Vol. 6 No. 4

FEDERAL HOME LOAN BANK REVIEW

JANUARY
1940

ISSUED BY
FEDERAL HOME LOAN BANK BOARD
WASHINGTON D.C.

FEDERAL HOME LOAN BANK REVIEW

Published monthly by the
FEDERAL HOME LOAN BANK BOARD

FEDERAL HOME LOAN BANK SYSTEM

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

HOME OWNERS' LOAN CORPORATION

CONTENTS FOR JANUARY 1940

SPECIAL ARTICLES

(Savings and loan cooperative advertising—Part 2, originally scheduled for this issue, will appear in March.)

STATISTICS

REPORTS

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.

199498—40——1

APPRAISAL CONFERENCES AND TECHNIQUES

Several thousand appraisers have participated in setting values on residential properties during six years of Home Owners' Loan Corporation operations. Improved appraisal practices and procedures have resulted. After intensive study, the findings are being presented in a Nation-wide series of conferences.

■ ACCURATE appraisals are an essential part of the effective operation of every branch of the home-financing field. No matter whether an institution is operating as a going concern and lending money, or whether it is in the process of liquidation and interested only in effecting an orderly sale of acquired properties, dependence must be placed upon reliable estimates of the value of real property.

In an effort to pass their broad experience to all in the real-estate financing field, the officials of the Home Owners' Loan Corporation recently announced a series of technical conferences designed to assist appraisers in estimating the value of real property and in setting forth their findings in an intelligible manner, with clear justification for their conclusions. The meetings are open to all interested in appraisal operations, whether connected with the Home Owners' Loan Corporation or not, for the Appraisal Section of the H. O. L. C. is making these conferences available to the entire fraternity as a public service.

They stress the fact that constantly changing conditions in the real estate market in recent years have compelled improvement in appraisal procedures. During this era of change, over 3,000,000 field appraisals were made in connection with the H. O. L. C. lending operations in 1933–1936, and more than 200,000 appraisals of properties in the liquidating program since that time. As a result of this wide experience, basic principles have been evolved in H. O. L. C. appraisal activities which are applicable to all operations in the real estate and mortgage-lending industry.

Already groups of from 25 to 150 have gathered in 16 cities to discuss the H. O. L. C. methods, and the audiences have been composed of savings and loan officials, real estate brokers, contractors, insurance and mortgage company representatives, and other individuals interested in real estate appraisal, as well as the fee and salaried personnel of H. O. L. C. At these conferences, where lectures alternate with discussion periods, the reception has been so favorable that it is now planned to hold at least one 3-day meeting in every State where sufficient interest is shown.

Although the success of these meetings may be attributed in part to the keen interest in the general principles which have evolved in the development of H. O. L. C. appraisal technique, of prime importance is the fact that much of the time during the conference is devoted to open discussion of common everyday problems in appraising. The contribution of the conferees in these discussions has made it possible to apply the broad principles developed by the H.O.L.C. to the operations of the savings and loan association, and of the real estate broker or contractor.

The local real estate situation is made the center of discussion, as specific cases in the community are cited by participants to illustrate their points. There has been general agreement that the contributions to an understanding of the local situation which arise from this "give-and-take" procedure are most helpful. This permits the H. O. L. C. Appraisal Section representatives to relate general principles to specific problems in the community, and achieves the ultimate objective of the conferences: to help appraisers to solve their own difficulties, but not to attempt to find ready-made solutions.

A second factor contributing to the general feeling that these meetings have been uncommonly successful has been the care taken to interpret appraisal terminology. As one man expressed it, "We seemed to get much more from our discussions because we were all thinking in like terms. Through a clear-cut definition of terms at the beginning of the conference, it is possible to follow the discussion with the feeling that we all share a common understanding of the concepts of 'Comparative Survey', 'Summation', 'Capitalization of Gross Income', 'Present Fair Market Value', and other technical phrases."

Of major importance to the success of the conferences held thus far has been the emphasis placed on neighborhood standards and their influence upon appraisals. Discussion of such factors as size of family, income levels, community growth, type of construction, racial groups, vicinity trends, in their relation to the Present Fair Market Value of a property has led to a better understanding of those influences constantly at work in any community which affect the stability of property values.

Approach to Appraisals

Although the conferences are planned to be as broad as possible, the H. O. L. C. Appraisal Section emphasizes practical approaches which are based upon clearer concepts of value. For example, in crystallizing various ideas and procedures into a definite school of thought, the H. O. L. C. has devised a form which assures complete and uniform methods of reporting and recording appraisal information.

The particular type of any form used, however, is not as important as the necessity of putting such data in logical sequence for analysis. The purpose of appraising is to present information and a statement of conclusions to managing officials for their use in determining a course of action regarding the property under consideration. The report form, then, should be visual evidence of the analysis which has been made by the appraiser.

It should not be a straitjacket designed to restrict the appraiser to a narrow path in his approach to value. The object is to cause him to record in logical sequence the influences which combine to establish his definite conclusion as to the property's Present Fair Market Value. In the words of one man long experienced in the field, "A narrative report would probably be most effective in the majority of instances, but the use of forms such as those of H. O. L. C. assures a client that vital points will be recorded uniformly. It makes the appraisal report a picture of the parcel seen through the appraiser's eyes, with the influences which contribute to the setting of the Present Fair Market Value clearly and comprehensively expressed."

Development of the H. O. L. C. reporting form

HOME OWNERS LOAN CORPORATION

PROPERTY APPRAISAL REPORT

LOAN #

P. M. #

1 OCCUPANT: JOHN DOE — RENTER: X — BORROWER:

2 PROPERTY ADDRESS: 123 – Fourth Street — CITY: Any Town — COUNTY: — STATE:

	POPULATION	PRINCIPAL INDUSTRIAL INFLUENCES	REAL ESTATE ACTIVITY–DEGREE OF TREND
4	1920: 967,452	Distribution of raw materials and	BUILDING: Steadily up in $4,000 to $6,000 class
5	1935: 1,678,365	manufacture of automobiles, tools,	SALES: Rapidly upward in all residential properties
6	PRES.: 1,798,452	and associated products.	RENTALS: Steady

7 NEIGHBORHOOD IS OF Desirable CHARACTER – THE DEGREE OF TREND IS: Gradually downward

8	1 MAJOR STRUCTURAL TYPE	2 CONSTRUCTION	3 AGE (OLD-MOD. / NEW-OBSO.)	4 GEN. CONDITION	5 BUILT UP	6 OWNERS	7 RENTERS	8 ZONING	9 TRANSITION TO
9 DISTRICT	1 & 2 Fam.Res	Brick Ven.	25 yr.Mod.	Fair-Good	90 %	70 %	20 %	Res. B	Foreign White
10 BLOCK	1 Fam.Res.	Brick Ven.	25 yr.Mod.	Fair-Good	100 %	90 %	5 %	Res. B	Foreign White

11	1 PUBLIC UTILITIES		2 IMPROVEMENTS		3 CONVENIENCES		4 RACIAL OCCUPANCY	White – mixed nationalities
12	WATER	City	S-WALKS	Conc.	G-SCHOOL	4 blk	CHIEF EMPLOYMENT	Skilled mechanics and industrial clerical
13	SEWER	City	CURBS	Conc.	H-SCHOOL	8 blk	TYPICAL FAMILY INCOME	$2,700 – from all members
14	GAS	Pub.U.	PAVING	Brick	STORES	1 blk	VICINITY RENTAL LEVEL	$45 per month per unit
15	ELECT	Pub.U.	ALLEYS	Asph.	Several CHURCHES	10 blk	MAXIMUM VALUATION LEVEL	$5,000 single – $9,000 double
16	FIRE DEPT.	City	TRANSPORTATION FACILITIES	Bus, ½ blk. – Tram, 2 blk. – 2 blvd, 1 and 4 blks.				

17 SUBJECT PROPERTY'S CONFORMITY TO NEIGHBORHOOD STANDARDS: S. P. single family, conforms well structurally and architecturally.

18 Below standard physically.

19 SUBJECT BUILDINGS DESCRIPTION – TENANTABILITY – "AS-IS": Minimum rental only

20	1 AGE	2 STY'S	3 TYPE	4 EXT. WALL CONSTRUCT'N	5 QUALITY	6 ROOFING	7 FOUND'N	8 BASEMENT	9 ARRANGEMENT	10 ADDITIONAL DETAIL-CONDITION
21 A	24	1	Bungalow	Face Brick Ven.	Good	Ced.Shg.	Stone	Full	Satisfactory	Large porches – Fair

SECTION A – CAPITALIZATION METHOD

38 ANNUAL OPERATING EXPENSE & INCOME STATEMENT

	ITEMS	EXPENSE 1 "AS-IS"	2 "AS-REC"	3 UNIT	4	INCOME 5 "AS-IS"	6 "AS-REC"
39							
40	TAXES	$97	$97	A	1	$360	$530
41	INSUR.	9	14	B	2		36
42	HEAT	Tenant	Tenant	C	3		
43	WATER	9	9	D	4		
44	GAS & ELECT.	Tenant	Tenant				
45	VACANCY	-------	------				
46	REPAIRS	75	60	GROSS INCOME		360.	566
47	MANAG'MT	-------	-------	ANNUAL EXPENSE		190	180
48				NET INCOME		170	386
49				NET CAP %		-----	-----
50	TOTALS	190	180	GROSS CAP. 11%		3270	5120

7								
FUTURE LIFE "AS-IS" BLDG.	A	30	B		C		D	
FUTURE LIFE "AS-REC'D" BLDG.	A	50	B	50	C		D	

JUSTIFY THE SELECTION OF THE CAPITALIZATION RATE Actual transactions in immediate vicinity establish a factor of 11% as a ratio of gross income to Present Fair Market Value in similar types of 1-family houses. The conversion factor of 13% is observable in 2-family residences nearby.

Net capitalization process is not applicable in this Subject Property analysis because it is not primarily income producing.

SECTION B – COMPARATIVE SURVEY METHOD

VICINITY TRANSACTIONS & COMPARISONS

		1 PROPERTY ADDRESS	2 UNITS	3 ROOMS	4 CONSTRUCT'N	5 CONDITION	6 EST.-P.F.M.V.	7 LIST PRICE	8 RENTAL	9 ACT. SALE PRICE	10 MONTHS ON MARKET	11 DATE SOLD & TERMS
51												
52	1	123 - 4th St. SUBJECT PROPERTY	1	5	Br.Ven.	As.Recond.	$5,100	------	-----	--------	----	----------
53	2	145 - 4th St.	1	5	Br.Ven.	Good	5,000	$5,250	-----	$4,975	2	9-39-10%-15 yr.
54	3	231 - 4th St.	2	10	Br.Ven.	Fair	8,650	9,500	$1,120	--------	11	----------
55	4	126 - 4th St.	1	5	St.Ven.	Fair	4,750	------	540	--------	----	----------
56	5	168 - 4th St.	1	5	Br.Ven.	Recond.	5,250	5,600	Vac.	5,100	5	11-39-33%-10 yr.
57	6	173 - 5th St.	2	10	Sd.Br.	Good	9,000	9,750	1,150	9,200	9	8-39-15%-20 yr.
58	7	188 - 5th St.	1	5	Br.Ven.	Fair	4,800	------	540	--------	----	----------

SECTION C – SUMMATION METHOD

88 BUILDINGS – REPRODUCTION COST ESTIMATES

		1 CUBIC CONTENT	2 ¢	3 EST. COST NEW	4 % PHYS. DEP'N		5 INS. VALUE	6 % FUNCT. DEP'N		7 % ECO. DEP'N		8 % TOT. DEP'N		9 PRES. DEP. VALUE
89														
90	A	26,000 cu.ft	24¢	$6,250	20%	$1,250	$5,500	11%	$700	22%	$1,400	53%	$3,350	$2,900

95	TOTAL INSURABLE VALUE OF ALL BUILDINGS—"AS-IS"	$5,500	PRESENT DEPRECIATED VALUE—ALL BUILDINGS	$2,900
96	50 UNITS @ $ 15 PER front foot		EQUALS PRESENT LAND VALUE	750
97	ASSESSED VALUES—LAND $ 600 BLDGS. $ 2,800 TOTAL $ 3,400		LOT IMPROVEMENT VALUE	------
98	EXPLAIN-FUNCTIONAL & ECONOMIC DEPRECIATION DEDUCTIONS IN DETAIL.		"AS-IS" SUMMATION VALUE	3,650
99	At least $500 of estimated physical depreciation will be recap-		RECONDITIONING COST	1,175
100	tured by recommended repairs. Functional deduction made because		"AS-REC" SUMMATION VALUE	4,825

101 heating equipment and some plumbing need replacement. House will offer much more eye appeal when
102 kitchen and bath have been renovated, and rentals will increase to neighborhood standard with
103 garage facilities contained in repair schedule. Economic depreciation due to downward trend of
104 district and the lower income group now occupying same. Garage, $275; Physical repairs, $480;
105 Fixture replacements, $320; Interior decorations, $100; Total, $1,175.

and of the underlying appraisal policy came gradually. In 1933, when the H. O. L. C. began making appraisals, values had to be set when there was no active market to guide the appraiser. With the termination of lending in 1936, the major need in the liquidation of acquired properties was for appraisers to determine what the H. O. L. C. could realize for them under present conditions with fairness to both buyer and seller.

As a result, about two years ago the caption "Present Fair Market Value" was developed to give a definite estimate of what a property should bring under existing conditions. It is the interpretation of this concept of value which has aroused the greatest interest in these technical conferences.

Many of the discussion period questions which have been raised indicate the desire of the conferees to obtain a clear-cut definition of the term "value" as it is used in property evaluations. It is evident that certain limitations have been placed upon its application. In the first place, the estimated value must represent a property's *present* worth, as distinguished from a conjectural opinion of its value at some future date. It must be *fair* in the sense of being equitable for both buyer and seller. And furthermore, it must recognize the influence of the demand and supply factors in the actual *market*, that is, the possibilities for making an actual sale of the property being appraised. The ultimate goal is to arrive at a *Present Fair Market Value*.

With a better understanding of the final objective of the appraisal procedure, those present at these meetings were then interested in how they could derive the desired figures. In other words, "What are the different approaches which can be used to obtain the Present Fair Market Value of a property?"

The answer to this question can be found by a careful study of the sample report form, portions of which have been illustrated on the opposite page. A glance at this form reveals that there are three methods which can and should be used: (1) capitalization; (2) comparative survey; and (3) summation. If all factors have been computed accurately, there should undoubtedly be a definite correlation between the results. The object is to use all known methods of valuation, and it is unlikely that there are any instances in which less than two of these approaches will be appropriate.

The *Capitalization Process* involves the use of both net and gross income methods. The gross method is illustrated in the section of the report form marked "A" and from this it may be seen that it centers upon the capitalization at a rate "commensurate with the risk involved". In the example given, it may be noted that there are two possible gross incomes, one if rented "as is", and the other if rented after reconditioning. The selection of the capitalization rate is all-important. A *net* capitalization process is used only in the valuation of properties where the earnings are of primary importance.

A second approach, the *Comparative Survey Method*, recognizes the fact that one house in a group of similar houses is logically going to bear a comparable value. Following this approach involves a comparative analysis of sales and listings of those dwellings which are of approximately the same size and age and offer equal accommodations, interior arrangements, and location with proximity to transportation, stores, and schools. (See Section B.)

The *Summation Value* of a property is computed by deducting its physical, functional, and economic depreciation from the present reproduction cost of the dwelling, and then adding the estimated value of the land and its improvements. (Section C of the illustrated form.) This method of computation gives substantial recognition to two types of depreciation which seem to have been minimized in most previous appraisal practices, namely: functional and economic loss of value.

Physical depreciation represents loss in value brought about by wear or decay. Functional depreciation is loss sustained through a reduction in the use value of the house, such as outmoded design and poor arrangement. Economic depreciation is the result of lessened desirability because of external changes in the neighborhood or its standards.

After a thorough investigation of these three approaches to value, there should be a close correlation between the results if the different factors have all been computed accurately. At this point, all three approaches should sustain the appraiser's final estimate of Present Fair Market Value.

The advantages of discussing these appraisal processes and concepts of value, all relating to neighborhood standards, are shown in the growing uniformity of reporting. This is proving beneficial to the H. O. L. C. and to other lending and liquidating institutions.

This has led to the decision to schedule similar meetings throughout the country. The H. O. L. C. will be glad to notify prospective participants of the time and location of the nearest conference. Readers may also obtain a copy of the Property Appraisal Report form, together with line-by-line instructions for the computation of the different items. Requests should be addressed to the Editor of the REVIEW.

"SUBJECT TO FEDERAL EXAMINATION"

An objective approach to the question of examinations which includes a discussion of the history, cost, benefits, and purposes of examinations.

■ THE history of Federal examination of savings and loan associations is short—its development has been rapid. Although Federal examination is required only of insured State-chartered and Federal associations, its influence has contributed largely to the growing understanding and greater interest in examinations on the part of the industry as a whole. In comparing the history of jurisdictional audit in other types of financial institutions, one observes that the governmental supervision of commercial banks in the United States developed slowly, and that policies and procedures pursued today are also of comparatively recent origin.

The National Bank Act of 1863 authorized the Comptroller of the Currency to examine national banks whenever he considered it necessary, and it was the policy to make an annual examination of each national bank as early as 1872. This policy was not formalized in law, however, until 1913 when semiannual examinations of national banks were required. It is interesting to note, too, that before 1916 copies of the examination report were not supplied to national banks, although the Comptroller did inform each bank of the examiners' conclusions and recommendations.

In 1870, State banks were being examined in six States, and by 1910 regular examinations were the rule in 40 States, being required by law in 36. The original Federal Reserve Act passed in December 1913 provided for semiannual examinations under the direction of the Comptroller of the Currency of State banks which were members of the Federal Reserve System; an amendment in 1917 placed the control of these examinations in the Federal Reserve System. The Board of Governors of the Federal Reserve System has, since the passage of the original act, been empowered to accept examinations made by State authorities and customarily did so until the early 1930's. Today, however, the usual procedure is for the Federal Reserve System to conduct independent or joint examinations of these State member banks.

A little more than five years ago, the national examining division for savings and loan associations was created by the Federal Home Loan Bank Board. Considerable progress has been made in these five years, and it is not surprising that the industry has become "examination conscious." Nor is it surprising, as one reflects upon the history of the development of the investigation policies and procedures in other types of financial institutions, that it has been necessary to make changes, and that savings and loan associations are still "problem conscious" enough to make further improvements.

The Cost of Examinations

Some sort of examination of savings and loan associations is necessary, if for no other reason than public demand. It is natural, however, that each institution should desire to keep the cost of these analyses at a minimum. The question of costs has been given a great deal of attention, created tremendous interest, and some real progress has been made in that direction. There is a limit beyond which any additional reductions can be made only at a sacrifice of the high standard of personnel competency, and the quality of the examination work thus far maintained.

The cost of these investigations has been reduced. The report form has been simplified; supporting schedules have been shortened; and substantial eliminations have been made in the work of listing loans subject to criticism. A 10-percent reduction in per diem charges went into effect in January of last year. Through experience, the efficiency of examiners has increased. Through increased cooperation, many associations have assisted in reducing examining time. A summarization of comparative figures reveals that there has been about a 15-percent reduction in the average cost per $1,000 of assets during the past year.

Generally speaking, three factors determine the cost of an examination: (1) the amount of information to be obtained; (2) the ease and speed with which this information can be secured from the association's records; and (3) the efficiency of the examiner.

The amount of information to be obtained is governed by the report form. The form now being used is one which was developed through the coordinated efforts of the Federal Home Loan Bank Board, the National Association of Building and Loan Supervisors, and the United States Savings and Loan League. The ease and speed with which the information called for in the report can be obtained from the association's records is something which every manager can facilitate. It means dollars and cents to an association if the records are in the proper shape. To this end, there are two important things which can be done:

First, keep a record of contractual delinquencies on mortgage loans and land contracts at least from January 1, 1936.

Second, keep a systematic, complete, flat file of mortgage loan, land contract, and real estate documents in uniform order, eliminating excess papers, such as expired insurance policies, receipts, and unimportant invoices and correspondence.

The full value of a record of contractual arrearages is not always easily seen. If it stopped with its service in connection with an annual examination, its preparation would certainly not be justified. Many institutions, however, make a monthly analysis of the manner in which these payments are being made by borrowers for presentation to their boards of directors. A careful analysis of contractual performance of a good sized institution in the Fifth Bank District, covering the period previous to and during the depression, revealed that a definite downward trend in contractual performance had set in three years previous to interest delinquencies. Interest payments were the next which the borrower began to miss, and taxes appeared third. A record of contractual delinquencies might have been a forewarning of a situation which caught many institutions by surprise a few years back.

In addition to these two major factors, there are several other ways in which managers can help to reduce the examination costs of their own institutions. Included among these are: (1) maintaining more complete records on income and expense items with a more uniform distribution; (2) keying all postings to every account (particularly surplus accounts) with explanations and folios; (3) keeping a set of general files where invoices, receipts, correspondence, etc., are available; (4) having mortgage loan and real estate individual accounts reflect *complete* information necessary for scheduling; (5) assigning one or more employees to work with the examiners in obtaining some of the detailed information required.

None of these ways in which managers can help reduce examination costs is inconsistent with the accepted practices of any other well-managed business. Yet, when added together, they effect economy in more ways than just the one under discussion.

The Benefits of Examination

Whether the cost of examination is justified is determined in a sense by the benefits which an association derives from them. The value of a review by an outside authority depends largely upon the use which the association makes of it—a case of getting out of it what is put into it.

In the first place, the advertising value of being "Subject to Federal Examination" cannot be discounted. It is a confidence builder. It affords customer protection. Furthermore, analysis of this type gives the management a financial picture from an independent point of view—a picture which can be utilized constructively for the betterment of the institution. It gives the management the satisfaction of an external check on the correctness and integrity of an institution's accounts. It develops material for the use of the manager and the board of directors which might not otherwise be developed because of the time element involved in preparation.

There are innumerable cases where information disclosed in an examination has saved institutions thousands of dollars. Often a study of management policies has placed supervisory officers in a position to give constructive criticism which resulted in a change in policies, which in turn started an upward trend in a major operation of the association.

The Purpose of Examinations

Shortly after the Examining Division of the Federal Home Loan Bank Board was created, the decision was made to keep "examination" separate from "supervision." This restricted the scope of these examinations to that of fact-finding—of taking a picture of conditions as they are. Therefore, the purpose of examining an association's records periodically is to furnish the supervisory authorities with facts from which can be determined: first, the soundness of the institution; second, the degree of compliance with legal requirements; and third, the extent to which constructive suggestions should be made regarding practices and policies.

(*Continued on p. 117*)

STATE LEGISLATION AFFECTING SAVINGS AND LOAN ASSOCIATIONS

In a number of States, Legislatures in 1939 passed laws designed to afford more complete use of facilities offered by the Federal Home Loan Bank Board and its agencies.

■ WHEN the Federal Home Loan Bank Act was passed by Congress in July 1932, the laws in effect in most States prevented complete use of the Bank System by those institutions it was designed to benefit. This was quite natural. The responsibility imposed on each State to protect the savings of the public invested within its jurisdiction left it no choice but to define rather specifically and restrict carefully the operations of thrift and home-financing institutions.

It is an axiom that laws do not keep pace with economic changes. The creation of the Bank System and other agencies to aid in home financing took place during an era of rapid economic change. It could not be expected that the legal restrictions which had been designed to prevent savings and loan associations from unwise investment and borrowing would apply equally well under these new conditions.

As the result of a process of natural development, however, State laws have been modified to enable institutions that desire it to cooperate and use the facilities offered by the Federal Home Loan Bank Board and its agencies. Although this development is not yet complete, considerable progress has been made as a result of the fine spirit of cooperation which State Legislatures have displayed in removing these obstacles. The activity of the legislative committees of the national and State savings and loan leagues, and the individual efforts of many supervisory officials and leaders of the savings and loan industry throughout the country, have been directed toward the passage by the State Legislatures of certain enabling acts which would permit a wider use of the facilities of the Bank System by those institutions for which it was created.

The Bank System cooperated by making available a draft of illustrative statutes covering the major fields in which there was still room for improvement of existing laws. In response to many requests from those interested in the adoption of modernized statutes, this article summarizes the progress made during 1939 with regard to provisions for membership, reserves, liquidation by the Insurance Corporation, and investments of fiduciary, public, and other funds in obligations of the Banks and the Insurance Corporation, and in insured accounts.

Membership and Power to Borrow

One of the prime requisites to the success of the Federal Home Loan Bank System and its members is that the institutions which are eligible for membership be permitted to become members and take full advantage of the benefits of membership. In all States, institutions of the savings and loan type may now become members. Some work remains to be done in the case of savings banks and insurance companies.

Authority to take full advantage of the benefits of membership is not so widespread. In a number of States the statutes limit the amount of borrowings by a member from its Federal Home Loan Bank, either directly or by limitations on the amount of Bank stock which a member may own. In other instances the purposes for which an institution may borrow are restricted.

Most of these provisions have come down from the days when the only sources of funds were banking institutions whose lending policies were not specifically adapted to the long-term needs of the home-mortgage field. Since the Bank System now provides a permanent source of long- and short-term credit, the continued existence of restrictive provisions may act to prevent associations from receiving adequate credit in periods of seasonal or emergency need. To meet emergencies in times of stress, individual institutions may need to borrow a larger percentage of their assets than is now permitted under many State laws. In the interest of the general public, as well as of the institution and its investors, it is important to prevent loss of confidence which might easily spread to other institutions and localities. With these considerations in mind, the Bank System has prepared an illustrative statute which, if adopted, authorizes every eligible institution of the State not only to become a member but also to purchase Bank stock, obtain Bank advances, and pledge collateral as security therefor, "to the extent provided by, and in accordance with the provisions of, the Federal Home Loan Bank Act."

Examination of laws passed during 1939 indicates that some statutes have been liberalized along these lines. The ever-present possibility of emergency conditions, however, makes it desirable to remove completely the State-law restrictions on borrowings from the Bank System. In the State of Washington, the new amendments made clear that savings and loan associations may borrow from the Bank System to the full extent permitted by the Federal law and regulations. In a number of other States the power to borrow from the Bank System was broadened, but restrictions on the power were not entirely removed. Colorado, Idaho, Indiana, Michigan, Minnesota, and Wisconsin are among this latter group.

Legality of Investments

Public funds and those of fiduciaries, charitable institutions, and financial corporations represent a huge reservoir of money which must be invested with utmost safety. Obligations of the Banks and those of the Insurance Corporation, and accounts of institutions having the insurance protection, are attracting an increasing amount of attention as investments for these funds. Accounts in insured savings and loan associations are particularly suitable because the factor of safety is coupled with a rate of return usually greater than that on other investments having equal security.

Some State laws set forth with great particularity the types of investment in which these funds may be placed. Other statutes cover the field only partially, and in some States the laws are silent. Where there is no specific legislation, certain types of investments may be made in some jurisdictions which are improper in others. The constitutions of a few States prohibit investments by fiduciaries in private corporations. A restriction of this nature was lifted from the Alabama constitution during the past year.

The Bank System's illustrative investment statute covers investments by trustees and other fiduciaries, by charitable and educational institutions, by public officers and public bodies, by financial institutions, including banks, savings banks, and savings and loan associations, and by insurance companies of all types. It provides that such investments may be made without limit in three classes of securities. The first consists of obligations issued under the Federal Home Loan Bank Act, "as now or hereafter amended," including consolidated Federal Home Loan Bank bonds and debentures. The second consists of obligations of the Insurance Corporation issued under Title IV of the National Housing Act, as so amended. The third consists of the accounts of institutions which have the insurance protection provided by Title IV of the National Housing Act, as so amended. In addition, any of these three classes of investments may be used wherever collateral is required by statute as security for the deposit of public or other funds.

Approximately half of the jurisdictions of the Bank System enacted favorable legislation on this subject during 1939. In some cases the new legislation covers only a small part of the broad and comprehensive field suggested by the draft, and much remains to be done except where the effect of the 1939 enactments was to round out existing laws which were already substantially complete. In other jurisdictions the past year's enactments cover a very considerable part of the investment field, and in still others, as in Iowa and Utah, objectives are almost completely realized. The large number of revisions which were accomplished is evidence of the interest of all insured institutions and the industry as a whole.

Liquidation by Insurance Corporation

The procedure by which an insured association will be liquidated when it goes into default and the Insurance Corporation must meet its insurance contract is obviously of direct concern not only to all insured associations and their account-holders but also to the Insurance Corporation itself. Insured associations and their account-holders are necessarily interested in the preservation of the soundness of the insurance protection afforded by the Corporation and do not wish to see its reserves dissipated through avoidable shrinkage or excessive costs of liquidation. The Corporation is equally interested in maintaining its strength and continuing to render the service for which it was created.

The interests of all will be benefited, therefore, if losses and liquidating fees are kept to a minimum. This can best be done by liquidation through an agency, such as the Insurance Corporation, which has a direct financial stake in the success of the operation.

With this thought in mind, it is provided in the illustrative statute that the appropriate State authority shall tender to the Insurance Corporation the appointment as receiver or liquidator where an insured State-chartered association is taken over for liquidation. Another version provides for co-receivership or co-liquidatorship by the Insurance Corporation. This version is less desirable, as it does not achieve the full advantages of reduction of expense, but its choice has been found necessary in some cases. Both forms of the statute contain a provision that the subrogation of the Insurance Corporation when it makes the benefits of insurance available to the holder of an insured account shall not affect any right the account-holder may have in any portion of the account which is uninsured, or any right he may have to participate in the net proceeds remaining from the disposition of the association's assets.

Before the 1939 legislative sessions only one State, Louisiana, had a statute requiring the appointment of the Insurance Corporation as liquidator. In Kansas the statute required its appointment as co-liquidator with the State building and loan supervisor. Only one other State, South Carolina, had any provision on the point. The law of that State provided only that the Corporation might be tendered the appointment as receiver or liquidator, not that it must be. This type of permissive statute is believed by many to be less desirable than a mandatory provision for co-receivership or co-liquidatorship.

During the past year 11 jurisdictions enacted favorable legislation on this matter, bringing the total to 14. In Alabama, Arkansas, New Mexico, and North Dakota there are mandatory provisions requiring that the Insurance Corporation be offered the appointment as sole receiver or sole liquidator. The Wisconsin statute differs somewhat but resembles these. In Hawaii and New Jersey, the statutes are mandatory but provide for co-receivership or co-liquidatorship. Statutes of the permissive type were enacted in four States, the Texas statute merely authorizing the banking commissioner to appoint the general manager of the Insurance Corporation as his agent in the liquidation.

Statutory Reserve Provisions

Of fundamental importance to the soundness of savings and loan associations is an adequate reserve policy. In the event of depression, or when an individual association suffers unexpected losses, the Insurance Corporation protects the investor and wards off runs by preserving the public confidence. But even though the Insurance Corporation saves the investors from loss, the association itself, as an institution performing a useful public service, has need of ample reserves as the surest means of preventing impairment and assuring its own preservation as a going concern.

As has been pointed out in a recent study,[1] the laws of about three-fourths of the jurisdictions of the Bank System contained mandatory provisions for reserves at the end of 1938. Approximately half of these required that a general reserve for losses be built up to 5 percent of assets, or, in some cases, of capital or loans. However, the study also revealed that in about one-fourth of all the areas having mandatory reserve provisions a requirement of 10 percent or a higher figure, generally based on assets or capital, was established, with 10 percent by far the most popular figure. It appeared that there had been a definite trend toward the 10-percent figure since 1933.

As to the required periodic transfers by which the ultimate reserve is built up, the study showed that a rate of 5 percent of "net earnings" (or "net profits" or "net income") had been adopted to about the same extent as the 5-percent figure for ultimate reserves. In this case, however, there was no tendency toward a requirement higher than 5 percent. The chief movement in recent years has been away from the lower rates, or from no requirement, and toward the 5-percent figure.

In preparing the illustrative draft, it was concluded that the statutes requiring an ultimate reserve of 10 percent of capital and periodic transfers of 5 percent of net earnings represented the best current requirements for the general loss reserve. It provides therefore that before the declaration of dividends for each semiannual period each association shall transfer to a separate reserve account, set up and maintained for the sole purpose of absorbing losses and known as the "general reserve", an amount equal to 5 percent of its net earnings until the general reserve is equal to at least 10 percent of the association's capital. If and whenever this reserve is not equal to at least this amount, the semiannual credits must again be made until it is once more at least equal to the required amount. Many leaders consider that these provisions, with others set forth in the illustrative reserve statute, will do much to as-

[1] See "Mandatory Loss Reserve Requirements of Savings and Loan Associations Operating under State Laws," Federal Home Loan Bank Review, November 1938, p. 37.

(Continued on p. 136)

SOURCE: "Construction is the source of the Nation's greatest single investment, and it is a powerful force towards raising the Nation's standard of living."

Arthur C. Tozzer, *The Constructor*, October 1939.

OPPORTUNITY: "One of the biggest opportunities in the real estate field today is in modernization and rehabilitation. There are hundreds of properties in every city that could have their faces lifted and be rented or sold at a profit."

Chris R. Jones, *California*, November 1939.

VALUE: "Today the value and marketability of residential real estate are affected not only by such basic factors as planning, soundness of construction, and the neighborhood, but also by the extent and quality of the mechanical equipment."

Insured Mortgage Portfolio, Federal Housing Administration, November 1939.

LENDING VOLUME: "There have been only eight years in building and loan's history (1923–1930) when the total loan volume was more than $1,000,000,000. Every sign points to the probability of a close approach to $1,000,000,000 in volume for the full 12 months of this year (1939)."

American Building Association News, November 1939.

UNNECESSARY: "We cannot avoid considerable impact from the shifts in world requirements. However, it is by no means necessary that this result in the distortion of the price pattern and the rise of price levels which occurred in the World War."

Dr. Willard L. Thorp, before the Temporary National Economic Committee. *Wall Street Journal*, Dec. 5, 1939.

LAWS: "Laws designed to benefit borrowers may in fact be a detriment to home financing if they have the effect of discouraging lenders from making loans in the jurisdiction in which they operate. Of this class are moratorium laws in general, laws limiting the right of the lender to obtain through a receiver or otherwise, possession of mortgaged property and the income therefrom during foreclosure, laws limiting deficiency judgments and laws permitting long redemption periods."

Housing Legal Digest, September 1939 supplement. Issued by Central Housing Committee, Sub-committee on Law and Legislation.

Foreign resources in the U. S. A. . . . . .

The Board of Governors of the Federal Reserve System states that total holdings by foreign nations of the more readily available international resources—gold, dollar balances, and American securities—are "nearly half again as large as the export surplus of the United States during the four years of the World War, which amounted to $11,800,000,000. Approximately half of all foreign holdings of gold and dollar resources at the present time is under the control of the British Empire and France."

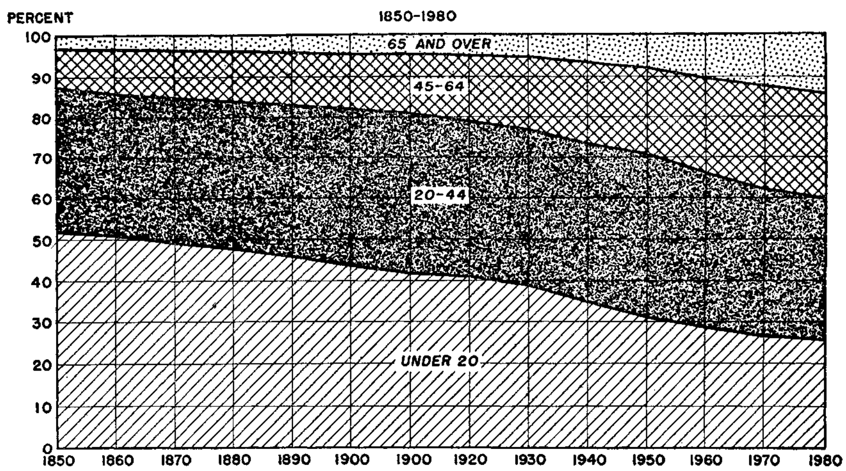
Federal Reserve Bulletin, December 1939.

Early war reactions . . . . .

"It is early yet to assess the effect of the war on (English) building societies as a whole. . . . But we are fortunate to be able to cite authoritative statements from a considerable number of the largest societies. . . . In regard to withdrawals it can be said that generally they have exceeded the average, as one would have been justified in expecting from past experience. . . . The position as regards investments generally cannot be said to be unsatisfactory. A certain amount of new money is still being received, though the total amount is likely to be less than was received at this time last year. . . . Similarly, it would be rash to attempt to estimate at this stage the effect of war-time conditions on mortgage repayments. So far, experience has been normal. The remarkably low ratio of default . . . has been maintained in circumstances which might have been expected to produce an unfavorable reaction."

Building Societies Gazette, October 1939.

Our changing population . . . . .



This chart shows the changing composition of the population and indicates the effect of a declining birth rate. The proportion of those under 20 has been dropping steadily. From the point of view of persons available for production, the age composition has been improving, only 45 percent being between 20 and 65 in 1850, and over 58 percent in that age bracket at the present time.

The Structure of the American Economy, National Resources Committee.

MORTGAGE ASPECTS OF THE HOUSING CENSUS

Data on the methods and sources of home financing, as well as information on the physical condition, equipment, and economic characteristics of all dwellings, will be collected this year by the Nation's initial census of housing.

■ THE Nation's first census of housing is scheduled to begin in April of this year. Authorized by Congress in the closing days of the last regular session, it is the most important new subject to be covered by the Bureau of the Census during its work for the Sixteenth Decennial Census. The preliminary list of inquiries to be included on the schedule for the housing census is printed on the opposite page and is indicative of the type of information to be secured for each of the estimated 35,000,000 occupied and vacant dwelling units in the United States.

The home-financing data collected from all owner-occupied nonfarm homes contacted during the census will represent the most complete summary of this type of information ever obtained in this country. The questions on this part of the housing study are included in the last seven items on the opposite page. They include inquiries as to the value of each property and the amount of outstanding indebtedness on the first and second mortgages. The arrangements for liquidating these mortgages will be studied through queries on the frequency and amount of regular payments and provisions for the reduction of principal and for the accumulation of funds to pay real estate taxes.

These facts will measure the prevalence of monthly payment loans, of mortgages requiring prinicpal reduction, and of agreements with financial institutions whereby future taxes are anticipated through regular monthly payments. Tabulations will be made by size of loan, type of mortgage holder, and geographic area. Some light on the relative burden of home ownership will be provided by comparisons of the amount of mortgage payment with the value of the property, with the estimated rental, and with the wage or salary income of the home owner.

Answers which are obtained from the question on interest rates will, of course, have to be interpreted in the light of other charges levied against the home owners by the various types of mortgage lenders. Nevertheless, these figures will serve as a partial guide in interpreting existing data on the cost of financing home ownership.

The relative importance of the various types of mortgage holders in the home-financing field will be indicated by summaries of the amount of outstanding indebtedness on first mortgages held by each class of mortgagee. This information, together with data on payment plans and interest rates, will provide the basis for a comparison of variations in the lending practices of different mortgagees. An analysis of these data for cities and other local areas should be of assistance to home-financing institutions in evaluating their competitive position in the local mortgage market.

In addition to the data relating particularly to home finance, the housing schedule will include an extended list of questions on the characteristics of all residential structures and dwelling units, as well as the conveniences and equipment available in these units. The compilation of these data for the different census subdivisions in each city will help mortgage lenders to determine the mortgage stability in the various sections of the communities which they serve.

By correlating data on the age, physical condition, and equipment of dwellings in a community, or in specific neighborhoods, it will be possible to obtain complete information on existing housing conditions. This knowledge will also provide clues to the location of opportunities for lending for reconditioning and modernization.

Included in the census will be the first Nation-wide summary of residential vacancies. These vacancy data will be analyzed according to estimated rental value of the dwelling unit and other characteristics. An indication of the influence of price in the demand for housing will be given by summaries which present the characteristics of the unoccupied houses available at various rental levels.

Numerous trade associations and research agencies in the real-estate, home-financing, and construction industries, together with the Government agencies interested in housing, have emphasized the value of this type of census and have urged its initiation. Instrumental in drafting the census plans has been a special committee of the Central Housing Committee.

Preliminary List of Inquiries: Census of Housing, 1940

Characteristics of structure in which dwelling unit is located

A. Type of structure: 1-family detached, 1-family attached, 2-family side-by-side, other 2-family, 3-or-more family structures and structures with business by number of dwelling units
B. Structure originally built as: Residential structure with same number of dwelling units, with different number of dwelling units; nonresidential structure
C. Exterior material: Wood, brick, stucco, other
D. Is this structure in need of major repairs? Yes or No
E. Year structure was originally built
F. Located on a farm? Yes or No

Characteristics of dwelling unit

G. Number of rooms
H. Water supply: In dwelling unit—running water, hand pump; within 50 feet of dwelling unit—running water, other
I. Toilet facilities: In structure—flush toilet for exclusive use, shared flush toilet, other; outside toilet or privy
J. Bathtub or shower with running water in structure: For exclusive use; shared with other households
K. Lighting equipment: Electric, gas, kerosene or gasoline, other
L. Estimated rental value of owner-occupied or vacant nonfarm dwelling
M. Occupancy status of vacant dwelling; for sale or rent—ordinary dwelling, seasonal dwelling; held for absent household—ordinary dwelling, seasonal dwelling

Characteristics of occupied dwelling unit

N. Home tenure: Owned, rented
O. Color or race of head of household
P. Total number of persons in household
Q. Refrigeration equipment: Mechanical, ice, other
R. Is there a radio in this dwelling? Yes or No
S. Heating equipment: Central steam or hot water, piped warm air, pipeless warm air, heating stove
T. Fuel for heating: Gas, coal or coke, wood, fuel oil, kerosene or gasoline, other
U. Fuel for cooking: Electricity, gas, coal or coke, wood, kerosene or gasoline, other
V. Monthly rental of renter-occupied dwelling
W. Rental value without furniture of renter-occupied nonfarm dwelling with use of furniture included in rent
X. Cost of utilities and fuel paid for by nonfarm renter in addition to monthly rental
Y. Value of owner-occupied home
Z. If owner-occupied nonfarm, is property mortgaged? Yes or No

Mortgage characteristics of owner-occupied nonfarm 1- to 4-family structure

Aa. Present amount of outstanding indebtedness on first mortgage or land contract; on junior liens
Bb. Frequency and amount of regular payments on first mortgage or land contract
Cc. Do these regular payments include principal reduction? Yes or No. Real estate taxes? Yes or No
Dd. Interest rate on first mortgage or land contract
Ee. Type of holder of first mortgage or land contract: Building and loan association, commercial bank, savings bank, life insurance company, mortgage company, H. O. L. C., individual, other

Federal Examination

(Continued from p. 111)

The soundness of an association involves the consideration of its financial condition with particular emphasis on the adequacy of its reserves, the sufficiency of its earnings, and the trends shown in its most significant accounts. The degree of compliance with legal requirements implies that the examination should reveal any violation of the laws, rules, and regulations, or charter and by-laws of the association, including any lack of integrity in the accounts. In addition, the review should reveal factual information reflecting the policies being practiced by the association, for even those operations which are not in direct violation of legal requirements may be unsound.

In spite of the relatively short history of Federal examination of savings and loan associations, it is apparent that real and rapid progress has been made in accomplishing these purposes. This has been possible through the cooperation of the United States Savings and Loan League, the National Association of Building and Loan Supervisors, the Federal Home Loan Bank Board, the Bank presidents, the Examining Division, and the efforts of each individual association.

Constructive steps have been taken to improve procedures and to reduce costs, without in any way impairing the purposes and results of the analysis. Continued cooperation of all the elements of the savings and loan industry should bring about even more efficient examinations and further reductions in cost.

SUMMARY OF RESIDENTIAL CONSTRUCTION AND HOME-FINANCING ACTIVITY

I. Seasonally adjusted index of residential construction advanced 50 percent from October to November.
A. Activity of the United States Housing Authority increased from 1,200 units in October to 8,500 in November.
B. The decline of 1- and 2-family dwellings approximated the usual October-November pattern, but the total volume was 17 percent more than November 1938.

II. The level of wholesale building material prices reached the highest point in two years, and dealers' prices as measured by the standard house index increased approximately 1 percent.
A. The cost of labor used in the standard house continued its gradual decline in evidence since March 1939.

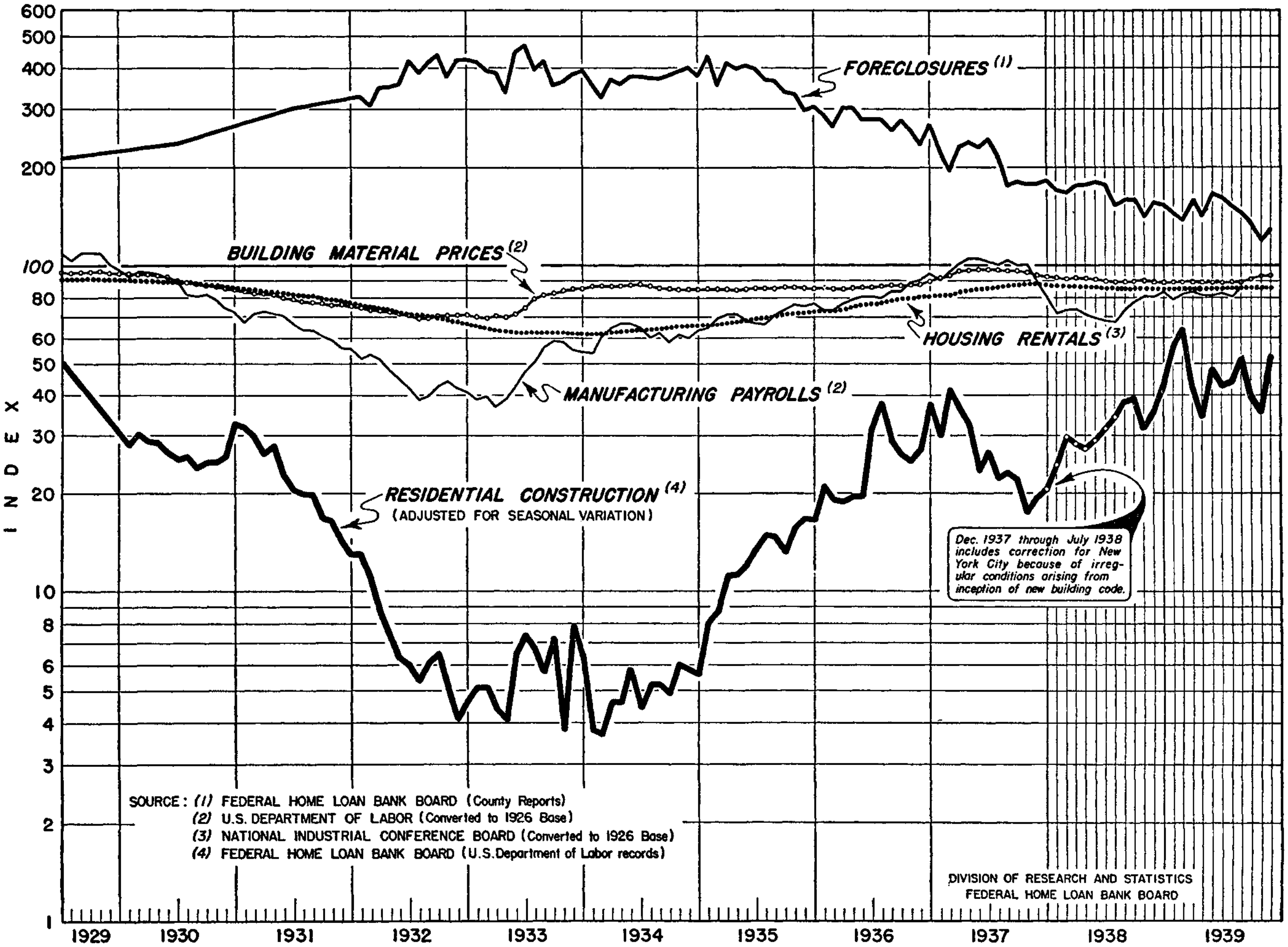
III. The total volume of mortgages of $20,000 or less recorded during November dropped 2.4 percent from the previous month's level; mutual savings banks and miscellaneous lenders were the only mortgagees to show increased activity.
A. The savings and loan association total volume was below $100,000,000 for the first time since April.

IV. The 8-percent, October-November decline of savings and loan association mortgage lending was favorable in view of previous drops during this period.
A. November mortgage loan volume was one-third higher than the same 1938 month.

V. The index of foreclosures in metropolitan communities rose 7.5 percent from the new post-depression low set in October. In spite of this, the index was almost 17 percent below November 1938.

VI. The trends of the major business indexes continue to reflect improved conditions and it appears likely that 1939 ended with many of the economic units functioning at or near post-depression highs.

RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
1926 = 100



RISING trends in home-building costs, which continued gradually in November, have not as yet had a depressing effect on the volume of new residential construction, although increases in average rentals during the past few months have not kept pace with this acceleration in costs.

The residential building index rose 50 percent from October to November due principally to renewed activity on the part of the United States Housing Authority in granting loans and rental subsidies on new structures for the replacement of slum areas. Although construction of privately financed residences declined somewhat from October, this decline was not equal to that usually shown in November.

Mortgages recorded by all types of lenders receded slightly in November, due principally to declines in lending operations of savings and loan associations and commercial banks. Mutual savings banks and miscellaneous mortgage lenders, which include mortgage companies, were the only groups to show rises in mortgage recordings from October.

Reduced volume of new lending was felt by savings and loan associations in practically all sections of the country during the month of November. For the country as a whole the decline from October was less than normal, but was distributed through each of the five purpose classifications. Loans for new home construction receded in line with the decrease in home-building activity for the October-to-November period.

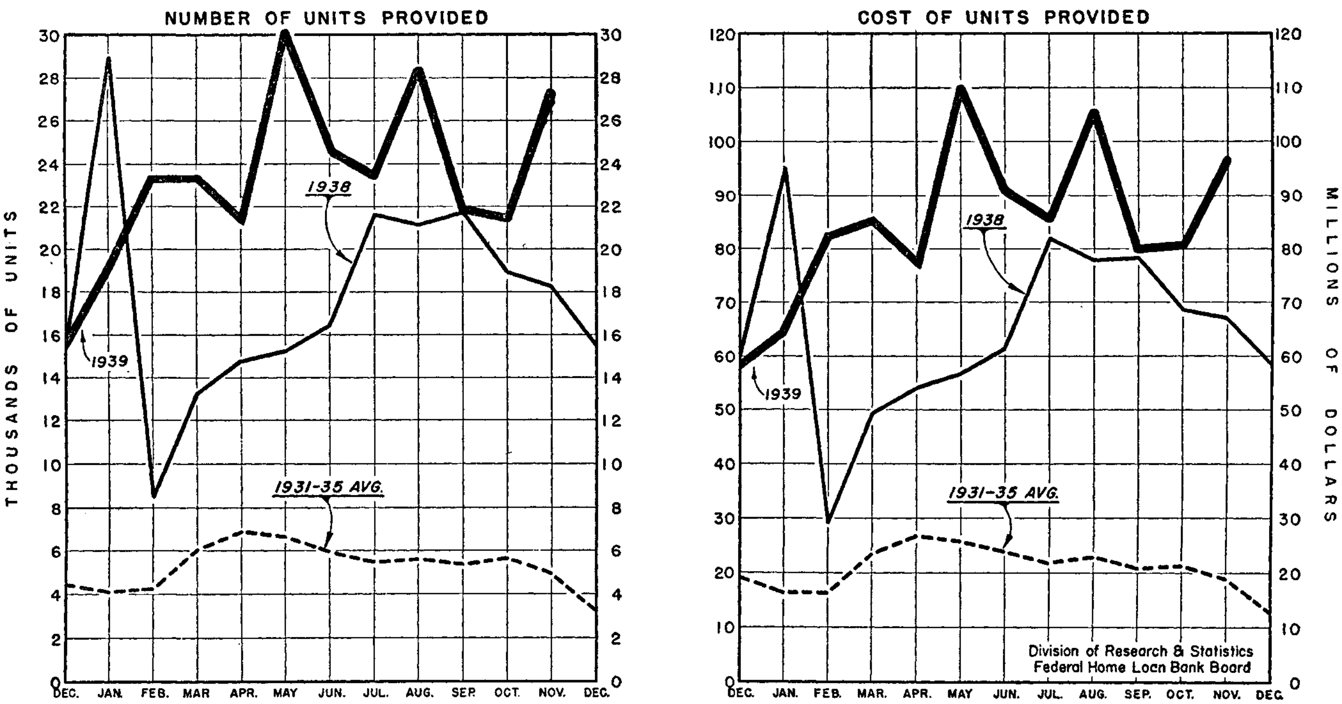
Foreclosure activity in metropolitan centers, after reaching a new low level in October, increased somewhat in November although still remaining well below any other month since the depression. This October-to-November rise is somewhat greater than that usually experienced.

General Business Conditions

INDUSTRIAL activity during November may be characterized as a filling-in process whereby the sharp gains registered during September and

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)



October were consolidated. The production index climbed to a new high for the current recovery period equal to 115 percent of the 1926 level, but the rate of increase was considerably less than the two previous months. Although there are normal seasonal declines in many industries towards the year-end, changes during the early part of December were relatively slight.

In spite of the revival of industrial activity to the levels of 1937, and in many instances 1929, there has not been a comparable increase in factory employment. The indexes of factory employment and factory pay rolls were approximately 5 percent lower at the end of November than they were during the first half of 1937. On the other hand, income payments to individuals were almost equal to the 1937 average. This fact, coupled with the knowledge that commodity prices are now lower than two years ago, is evidence of the increased purchasing power of consumers.

This has been reflected in improved retail sales which have about equaled the peak months of the 1936–1937 recovery. During November, retail sales advanced faster than the normal seasonal rate and were considerably above the same month of last year. Early reports indicate that the total volume of Christmas business exceeded that of 1938 by approximately 8 percent.

[1926=100]

Type of index	Nov. 1939	Oct. 1939	Percent change	Nov. 1938	Percent change
Residential construction [1]	53.3	35.5	+50.1	35.5	+50.1
Foreclosures (metro. cities)	129.0	120.0	+7.5	155.0	−16.8
Rental index (N. I. C. B.)	85.6	85.5	+0.1	85.3	+0.4
Building material prices	93.0	92.8	+0.2	89.2	+4.3
Industrial production [1]	114.9	112.1	+2.5	95.4	+20.4
Manufacturing employment	102.1	101.9	+0.2	91.8	+11.2
Manufacturing pay rolls	97.7	97.5	+0.2	81.0	+20.6
Average wage per employee	95.7	95.7	0.0	88.2	+8.5

[1] Corrected for normal seasonal variation.

There was little of significance in the changes of wholesale commodity prices during the month of November. The index of all commodities declined only three-tenths of 1 percentage point and the index of wholesale building material prices even less than that. The Bureau of Labor Statistics points out in a recent release that "although the trend of commodity prices has been downward since late September, the year's high point, the net decline has been only about 1 percent. From the low point of the year, the week ended August 19, the current index (December 16) shows a gain of 5½ percent."

Later information on the average wholesale price of building materials reveals the fact that continued advances in paint materials and prepared roofing, reported during the week of December 23, carried this index to the highest point in two years: 93.6 percent of the 1926 average.

Residential Construction

[Tables 1 and 2]

■ PRIVATELY financed construction of residential dwellings continued to hold its own during November despite recent increases in building costs. Although such construction declined 7 percent from October, the movement is favorable when compared with the usual 15-percent seasonal recession.

November residential construction was 50 percent above that for the corresponding month of 1938, due chiefly to the sharp increase in the volume of apartments, both Government- and private-financed, being built currently. However, 17 percent more homes of the 1- and 2-family types, which consist entirely of privately financed building, were built in November than in the same month of the preceding year.

The slum-clearance program has now become one of the major factors in the construction field and its influence is felt in major cities in most sections of the country. In November large projects were started by the United States Housing Authority in Boston and Lowell, Massachusetts; Bridgeport, Connecticut; New York City; Peoria, Illinois; and Los Angeles, causing sharp rises in the areas in which these cities are located (Table 2, page 126).

The U. S. Housing Authority placed over 8,500 dwelling units under construction in November in communities of 10,000 population or over, a sharp rise from the 1,200 reported in the preceding month. As all of these units have been classified as being in multifamily structures, they thus account for the greater part of the rise for this group as shown in Table 1, page 126. According to the United States Housing Authority, further acceleration in activity is anticipated in December.

Foreclosures

■ FORECLOSURES on real estate in metropolitan communities rose 8 percent in November to reverse slightly the month-to-month decline which has persisted since May. This increase, which brought the index from 120 (1926 = 100) for October to 129, was substantially more than the usual seasonal advance for this period, but can be attributed largely to the fact that October was unseasonally low. Only April showed a greater decline in foreclosures than November in relation to the corresponding months of 1938. In September this metropolitan index dropped below the average month of 1927 for the first time since the 1933 peak and has remained there through November.

Of the 83 communities reporting for November, 40 showed decreases and 39 increases, while four indicated no change in foreclosure activity from October. Eleven-month totals show 1939 real estate foreclosure activity in these communities to be about 12 percent below the preceding year.

Small-House Building Costs

[Tables 3 and 6]

■ WHOLESALE building material costs showed a tendency to level off in the closing weeks of November, but reached a new 2-year high in the week ending December 23, according to the United States Department of Labor. The index for the month of November was fractionally above October, and more than 4 percent higher than November 1938. Increased costs from a year ago were greatest in lumber and paint classifications. Despite current rises in wholesale material prices, the index figure for November stood 4 percent below the peak level of May 1937.

Dealers' cost of materials used in constructing the standard 6-room frame house rose nearly 1 percent in November, thus projecting the upward trend started in September. The materials used in this structure cost 4 percent more currently than during the average month of 1936.

Labor rates used in compiling the index for the cost of building the standard house continued the fractional month-to-month decrease which has been in evidence since March 1939. However, labor costs are still 11 percent in excess of the 1936 average.

A geographic analysis of those communities reporting in December (Table 3, page 128) reveals that during the preceding quarter total home-construction costs rose by at least $100 in 11 of the 29 reporting cities, while only two cities (Oshkosh, Wisconsin and Wichita, Kansas) reported declines of similar magnitude since September.

Construction costs for the standard house

[Average month of 1936=100]

Element of cost	Nov. 1939	Oct. 1939	Percent change	Nov. 1938	Percent change
Material	104. 4	103. 6	+0. 8	103. 2	+1. 2
Labor	110. 8	111. 1	−0. 3	112. 1	−1. 2
Total	106. 5	106. 1	+0. 4	106. 1	+0. 4

Mortgage Recordings

[Tables 13 and 14]

■ DURING November, the total volume of recordings amounted to $325,112,000, a decrease of 2.4 percent from the previous month. The substantial declines evidenced by savings and loan associations and banks and trust companies more than offset the sharp gains shown by mutual savings banks and miscellaneous lenders.

After recording more than $100,000,000 of mortgages for six consecutive months, savings and loan associations showed a sharp decrease (6 percent) from the previous month, recording $98,889,000 of mortgages during November. As a result, these institutions suffered a further reduction in their portion of the total mortgage business, their volume decreasing from 32 percent of the October business to 30 percent in November. Although banks and trust companies showed a 5-percent decline from the previous month, their November recordings represented 25 percent of the month's business, leaving their share of the total financing activity

Mortgage recordings by type of mortgagee

[Amounts are shown in thousands of dollars]

Type of lender	Percent change from October	Percent of November amount	Cumulative recordings (11 months)	Percent of total recordings
Savings and loan associations	−6. 0	30. 4	$1, 072, 351	31. 1
Insurance companies	−0. 8	8. 7	302, 524	8. 7
Banks and trust companies	−5. 0	24. 7	843, 508	24. 5
Mutual savings banks	+12. 4	4. 5	127, 259	3. 7
Individuals	−3. 2	16. 1	598, 675	17. 4
Others	−6. 1	15. 6	504, 737	14. 6
Total	−2. 4	100. 0	3, 449, 054	100. 0

unchanged from October. Miscellaneous lenders, consisting primarily of mortgage brokers and title companies, increased their share of the total business from 14 percent in October to 16 percent this month.

Almost 1,250,000 nonfarm mortgages of $20,000 or less, amounting to more than $3,449,000,000, were recorded by all types of mortgagees during the first 11 months of 1939. Savings and loan associations accounted for 34 percent of the number and 31 percent of the dollar amount of these mortgages, while banks and trust companies contributed 21 percent of the number and 24 percent of the dollar amount. Due to the large size average loan recorded by insurance companies, these institutions accounted for 9 percent of the dollar volume but only 5 percent of the number of mortgages recorded. Savings and loan associations recorded the smallest average size mortgage of any type of mortgagee with the exception of individuals.

New Mortgage-Lending Activity of Savings and Loan Associations

[Tables 4 and 5]

■ THE October-to-November decline of $7,200,000, or 8 percent, in new mortgage-lending activity of savings and loan associations was much less than the usual seasonal drop. Corresponding decreases for this period during the past three years have been in excess of 12 percent.

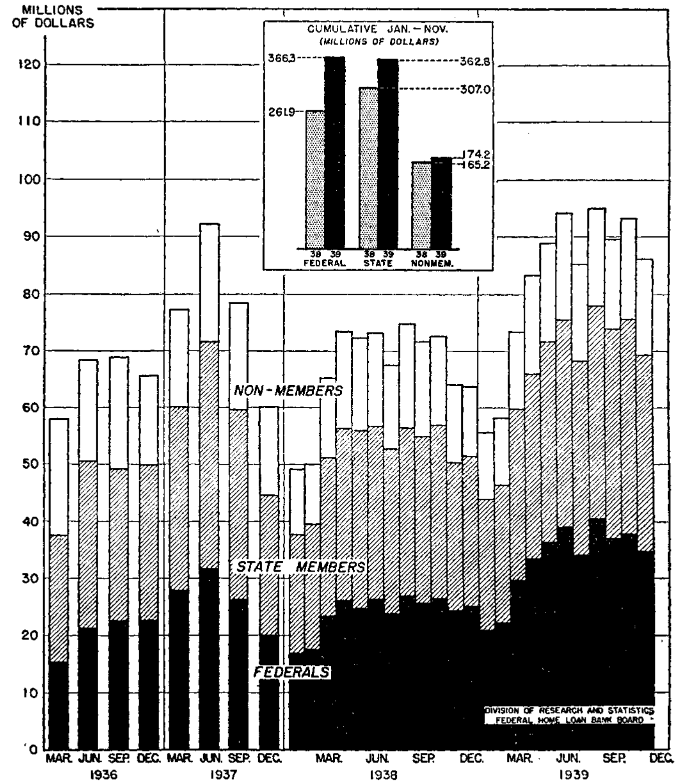
Greatest resistance to the November decline was shown by loans for refinancing and miscellaneous purposes, while reconditioning loans showed the largest percentage decrease. November loan volume ($86,000,000) was more than one-third higher than during the same 1938 month. This improvement over lending activity of a year ago was shared by all loan classes with the exception of reconditioning loans which receded slightly.

New mortgage loans distributed by purpose

[Amounts are shown in thousands of dollars]

Purpose	Nov. 1939	Oct. 1939	Percent change	Nov. 1938	Percent change
Construction	$26, 607	$29, 255	−9. 1	$18, 627	+42. 8
Home purchase	30, 434	33, 383	−8. 8	21, 205	+43. 5
Refinancing	15, 445	15, 835	−2. 5	12, 182	+26. 8
Reconditioning	4, 720	5, 784	−18. 4	4, 821	−2. 1
Other purposes	8, 870	9, 040	−1. 9	7, 235	+22. 6
Total	86, 076	93, 297	−7. 7	64, 070	+34. 3

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



Loans of nonmember savings and loan institutions dropped less from October than did loans of Federals or State members. Totals for the first 11 months of this year, however, show that Federals have made the greatest improvement (40 percent) in a comparison with the corresponding period of 1938. New mortgage loans of State-chartered members of the Bank System are up 18 percent, while nonmember loans have increased 5 percent.

Federal Savings and Loan Insurance Corporation

[Tables 7 and 8]

■ THE average share account of insured Federal savings and loan associations in November amounted to nearly $780, while accounts in State-chartered insured institutions averaged $715 (Tables 7 and 8, page 132). These averages emphasize the important part played by insured savings and loan associations in providing a safe investment channel for the small saver. Approximately 2,350,000 accounts are insured by the Federal Savings and Loan Insurance Corporation currently, and practically all of these accounts are below $5,000 in amount.

Insured associations operating under State charters, numbering 799 in November, had total assets amounting to over $923,000,000. Although the total number of institutions remained unchanged (one large association converting to Federal charter being replaced by a smaller institution which was newly insured), combined assets rose nearly $4,300,000 from October.

A comparable group of insured State-chartered associations indicated a continuance of the recent excess of the demand for mortgage money over the supply of repurchasable funds. The net increase in mortgages on the books of these institutions during November amounted to $4,800,000 as compared with a rise of $3,700,000 in private capital.

Federal Savings and Loan System

[*Table 7*]

■ NEW investments by the United States Government in shares of Federal savings and loan associations were small in 1939, and in January and July fairly sizeable amounts of previously invested Treasury and Home Owners' Loan Corporation funds were repurchased by Federals. The net reduction of Government investment in these institutions since the close of 1938 has been $11,000,000.

There were no new investments made by the Home Owners' Loan Corporation in shares of Federal savings and loan associations during October and November, while advances from the various Federal Home Loan Banks have been on the increase.

The volume of repurchases of private capital was diminishing in anticipation of semiannual dividends as the fiscal period drew to a close. According to reports received from a comparable group of 1,349 Federals, new investment of capital in November showed a decline of $950,000, or 3 percent, from October as compared to a drop of $3,520,000, or 25 percent, in repurchases during the month.

Progress in number and assets of Federal savings and loan associations

Type of association	Number		Approximate assets	
	Nov. 30, 1939	Oct. 31, 1939	Nov. 30, 1939	Oct. 31, 1939
New	634	634	$431, 104, 000	$423, 311, 000
Converted	767	760	1, 108, 119, 000	1, 090, 447, 000
Total	1, 401	1, 394	1, 539, 223, 000	1, 513, 758, 000

Federal Home Loan Bank System

[*Table 9*]

■ ADVANCES outstanding of the Federal Home Loan Banks again showed an increase during November, although the increase was considerably less than the two previous months'. New advances made by the Banks during the month totaled $5,827,035, while repayments amounted to $5,659,170. This resulted in an increase of $167,865 over the October 31 balance of advances outstanding and brought the balance at the end of November up to $168,821,915.

The volume of advances made by the Banks during November was considerably less than the October volume, although it was slightly greater than the volume made in November 1938. Repayments received during November were slightly greater than the volume received in October and also greater than during November 1938.

Advances outstanding at the end of the 11 months of 1939 constituted approximately 89 percent of the average of monthly advances outstanding for the year 1938 ($189,700,000), which is less than one-tenth of 1 percentage point higher than the figure for October.

Six of the Federal Home Loan Banks reported advances slightly greater than repayments during November, resulting in increases in their advances outstanding, while the remaining six (the four Eastern Banks and Topeka and Portland) reported reductions in their advances outstanding. The largest monetary and percentage increase occurred in the Los Angeles Bank in the amount of $362,000, or 2.4 percent, while the largest decline was experienced by the Winston-Salem Bank—$455,000, or 2.6 percent. Only four Banks made greater advances during the month than during the preceding month, and five Banks received less repayments.

During the month of November there were 11 withdrawals (four of these were mergers), one removal, and three admissions to membership in the Federal Home Loan Bank System, which resulted in bringing the total membership of the Bank System down to 3,929—a net reduction of nine members since October 31.

Resolutions of the Board

RESOLUTION CONCERNING ELIGIBILITY EXAMINATIONS IN SUPPORT OF INSURANCE APPLICATIONS

On December 8, the Board of Trustees of the Federal Savings and Loan Insurance Corporation adopted the following resolution relating to eligibility examinations:

Whereas, at the Presidents' Conference held in April 1939, the recommendation was made that the Board require eligibility examinations in support of all applications for insurance of accounts, and

Whereas, after consideration of this question the Review Committee recommends that routine eligibility examinations be required in all cases involving applications for insurance of accounts, and

Whereas, the Board of Trustees has reviewed such recommendation,

Be it resolved, That the recommendation of the Review Committee is hereby approved, and

Be it further resolved, That the resolution adopted by the Board of Trustees on July 19, 1939, is hereby rescinded and revoked.

AMENDMENT TO RULES AND REGULATIONS FOR FEDERAL SAVINGS AND LOAN SYSTEM, PROVIDING A BASIS FOR COMPUTING THE AMOUNT OF REPURCHASES WHICH THE SECRETARY OF THE TREASURY OR HOME OWNERS' LOAN CORPORATION MAY REQUEST: Adopted December 22, 1939; effective December 22, 1939.

Section 203.8 of the Rules and Regulations for the Federal Savings and Loan System was amended by the Federal Home Loan Bank Board by the addition of the following new subsections:

(e) *Retirement of investments upon request by the Secretary of the Treasury or the Home Owners' Loan Corporation.* The basis for computing the amount of repurchases which the Secretary of the Treasury or the Home Owners' Loan Corporation may at any time request shall be the original amount of separate investments made five years or more prior to the date of each such request, and the original amount of each such separate investment shall be included in the said basis until such time as the investment would have been fully retired had separate requests been made for the retirement of the investment and had the repurchases been applied accordingly. Repurchases shall be applied toward the retirement of the investment first made by the Secretary of the Treasury or the Home Owners' Loan Corporation and not previously retired.

(f) *Return of receipt, certificate, or other evidence of investment.* The receipt, certificate, or other evidence of investment by the Secretary of the Treasury or the Home Owners' Loan Corporation will be returned upon repurchase of the investment in full; partial repurchases will be evidenced by appropriate endorsement on the receipt, certificate, or other evidence of the investment.

AMENDMENT TO RULES AND REGULATIONS FOR INVESTMENT BY HOME OWNERS' LOAN CORPORATION IN SECURITIES OF SAVINGS AND LOAN ASSOCIATIONS, PROVIDING A BASIS FOR COMPUTING THE AMOUNT OF REPURCHASES WHICH THE HOME OWNERS' LOAN CORPORATION MAY REQUEST: Adopted December 22, 1939; effective December 22, 1939.

The Board amended Section 58 of the Rules and Regulations for Investment by Home Owners' Loan Corporation in Securities of Savings and Loan Associations by adding at the end the following new subsections:

(c) *Retirement of investments upon request by the Home Owners' Loan Corporation.* The basis for computing the amount of repurchases which the Home Owners' Loan Corporation may at any time request shall be the original amount of separate investments made five years or more prior to the date of each such request, and the original amount of each such separate investment shall be included in the said basis until such time as the investment would have been fully retired had separate requests been made for the retirement of the investment and had the repurchases been applied accordingly. Repurchases shall be applied toward the retirement of the investment first made by the Home Owners' Loan Corporation and not previously retired.

(d) *Return of receipt, certificate, or other evidence of investment.* The receipt, certificate, or other evidence of investment by the Home Owners' Loan Corporation will be returned upon repurchase of the investment in full; partial repurchases will be evidenced by appropriate endorsement on the receipt, certificate, or other evidence of the investment, provided that a new certificate shall be issued for the unretired portion of each investment which is a creditor obligation.

Directory of Member, Federal, and Insured Institutions

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

DISTRICT NO. 2

NEW JERSEY:
Elizabeth:
City Building & Loan Association, 1160 East Jersey Street.

DISTRICT NO. 3

PENNSYLVANIA:
Philadelphia:
Influential Building & Loan Association of the City of Philadelphia, 2359 East Susquehanna Avenue.
Oxford Building Association, 1523 West Girard Avenue.
Willow Grove:
Willow Grove Building & Loan Association, 75 North York Road.

DISTRICT NO. 4

VIRGINIA:
Norfolk:
Berkley Permanent Building & Loan Association, Incorporated, 231 West Berkley Avenue.

DISTRICT NO. 5

KENTUCKY:
Hopkinsville:
Hopkinsville Building & Loan Association, First City Bank Building.

OHIO:
Hamilton:
Butler Building & Loan Company, 11 South Front Street.

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN NOVEMBER 16 AND DECEMBER 15, 1939

ILLINOIS:
Chicago Heights:
Trencin Building & Loan Association, 194 East Twenty-fourth Street (voluntary liquidation).

KANSAS:
Herington:
The Savings, Building & Loan Association, 14 East Main Street (voluntary withdrawal).

NEW JERSEY:
Newark:
Fulton Building & Loan Association, 11 Clinton Street (merger with, and transfer of Bank stock to, Lackawanna Building & Loan Association, East Orange, New Jersey).

PENNSYLVANIA:
Carnegie:
Own-A-Hom Building & Loan Association, 309 East Main Street (voluntary withdrawal).
Philadelphia:
William L. Degn Building & Loan Association, 1301 North Twenty-ninth Street (merger with Milestown Building & Loan Association, Philadelphia, Pennsylvania).
Pittsburgh:
Colonial Building & Loan Association of Pittsburgh, Pa., 1804 Carson Street (voluntary withdrawal).
Twelfth Ward Premium & Loan Association of Allegheny City, 1808 East Street (voluntary liquidation).

VIRGINIA:
Blacksburg:
Montgomery County Mutual Building & Loan Association, Inc., Farmers & Merchants Bank Building (removal from membership).

WISCONSIN:
Milwaukee:
Advance Savings, Building & Loan Association, 828 North Broadway (voluntary withdrawal).
Biltmore Building & Loan Association, 740 North Plankinton Avenue (voluntary withdrawal).

II. FEDERAL SAVINGS AND LOAN ASSOCIATIONS CHARTERED BETWEEN NOVEMBER 16 AND DECEMBER 15, 1939

DISTRICT NO. 2

NEW JERSEY:
Westfield:
Westfield Federal Savings & Loan Association, 30 East Broad Street (converted from Westfield-Home Building & Loan Association).

DISTRICT NO. 3

PENNSYLVANIA:
Philadelphia:
Girard Federal Savings & Loan Association, 6740 Sprague Street (converted from Germania Building & Loan Association).
Pittsburgh:
Eagle Number Two Federal Savings & Loan Association, 4625 Liberty Avenue (converted from Eagle Building & Loan Association Number Two of Pittsburgh).
Friendship Federal Savings & Loan Association of Pittsburgh, 4625 Liberty Avenue (converted from Friendship Building & Loan Association).
New Century Federal Savings & Loan Association of Pittsburgh, 4625 Liberty Avenue (converted from New Century Building & Loan Association of Pittsburgh).
Safe Investment Federal Savings & Loan Association of Pittsburgh, 1312 Beaver Avenue (converted from Safe Investment Building & Loan Association).

WEST VIRGINIA:
Beckley:
Beckley Federal Savings & Loan Association (new association).

DISTRICT NO. 4

NORTH CAROLINA:
Conover:
First Federal Savings & Loan Association of Conover (converted from Peoples Building & Loan Association of Conover).
Mount Airy:
Workmen's Federal Savings & Loan Association, 111 North Main Street (converted from Workmen's Building & Loan Association of Mount Airy, North Carolina, Inc.).

DISTRICT NO. 6

INDIANA:
Greensburg:
First Federal Savings & Loan Association of Greensburg, 212 North Franklin Street (converted from Workingmen's Building & Loan Association of Greensburgh, Indiana).

DISTRICT NO. 12

NEVADA:
Reno:
Union Federal Savings & Loan Association, 150 North Virginia Street (converted from Union Building & Loan Association).

CANCELATIONS OF FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTERS BETWEEN NOVEMBER 16 AND DECEMBER 15, 1939

CALIFORNIA:
Los Angeles:
Investment Federal Savings & Loan Association, 1037 South Broadway (merger with Los Angeles Federal Savings & Loan Association).

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

DISTRICT NO. 1

CONNECTICUT:
Waterbury:
Waterbury Building & Loan Association, Inc., 63 North Main Street.

DISTRICT NO. 6

INDIANA:
Greensburg:
First Federal Savings & Loan Association of Greensburg, 212 North Franklin Street.

DISTRICT NO. 7

ILLINOIS:
Aurora:
Aurora Building & Loan Association, 34 South River Street.

Announcement of the Election of Federal Home Loan Bank Directors

■ THE Federal Home Loan Bank Board announces the election of the following Directors of the 12 Federal Home Loan Banks. Terms of office for these Directors will be two years, beginning January 1, 1940, unless otherwise noted. (Asterisk (*) denotes reelected Directors.) The designation of Chairmen and Vice Chairmen and the appointment of Public Interest Directors will be announced at a later date.

DISTRICT NO. 1: FEDERAL HOME LOAN BANK OF BOSTON

Class A Director: Edward H. Weeks, Old Colony Co-operative Bank, Providence, Rhode Island.*

Class B Director: Reuben A. Cooke, Burlington Federal Savings and Loan Association, Burlington, Vermont.*

Class C Director: Sumner W. Johnson, Homestead Loan and Building Association, Portland, Maine.*

Director-at-Large: Philip A. Damon, Pittsfield Co-operative Bank, Pittsfield, Massachusetts.*

DISTRICT NO. 2: FEDERAL HOME LOAN BANK OF NEW YORK

Class A Director: John Eden Farwell, Geneva Federal Savings and Loan Association, Geneva, New York.*

Class B Director: Harry J. Stevens, Trustworthy Building and Loan Association, Newark, New Jersey.*

Class C Director: Francis V. D. Lloyd, Park Building and Loan Association, Ridgefield Park, New Jersey.*

Director-at-Large: LeGrand W. Pellett, The Building and Loan Association of Newburgh, Newburgh, New York.*

(*Continued on p. 135*)

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

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

[Amounts are shown in thousands of dollars]

Type of dwelling	Number of family units provided					Total cost of units				
	Monthly totals			January–November totals		Monthly totals			January–November totals	
	Nov. 1939	Oct. 1939	Nov. 1938	1939	1938	Nov. 1939	Oct. 1939	Nov. 1938	1939	1938
1-family dwellings	13, 439	15, 478	11, 479	150, 706	118, 128	$53, 519. 7	$61, 450. 1	$46, 017. 7	$592, 115. 1	$464, 904. 1
2-family dwellings	964	980	782	10, 600	9, 740	2, 326. 6	2, 573. 4	1, 948. 3	26, 933. 3	25, 100. 0
Joint home and business [2]	57	85	53	743	859	230. 8	385. 7	189. 2	3, 308. 5	3, 022. 1
3-and-more family dwellings	12, 981	4, 905	5, 998	102, 508	70, 415	40, 898. 9	16, 033. 2	19, 088. 3	335, 559. 4	228, 410. 9
Total residential	27, 441	21, 448	18, 312	264, 557	199, 142	96, 976. 0	80, 442. 4	67, 243. 5	957, 916. 3	721, 437. 1

[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 November 1939, by Federal Home Loan Bank District and by State

[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 District and State	All residential dwellings				All 1- and 2-family dwellings			
	Number of family dwelling units		Estimated cost		Number of family dwelling units		Estimated cost	
	Nov. 1939	Nov. 1938	Nov. 1939	Nov. 1938	Nov. 1939	Nov. 1938	Nov. 1939	Nov. 1938
UNITED STATES	27, 441	18, 312	$96, 976. 0	$67, 243. 2	14, 460	12, 314	$56, 077. 1	$48, 155. 2
No. 1—Boston	3, 795	618	13, 735. 9	2, 782. 0	845	541	3, 954. 7	2, 482. 8
Connecticut	1, 391	152	4, 583. 4	694. 7	194	152	967. 5	694. 7
Maine	36	42	119. 8	151. 5	36	35	119. 8	135. 1
Massachusetts	2, 187	317	8, 291. 9	1, 534. 8	440	247	2, 136. 6	1, 252. 0
New Hampshire	41	27	151. 9	76. 9	35	27	141. 9	76. 9
Rhode Island	135	74	550. 2	299. 4	135	74	550. 2	299. 4
Vermont	5	6	38. 7	24. 7	5	6	38. 7	24. 7
No. 2—New York	6, 347	5, 625	22, 515. 1	20, 682. 8	1, 315	1, 618	5, 909. 7	6, 962. 9
New Jersey	776	319	3, 398. 1	1, 375. 8	350	245	1, 718. 1	1, 142. 6
New York	5, 571	5, 306	19, 117. 0	19, 307. 0	965	1, 373	4, 191. 6	5, 820. 3
No. 3—Pittsburgh	1, 350	731	5, 620. 5	3, 333. 4	760	660	3, 645. 1	3, 052. 8
Delaware	6	4	29. 8	16. 0	6	4	29. 8	16. 0
Pennsylvania	1, 250	640	5, 237. 9	3, 029. 9	668	569	3, 282. 5	2, 749. 3
West Virginia	94	87	352. 8	287. 5	86	87	332. 8	287. 5

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

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and State	All residential dwellings				All 1- and 2-family dwellings			
	Number of family dwelling units		Estimated cost		Number of family dwelling units		Estimated cost	
	Nov. 1939	Nov. 1938	Nov. 1939	Nov. 1938	Nov. 1939	Nov. 1938	Nov. 1939	Nov. 1938
No. 4—Winston-Salem	3, 536	2, 070	$10, 757. 1	$6, 284. 0	2, 005	1, 525	$6, 519. 2	$5, 023. 8
Alabama	152	113	315. 0	223. 1	143	113	261. 5	223. 1
District of Columbia	300	602	1, 438. 2	1, 937. 4	214	154	1, 263. 7	916. 9
Florida	802	393	2, 559. 9	1, 396. 6	614	393	2, 107. 8	1, 396. 9
Georgia	585	166	1, 446. 7	376. 0	227	162	372. 4	368. 5
Maryland	266	202	898. 6	697. 7	266	198	898. 6	687. 7
North Carolina	774	245	2, 082. 0	512. 9	278	229	776. 6	500. 1
South Carolina	365	176	995. 8	479. 5	117	107	261. 3	272. 0
Virginia	292	173	1, 020. 9	660. 8	146	169	577. 3	658. 6
No. 5—Cincinnati	1, 276	790	5, 119. 4	3, 429. 1	864	593	3, 851. 5	2, 741. 3
Kentucky	103	73	298. 6	228. 3	99	73	295. 1	228. 3
Ohio	1, 034	504	4, 487. 9	2, 457. 6	626	416	3, 223. 5	2, 177. 2
Tennessee	139	213	332. 9	743. 2	139	104	332. 9	335. 8
No. 6—Indianapolis	1, 503	1, 321	6, 828. 1	6, 260. 1	1, 459	1, 304	6, 623. 6	6, 177. 1
Indiana	338	236	1, 349. 6	885. 7	294	232	1, 145. 1	874. 7
Michigan	1, 165	1, 085	5, 478. 5	5, 374. 4	1, 165	1, 072	5, 478. 5	5, 302. 4
No. 7—Chicago	1, 902	661	7, 886. 4	3, 462. 6	787	642	4, 143. 8	3, 391. 7
Illinois	1, 605	454	6, 627. 0	2, 599. 2	499	448	2, 901. 9	2, 545. 2
Wisconsin	297	207	1, 259. 4	863. 4	288	194	1, 241. 9	846. 5
No. 8—Des Moines	850	933	3, 318. 0	3, 452. 6	826	609	3, 241. 6	2, 473. 7
Iowa	233	151	844. 7	602. 1	233	151	844. 7	602. 1
Minnesota	350	521	1, 585. 0	1, 958. 2	342	229	1, 562. 6	1, 052. 3
Missouri	205	220	710. 7	780. 0	189	188	656. 7	707. 0
North Dakota	23	14	82. 6	43. 5	23	14	82. 6	43. 5
South Dakota	39	27	95. 0	68. 8	39	27	95. 0	68. 8
No. 9—Little Rock	1, 916	1, 679	5, 124. 8	4, 583. 8	1, 698	1, 512	4, 493. 0	4, 198. 4
Arkansas	66	58	236. 0	146. 1	58	50	211. 0	138. 5
Louisiana	206	184	517. 7	510. 8	202	180	508. 7	498. 8
Mississippi	320	156	812. 6	278. 6	170	137	345. 7	261. 1
New Mexico	28	40	87. 3	132. 5	28	40	87. 3	132. 5
Texas	1, 296	1, 241	3, 471. 2	3, 515. 8	1, 240	1, 105	3, 340. 3	3, 167. 5
No. 10—Topeka	571	456	1, 859. 4	1, 377. 5	561	428	1, 835. 4	1, 354. 1
Colorado	171	111	583. 8	334. 2	164	94	567. 8	323. 7
Kansas	103	96	267. 4	268. 2	103	93	267. 4	264. 8
Nebraska	99	47	391. 4	153. 1	96	43	383. 4	151. 1
Oklahoma	198	202	616. 8	622. 0	198	198	616. 8	614. 5
No. 11—Portland	782	357	2, 630. 7	1, 273. 1	696	338	2, 464. 7	1, 229. 1
Idaho	47	12	178. 6	48. 1	47	12	178. 6	48. 1
Montana	54	21	142. 1	49. 5	54	21	142. 1	49. 5
Oregon	204	83	699. 4	322. 5	151	77	582. 5	311. 5
Utah	130	76	409. 8	272. 2	119	71	399. 8	255. 2
Washington	335	153	1, 150. 0	525. 5	313	145	1, 110. 9	509. 5
Wyoming	12	12	50. 8	55. 3	12	12	50. 8	55. 3
No. 12—Los Angeles	3, 613	3, 071	11, 580. 6	10, 322. 2	2, 644	2, 544	9, 394. 8	9, 067. 5
Arizona	62	66	197. 6	232. 5	58	45	194. 1	174. 0
California	3, 527	2, 983	11, 279. 5	997. 5	2, 562	2, 477	9, 097. 2	8, 801. 3
Nevada	24	22	103. 5	92. 2	24	22	103. 5	92. 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 District and city	Cubic-foot cost		Total cost						
	1939 Dec.	1938 Dec.	1939				1938 Dec.	1937 Dec.	1936 Dec.
			Dec.	Sept.	June	Mar.			
No. 1—Boston:									
Hartford, Conn	$0.246	$0.245	$5,903	$5,836	$5,842	$5,865	$5,877	$6,076	$5,781
New Haven, Conn	.241	.234	5,793	5,673	5,597	5,629	5,617	5,832	5,620
Portland, Me	.218	.219	5,242	5,254	5,294	5,264	5,259	5,708	5,252
Boston, Mass	.268	.266	6,428	6,336	6,286	6,377	6,384	6,601	5,927
Manchester, N. H	.224	.231	5,381	5,332	5,427	5,507	5,554	5,601	5,556
Providence, R. I	.250	.246	6,007	5,949	5,996	5,938	5,893	6,000	5,633
Rutland, Vt	.220	.228	5,272	5,354	5,427	5,472	5,472	5,846	5,359
No. 4—Winston-Salem:									
Birmingham, Ala	.216	.236	5,190	5,150	5,310	5,663	5,668	6,068	--------
Washington, D. C	.239	.244	5,738	5,737	5,655	5,813	5,854	6,019	5,431
Tampa, Fla	.238	.230	5,709	5,579	5,576	5,535	5,513	5,578	5,439
West Palm Beach, Fla	.239	.243	5,740	5,703	5,795	5,788	5,834	6,393	6,055
Atlanta, Ga	.205	.209	4,926	4,792	4,822	4,876	5,006	5,267	5,127
Baltimore, Md	.211	.205	5,074	4,970	5,009	4,916	4,922	5,171	5,314
Cumberland, Md	.228	.227	5,477	5,477	5,539	5,529	5,443	5,643	5,491
Asheville, N. C	.213	.211	5,115	4,855	4,872	5,085	5,074	5,410	4,940
Raleigh, N. C	.216	.220	5,176	4,853	4,952	5,251	5,273	5,515	5,244
Salisbury, N. C	.203	.198	4,881	4,645	4,670	4,719	4,741	4,714	--------
Columbia, S. C	.195	.204	4,673	4,721	4,783	4,838	4,888	4,860	4,803
Richmond, Va	.206	.212	4,953	4,982	4,936	5,080	5,081	5,370	4,982
Roanoke, Va	.225	.221	5,404	5,367	5,363	5,355	5,306	5,198	4,806
No. 7—Chicago:									
Chicago, Ill	.283	.285	6,789	6,768	6,846	6,829	6,838	7,226	6,839
Peoria, Ill	.288	.268	6,909	6,639	6,556	6,441	6,441	6,705	6,306
Springfield, Ill	.295	.284	7,073	6,778	6,789	6,812	6,811	--------	6,668
Milwaukee, Wis	.252	.240	6,040	5,943	5,990	5,974	5,752	6,023	5,537
Oshkosh, Wis	.240	.246	5,770	5,905	5,921	5,874	5,898	6,027	5,782
No. 10—Topeka:									
Denver, Colo	.259	.268	6,221	6,276	6,376	6,353	6,431	6,625	6,114
Wichita, Kans	.246	.249	5,909	6,066	6,021	6,087	5,964	--------	5,291
Omaha, Nebr	.253	.238	6,079	5,942	5,778	5,787	5,717	5,975	5,694
Oklahoma City, Okla	.250	.245	6,000	5,893	5,860	5,883	5,875	5,850	5,486

[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; three 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 three months from the same dealers, and current wage rates are obtained from the same reputable contractors and operative builders.

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.

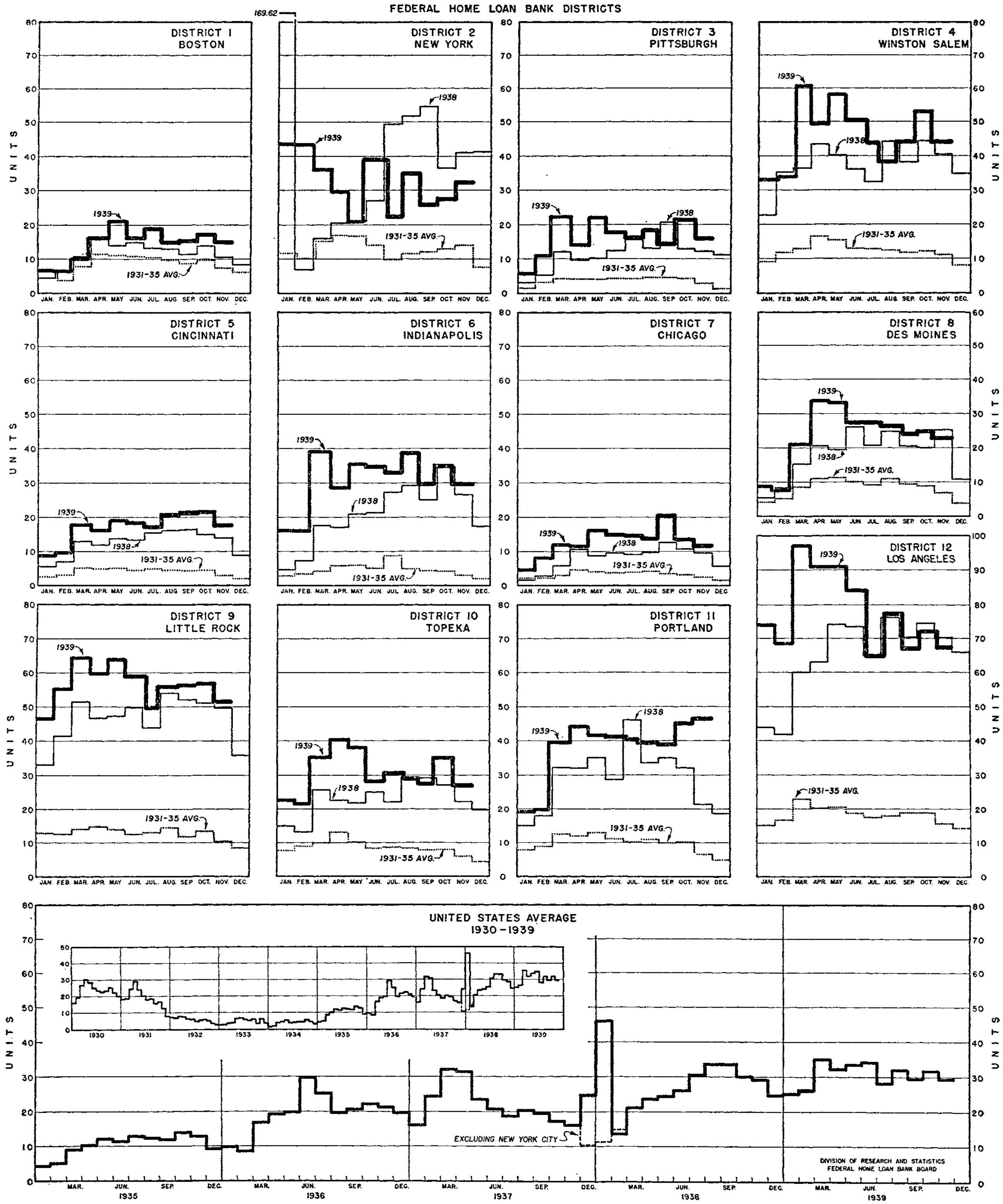


Table 4.—Estimated volume of new lending activity of savings and loan associations, classified by District and type of association

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and type of association	New loans		Percent change, October 1939 to November 1939	New loans, November 1938	Percent change, November 1938 to November 1939	Cumulative new loans (11 months)		
	November 1939	October 1939				1939	1938	Percent change
United States: Total	$86,076	$93,297	−7.7	$64,070	+34.3	$903,271	$734,062	+23.1
Federal	34,785	37,854	−8.1	24,220	+43.6	366,284	261,880	+39.9
State member	34,671	37,847	−8.4	26,115	+32.8	362,832	306,966	+18.2
Nonmember	16,620	17,596	−5.5	13,735	+21.0	174,155	165,216	+5.4
District No. 1: Total	8,858	9,496	−6.7	6,243	+41.9	82,722	69,133	+19.7
Federal	2,785	2,882	−3.4	1,772	+57.2	25,719	19,164	+34.2
State member	4,633	4,911	−5.7	2,799	+65.5	39,950	33,209	+20.3
Nonmember	1,440	1,703	−15.4	1,672	−13.9	17,053	16,760	+1.7
District No. 2: Total	8,538	9,400	−9.2	6,351	+34.4	88,517	71,398	+24.0
Federal	3,028	3,628	−16.5	2,417	+25.3	34,314	20,679	+65.9
State member	2,128	2,225	−4.4	1,609	+32.3	20,768	18,300	+13.5
Nonmember	3,382	3,547	−4.7	2,325	+45.5	33,435	32,419	+3.1
District No. 3: Total	6,406	7,551	−15.2	5,117	+25.2	73,209	57,518	+27.3
Federal	2,164	2,599	−18.9	1,090	+98.5	20,586	11,652	+76.7
State member	1,506	2,119	−28.9	1,348	+11.7	19,058	16,450	+15.9
Nonmember	2,736	2,833	−3.4	2,679	+2.1	33,565	29,416	+14.1
District No. 4: Total	12,459	14,766	−15.6	8,980	+38.7	125,746	102,142	+23.1
Federal	5,133	6,159	−16.7	3,213	+59.8	51,896	35,623	+45.7
State member	5,212	6,376	−18.3	4,546	+14.7	53,874	48,233	+11.7
Nonmember	2,114	2,231	−5.2	1,221	+73.1	19,976	18,286	+9.2
District No. 5: Total	14,686	14,980	−2.0	9,335	+57.3	143,843	112,404	+28.0
Federal	5,425	5,835	−7.0	3,674	+47.7	57,400	43,514	+31.9
State member	6,912	7,044	−1.9	4,350	+58.9	68,673	50,997	+34.7
Nonmember	2,349	2,101	+11.8	1,311	+79.2	17,770	17,893	−0.7
District No. 6: Total	4,407	4,663	−5.5	3,060	+44.0	44,118	32,422	+36.1
Federal	2,176	2,165	+0.5	1,634	+33.2	20,611	15,131	+36.2
State member	1,967	2,170	−9.4	1,168	+68.4	20,406	14,591	+39.9
Nonmember	264	328	−19.5	258	+2.3	3,101	2,700	+14.9
District No. 7: Total	8,426	8,886	−5.2	6,597	+27.7	90,474	72,690	+24.5
Federal	3,057	3,132	−2.4	2,056	+48.7	31,215	24,249	+28.7
State member	4,066	4,225	−3.8	2,564	+58.6	40,237	31,289	+28.6
Nonmember	1,303	1,529	−14.8	1,977	−34.1	19,022	17,152	+10.9
District No. 8: Total	5,173	5,601	−7.6	3,849	+34.4	55,914	44,513	+25.6
Federal	2,487	2,676	−7.1	1,665	+49.4	26,475	18,391	+44.0
State member	1,585	1,526	+3.9	1,394	+13.7	16,786	14,904	+12.6
Nonmember	1,101	1,399	−21.3	790	+39.4	12,653	11,218	+12.8
District No. 9: Total	4,215	4,745	−11.2	3,958	+6.5	52,657	44,568	+18.1
Federal	1,815	1,798	+0.9	1,626	+11.6	21,365	17,223	+24.0
State member	2,286	2,758	−17.1	2,109	+8.4	29,365	25,230	+16.4
Nonmember	114	189	−39.7	223	−48.9	1,927	2,115	−8.9
District No. 10: Total	3,733	4,116	−9.3	3,276	+13.9	43,379	37,389	+16.0
Federal	1,843	1,960	−6.0	1,465	+25.8	21,339	16,323	+30.7
State member	843	1,080	−21.9	949	−11.2	11,200	11,274	−0.7
Nonmember	1,047	1,076	−2.7	862	+21.5	10,840	9,792	+10.7
District No. 11: Total	3,089	3,286	−6.0	2,024	+52.6	32,166	25,816	+24.6
Federal	1,666	1,908	−12.7	1,067	+56.1	19,019	14,222	+33.7
State member	1,103	1,115	−1.1	733	+50.5	11,242	8,878	+26.6
Nonmember	320	263	+21.7	224	+42.9	1,905	2,716	−29.9
District No. 12: Total	6,086	5,807	+4.8	5,280	+15.3	70,526	64,069	+10.1
Federal	3,206	3,112	+3.0	2,541	+26.2	36,345	25,709	+41.4
State member	2,430	2,298	+5.7	2,546	−4.6	31,273	33,611	−7.0
Nonmember	450	397	+13.4	193	+133.2	2,908	4,749	−38.8

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: Mortgage loans on homes: Construction	Home purchase	Refinancing	Reconditioning	Loans for all other purposes	Total loans	Type of association: Federals	State members	Nonmembers
1937	$234, 102	$326, 629	$180, 804	$62, 143	$92, 901	$896, 579	$307, 278	$379, 286	$210, 015
Jan.-Nov	218, 821	306, 462	168, 127	57, 968	85, 105	836, 483	287, 240	354, 764	194, 479
November	17, 447	22, 697	12, 671	4, 796	6, 892	64, 503	20, 829	27, 113	16, 561
1938	220, 458	265, 485	160, 167	58, 623	93, 263	797, 996	286, 899	333, 470	177, 627
Jan.-Nov	201, 306	244, 659	147, 362	54, 598	86, 137	734, 062	261, 880	306, 966	165, 216
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									
Jan.-Nov	274, 116	311, 850	167, 024	55, 128	95, 153	903, 271	366, 284	362, 832	174, 155
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
May	26, 646	31, 289	15, 687	6, 069	9, 432	89, 123	36, 358	35, 426	17, 339
June	29, 919	32, 228	17, 123	5, 802	9, 082	94, 154	39, 094	36, 465	18, 595
July	26, 865	29, 638	15, 353	5, 133	8, 183	85, 172	34, 055	34, 146	16, 971
August	29, 863	32, 282	17, 005	5, 909	9, 979	95, 038	40, 645	37, 340	17, 053
September	27, 854	31, 367	16, 021	5, 544	8, 946	89, 732	37, 090	36, 989	15, 653
October	29, 255	33, 383	15, 835	5, 784	9, 040	93, 297	37, 854	37, 847	17, 596
November	26, 607	30, 434	15, 445	4, 720	8, 870	86, 076	34, 785	34, 671	16, 620

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: November	93. 7	92. 9	88. 8	94. 8	81. 5	79. 6	114. 9	98. 7
1938: 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
May	89. 5	91. 7	91. 5	91. 2	81. 6	79. 3	107. 3	89. 6
June	89. 5	91. 1	91. 5	90. 7	82. 4	79. 3	107. 3	89. 5
July	89. 7	90. 6	91. 5	91. 8	82. 2	79. 3	107. 3	89. 6
August	89. 6	90. 5	91. 3	91. 8	82. 1	79. 3	107. 3	89. 5
September	90. 9	91. 0	91. 3	93. 7	84. 7	79. 3	107. 3	90. 3
October	92. 8	91. 5	91. 3	98. 0	85. 7	79. 3	107. 3	91. 9
November	93. 0	91. 6	91. 3	98. 3	84. 9	79. 3	107. 3	92. 9
Change:								
Nov. 1939–Oct. 1939	+0. 2%	+0. 1%	0. 0%	+0. 3%	−0. 9%	0. 0%	0. 0%	+1. 1%
Nov. 1939–Nov. 1938	+4. 3%	+0. 1%	+0. 8%	+9. 0%	+4. 9%	+0. 8%	0. 0%	+3. 6%

[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 1,349 identical Federal and 717 identical insured State-chartered savings and loan associations reporting during October and November 1939

[Amounts are shown in thousands of dollars]

Type of operation	1,349 Federals			717 insured State members		
	November	October	Change October to November	November	October	Change October to November
Share liability at end of month:			*Percent*			*Percent*
Private share accounts (number)	1, 356, 713	1, 347, 161	+0. 7	918, 445	917, 194	+0. 1
Paid on private subscriptions	$1, 057, 493. 0	$1, 041, 746. 6	+1. 5	$656, 869. 6	$653, 129. 8	+0. 6
Treasury and H. O. L. C. subscriptions	202, 597. 0	202, 597. 0	0. 0	[1] 39, 683. 2	[1] 39, 688. 2	[2]
Total	1, 260, 090. 0	1, 244, 343. 6	+1. 3	696, 552. 8	692, 818. 0	+0. 5
Private share investments during month	26, 739. 0	27, 690. 1	−3. 4	12, 058. 1	12, 493. 7	−3. 5
Repurchases during month	10, 740. 7	14, 264. 6	−24. 7	8, 143. 6	11, 669. 0	−30. 2
Mortgage loans made during month:						
a. New construction	13, 238. 4	13, 882. 9	−4. 6	4, 602. 2	5, 240. 2	−12. 2
b. Purchase of homes	10, 332. 6	12, 042. 3	−14. 2	4, 795. 7	5, 225. 6	−8. 2
c. Refinancing	6, 112. 8	6, 514. 9	−6. 2	2, 476. 7	2, 674. 4	−7. 4
d. Reconditioning	1, 793. 6	1, 844. 7	−2. 8	715. 0	894. 1	−20. 0
e. Other purposes	2, 497. 1	2, 543. 9	−1. 8	1, 596. 0	1, 590. 1	+0. 4
Total	33, 974. 5	36, 828. 7	−7. 7	14, 185. 6	15, 624. 4	−9. 2
Mortgage loans outstanding end of month	1, 223, 297. 9	1, 205, 951. 9	+1. 4	634, 908. 1	630, 142. 8	+0. 8
Borrowed money as of end of month:						
From Federal Home Loan Banks	91, 363. 2	90, 477. 4	+1. 0	33, 703. 1	33, 862. 4	−0. 5
From other sources	3, 897. 8	3, 822. 0	+2. 0	3, 283. 8	3, 156. 8	+4. 0
Total	95, 261. 0	94, 299. 4	+1. 0	36, 986. 9	37, 019. 2	−0. 1
Total assets, end of month	1, 503, 609. 8	1, 483, 814. 3	+1. 3	872, 427. 0	866, 845. 7	+0. 6

[1] Includes only H. O. L. C. subscriptions.
[2] Less than 0.1 percent.

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 private investors in repurchasable shares [2]	Assets	Private repurchasable capital
	Dec. 31, 1935	Dec. 31, 1936	Dec. 31, 1937	Dec. 31, 1938	Oct. 31, 1939	Nov. 30, 1939	Nov. 30, 1939	Nov. 30, 1939	Nov. 30, 1939
State-chartered associations	136	382	566	737	799	799	966, 500	$923, 143	$691, 115
Converted F. S. and L. A	406	560	672	[3] 723	[4] 755	[5] 756	1, 011, 200	1, 104, 791	813, 182
New F. S. and L. A	572	634	641	637	634	634	373, 600	431, 104	264, 736
Total	1, 114	1, 576	1, 879	2, 097	2, 188	2, 189	2, 351, 300	2, 459, 038	1, 769, 033

[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] This series revised to agree with schedules submitted each month by insured institutions. Private investors in repurchasable shares in insured State-chartered members numbered 931,600 in June 1939; no other association type revised.
[3] In addition, 6 Federals with assets of $1,505,000 had been approved for conversion but had not been insured as of Dec. 31.
[4] In addition, 5 Federals with assets of $834,000 had been approved for conversion but had not been insured as of Oct. 31.
[5] In addition, 11 Federals with assets of $3,328,000 had been approved for conversion but had not been insured as of Nov. 30.

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

[Thousands of dollars]

Federal Home Loan Bank	November 1939		October 1939		Advances outstanding at the end of the month
	Advances	Repayments	Advances	Repayments	
Boston	$394	$541	$558	$77	$6, 617
New York	738	1, 015	2, 377	770	18, 886
Pittsburgh	596	701	938	568	16, 283
Winston-Salem	872	1, 327	1, 873	674	16, 800
Cincinnati	687	465	407	400	17, 760
Indianapolis	188	138	753	120	10, 047
Chicago	664	339	584	808	25, 450
Des Moines	391	72	655	190	16, 813
Little Rock	338	306	298	177	8, 966
Topeka	48	165	227	183	10, 368
Portland	120	161	259	208	5, 350
Los Angeles	791	429	676	463	15, 482
Total	5, 827	5, 659	9, 605	4, 638	168, 822
Jan.–Nov. 1939	76, 057	106, 077			
November 1938	5, 247	4, 779			189, 687
Jan.–Nov. 1938	66, 963	77, 370			
November 1937	7, 001	3, 707			187, 336
Jan.–Nov. 1937	105, 660	63, 726			

Table 10.—Government investments in savings and loan associations [1]

[Amounts are shown in thousands of dollars]

Type of operation	Treasury	Home Owners' Loan Corporation		
	Federals [2]	Federals	State members	Total
Oct. 1935–Nov. 1939:				
Applications:				
Number	1, 862	4, 575	971	5, 546
Amount	$50, 401	$199, 425	$63, 085	$262, 510
Investments:				
Number	1, 831	4, 166	736	4, 902
Amount	$49, 300	$174, 733	$45, 143	$219, 876
Repurchases	$9, 621	$5, 815	$2, 658	$8, 473
Net outstanding investments	$39, 679	$168, 918	$42, 485	$211, 403
November 1939:				
Applications:				
Number	0	1	5	6
Amount	0	$100	$876	$976
Investments:				
Number	0	0	0	0
Amount	0	0	0	0
Repurchases	0	0	$31	$31

[1] Refers to number of separate investments, not to number of associations in which investments are made.
[2] Investments in Federals by the Treasury were made between December 1933 and November 1935.

Table 11.—Reconditioning Division—Summary of all reconditioning operations of H. O. L. C. through Nov. 30, 1939 [1]

Type of operation	June 1, 1934 through Oct. 31, 1939	Nov. 1, 1939 through Nov. 30, 1939	Cumulative through Nov. 30, 1939
Cases received [2]	1, 105, 518	7, 701	1, 113, 219
Contracts awarded:			
Number	712, 478	5, 773	718, 251
Amount	$143, 027, 148	$1, 433, 235	$144, 460, 383
Contracts completed:			
Number	705, 918	6, 701	712, 619
Amount	$139, 959, 539	$1, 803, 848	$141, 763, 387

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

Period	Number
Prior to 1935	9
1935: Jan. 1 through June 30	114
July 1 through Dec. 31	983
1936: Jan. 1 through June 30	4, 449
July 1 through Dec. 31	15, 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 1 through Dec. 31	22, 533
1939: Jan. 1 through June 30	19, 509
July	2, 773
August	2, 857
September	2, 590
October	2, 445
November	2, 356
Grand total to Nov. 30, 1939	155, 085

[1] Does not include 9,960 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 155,085 completed cases, 862 properties were sold at foreclosure sale to parties other than the H. O. L. C. and 21,516 cases have been withdrawn due to payment of delinquencies by borrowers after foreclosure proceedings were authorized.

Table 13.—Summary of estimated nonfarm mortgage recordings,[1] $20,000 and under, during November 1939

(Amounts shown are in thousands of dollars)

Federal Home Loan Bank District and State	Savings & loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgagees		Total		Amount per capita (nonfarm)
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
UNITED STATES	38,671	$98,889	5,443	$28,286	24,594	$80,484	3,994	$14,571	27,955	$52,183	15,336	$50,699	115,993	$325,112	$3.52
No. 1--Boston	3,544	10,805	308	1,678	1,062	3,900	1,953	6,309	2,027	4,198	1,118	3,253	10,012	30,143	
Connecticut	277	924	73	505	307	1,309	441	1,610	479	1,116	247	894	1,824	6,358	4.18
Maine	432	943	35	172	175	427	324	585	327	416	133	317	1,426	2,860	4.57
Massachusetts	2,338	7,326	167	816	326	1,280	924	3,227	873	1,976	559	1,503	5,187	16,128	3.91
New Hampshire	183	582	13	88	47	190	95	334	95	213	57	172	493	1,579	3.92
Rhode Island	261	898	10	61	104	404	120	407	138	258	97	300	730	2,328	3.47
Vermont	53	132	7	36	103	290	49	146	115	219	25	67	352	890	3.61
No. 2--New York	3,098	10,110	387	2,357	2,084	8,229	1,570	6,715	3,440	8,532	1,893	7,442	12,472	43,385	
New Jersey	949	2,669	195	1,112	1,012	4,157	109	514	1,018	3,304	647	2,061	3,930	13,817	3.53
New York	2,149	7,441	192	1,245	1,072	4,072	1,461	6,201	2,422	5,228	1,246	5,381	8,542	29,568	2.49
No. 3--Pittsburgh	2,459	6,281	271	1,408	2,046	7,105	182	655	1,653	3,542	993	3,704	7,604	22,695	
Delaware	64	170	35	189	62	295	29	106	115	219	24	127	329	1,106	5.76
Pennsylvania	1,777	4,549	196	1,032	1,527	5,820	151	548	1,243	2,962	817	3,300	5,711	18,211	2.08
West Virginia	618	1,562	40	187	457	990	2	1	295	361	152	277	1,564	3,378	2.64
No. 4--Winston-Salem	5,899	13,265	829	3,622	2,117	5,591	27	120	4,173	6,788	2,414	6,486	15,459	35,872	
Alabama	186	276	53	192	212	338	------	------	363	435	257	620	1,071	1,861	1.42
District of Columbia	492	2,371	83	540	95	587	------	------	223	594	315	1,354	1,208	5,446	11.20
Florida	653	1,940	262	1,045	304	892	------	------	979	1,959	528	1,539	2,726	7,375	6.20
Georgia	768	1,464	178	761	440	1,041	------	------	500	670	201	354	2,087	4,290	2.88
Maryland	899	2,081	26	160	236	782	27	120	406	934	174	456	1,768	4,533	3.25
North Carolina	1,656	2,619	95	408	201	364	------	------	642	532	441	811	3,035	4,734	3.01
South Carolina	359	621	27	102	161	321	------	------	421	402	148	423	1,116	1,869	2.27
Virginia	886	1,893	105	414	468	1,266	------	------	639	1,262	350	929	2,448	5,764	3.92
No. 5--Cincinnati	5,641	15,395	621	3,587	2,898	8,756	65	246	1,954	3,071	1,568	4,562	12,747	35,617	
Kentucky	842	1,797	128	661	373	941	------	------	209	266	87	274	1,639	3,939	2.74
Ohio	4,331	12,743	390	2,473	1,885	6,724	65	246	1,283	2,253	857	3,051	8,811	27,490	4.88
Tennessee	468	855	103	453	640	1,091	------	------	462	552	624	1,237	2,297	4,188	2.99
No. 6--Indianapolis	2,920	5,907	736	3,612	2,874	8,218	23	45	1,264	2,388	902	3,435	8,719	23,605	
Indiana	1,940	3,447	286	1,323	1,001	2,602	23	45	438	725	306	829	3,994	8,971	3.70
Michigan	980	2,460	450	2,289	1,873	5,616	------	------	826	1,663	596	2,606	4,725	14,634	3.60
No. 7--Chicago	3,128	9,005	436	2,432	1,561	5,819	16	27	1,771	4,124	1,436	6,708	8,348	28,115	
Illinois	2,282	6,949	338	1,956	1,015	4,165	------	------	840	2,311	1,218	6,018	5,693	21,399	3.23
Wisconsin	846	2,056	98	476	546	1,654	16	27	931	1,813	218	690	2,655	6,716	3.26
No. 8--Des Moines	2,737	5,928	454	2,039	1,561	3,324	33	122	2,199	3,439	967	2,512	7,951	17,364	
Iowa	729	1,448	89	381	510	1,214	------	------	390	564	214	469	1,932	4,076	2.73
Minnesota	967	2,240	224	967	475	1,066	30	98	688	1,209	152	456	2,536	6,036	3.62
Missouri	841	1,811	107	594	416	825	3	24	936	1,419	558	1,496	2,861	6,169	2.45
North Dakota	117	267	18	60	82	113	------	------	87	125	30	63	334	628	2.21
South Dakota	83	162	16	37	78	106	------	------	98	122	13	28	288	455	1.50
No. 9--Little Rock	3,060	7,509	651	3,619	936	2,965	------	------	2,174	3,804	1,415	4,158	8,236	22,055	
Arkansas	361	708	31	121	109	178	------	------	204	204	103	195	808	1,406	1.91
Louisiana	932	2,406	59	250	127	472	------	------	341	703	231	538	1,690	4,369	3.44
Mississippi	203	427	25	107	110	320	------	------	236	412	92	259	666	1,525	2.36
New Mexico	66	143	3	4	55	191	------	------	141	210	21	75	286	623	2.35
Texas	1,498	3,825	533	3,137	535	1,804	------	------	1,252	2,275	968	3,091	4,786	14,132	4.07
No. 10--Topeka	2,200	4,466	173	887	668	1,595	------	------	1,382	1,846	895	2,328	5,318	11,122	
Colorado	313	750	14	64	144	430	------	------	560	922	262	824	1,293	2,990	3.97
Kansas	576	969	37	113	222	450	------	------	256	258	134	337	1,225	2,127	1.81
Nebraska	578	1,175	65	364	61	176	------	------	193	284	83	225	980	2,224	2.81
Oklahoma	733	1,572	57	346	241	539	------	------	373	382	416	942	1,820	3,781	2.76
No. 11--Portland	1,634	3,522	196	697	1,256	3,252	125	332	1,203	1,711	813	2,495	5,227	12,009	
Idaho	98	196	20	66	135	485	------	------	154	181	119	341	526	1,269	4.94
Montana	205	546	36	139	150	488	------	------	147	341	21	44	559	1,558	4.68
Oregon	360	756	53	211	156	403	11	21	373	435	169	478	1,127	2,304	3.16
Utah	162	371	17	52	223	619	------	------	107	114	68	121	577	1,277	3.26
Washington	735	1,432	63	221	538	1,116	114	311	347	509	387	1,344	2,184	4,933	3.92
Wyoming	74	221	2	8	54	141	------	------	75	131	49	167	254	668	4.38
No. 12--Los Angeles	2,351	6,696	381	2,348	5,531	21,730	------	------	4,715	8,740	922	3,616	13,900	43,130	
Arizona	64	176	3	10	189	607	------	------	306	533	33	62	595	1,388	4.12
California	2,284	6,516	373	2,338	5,304	20,967	------	------	4,359	8,065	886	3,552	13,211	41,438	8.19
Nevada	3	4	------	------	38	156	------	------	50	142	3	2	94	304	4.07

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

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	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Combined total	Percent
Number:														
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
May	43,648	34.8	6,009	4.8	25,658	20.4	3,825	3.0	30,904	24.6	15,560	12.4	125,604	100.0
June	43,655	34.1	6,335	4.9	26,779	20.9	3,524	2.8	30,710	24.0	17,002	13.3	128,005	100.0
July	41,048	34.6	5,946	5.0	22,860	19.3	3,909	3.3	30,209	25.4	14,693	12.4	118,665	100.0
August	44,224	35.3	6,014	4.8	24,750	19.7	3,908	3.1	31,174	24.9	15,339	12.2	125,409	100.0
September	41,946	35.6	5,352	4.5	23,627	20.0	3,924	3.3	29,055	24.7	14,009	11.9	117,913	100.0
October	42,091	34.6	5,636	4.6	25,589	21.0	3,718	3.0	29,577	24.3	15,195	12.5	121,806	100.0
November	38,671	33.3	5,443	4.7	24,594	21.2	3,994	3.5	27,955	24.1	15,336	13.2	115,993	100.0
Amount:														
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
May	109,652	31.4	29,922	8.6	85,417	24.4	12,195	3.5	59,453	17.0	52,815	15.1	349,454	100.0
June	113,479	31.5	30,017	8.3	89,563	24.8	12,048	3.3	58,967	16.4	56,794	15.7	360,868	100.0
July	105,890	32.1	29,777	9.0	74,960	22.7	13,679	4.2	58,056	17.6	47,621	14.4	329,983	100.0
August	112,516	32.6	30,796	8.9	80,049	23.2	13,844	4.0	58,826	17.0	49,549	14.3	345,580	100.0
September	104,548	33.0	28,086	8.9	74,577	23.5	13,470	4.2	53,018	16.7	43,457	13.7	317,156	100.0
October	105,229	31.6	28,503	8.6	84,678	25.4	12,966	3.9	53,909	16.2	47,794	14.3	333,079	100.0
November	98,889	30.4	28,286	8.7	80,484	24.7	14,571	4.5	52,183	16.1	50,699	15.6	325,112	100.0

Election of F. H. L. B. Directors

(*Continued from p. 125*)

DISTRICT NO. 3: FEDERAL HOME LOAN BANK OF PITTSBURGH

Class A Director: Harry R. Smith, Ellwood City Federal Savings and Loan Association, Ellwood City, Pennsylvania.*

Class B Director: Charles Warner, Brandywine Building and Loan Association, Wilmington, Delaware.*

Class C Director: William A. Wood, Equitable Building and Loan Association, Washington, Pennsylvania.*

Director-at-Large: James J. O'Malley, First Federal Savings and Loan Association of Wilkes-Barre, Wilkes-Barre, Pennsylvania.*

DISTRICT NO. 4: FEDERAL HOME LOAN BANK OF WINSTON-SALEM

Class A Director: William H. Walker, First Federal Savings and Loan Association of Miami, Miami, Florida.*

Class B Director: J. Newton Gordon, The Cooperative Building and Loan Association, Lynchburg, Virginia.*

Class C Director: George E. Rutledge, First Federal Savings and Loan Association of Bessemer, Bessemer, Alabama.

Director-at-Large: P. W. Spencer, Mechanics Federal Savings and Loan Association, Rock Hill, South Carolina.*

DISTRICT NO. 5: FEDERAL HOME LOAN BANK OF CINCINNATI

Class A Director: James M. McKay, The Home Savings and Loan Company, Youngstown, Ohio.*

Class B Director: Fred B. Bassmann, Monmouth Street Federal Savings and Loan Association, Newport, Kentucky.*

Class C Director: Herman F. Cellarius, The San Marco Building and Loan Association, Cincinnati, Ohio.*

Director-at-Large: W. Megrue Brock, The Gem City Building and Loan Association, Dayton, Ohio.*

DISTRICT NO. 6: FEDERAL HOME LOAN BANK OF INDIANAPOLIS

Class A Director: William C. Walz, Ann Arbor Federal Savings and Loan Association, Ann Arbor, Michigan.*

Class B Director: Robert H. Wertenberger, Peoples Savings and Loan Association of DeKalb County, Auburn, Indiana.

Class C Director: Earl C. Bucher, People's Savings and Loan Association, Huntington, Indiana.*

Director-at-Large: Myron H. Gray, Muncie Federal Savings and Loan Association, Muncie, Indiana.*

DISTRICT NO. 7: FEDERAL HOME LOAN BANK OF CHICAGO

Class A Director: B. F. Kuehlhorn, Northern Building and Loan Association, Milwaukee, Wisconsin.*

Class B Director: Allen R. Calhoun, Standard Savings and Loan Association, Milwaukee, Wisconsin.*

Class C Director: Robert L. Hirschinger, Baraboo Federal Savings and Loan Association, Baraboo, Wisconsin.

Director-at-Large: Arthur G. Erdmann, Bell Savings, Building and Loan Association of Illinois, Chicago, Illinois.*

DISTRICT NO. 8: FEDERAL HOME LOAN BANK OF DES MOINES

Class A Director: Burch N. Bell, Twin City Federal Savings and Loan Association, Minneapolis, Minnesota.

Class B Director: J. W. Irons, Mutual Federal Savings and Loan Association of Mason City, Mason City, Iowa.

Class C Director: John R. Loomis, Red Oak Building and Savings Association, Red Oak, Iowa.

Director-at-Large: Louis A. Boyles, Yankton Building and Loan Association, Yankton, South Dakota.*

DISTRICT NO. 9: FEDERAL HOME LOAN BANK OF LITTLE ROCK

Class A Director: Herman C. Steger, First Homestead and Savings Association, New Orleans, Louisiana.

Class B Director: O. W. Boswell, First Federal Savings and Loan Association of Paris, Paris, Texas.*

Class C Director: Louis D. Ross, St. Tammany Homestead Association, Covington, Louisiana.*

Director-at-Large: Wilbur P. Gulley, Pulaski Federal Savings and Loan Association, Little Rock, Arkansas.*

DISTRICT NO. 10: FEDERAL HOME LOAN BANK OF TOPEKA

Class A Director: Arthur R. Brasted, Mid Kansas Federal Savings and Loan Association, Wichita, Kansas.

Class B Director: L. W. Bauerle, Southwest Federal Savings and Loan Association, Wichita, Kansas.

Class C Director: Frank S. Powell, Argentine Building and Loan Association, Kansas City, Kansas.*

Director-at-Large: Charles F. Quaintance, Colorado Federal Savings and Loan Association, Denver, Colorado.*

DISTRICT NO. 11: FEDERAL HOME LOAN BANK OF PORTLAND

Class A Director: M. L. Dye, First Federal Savings and Loan Association of Salt Lake City, Salt Lake City, Utah.

Class B Directors: C. N. Bloomfield, Cheyenne Federal Savings and Loan Association, Cheyenne, Wyoming.*

Sam Dehnert, First Federal Savings and Loan Association of Coeur d'Alene, Coeur d'Alene, Idaho—elected to serve for the unexpired portion of 2-year term ending December 31, 1940.*

Class C Director: Joseph E. Swindlehurst, Empire Building and Loan Association, Livingston, Montana.*

Director-at-Large: Ben H. Hazen, Benj. Franklin Federal Savings and Loan Association, Portland, Oregon.*

DISTRICT NO. 12: FEDERAL HOME LOAN BANK OF LOS ANGELES

Class A Director: Horace S. Wilson, Southern California Building and Loan Association, Los Angeles, California.*

Class B Director: George W. Pardy, La Jolla Federal Savings and Loan Association, La Jolla, California.*

Class C Director: William E. Bouton, Golden Gate Federal Savings and Loan Association, San Francisco, California.*

Director-at-Large: Edwin M. Einstein, Fresno Guarantee Building-Loan Association, Fresno, California.*

State Legislation Affecting Savings and Loans

(Continued from p. 114)

sure a sound condition of the institution at all times.

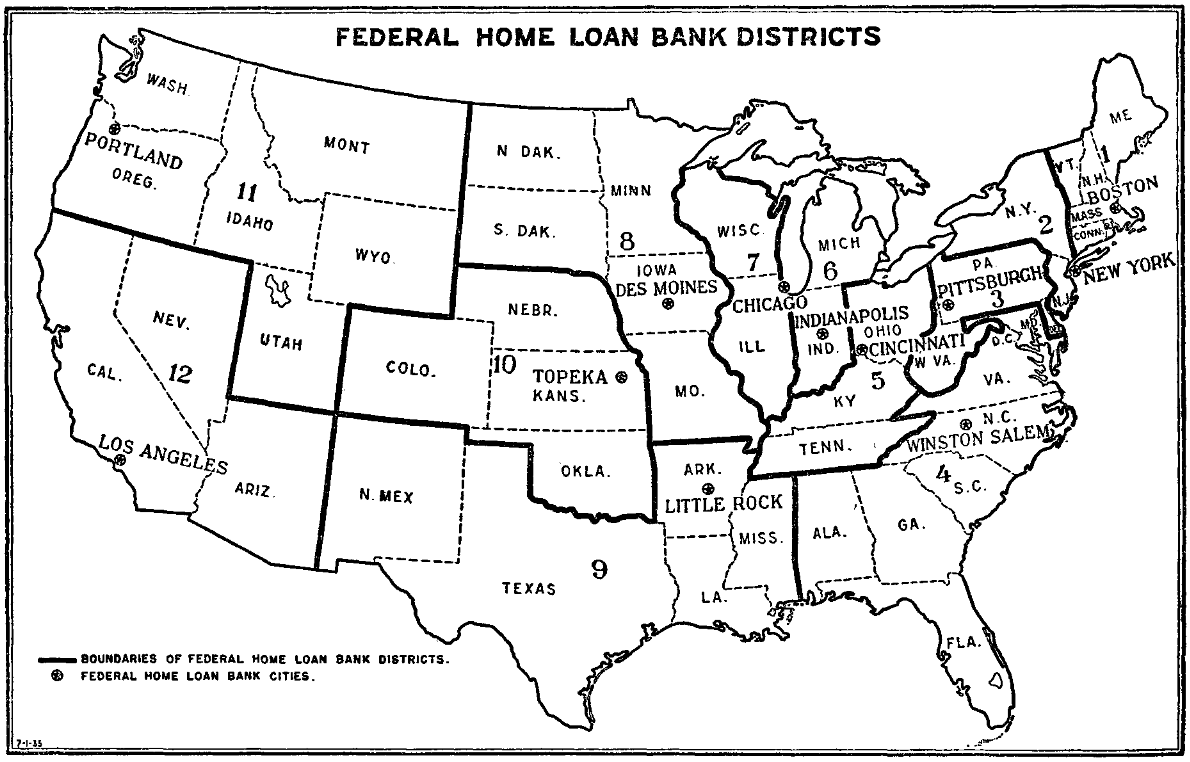
It is encouraging to note that during 1939 seven jurisdictions substantially strengthened or first enacted ultimate reserve requirements. Five of these adopted the figure of 10 percent of capital. Six of these seven jurisdictions also materially strengthened their requirements for transfers to reserves, or for the first time imposed such requirements. Five of the six set the required amount or required minimum amount at 5 percent of net earnings, the amount suggested by the illustrative draft. The statutes in Hawaii, as amended, provide specifically that insured associations shall meet the requirement of the Insurance Corporation in lieu of that fixed by local law, both with respect to the ultimate reserves and to transfers to reserves.

State Leadership

Substantial progress was made during 1939 in the enactment of State legislation designed to permit greater usefulness and community service on the part of thrift and home-financing institutions. The modernization of existing State statutes is the result of constant efforts by the individuals and organizations within each State, and the cooperation of the State legislators who have been responsible for the actual enactment.

As the savings and loan industry enters upon a new year, there is ample reason to believe that this progressive trend will be continued; that additional States will enact constructive legislation; and that through the liberalized provisions, the Federal Home Loan Bank System will be able to function more effectively and with greater benefits for its members and the industry as a whole.

U. S. GOVERNMENT PRINTING OFFICE: 1940



OFFICERS OF FEDERAL HOME LOAN BANKS

Boston

B. J. Rothwell, Chairman; E. H. Weeks, Vice Chairman; W. H. Neaves, President; H. N. Faulkner, Vice President; Frederick Winant, Jr., Treasurer; L. E. Donovan, Secretary; P. A. Hendrick, Counsel.

New York

George MacDonald, Chairman; F. V. D. Lloyd, Vice Chairman; G. L. Bliss, President; F. G. Stickel, Jr., Vice President-General Counsel; Robert G. Clarkson, Vice President-Secretary; Denton C. Lyon, Treasurer.

Pittsburgh

E. T. Trigg, Chairman; C. S. Tippetts, Vice Chairman; R. H. Richards, President; G. R. Parker, Vice President; H. H. Garber, Secretary-Treasurer; R. A. Cunningham, Counsel.

Winston-Salem

E. C. Baltz, Vice Chairman; O. K. LaRoque, President-Secretary; G. E. Walston, Vice President-Treasurer; Jos. W. Holt, Assistant Secretary; Ratcliffe, Hudson & Ferrell, Counsel.

Cincinnati

Wm. Megrue Brock, Vice Chairman; Walter D. Shultz, President; W. E. Julius, Vice President; Dwight Webb, Jr., Secretary; A. L. Maddox, Treasurer; Taft, Stettinius & Hollister, General Counsel; R. B. Jacoby, Assigned Attorney.

Indianapolis

F. S. Cannon, Chairman-Vice President; S. R. Light, Vice Chairman; Fred T. Greene, President; G. E. Ohmart, 2d Vice President; J. C. Morden, Secretary-Treasurer; Jones, Hammond, Buschmann & Gardner, Counsel.

Chicago

C. E. Broughton, Chairman; H. G. Zander, Jr., Vice Chairman; A. R. Gardner, President; J. P. Domeier, Vice President-Treasurer; Constance M. Wright, Secretary; Ungaro & Sherwood, Counsel.

Des Moines

C. B. Robbins, Chairman; E. J. Russell, Vice Chairman; R. J. Richardson, President-Secretary; W. H. Lohman, Vice President-Treasurer; J. M. Martin, Assistant Secretary; A. E. Mueller, Assistant Treasurer; E. S. Tesdell, Counsel.

Little Rock

W. C. Jones, Jr., Chairman; W. P. Gulley, Vice Chairman; B. H. Wooten, President; H. D. Wallace, Vice President; W. F. Tarvin Treasurer; J. C. Conway, Secretary; W. H. Clark, Jr., Counsel.

Topeka

P. F. Good, Chairman; C. A. Sterling, President-Secretary; R. H. Burton, Vice President-Treasurer; John S. Dean, Jr., General Counsel.

Portland

F. S. McWilliams, Vice Chairman; F. H. Johnson, President-Secretary; Irving Bogardus, Vice President-Treasurer; Mrs. E. M. Sooysmith, Assistant Secretary; M. M. Matthiessen, General Counsel.

Los Angeles

D. G. Davis, Chairman; A. J. Evers, Vice Chairman; M. M. Hurford, President; C. E. Berry, Vice President; F. C. Noon, Secretary-Treasurer; Vivian Simpson, Assistant Secretary; Richard Fitz-Patrick, General Counsel.