.
St. George (Staten Island):
New Brighton Savings & Loan Association, 7 Hyatt Street.

DISTRICT NO. 4

- MARYLAND:**
Baltimore:
Merchants' & Manufacturers' Permanent Building & Loan Association of Baltimore City, 501 East Twentieth Street.

- NORTH CAROLINA:**
Asheville:
Imperial Life Insurance Company, 50 College Street.

DISTRICT NO. 5

- OHIO:**
Lynchburg:
Lynchburg Building & Loan Association Company, 322 Main Street.
Marion:
Home Building, Savings & Loan Company, 116 South Main Street.

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN APRIL 16, 1939, AND MAY 15, 1939

- NEW JERSEY:**
Hackensack:
Industrial Building & Loan Association of Hackensack, 210 Main Street (voluntary withdrawal).

- NEW JERSEY--Continued.**
Hawthorne:
Hawthorne Building & Loan Association, 459 Lafayette Avenue (voluntary withdrawal).

- NEW YORK:**
Lancaster:
Lancaster Savings & Loan Association, 39 Central Avenue (merger with Black Rock-Riverside Savings & Loan Association, Buffalo, New York).
New Dorp (Staten Island):
South Shore Savings & Loan Association, 50 Sixth Street (merger with Edgewater Savings & Loan Association, Stapleton, Staten Island, New York).

- PENNSYLVANIA:**
Butler:
Citizens Building & Loan Association of Butler, Pennsylvania, 118 East Jefferson Street (voluntary withdrawal).
Erie:
First Federal Mutual Building & Loan Association, 202 Commerce Building (voluntary withdrawal).
Pittsburgh (Dormont):
Thrift Building & Loan Association of Dormont, Pennsylvania, 2388 West Liberty Avenue (voluntary withdrawal).

II. FEDERAL SAVINGS AND LOAN ASSOCIATIONS CHARTERED BETWEEN APRIL 16, 1939, AND MAY 15, 1939

DISTRICT NO. 3

- PENNSYLVANIA:**
Manayunk (Philadelphia):
Roxborough-Manayunk Federal Savings & Loan Association, 6062 Ridge Avenue (converted from St. John's Building & Loan Association).
New Brighton:
Beaver County Federal Savings & Loan Association, 823 Third Avenue (converted from Beaver County Building & Loan Association).
Sharon:
First Federal Savings & Loan Association of Sharon, Corner East State Street & Vine Avenue (converted from Sharon Building & Loan Association).

DISTRICT NO. 4

- MARYLAND:**
Baltimore:
Merchants' & Manufacturers' Federal Savings & Loan Association, 501 East Twentieth Street (converted from Merchants' & Manufacturers' Permanent Building & Loan Association of Baltimore City).

DISTRICT NO. 5

- OHIO:**
Norwood:
Fidelity Federal Savings & Loan Association, 2087-89 Sherman Avenue (converted from Norwood Home Savings Association).
Washington Court House:
First Federal Savings & Loan Association of Washington Court House, 154 East Court Street (converted from First Building & Loan Company).
Zanesville:
Zanesville Federal Savings & Loan Association, 512 Main Street (converted from Zanesville Savings & Loan Company).

DISTRICT NO. 8

- IOWA:**
Des Moines:
Home Federal Savings & Loan Association of Des Moines, 904 Grand Avenue (converted from Home Savings & Loan Association).

DISTRICT NO. 10

- KANSAS:**
Eureka:
Eureka Federal Savings & Loan Association, 203 North Main Street (converted from Eureka Building & Loan Association).
Independence:
First Federal Savings & Loan Association of Independence, 112 East Myrtle Avenue (converted from Independence Building & Loan Association).
Wichita:
Southwest Federal Savings & Loan Association, 109 North Topeka Avenue (converted from Southwest Building & Loan Association).
Winfield:
First Federal Savings & Loan Association of Winfield, 318 East Ninth Avenue (converted from Walnut Valley Building & Loan Association).

CANCELATIONS OF FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTERS BETWEEN APRIL 16, 1939, AND MAY 15, 1939

- PENNSYLVANIA:**
Norristown:
West Norristown Federal Savings & Loan Association (merger with Town & Country Federal Savings & Loan Association, Norristown, Pennsylvania, which changed its name to "Norristown Federal Savings & Loan Association").
Philadelphia:
Harry T. Rosenheim Federal Savings & Loan Association (merger with Benjamin Franklin Federal Savings & Loan Association, Philadelphia, Pennsylvania).
E. F. Houghton Federal Savings & Loan Association (merger with Nicholson Federal Savings & Loan Association, Philadelphia, Pennsylvania).

(Continued on p. 292)

Table 1.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in the United States¹

[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]

Type of dwelling	Number of family units provided					Total cost of units				
	Monthly totals			January-April totals		Monthly totals			January-April totals	
	Apr. 1939	Mar. 1939	Apr. 1938	1939	1938	April 1939	March 1939	April 1938	1939	1938
1-family dwellings.....	14,272	14,842	10,511	47,756	32,611	\$55,487.3	\$58,755.4	\$41,266.0	\$186,383.7	\$125,739.3
2-family dwellings.....	1,082	1,092	980	3,544	3,602	2,619.3	2,782.5	2,421.7	8,869.2	9,041.3
Joint home and business ²	61	93	61	249	250	293.3	379.0	219.6	1,012.8	795.2
3-and-more-family dwellings.....	6,027	7,294	3,227	35,653	29,118	19,374.6	23,517.3	10,353.1	113,331.4	92,611.5
Total residential.....	21,442	23,321	14,779	87,202	65,581	77,774.5	85,434.2	54,260.4	309,597.1	228,187.3

¹ Estimate is based on reports from communities having approximately 95 percent of the population of all cities with population of 10,000 or over.

² Includes 1- and 2-family dwellings with business property attached.

Table 2.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in April 1939, 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	
	Apr. 1939	Apr. 1938	Apr. 1939	Apr. 1938	Apr. 1939	Apr. 1938	Apr. 1939	Apr. 1938
UNITED STATES.....	21,442	14,779	\$77,774.5	\$54,260.4	15,415	11,552	\$58,399.9	\$43,907.3
No. 1—Boston.....	961	930	3,804.4	3,551.1	792	764	3,493.8	3,197.7
Connecticut.....	292	174	994.7	789.4	176	168	814.7	771.9
Maine.....	63	45	178.0	144.0	63	39	178.0	133.1
Massachusetts.....	434	525	1,917.3	2,056.5	381	371	1,786.7	1,731.5
New Hampshire.....	31	77	94.9	137.7	31	77	94.9	137.7
Rhode Island.....	125	101	524.3	395.6	125	101	524.3	395.6
Vermont.....	16	8	95.2	27.9	16	8	95.2	27.9
No. 2—New York.....	4,069	2,787	16,213.7	11,229.0	1,519	1,286	6,730.9	5,825.9
New Jersey.....	762	529	3,016.1	1,990.9	342	234	1,590.3	1,118.4
New York.....	3,307	2,258	13,197.6	9,238.1	1,177	1,052	5,140.6	4,707.5
No. 3—Pittsburgh.....	833	583	3,438.8	2,737.8	714	507	3,103.4	2,542.7
Delaware.....	5	53	20.5	183.0	5	17	20.5	83.0
Pennsylvania.....	697	448	2,999.7	2,233.6	606	411	2,750.3	2,147.5
West Virginia.....	131	82	418.6	321.2	103	79	332.6	312.2
No. 4—Winston-Salem.....	2,878	2,213	8,931.6	7,394.4	1,960	1,602	6,618.9	5,429.3
Alabama.....	143	107	309.9	184.0	139	107	297.4	184.0
District of Columbia.....	378	223	1,642.4	1,155.9	193	175	1,194.6	1,039.9
Florida.....	916	426	3,002.9	1,430.7	556	375	1,975.9	1,333.5

Table 2.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in April 1939, by Federal Home Loan Bank Districts and by States—Contd.

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank Districts and States	All residential dwellings				All 1- and 2-family dwellings			
	Number of family dwelling units		Estimated cost		Number of family dwelling units		Estimated cost	
	Apr. 1939	Apr. 1938	Apr. 1939	Apr. 1938	Apr. 1939	Apr. 1938	Apr. 1939	Apr. 1938
No. 4—Winston-Salem—Continued.								
Georgia.....	210	206	\$559.0	\$458.9	199	202	\$535.9	\$451.4
Maryland.....	270	172	793.3	569.2	263	172	780.5	569.2
North Carolina.....	361	801	868.7	2,457.9	309	320	746.8	803.1
South Carolina.....	114	73	269.5	246.2	114	66	269.5	234.4
Virginia.....	486	205	1,485.9	891.6	187	185	818.3	813.8
No. 5—Cincinnati.....	919	682	3,983.3	2,997.4	844	631	3,731.1	2,830.8
Kentucky.....	110	97	330.8	288.3	110	97	330.8	288.3
Ohio.....	637	468	3,185.2	2,410.4	562	417	2,933.0	2,243.8
Tennessee.....	172	117	467.3	298.7	172	117	467.3	298.7
No. 6—Indianapolis.....	1,434	842	6,344.8	3,748.3	1,434	836	6,344.8	3,725.8
Indiana.....	329	180	1,153.4	635.1	329	180	1,153.4	635.1
Michigan.....	1,105	662	5,191.4	3,113.2	1,105	656	5,191.4	3,090.7
No. 7—Chicago.....	785	708	3,855.5	3,340.1	770	495	3,828.5	2,585.4
Illinois.....	477	516	2,610.7	2,515.5	474	306	2,604.7	1,774.8
Wisconsin.....	308	192	1,244.8	824.6	296	189	1,223.8	810.6
No. 8—Des Moines.....	1,234	751	4,527.7	2,626.7	936	699	3,488.9	2,508.9
Iowa.....	307	197	1,107.9	654.8	288	192	1,052.3	639.3
Minnesota.....	573	276	2,245.9	1,049.4	337	255	1,365.9	1,015.1
Missouri.....	282	199	1,002.5	726.2	250	183	914.5	685.2
North Dakota.....	30	28	70.6	90.4	19	28	55.4	90.4
South Dakota.....	42	51	100.8	105.9	42	41	100.8	78.9
No. 9—Little Rock.....	2,754	1,560	8,539.3	4,010.5	1,817	1,463	4,939.9	3,781.0
Arkansas.....	84	96	200.0	174.7	84	75	200.0	139.0
Louisiana.....	938	176	3,034.7	448.1	208	172	545.8	441.2
Mississippi.....	171	126	303.8	208.1	171	118	303.8	185.2
New Mexico.....	51	40	140.6	110.0	39	36	115.8	101.5
Texas.....	1,510	1,122	4,860.2	3,069.6	1,315	1,062	3,774.5	2,914.1
No. 10—Topeka.....	838	467	2,599.0	1,498.6	718	431	2,414.5	1,425.6
Colorado.....	289	108	761.6	365.0	178	84	591.1	322.0
Kansas.....	146	120	420.8	333.1	141	108	416.8	303.1
Nebraska.....	95	58	355.2	197.7	91	58	345.2	197.7
Oklahoma.....	308	181	1,061.4	602.8	308	181	1,061.4	602.8
No. 11—Portland.....	737	533	2,523.6	1,664.0	695	494	2,430.1	1,588.9
Idaho.....	14	19	42.0	60.6	10	19	32.5	60.6
Montana.....	54	47	146.9	105.7	54	47	146.9	105.7
Oregon.....	170	102	605.5	394.8	145	98	541.0	384.8
Utah.....	135	84	548.8	336.7	126	84	532.8	336.7
Washington.....	337	241	1,058.5	659.9	333	222	1,055.0	606.8
Wyoming.....	27	40	121.9	106.3	27	24	121.9	94.3
No. 12—Los Angeles.....	4,000	2,723	13,012.8	9,462.5	3,216	2,344	11,275.1	8,465.3
Arizona.....	74	50	212.0	170.3	64	41	200.5	158.3
California.....	3,906	2,648	12,717.0	9,181.0	3,132	2,278	10,990.8	8,195.8
Nevada.....	20	25	83.8	111.2	20	25	83.8	111.2

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

Note.—These figures are subject to correction

[Source: Federal Home Loan Bank Board]

Federal Home Loan Bank Districts and cities	Cubic-foot cost		Total cost						
	1939 May	1938 May	1939		1938			1937 May	1936 May
			May	Feb.	Nov.	Aug.	May		
No. 3—Pittsburgh:									
Wilmington, Del.....	\$0. 233	\$0. 246	\$5, 593	\$5, 762	\$5, 898	\$5, 898	\$5, 914	\$5, 782	\$5, 340
Harrisburg, Pa.....	. 238	. 243	5, 724	5, 711	5, 681	5, 682	5, 839	5, 995	5, 421
Philadelphia, Pa.....	. 226	. 232	5, 422	5, 392	5, 379	5, 416	5, 560	5, 972	4, 886
Pittsburgh, Pa.....	. 267	. 280	6, 415	6, 458	6, 409	6, 487	6, 718	6, 745	5, 787
Charleston, W. Va.....	. 244	. 248	5, 848	5, 864	5, 886	5, 905	5, 951	5, 875	5, 370
Wheeling, W. Va.....	. 262	. 262	6, 299	6, 193	6, 005	6, 042	6, 287	-----	-----
No. 5—Cincinnati:									
Lexington, Ky.....	. 235	. 222	5, 650	5, 671	5, 474	5, 325	5, 322	5, 597	5, 103
Louisville, Ky.....	. 219	² . 214	5, 250	² 5, 239	² 5, 239	² 5, 189	² 5, 133	² 5, 599	² 5, 024
Cincinnati, Ohio.....	. 240	-----	5, 764	5, 746	5, 839	5, 836	-----	5, 949	5, 562
Cleveland, Ohio.....	. 270	-----	6, 477	6, 426	6, 416	6, 404	-----	6, 756	6, 147
Columbus, Ohio.....	. 235	. 237	5, 645	5, 684	5, 726	5, 919	5, 688	6, 237	5, 433
Memphis, Tenn.....	. 222	² . 222	² 5, 339	² 5, 451	² 5, 367	² 5, 299	² 5, 330	² 5, 531	² 5, 032
Nashville, Tenn.....	. 208	. 209	4, 995	5, 082	5, 116	5, 090	5, 024	5, 421	5, 098
No. 9—Little Rock:									
Little Rock, Ark.....	. 218	. 215	5, 236	5, 195	5, 199	5, 150	5, 164	5, 285	5, 184
New Orleans, La.....	. 235	² . 248	5, 631	² 5, 688	² 5, 802	² 5, 865	² 5, 962	² 5, 738	² 5, 004
Jackson, Miss.....	. 246	. 255	5, 911	² 6, 017	6, 064	6, 079	6, 111	5, 881	5, 339
Albuquerque, N. Mex.....	. 267	. 275	6, 407	6, 516	6, 539	6, 648	6, 611	6, 659	6, 016
Dallas, Tex.....	. 228	. 242	5, 464	5, 628	5, 748	5, 888	5, 801	6, 070	5, 578
Houston, Tex.....	. 246	. 245	5, 910	5, 903	5, 915	5, 993	5, 888	6, 204	5, 693
San Antonio, Tex.....	. 245	. 252	5, 878	5, 882	5, 929	6, 055	6, 058	6, 231	5, 535
No. 12—Los Angeles:									
Phoenix, Ariz.....	. 252	. 274	6, 043	6, 157	6, 468	6, 489	6, 567	6, 737	6, 065
Los Angeles, Cal.....	. 220	. 238	5, 285	5, 410	5, 469	5, 704	5, 723	6, 002	5, 223
San Diego, Cal.....	. 238	. 244	5, 721	5, 783	5, 822	5, 834	5, 855	6, 097	5, 381
San Francisco, Cal.....	. 265	. 264	6, 352	6, 393	6, 369	6, 329	6, 345	6, 407	5, 875

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.

² Revised.

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

REPRESENTS THE ESTIMATED NUMBER OF PRIVATELY FINANCED FAMILY DWELLING UNITS PROVIDED PER 100,000 POPULATION

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

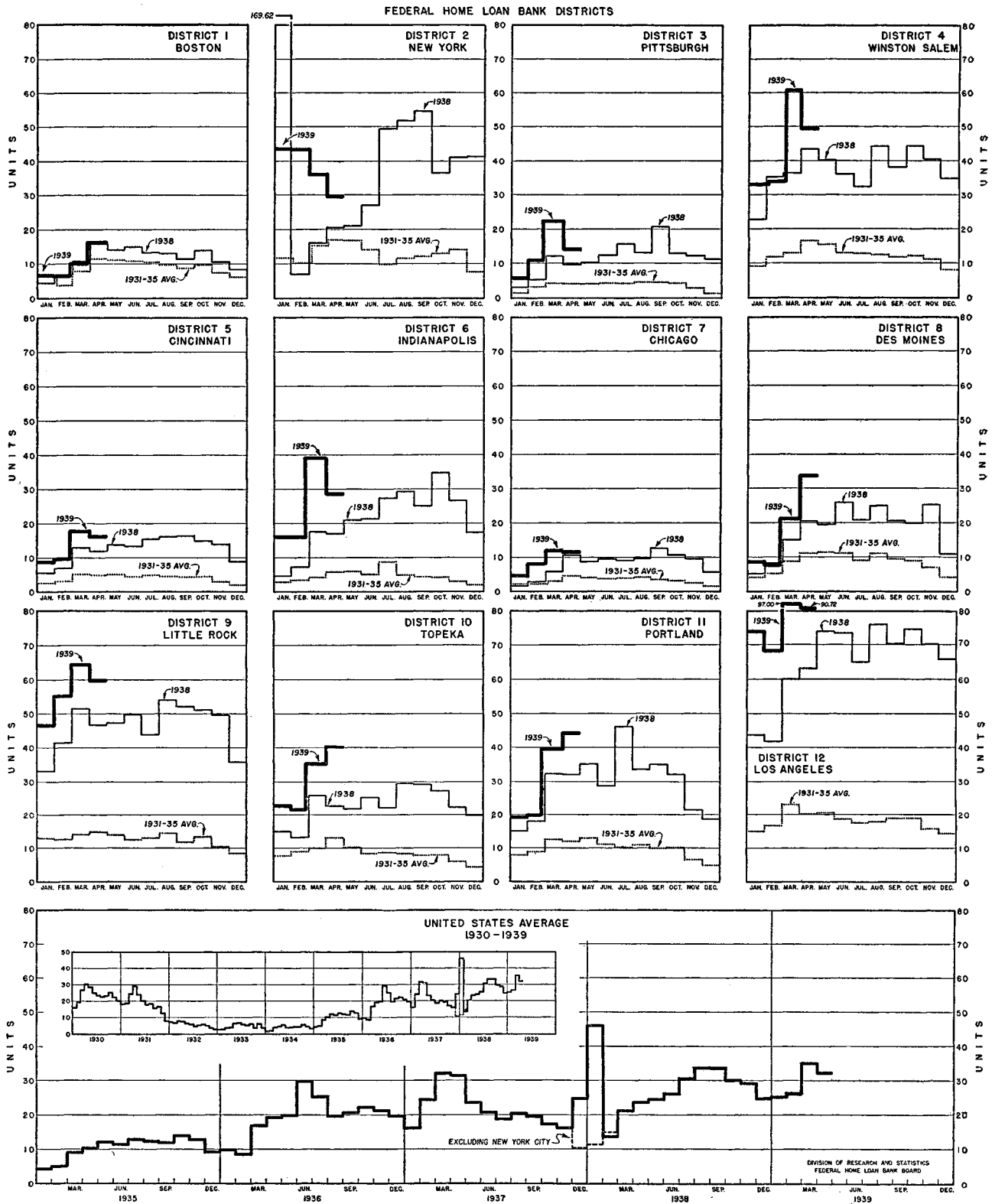


Table 4.—Estimated volume of new lending activity of savings and loan associations, classified by District and type of association

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and type of association	New loans		Percent change, Mar. 1939 to Apr. 1939	New loans, Apr. 1938	Percent change, Apr. 1938 to Apr. 1939	Cumulative new loans (4 months)		
	Apr. 1939	Mar. 1939				1939	1938	Percent change
United States: Total.....	\$83,425	\$73,378	+13.7	\$73,307	+13.8	\$270,679	\$237,720	+13.9
Federal.....	33,400	29,811	+12.0	26,107	+27.9	106,403	83,764	+27.0
State member.....	32,562	30,124	+8.1	30,238	+7.7	109,948	101,025	+8.8
Nonmember.....	17,463	13,443	+29.9	16,962	+3.0	54,328	52,931	+2.6
District 1: Total.....	6,404	5,270	+21.5	6,620	-3.3	20,980	20,540	+2.1
Federal.....	1,970	1,597	+23.4	1,905	+3.4	6,118	5,535	+10.5
State member.....	3,194	2,382	+34.1	2,941	+8.6	10,105	9,743	+3.7
Nonmember.....	1,240	1,291	-4.0	1,774	-30.1	4,757	5,262	-9.6
District 2: Total.....	8,829	5,713	+54.5	6,979	+26.5	25,129	21,299	+18.0
Federal.....	3,474	2,095	+65.8	2,272	+52.9	8,823	6,148	+43.5
State member.....	1,852	1,544	+19.9	1,717	+7.9	5,998	5,861	+2.3
Nonmember.....	3,503	2,074	+68.9	2,990	+17.2	10,308	9,290	+11.0
District 3: Total.....	8,243	6,059	+36.0	6,149	+34.1	22,726	19,629	+15.8
Federal.....	1,701	1,459	+16.6	1,171	+45.3	5,128	3,785	+35.5
State member.....	1,969	1,791	+9.9	1,681	+17.1	6,099	5,874	+3.8
Nonmember.....	4,573	2,809	+62.8	3,297	+38.7	11,499	9,970	+15.3
District 4: Total.....	10,630	9,771	+8.8	10,167	+4.6	36,844	32,607	+13.0
Federal.....	4,102	3,938	+4.2	3,352	+22.4	14,252	11,196	+27.3
State member.....	4,989	4,261	+17.1	5,116	-2.5	16,160	15,569	+3.8
Nonmember.....	1,539	1,572	-2.1	1,699	-9.4	6,432	5,842	+10.1
District 5: Total.....	13,054	12,821	+1.8	11,590	+12.6	44,001	36,685	+19.9
Federal.....	5,185	5,255	-1.3	4,155	+24.8	17,217	14,116	+22.0
State member.....	6,166	5,900	+4.5	5,191	+18.8	20,933	16,419	+27.5
Nonmember.....	1,703	1,666	+2.2	2,244	-24.1	5,851	6,150	-4.9
District 6: Total.....	3,903	3,309	+18.0	2,740	+42.4	12,868	10,093	+27.5
Federal.....	1,920	1,515	+26.7	1,201	+59.9	6,134	4,555	+34.7
State member.....	1,722	1,571	+9.6	1,317	+30.8	5,943	4,747	+25.2
Nonmember.....	261	223	+17.0	222	+17.6	791	791	0.0
District 7: Total.....	8,505	6,820	+24.7	7,547	+12.7	25,903	23,205	+11.6
Federal.....	2,869	2,418	+18.7	2,640	+8.7	8,739	7,779	+12.3
State member.....	3,743	3,049	+22.8	3,364	+11.3	11,404	10,999	+3.7
Nonmember.....	1,893	1,353	+39.9	1,543	+22.7	5,760	4,427	+30.1
District 8: Total.....	5,116	4,348	+17.7	4,376	+16.9	15,345	13,291	+15.5
Federal.....	2,383	2,033	+17.2	1,785	+33.5	6,981	5,523	+26.4
State member.....	1,522	1,406	+8.3	1,442	+5.5	4,965	4,387	+13.2
Nonmember.....	1,211	909	+33.2	1,149	+5.4	3,399	3,381	+0.5
District 9: Total.....	5,180	5,089	+1.8	4,455	+16.3	18,357	15,214	+20.7
Federal.....	2,555	2,081	+22.8	1,849	+38.2	8,009	6,050	+32.4
State member.....	2,467	2,766	-10.8	2,425	+1.7	9,523	8,294	+14.8
Nonmember.....	158	242	-34.7	181	-12.7	825	870	-5.2
District 10: Total.....	3,699	4,187	-11.7	3,592	+3.0	13,797	12,878	+7.1
Federal.....	1,830	2,189	-16.4	1,551	+18.0	6,647	5,610	+18.5
State member.....	885	1,028	-13.9	1,063	-16.7	3,709	3,991	-7.1
Nonmember.....	984	970	+1.4	978	+0.6	3,441	3,277	+5.0
District 11: Total.....	2,909	2,720	+6.9	2,670	+9.0	9,265	8,627	+7.4
Federal.....	1,835	1,619	+13.3	1,589	+15.5	5,590	5,121	+9.2
State member.....	969	1,014	-4.4	858	+12.9	3,232	2,765	+16.9
Nonmember.....	105	87	+20.7	223	-52.9	443	741	-40.2
District 12: Total.....	6,953	7,271	-4.4	6,422	+8.3	25,464	23,652	+7.7
Federal.....	3,576	3,612	-1.0	2,637	+35.6	12,765	8,346	+52.9
State member.....	3,084	3,412	-9.6	3,123	-1.2	11,877	12,376	-4.0
Nonmember.....	293	247	+18.6	662	-55.7	822	2,930	-71.9

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

[Amounts are shown in thousands of dollars]

Period	Purpose of loans					Total loans	Type of association		
	Mortgage loans on homes				Loans for all other purposes		Federals	State members	Non-members
	Construction	Home purchase	Refinancing	Reconditioning					
1937-----	\$234, 102	\$326, 629	\$180, 804	\$62, 143	\$92, 901	\$896, 579	\$307, 278	\$379, 286	\$210, 015
January-April----	71, 963	97, 264	60, 205	18, 469	29, 515	277, 416	97, 647	114, 895	64, 874
April-----	24, 382	32, 853	17, 496	6, 237	8, 632	89, 600	32, 915	37, 395	19, 290
1938-----	220, 458	265, 485	160, 167	58, 623	93, 263	797, 996	286, 899	333, 470	177, 627
January-April----	58, 599	77, 563	52, 790	17, 707	31, 061	237, 720	83, 764	101, 025	52, 931
April-----	17, 710	25, 494	15, 772	5, 683	8, 648	73, 307	26, 107	30, 238	16, 962
May-----	19, 400	24, 123	15, 281	5, 416	8, 059	27, 279	24, 721	31, 196	16, 362
June-----	19, 892	25, 636	13, 885	5, 211	8, 443	73, 067	26, 310	30, 350	16, 407
July-----	19, 096	21, 924	13, 194	5, 397	8, 028	67, 639	23, 823	28, 973	14, 843
August-----	22, 575	23, 833	14, 701	5, 528	8, 072	74, 709	26, 858	29, 506	18, 345
September-----	21, 018	25, 698	12, 416	4, 791	7, 724	71, 647	25, 650	29, 255	16, 742
October-----	22, 099	24, 677	12, 913	5, 727	7, 515	72, 931	26, 534	30, 546	15, 851
November-----	18, 627	21, 205	12, 182	4, 821	7, 235	64, 070	24, 220	26, 115	13, 735
December-----	19, 152	20, 826	12, 805	4, 025	7, 126	63, 934	25, 019	26, 504	12, 411
1939-----									
January-April----	77, 107	91, 229	54, 555	16, 167	31, 621	270, 679	106, 403	109, 948	54, 328
January-----	16, 099	17, 503	11, 749	3, 389	6, 827	55, 567	20, 894	23, 071	11, 602
February-----	16, 027	19, 118	12, 551	3, 593	7, 020	58, 309	22, 298	24, 191	11, 820
March-----	21, 254	24, 705	14, 871	4, 211	8, 337	73, 378	29, 811	30, 124	13, 443
April-----	23, 727	29, 903	15, 384	4, 974	9, 437	83, 425	33, 400	32, 562	17, 463

Table 6.—Index of wholesale price of building materials in the United States

[1926=100]

[Source: U. S. Department of Labor]

Period	All building materials	Brick and tile	Cement ¹	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
1937: April-----	96. 7	94. 9	89. 1	103. 0	83. 9	78. 7	114. 9	99. 9
1938: January-----	91. 8	91. 8	89. 8	92. 6	80. 1	79. 6	114. 9	95. 8
February-----	91. 1	91. 5	89. 8	91. 0	79. 2	79. 6	114. 9	95. 3
March-----	91. 5	91. 1	89. 8	91. 3	82. 2	78. 9	114. 9	94. 8
April-----	91. 2	90. 4	89. 9	91. 1	81. 4	77. 2	114. 9	94. 8
May-----	90. 4	90. 5	90. 1	89. 3	80. 9	77. 2	114. 9	94. 1
June-----	89. 7	90. 6	89. 9	88. 7	80. 1	77. 2	113. 0	93. 3
July-----	89. 2	90. 7	91. 0	88. 8	80. 5	79. 5	107. 3	91. 2
August-----	89. 4	90. 6	91. 0	90. 2	80. 5	79. 2	107. 3	91. 3
September-----	89. 5	90. 9	90. 7	90. 4	80. 4	78. 5	107. 3	91. 3
October-----	89. 8	91. 1	90. 7	90. 3	81. 1	78. 5	107. 3	91. 7
November-----	89. 2	91. 5	90. 6	90. 2	80. 9	78. 7	107. 3	89. 7
December-----	89. 4	91. 5	90. 6	90. 9	81. 0	78. 7	107. 3	89. 7
1939: January-----	89. 5	92. 4	90. 6	91. 7	81. 0	78. 7	107. 3	89. 6
February-----	89. 6	92. 4	91. 2	92. 6	80. 5	79. 2	107. 3	89. 3
March-----	89. 8	92. 5	91. 5	92. 1	81. 5	79. 3	107. 3	89. 8
April-----	89. 6	93. 0	91. 5	91. 5	81. 3	79. 3	107. 3	89. 7
Change:								
Apr. 1939-Mar. 1939-----	-0. 2%	+0. 5%	0. 0%	-0. 7%	-0. 2%	0. 0%	0. 0%	-0. 1%
Apr. 1939-Apr. 1938-----	-1. 8%	+2. 9%	+1. 8%	+0. 4%	-0. 1%	+2. 7%	-6. 6%	-5. 4%

¹ Based on delivered prices at 48 cities and introduced into the calculation of the Bureau's general indexes of wholesale prices beginning with March 1939.

Table 7.—Monthly operations of 1,318 identical Federal and 667 identical insured State-chartered savings and loan associations reporting during March and April 1939

[Amounts are shown in thousands of dollars]

Type of operation	1,318 Federals			667 insured State members		
	April	March	Change March to April	April	March	Change March to April
Share liability at end of month:			<i>Percent</i>			<i>Percent</i>
Private share accounts (number)-----	1, 230, 494	1, 219, 853	+0. 9	833, 448	830, 178	+0. 4
Paid on private subscriptions-----	\$919, 619. 8	\$905, 655. 5	+1. 5	\$579, 185. 5	\$577, 246. 3	+0. 3
Treasury and H. O. L. C. subscrip- tions-----	211, 722. 1	211, 696. 6	(¹)	² 39, 450. 7	² 39, 465. 7	(¹)
Total-----	1, 131, 341. 9	1, 117, 352. 1	+1. 3	618, 636. 2	616, 712. 0	+0. 3
Private share investments during month-----	25, 390. 3	26, 327. 0	-3. 6	10, 729. 6	11, 727. 5	-8. 5
Repurchases during month-----	11, 454. 4	12, 286. 4	-6. 8	8, 985. 3	8, 672. 6	+3. 6
Mortgage loans made during month:						
a. New construction-----	11, 973. 6	10, 713. 0	+11. 8	4, 166. 6	4, 307. 8	-3. 3
b. Purchase of homes-----	9, 443. 1	8, 159. 0	+15. 7	4, 263. 6	4, 494. 4	-5. 1
c. Refinancing-----	5, 758. 7	6, 347. 2	-9. 3	2, 436. 2	2, 660. 4	-8. 4
d. Reconditioning-----	1, 693. 6	1, 559. 0	+8. 6	735. 4	723. 9	+1. 6
e. Other purposes-----	3, 192. 3	2, 624. 2	+21. 6	1, 415. 1	1, 568. 0	-9. 8
Total-----	32, 061. 3	29, 402. 4	+9. 0	13, 016. 9	13, 754. 5	-5. 4
Mortgage loans outstanding end of month-----	1, 060, 552. 3	1, 042, 741. 1	+1. 7	554, 770. 0	549, 792. 6	+0. 9
Borrowed money as of end of month:						
From Federal Home Loan Banks-----	74, 466. 6	77, 890. 3	-4. 4	34, 045. 8	34, 668. 1	-1. 8
From other sources-----	2, 332. 7	2, 546. 5	-8. 4	3, 004. 8	3, 117. 5	-3. 6
Total-----	76, 799. 3	80, 436. 8	-4. 5	37, 050. 6	37, 785. 6	-1. 9
Total assets, end of month-----	1, 339, 487. 5	1, 321, 763. 9	+1. 3	780, 286. 9	777, 063. 9	+0. 4

¹ Less than 0.1 percent.

² Includes only H. O. L. C. subscriptions.

Table 8.—Institutions insured by the Federal Savings and Loan Insurance Corporation ¹

[Amounts are shown in thousands of dollars]

Type of association	Cumulative number at specified dates						Number of investors	Assets	Private re-purchasable capital
	Dec. 31, 1935	Dec. 31, 1936	Dec. 31, 1937	Dec. 31, 1938	Mar. 31, 1939	Apr. 30, 1939			
State-chartered associations-----	136	382	566	737	753	759	1, 019, 500	\$851, 484	\$631, 958
Converted F. S. and L. A.-----	406	560	672	² 723	³ 730	⁴ 734	926, 400	1, 000, 933	725, 926
New F. S. and L. A.-----	572	634	641	637	639	639	335, 900	373, 297	218, 084
Total-----	1, 114	1, 576	1, 879	2, 097	2, 122	2, 132	2, 281, 800	2, 225, 714	1, 575, 968

¹ Beginning Dec. 31, 1936, figures on number of associations insured include only those associations which have remitted premiums. Earlier figures include all associations approved by the Board for insurance.

² In addition, 6 Federals with assets of \$1,505,000 had been approved for conversion but had not been insured as of Dec. 31.

³ In addition, 6 Federals with assets of \$716,000 had been approved for conversion but had not been insured as of Mar. 31.

⁴ In addition, 8 Federals with assets of \$2,901,000 had been approved for conversion but had not been insured as of Apr. 30.

Table 9.—Lending operations of the Federal Home Loan Banks

[Thousands of dollars]

Federal Home Loan Banks	April 1939		March 1939		Ad- vances out- standing at the end of the month
	Ad- vances	Repay- ments	Ad- vances	Repay- ments	
Boston.....	\$139	\$436	\$30	\$883	\$6, 072
New York.....	427	1, 246	228	837	15, 981
Pittsburgh.....	383	457	416	710	16, 203
Winston-Salem.....	315	1, 260	353	2, 147	11, 488
Cincinnati.....	197	1, 086	611	1, 791	20, 394
Indianapolis.....	200	393	89	1, 225	10, 234
Chicago.....	157	1, 054	155	1, 999	26, 728
Des Moines.....	182	779	491	770	13, 826
Little Rock.....	143	421	134	495	8, 167
Topeka.....	310	338	323	742	10, 061
Portland.....	269	213	240	212	4, 913
Los Angeles.....	859	335	828	1, 088	13, 109
Total.....	3, 581	8, 018	3, 898	12, 899	157, 176
Jan.-Apr. 1939.....	12, 736	54, 402			
April 1938.....	6, 089	5, 465			183, 750
Jan.-Apr. 1938.....	18, 783	35, 128			
April 1937.....	9, 640	6, 214			146, 146
Jan.-Apr. 1937.....	29, 061	28, 316			

Table 11.—Reconditioning Division—Summary of all reconditioning operations of H. O. L. C. through Apr. 30, 1939¹

Type of operation	June 1, 1934, through Mar. 31, 1939	Apr. 1, 1939, through Apr. 30, 1939	Cumulative through Apr. 30, 1939
Cases received ²	1, 044, 561	10, 797	1, 055, 358
Contracts awarded:			
Number.....	664, 627	8, 242	672, 869
Amount.....	\$130, 271, 044	\$1, 915, 377	\$132, 186, 421
Jobs completed:			
Number.....	657, 606	6, 937	664, 543
Amount.....	\$126, 994, 508	\$1, 682, 394	\$128, 676, 902

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.

Table 10.—H.O.L.C. subscription to shares of savings and loan associations¹

[Amounts are shown in thousands of dollars]

Requests and sub- scriptions	State-chartered		Federal savings and loan associa- tions	Total
	Unin- sured F. H. L. B. mem- bers	Insured associa- tions		
Requests:				
Oct. 1935-Apr. 1939:				
Number.....	73	877	4, 521	5, 471
Amount.....	\$4, 448	\$55, 124	\$196, 581	\$256, 153
April 1939:				
Number.....	2	11	9	22
Amount.....	\$200	\$650	\$416	\$1, 066
Subscriptions:				
Oct. 1935-Apr. 1939:				
Number.....	16	705	4, 122	4, 843
Amount.....	\$808	\$42, 423	\$173, 344	\$216, 575
April 1939:				
Number.....	0	4	1	5
Amount.....	0	\$130	\$25	\$155

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

Table 12.—Properties acquired by H. O. L. C. through foreclosure and voluntary deed¹

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, 875
1937: Jan. 1 through June 30.....	23, 225
July 1 through Dec. 31.....	26, 981
1938: Jan. 1 through June 30.....	28, 386
July.....	4, 056
August.....	3, 886
September.....	3, 856
October.....	3, 616
November.....	3, 534
December.....	3, 585
1939: January.....	3, 400
February.....	2, 771
March.....	3, 410
April.....	2, 998
Grand total to Apr. 30, 1939.....	135, 134

¹ Does not include 9,851 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 135,134 completed cases, 724 properties were sold at foreclosure sale to parties other than the H. O. L. C. and 18,008 cases have been withdrawn due to payment of delinquencies by borrowers after foreclosure proceedings were authorized.

Table 13.—Summary of estimated nonfarm mortgage recordings¹ under \$20,000, during April 1939

Federal Home Loan Bank Districts and States	(Amounts shown are in thousands of dollars)														Amount per capita (nonfarm)
	Savings & Loan Associations		Insurance Companies		Banks And Trust Companies		Mutual Savings Banks		Individuals		Other Mortgagees		Total		
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
United States.....	38,167	\$94,857	5,240	\$26,839	22,768	\$73,320	2,978	\$10,108	28,441	\$55,667	12,976	\$43,560	110,570	\$304,351	\$3.30
No. 1--Boston.....	2,464	6,859	53	376	733	2,507	1,460	4,147	2,180	5,303	279	989	7,169	20,181	
Connecticut.....	167	536	50	360	203	810	276	908	409	943	189	651	1,294	4,208	2.77
Maine.....	342	679			194	414	352	500	482	992			1,370	2,585	4.13
Massachusetts.....	1,498	4,409			252	959	608	2,028	1,073	2,828			3,431	10,224	2.48
New Hampshire.....	115	394					152	456	68	137			335	987	2.45
Rhode Island.....	121	458	3	16	58	243	72	255	109	280	90	338	453	1,590	2.37
Vermont.....	221	383			26	81			39	123			286	587	2.38
No. 2--New York.....	2,781	9,039	407	2,737	2,096	8,766	1,202	5,038	3,336	8,007	1,166	4,943	10,988	38,530	
New Jersey.....	770	2,773	135	916	844	3,747	68	914	362	2,622	596	2,696	3,327	13,116	3.35
New York.....	2,011	6,266	272	1,821	1,252	5,019	1,134	4,676	2,422	5,385	570	2,247	7,661	25,414	2.14
No. 3--Pittsburgh.....	2,694	6,474	346	2,054	1,822	6,567	7	5	1,710	4,270	1,260	4,832	7,839	24,202	
Delaware.....	58	145	8	47	31	126	1	3	36	91	22	88	156	500	2.61
Pennsylvania.....	2,039	5,209	307	1,789	1,418	5,537			1,357	3,563	1,108	4,938	6,229	20,636	2.35
West Virginia.....	597	1,120	31	218	373	904	6	2	317	616	130	206	1,454	3,066	2.40
No. 4--Winston-Salem.....	5,753	13,096	911	4,254	2,056	5,691	64	182	4,599	7,652	1,942	5,392	15,325	36,267	
Alabama.....	213	329	70	278	189	381			402	485	369	935	1,243	2,408	1.84
District of Columbia.....	428	2,023	66	384	115	611			296	942	232	1,105	1,137	5,065	10.41
Florida.....	440	1,698	321	1,167	293	944			525	1,243	721	2,103	2,300	7,155	6.02
Georgia.....	784	1,303	31	85	419	637	8	8	753	731	202	272	2,197	3,036	2.04
Maryland.....	982	2,305	43	391	197	991	56	174	341	841	95	261	1,714	4,963	3.56
North Carolina.....	1,897	2,947	92	471	275	280			438	371	224	413	2,926	4,482	2.85
South Carolina.....	515	947	38	163	163	390			778	916	38	89	1,532	2,505	3.05
Virginia.....	494	1,544	250	1,315	405	1,457			1,066	2,123	61	214	2,276	6,653	4.52
No. 5--Cincinnati.....	6,583	16,874	576	3,023	2,436	6,989	53	189	1,773	3,223	1,303	4,052	12,724	34,350	
Kentucky.....	1,349	3,201	140	644	395	913			250	361	115	294	2,249	5,413	3.76
Ohio.....	4,439	12,363	328	1,900	1,523	5,356	53	189	1,176	2,324	789	2,953	8,308	25,085	4.45
Tennessee.....	795	1,310	108	479	518	720			347	538	399	805	2,167	3,852	2.75
No. 6--Indianapolis.....	2,419	4,688	458	2,305	1,961	5,606	41	75	976	1,719	714	2,643	6,569	17,036	
Indiana.....	1,784	3,054	182	840	771	1,924	41	75	441	607	223	426	3,442	6,926	2.86
Michigan.....	635	1,634	276	1,465	1,190	3,682			535	1,112	491	2,217	3,127	10,110	2.49
No. 7--Chicago.....	2,413	6,462	292	1,579	1,215	4,585	9	27	1,444	3,490	1,132	5,012	6,505	21,155	
Illinois.....	1,760	4,709	238	1,324	805	3,385	2	11	584	1,562	978	4,389	4,367	15,380	2.32
Wisconsin.....	653	1,753	54	255	410	1,200	7	16	860	1,928	154	623	2,138	5,775	2.81
No. 8--Des Moines.....	3,169	7,129	606	2,939	1,450	3,564	47	178	2,163	3,324	983	2,768	8,418	19,302	
Iowa.....	856	1,870	64	366	563	1,618			430	649	239	671	2,152	5,174	3.47
Minnesota.....	1,011	2,718	390	1,661	351	867	47	178	592	1,080	114	415	2,505	6,919	4.15
Missouri.....	1,049	2,144	136	817	417	870			995	1,342	619	1,661	3,216	6,834	2.72
North Dakota.....	150	273			43	73			43	49	11	21	247	416	1.47
South Dakota.....	103	124	16	95	76	136			103	204			298	559	1.85
No. 9--Little Rock.....	2,846	7,426	518	2,326	907	2,503	3	8	2,135	4,301	1,593	4,909	8,002	21,473	
Arkansas.....	378	836	41	144	157	288			144	173	85	223	805	1,664	2.26
Louisiana.....	763	2,505	5	36	30	67			333	897	137	455	1,268	3,960	3.12
Mississippi.....	153	275	31	116	197	358			202	232	133	319	716	1,300	2.01
New Mexico.....	131	316	20	93	49	139			116	209	91	266	407	1,023	3.86
Texas.....	1,421	3,494	421	1,937	474	1,651	3	8	1,340	2,790	1,147	3,646	4,806	13,526	3.90
No. 10--Topeka.....	2,288	4,880	275	1,179	764	1,751	6	25	1,432	2,354	961	2,799	5,726	12,988	
Colorado.....	334	914	14	51	123	300			501	912	300	834	1,272	3,011	4.00
Kansas.....	548	983	119	463	316	660	6	25	234	357	200	659	1,423	3,147	2.68
Nebraska.....	498	993	70	270	70	239			196	435	5	6	839	1,943	2.45
Oklahoma.....	908	1,990	72	395	255	552			501	650	456	1,300	2,192	4,887	3.56
No. 11--Portland.....	1,589	3,566	267	1,095	1,126	2,690	86	234	1,131	1,663	475	1,282	4,674	10,530	
Idaho.....	183	381	31	96	198	487			206	270	58	131	676	1,365	5.32
Montana.....	240	506	71	351	107	254			191	301	22	64	631	1,476	4.43
Oregon.....	323	744	66	287	122	355	9	17	324	502	176	588	1,020	2,493	3.41
Utah.....	134	409	18	47	236	589			69	96	84	177	541	1,318	3.36
Washington.....	621	1,286	79	308	413	872	77	217	258	345	114	272	1,562	3,300	2.62
Wyoming.....	88	240	2	6	50	133			83	149	21	50	244	578	3.79
No. 12--Los Angeles.....	3,168	8,364	531	2,972	6,202	22,101			5,562	10,361	1,168	3,939	16,631	47,737	
Arizona.....	133	370	9	53	242	823			150	320	86	156	620	1,722	5.12
California.....	2,994	7,890	516	2,895	5,889	21,052			5,359	9,941	1,066	3,744	15,824	45,522	9.00
Nevada.....	41	104	6	24	71	226			53	100	16	39	187	493	6.61

¹Based upon county reports submitted through the cooperation of savings and loan associations, the U. S. Building and Loan League, the Mortgage Bankers Association, and the American Title Association.

²Includes Insurance Companies and Other Mortgagees.

Table 14.—Estimated volume of nonfarm mortgages recorded, by type of mortgagee

[Amounts are shown in thousands of dollars]

Period	Savings and loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgagees		All mortgagees	
	Total	Per-cent	Total	Per-cent	Total	Per-cent	Total	Per-cent	Total	Per-cent	Total	Per-cent	Com-bined total	Per-cent
Number:														
December 1938.....	32, 934	31. 9	5, 491	5. 3	21, 970	21. 2	3, 601	3. 5	25, 927	25. 1	13, 424	13. 0	103, 347	100. 0
1939														
January.....	27, 283	30. 1	4, 866	5. 4	20, 003	22. 1	2, 143	2. 4	24, 974	27. 6	11, 286	12. 4	90, 555	100. 0
February.....	27, 666	32. 5	3, 688	4. 3	19, 138	22. 5	2, 059	2. 4	22, 903	26. 9	9, 706	11. 4	85, 160	100. 0
March.....	36, 008	32. 8	5, 547	5. 1	23, 764	21. 6	2, 895	2. 6	28, 729	26. 1	12, 930	11. 8	109, 873	100. 0
April.....	38, 167	34. 5	5, 240	4. 7	22, 768	20. 6	2, 978	2. 7	28, 441	25. 7	12, 976	11. 8	110, 570	100. 0
Amount:														
December 1938.....	\$80, 838	29. 0	\$27, 217	9. 8	\$71, 061	25. 5	\$10, 838	3. 9	\$48, 582	17. 5	\$39, 786	14. 3	\$278, 322	100. 0
1939														
January.....	66, 114	27. 1	22, 704	9. 3	62, 697	25. 7	7, 525	3. 1	49, 032	20. 1	35, 943	14. 7	244, 015	100. 0
February.....	68, 840	30. 3	19, 278	8. 5	57, 843	25. 5	7, 031	3. 1	42, 528	18. 7	31, 471	13. 9	226, 991	100. 0
March.....	92, 337	29. 5	28, 316	9. 1	79, 920	25. 6	9, 822	3. 1	57, 036	18. 3	45, 034	14. 4	312, 465	100. 0
April.....	94, 857	31. 2	26, 839	8. 8	73, 320	24. 1	10, 108	3. 3	55, 667	18. 3	43, 560	14. 3	304, 351	100. 0

Business Promotion

(Continued from p. 261)

in 25 used radio in the less-than-\$10,000 income group and one out of 10 in the group from \$10,000 to \$25,000, in the income classes above \$200,000, three out of every seven associations were going on the air to inform the public of their services.

Billboards were used by less than one-sixth of all the associations surveyed, although when they were selected as an advertising medium they usually accounted for a substantial part of the association's total promotional expenditure. One institution in the State of Washington contributed more than 10 percent of the \$100,000 volume of savings and loan billboard advertising.

Special outdoor signs were itemized separately in the 1938 Hunt for Facts questionnaire, and it was found that 17 percent of the associations were investing portions of their advertising funds in neon and other types of electrical signs. There was little variation in the percentage of associations in the different income groups making such purchases, although this medium took a larger portion of the advertising funds of the smaller institutions than of the larger ones.

More than 100 associations reported the distribution of some form of house organ to their investors, borrowers, and prospective customers. The larger the association gross income, the more frequently

were these used, and the total expenditure for such publications was \$72,000, or more than 4 percent of the total advertising program.

One out of 18 institutions chose car and bus cards or motion picture film as a part of their promotional programs. Car and bus cards were used primarily by the larger associations, but it was significant to note that no association with a gross operating income above \$300,000 employed movie film as an advertising medium.

ADVERTISING PROGRAMS BASED ON KNOWN RESULTS

It is impossible to tell from these data whether or not these disbursements were made scientifically—that is, on the basis of known results from previous promotional programs. Ultimately, the productiveness of any particular advertising medium should determine the extent to which it is used by an individual association.

There are many different ways in which an association may measure the effectiveness of its advertising expenditures, but accumulation of these results takes time. Until an association is able to gather adequate information about its own activities, the statistics which have been collected by the "Hunt for Facts" questionnaire offer a pattern for comparing the promotional program of an individual institution with that of a roughly comparable group of representative member associations.

Directory

(Continued from p. 281)

- TEXAS:**
Beaumont:
Home Federal Savings & Loan Association of Beaumont, 471 Pearl Street (merger with First Federal Savings & Loan Association of Beaumont, Beaumont, Texas).
- VIRGINIA:**
Altavista:
Piedmont Federal Savings & Loan Association (dissolution).
- WASHINGTON:**
Bremerton:
First Federal Savings & Loan Association of Bremerton, 327 Pacific Avenue (merger with the Peninsular Federal Savings & Loan Association of Bremerton, Bremerton, Washington).
- Seattle:
Franklin Federal Savings & Loan Association, 1908 Third Avenue (merger with the Peninsular Federal Savings & Loan Association of Bremerton, Bremerton, Washington).

III. INSTITUTIONS INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION BETWEEN APRIL 16, 1939, AND MAY 15, 1939

DISTRICT NO. 2

- NEW JERSEY:**
Hawthorne:
Progressive Building & Loan Association of Hawthorne, New Jersey, 459 Lafayette Avenue.
- Laurel Springs:
Inter-Boro Building & Loan Association, 404 White Horse Pike.

DISTRICT NO. 3

- PENNSYLVANIA:**
Norristown:
Norristown Federal Savings & Loan Association, 60 East Penn Street.
- Philadelphia:
West Philadelphia Federal Savings & Loan Association, 1324 Bankers Securities Building.

DISTRICT NO. 5

- OHIO:**
Zanesville:
Zanesville Federal Savings & Loan Association, 512 Main Street.

DISTRICT NO. 6

- MICHIGAN:**
Three Rivers:
Three Rivers Building & Loan Association, 124 North Main Street.

DISTRICT NO. 7

- ILLINOIS:**
Chicago:
Columbus Building & Loan Association, 2525 West Forty-seventh Street.
Fairfield Building & Loan Association, 2729 West Twenty-second Street.
Liberty Building & Loan Association of Chicago, 2028 Dickens Avenue.

¹ After the merger, the name of the Peninsular Federal Savings & Loan Association of Bremerton was changed to "First Federal Savings & Loan Association of Bremerton".

labor and materials required to build a house. Structural efficiency implies the avoidance of complicated and costly construction details and conformity to the stock sizes and structural limitations of materials. Simplifying the structural form, partition arrangement, stairs, and architectural detail reduces labor costs to a minimum and permits easy and rapid erection. On this factor of simplicity depends much of the success of small-house design and economy.

The construction industry has recently found many new uses for such materials as lumber, steel, ceramics, cement, glass, and aluminum. Through new products and improved processes of manufacture, radical departures from older building techniques have been accomplished. It is only natural that such new materials and methods of construction should find expression in new architectural forms, and when handled by competent technicians they offer additional possibilities in the development of better and less costly houses.

FURTHER REDUCTIONS IN COST DEPEND UPON COOPERATION

Although the individual designer may be able to reduce construction costs considerably by eliminating unnecessary labor and materials, substantial economies will not be possible until there is nationwide cooperation in the use of coordinated designs.

Through coordinated design the stock lists of local material dealers could be greatly simplified and the necessity for huge inventory investment would be reduced. In a similar way, material and equipment manufacturers would benefit through a reduction of production overhead.

The difficulties involved in isolated attempts to reduce the cost of small-house construction were outlined recently by an eminent authority on housing who pointed out that even though an individual material producer were able to reduce the cost of his product by as much as 25 percent, this reduction as reflected in the total cost of the house might be negligible.

What is needed is the cooperative effort of every factor in the small-house building industry: the mortgage lender, the architect, the material dealer and manufacturer, the contractor, and the laborer. Without that, such cost reduction as might be brought about by the effort of a single element might easily be absorbed in the general process of building and financing the house, and thus never reach the consumer.

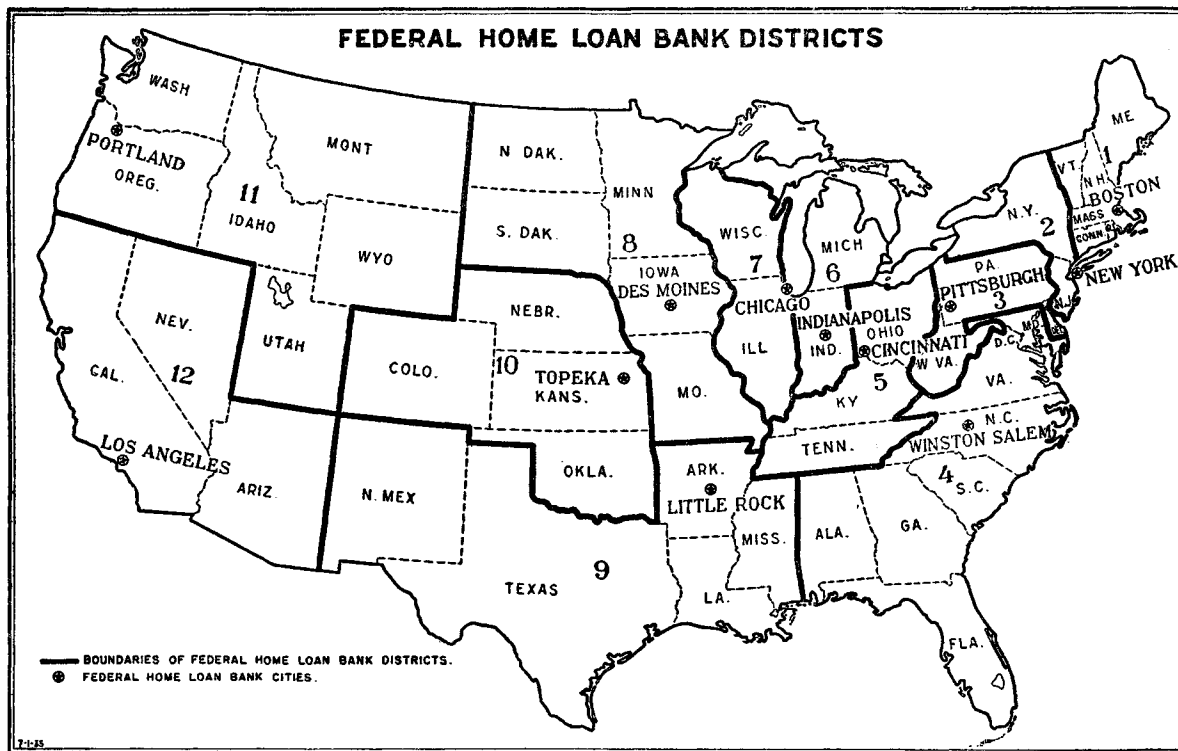
Safeguarding the Mortgage Loan

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may be nothing more than an ill-fitting and temporary fad in a location in which it is not naturally adaptable.

SIMPLICITY OF FORM IS ESSENTIAL

Construction economy through architectural design depends upon the elimination of waste space and adherence to the principles of structural efficiency. The elimination of waste space, assuming other factors to be equal, reduces the total amount of



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