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FEDERAL HOME LOAN BANK REVIEW

APRIL
1940

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FEDERAL HOME LOAN BANK BOARD
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FEDERAL HOME LOAN BANK REVIEW

Published monthly by the
FEDERAL HOME LOAN BANK BOARD

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FEDERAL HOME LOAN BANK SYSTEM

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

HOME OWNERS' LOAN CORPORATION

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

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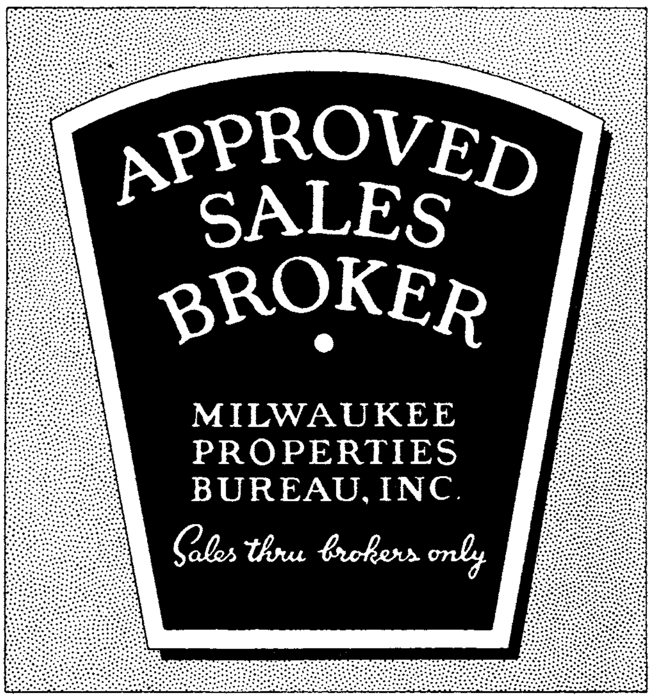
MILWAUKEE FACES ITS REAL ESTATE PROBLEM

A plan, developed jointly by the Wisconsin Banking Commission, the Federal Savings and Loan Insurance Corporation, and local savings and loan associations, for liquidating institutionally owned real estate through licensed real estate brokers.

■ STABILIZED values and sales-broker cooperation are important factors in the orderly liquidation of institutionally owned real estate. Realizing this, the Wisconsin Banking Commission joined with the Federal Savings and Loan Insurance Corporation and local savings, building and loan associations in an effort to develop a plan which would accomplish these two objectives in Milwaukee County. The first step was the setting up of a bureau to centralize property listings and coordinate sales efforts to dispose of real estate holdings which had accumulated during recent years.

This Bureau, the Milwaukee Properties Bureau, Inc., is a non-stock non-profit corporation. It is under the direction of six men, two of whom were designated by the Governor, two selected by the Federal Savings and Loan Insurance Corporation, and two by the participating associations. These include the President and Vice President of the Federal Home Loan Bank of Chicago, the State Banking Commissioner, two Milwaukee savings and loan executives, and a Milwaukee Realtor who was elected manager.



To all "Approved Brokers", the Bureau distributes attractive gold-blue-and-white decalcomanias (size: 4 x 6 inches), which can be transferred to their office windows.

All associations, whether insured or desiring insurance of accounts, having more than 20 percent of their assets in owned real estate, are participating in the program. Associations in the process of liquidation are eligible, with the consent of the State Banking Commission. Although uninterested in applying for insurance, other institutions in the county may subscribe provided they have the recommendation of the Banking Commission.

Requirements for Participants

To cover the operating expenses of the Bureau, each participating association contributes an entrance fee of one-tenth of 1 percent of the dollar amount of its real estate holdings as of the end of the preceding year, and a yearly fee of one-tenth of 1 percent of the book value of its owned real estate as of each preceding year-end, payable in monthly installments. For example, an association owning $400,000 of real estate on December 31, 1938, would have paid an entrance fee of one-tenth of this amount, or $400, and a monthly fee of one-twelfth of $400, or $33.33, during 1939. Assuming that since participation in the plan the real estate holdings of this association had been reduced on December 31, 1939, by 16 percent (the average reduction of the total properties listed) to $336,000, the monthly assessment during 1940 would be only $28.00.

After placing its property in saleable condition, a member association is required to furnish the Bureau complete data regarding its real estate. This information is submitted on standard forms which include space for an analysis of each parcel of the association's real estate, a copy of the latest appraisal report, one copy of a recent photograph, a complete description, and the sale price that the association will accept.

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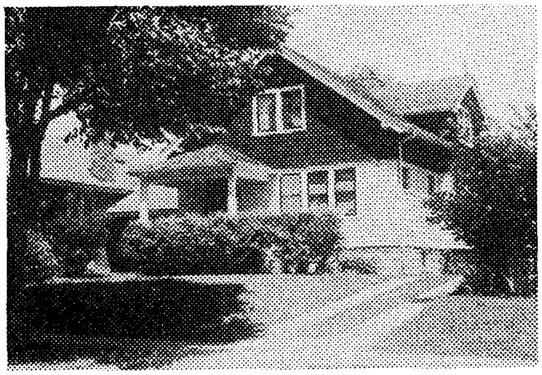
Milwaukee Properties Bureau, Inc., operates as a clearing house. After receiving the property listing forms, it makes an independent appraisal of each piece of property to determine its current market value. In the event that the sale price asked by the association is not in agreement with the Bureau's own estimate of the current market value, a compromise price is worked out by the institution and the manager of the Properties Bureau. For



MILWAUKEE PROPERTIES BUREAU, INC.

DISTRICT		BUILDING	June 10, 1939
LOT SIZE	40 x 140	CONSTR.	frame — AGE 10
ALLEY WIDTH: REAR	none — SIDE	FOUNDATION	concrete block
PAVING STREET	paved — ALLEY	ROOF	wood shingle
ASS'D VALUE	LAND 1000 — IMP'TS 2600 — TOTAL 3600	HEATING	hot air furnace — FUEL coal
UTILITIES	GAS x — WATER city; ELECT. x — SEWER city	1'ST FLOOR	UNIT DESCRIPTION: 5 rooms and bath (2 bedrooms) — MONTHLY RENTAL 43.
TAXES	1938 121.24 — 1939 — 1940	2'ND FLOOR	attic
LEGAL DESC.	LOT S 40' N 140' Lots 3 & 4 exc — BLK. 2 — SUB. E 54' Lot 3	3'RD FLOOR	
EXTRAS	Warren's Subd.	GARAGE	none(concrete dr.way)
ADD'L INFORM.	In good condition	OTHER	
ASSOCIATION NO.	102 — LISTING 28	STORIES	1 / 2
ADDRESS	[redacted] — CITY [redacted]	TYPE	1 family bungalow — SALE PRICE [redacted]

final settlement, difficult cases are taken to the directors of the Bureau (the President of the Federal Home Loan Bank of Chicago, the State Banking Commissioner, and one of the two Milwaukee savings and loan executives), whose decision is final and binding. Market conditions as well as subsequent reviews of unsold parcels may bring about a revision of the listing price.

MILWAUKEE PROPERTIES BUREAU, INC.

DISTRICT		BUILDING	June 10, 1939
LOT SIZE	40 x 120	CONSTR.	frame — AGE 13
ALLEY WIDTH: REAR	none — SIDE	FOUNDATION	block (concrete)
PAVING STREET	concrete — ALLEY	ROOF	shingle
ASS'D VALUE	LAND 1000 — IMP'TS 3700 — TOTAL 4700	HEATING	hot air — FUEL coal
UTILITIES	GAS x — WATER city; ELECT. x — SEWER city	1'ST FLOOR	UNIT DESCRIPTION: 3 rooms — MONTHLY RENTAL 60.
TAXES	1938 143.48 — 1939 — 1940	2'ND FLOOR	3 bedrms. & bath
LEGAL DESC.	LOT 18 — BLK. 2 — SUB. North Shore Park	3'RD FLOOR	
EXTRAS	Attic insulated	GARAGE	1 car frame
ADD'L INFORM.	Property in good condition.	OTHER	
ASSOCIATION NO.	107 — LISTING 42	STORIES	1 / 2
ADDRESS	[redacted] — CITY [redacted]	TYPE	1 family dwelling — SALE PRICE [redacted]

After each property has been listed, appraised, and approved, the data are recorded on 4 x 6 inch cards along with a photograph of the property. Reproductions of these are made by the planograph process and are available to "Approved Brokers" at two cents each. The planograph list of city real estate is divided into three sections and although brokers are not required to purchase more than one section, many brokers subscribe to the entire service in order to maintain complete listings in their own offices. Notice of sales is included with this service.

Functions of the Real Estate Broker

The Bureau is not a sales agency. All sales are made through licensed real estate brokers whose applications to the Bureau for "Approved Broker" ratings have been accepted. With the exception of resales to former owners, all sales must clear through the Bureau. Brokers are paid promptly after sales at the full commission rate.

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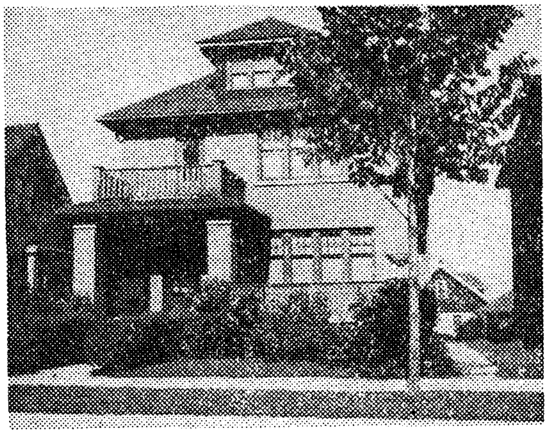

MILWAUKEE PROPERTIES BUREAU, INC.

DISTRICT		BUILDING	JUN 1 0 1939
LOT SIZE	36.67 x 120	CONSTR.	Brick; AGE
ALLEY WIDTH: REAR	16'; SIDE	FOUNDATION	Cement block
PAVING STREET	paved; ALLEY paved	ROOF	Shingle
ASS'D VALUE	LAND 1400.; IMP'TS 6900.; TOTAL 8300.	HEATING	2-24" furnaces; FUEL coal
UTILITIES	GAS X; WATER City; ELECT. X; SEWER City	1'ST FLOOR	UNIT DESCRIPTION: 5 rooms and bath 2 bedrooms; MONTHLY RENTAL: 40.
TAXES	1938: 314.13; 1939; 1940	2'ND FLOOR	same as 1st floor; 43.
LEGAL DESC.	LOT N 6.67' lot 36, all 37; BLK. 1; SUB Wash. R. Co's Subd.	3'RD FLOOR	2 bedrooms and attic
EXTRAS	Fully equipped with laundry tubs, screens, and storms.	GARAGE	2 car brick
ADD'L INFORM.		OTHER	
ASSOCIATION NO.	113; LISTING 53	STORIES	1; 2
ADDRESS	[redacted]	CITY	[redacted]
TYPE	2 family duplex	SALE PRICE	[redacted]

A broker is not protected on a prospect; the property is sold to the client of the first broker placing a deposit *at the Bureau's office*, subject to an acceptable character and credit report on the purchaser. "Telephone deposits" are not recognized. However, two brokers may make deposits on the same property, the second being subject to the acceptance or rejection of the credit standing of the first purchaser.

A minimum down-payment of not less than 10 percent of the purchase price is required in all sales except those of multifamily or commercial properties, in which case the minimum is 20 percent. Monthly payments of $8.00 per thousand include reduction of principal and interest computed semiannually at 5 per centum per annum. In addition to this payment, the purchaser deposits monthly a sum equal to one-twelfth of the previous year's taxes. At this rate, a property is paid for in about 14½ years.

No "For Sale" signs are permitted except on vacant lots, in which case the signs read "For Sale through Your Real Estate Broker". To approved brokers the Bureau distributes attractive decalcomanias reading "Approved Sales Broker—Milwaukee Properties Bureau, Inc., Sales Through Real Estate Brokers Only" to be transferred to office windows.

With the permission of the Bureau, brokers may advertise listed properties at their own expense, but not more than two brokers may advertise the same property at the same time.

The rapid progress of the Bureau since its organization the last day of May 1939 has been remarkable. By September, 175 sales for a total of $914,193 had been closed. This was slightly over 10 percent of the total listings filed (1,716), and almost 9 percent of the total dollar amount ($10,265,411). On December 31, with 1,912 listings at $12,403,470, the Bureau's year-end report showed 320 sales closed, aggregating $1,761,786—16 percent of the total listings at that time and 14 percent of the total dollar amount. On February 29, 1940, the total listings filed with the Bureau aggregated $15,739,300. Sales closed and in process of closing as of the same date totaled $2,581,536—17½ percent of the total dollar amount listed.

The Bureau is expected to continue its operations until June 30, 1945. However, it may be terminated before that time (1) through the sale of all listed properties; (2) by the withdrawal of associations whose real estate has been reduced to 20 percent of assets; (3) by the decision of 75 percent of the participants, with the consent of the Federal Savings and Loan Insurance Corporation; and (4) by the Bureau itself with the approval of the Insurance Corporation upon 60-day notice to each participating association. By agreement, the Bureau will return on an equitable basis all assessments not required or any surplus remaining after its termination.

Appointment of Directors

■ THE appointments of two Public Interest Directors have been announced recently by the Federal Home Loan Bank Board. Robert E. Lee Hill, Director of Alumni Activities of the University of Missouri at Columbia, Missouri, was reappointed Public Interest Director of the Federal Home Loan Bank of Des Moines, and will serve for the unexpired portion of a 4-year term ending December 31, 1943.

The other reappointment was that of T. J. Butler of the Elgin-Butler Brick Company at Austin, Texas. Mr. Butler's term as Public Interest Director of the Little Rock Bank will end December 31, 1943.

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INVESTMENTS OF LIFE INSURANCE COMPANIES

The annual study of investment policies of life insurance companies reveals a mounting cash position but no marked increase in participation in home finance.

■ THE life insurance companies of this country must find suitable new investments for an average flow of more than $10,000,000 each day. The magnitude of these investments reflects the continued steady growth of life insurance during this century. In 1906, assets of all life insurance companies aggregated three billions of dollars; in 1929, seventeen billions; and at the end of 1939, twenty-nine billions. The dollar increase in their assets has ranged close to one and one-half billions of dollars during each of the past five years. Whereas at the turn of the century, insurance in force covered only 13 percent of the population, it is estimated that one out of every two lives is protected by some kind of insurance policy in this country today.

As life insurance expanded, investments by insurance companies played an increasingly important part in the national economy. In recent years, their problems in finding suitable investments for these increasing amounts of new money have also become greater. The fact that the demands for capital have been extremely small from any borrowers except the United States Government has aggravated the difficulty. One result has been marked shifts in their investment portfolios. In 1929, for example, mortgages made up the largest single investment item—42 percent of their total assets. U. S. Government bonds accounted for only 2 percent. At the end of 1939, mortgage investments amounted to 19 percent of total assets, but holdings of U. S. Government bonds had risen to 18 percent, constituting about 11 percent of the total direct and contingent debt of the Federal Government.

Investments in Home Mortgages

In placing their funds, insurance companies have long followed the policy of diversification of investment, with emphasis upon mortgages, Government obligations, and corporate bonds. Real estate mortgages, which offer wide diversification of risks, have occupied a prominent place in their portfolios, indicating how actively insurance companies have participated in financing farms, urban homes, and commercial properties.

Primarily because of life insurance company activity in real estate financing, the Division of Research and Statistics makes an annual survey of their investments.[1] The latest study reveals the fact that although these companies showed some tendency during 1939 to increase their participation in home finance, the extent of this increase was modest. Of the estimated urban home-mortgage debt, life insurance companies were carrying 7.5 percent on December 31, 1938. Preliminary estimates of a $400,000,000 increase in the total home-mortgage debt during 1939 indicate that insurance companies held almost the same proportion of the total at the end of 1939 as at the end of 1938. The increase in insurance company holdings was proportionately about the same as the increase in the total debt.

The fact that insurance companies accounted for 9 percent of the dollar amount of all home mortgages

***Table 1.*—Relationship of home-mortgage recordings in 1939 to home-mortgage debt**

[Amounts are shown in millions of dollars]

Type of lender	Estimated nonfarm home mortgages outstanding, December 31, 1938		Home-mortgage recordings, calendar year 1939		Ratio of recordings to mortgages outstanding
	Amount	Ratio to total	Amount	Ratio to total	
		Percent		*Percent*	*Percent*
Savings and loan associations	$3,630	21	$1,168	31	30
Mutual savings banks	2,670	15	141	4	5
Insurance companies	1,320	7	332	9	23
Others [1]	10,101	57	2,125	56	19
Total	17,721	100	3,766	100	19

[1] Includes commercial banks, trust companies, Home Owners' Loan Corporation, individuals, etc.

[1] Estimates for life insurance companies are based upon statistics from 50 companies with assets aggregating over 90 percent of the total assets of all life insurance companies in the United States.

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recorded in 1939 tends to confirm this estimate of a relatively constant ratio of insurance company holdings to total home-mortgage debt during 1939, inasmuch as the recordings include a certain amount of refinancing of existing debts. The preceding table shows that home mortgages recorded by insurance companies amounted to $332,000,000 (23 percent of their home mortgages outstanding); recordings by mutual savings banks totaled $141,000,000 (5 percent of their outstanding balances), while savings and loan recordings of $1,168,000,000 aggregated 30 percent of their outstanding home-mortgage loans.

Increasing interest on the part of life insurance companies in insured mortgages is evidenced by Federal Housing Administration statistics. During 1939, these institutions originated insured mortgage loans under Title II of the National Housing Act amounting to $77,500,000; during 1938, the total was $54,000,000. At the end of 1939, insurance companies had originated 9.1 percent of the dollar amount of all insured mortgages, compared with 8.6 percent on December 31, 1938.

Although life insurance companies had originated only one-tenth of insured mortgages by the end of 1939, they held on that date nearly one-fifth of the dollar value of all insured mortgages then outstanding. This indicates that for every dollar of insured mortgage loans insurance companies have originated, they have purchased an additional dollar from other originating mortgagees. Insured mortgages held in insurance company portfolios at the end of 1939 amounted to $342,000,000 (19.0 percent of all insured mortgages); at the end of 1938, the total was $212,000,000 (17.7 percent). Although they originated insured mortgage loans in the amount of $77,500,000 last year, the increase in their holdings of insured mortgages amounted to $130,000,000.

General Investment Policy During 1939

Home mortgages, however, represent less than one-third of the $4,700,000,000 of all nonfarm mortgages held by these institutions. Out of total *new* investments estimated at $3,680,000,000 in 1939, $673,000,000 (18 percent) was placed in nonfarm mortgages by insurance companies, an increase of about $19,000,000 over the new nonfarm mortgages made in 1938. The heaviest concentration of nonfarm mortgages held by life insurance companies at the end of 1938 was in New York State, where 30 percent of the total dollar volume of mortgages was located. Illinois showed the next heaviest concentration, with nearly $400,000,000. Ohio, California, Pennsylvania, and New Jersey, ranked in that order, were the only other States in which nonfarm mortgages of life insurance companies exceeded $200,000,000.

Table 2 brings out the fact that approximately three-quarters of a billion dollars was loaned by these institutions on real estate mortgage security in 1939—about one-fifth of their total new investments for the

Table 2.—Estimated investments of life insurance companies in the United States

[Source: The Association of Life Insurance Presidents, *Wall Street Journal*, and returns to the Division of Research and Statistics from a special questionnaire to life insurance companies]

[Amounts are shown in thousands of dollars]

Type of investment	Estimated total investments held as of Dec. 31, 1939		Estimated *new* investments					
			Amount			Ratio to total		
	Amount	Ratio to total	1939	1938	1934	1939	1938	1934
		Percent				*Percent*	*Percent*	*Percent*
Nonfarm mortgages	$4,723,000	21.0	$672,603	$653,393	$55,217	18.3	18.3	2.6
Farm mortgages	855,000	3.8	103,202	118,419	32,574	2.8	3.3	1.6
Total mortgages	5,578,000	24.8	775,805	771,812	87,791	21.1	21.6	4.2
U. S. Government bonds	5,338,000	23.8	1,151,040	1,169,805	1,222,952	31.3	32.7	58.9
Other Government bonds	2,473,000	11.0	309,573	272,700	369,357	8.4	7.6	17.8
Stocks and other bonds	9,062,000	40.4	1,444,040	1,364,998	396,844	39.2	38.1	19.1
Total investments	22,451,000	100.0	3,680,458	3,579,315	2,076,944	100.0	100.0	100.0

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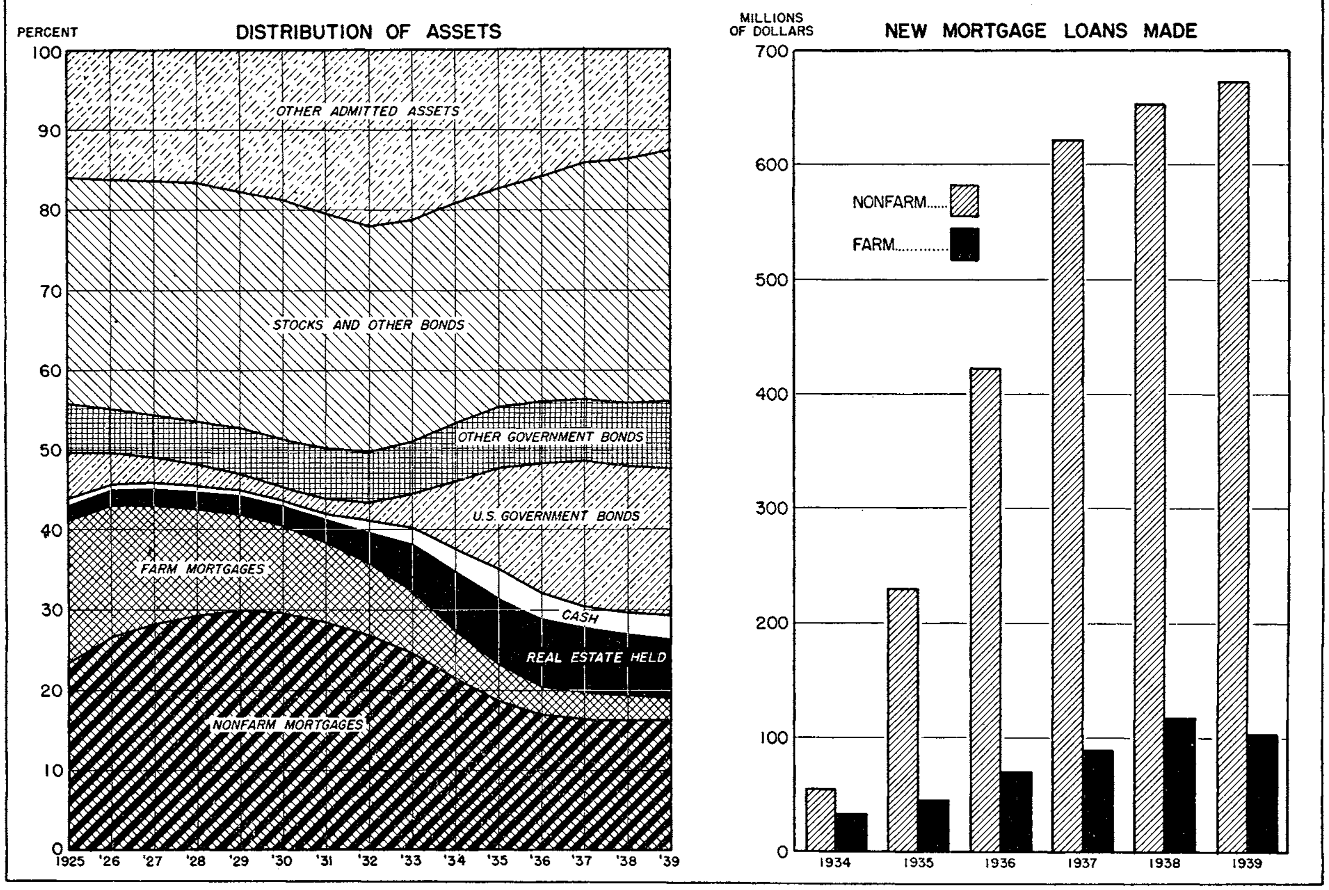
ESTIMATED ASSETS AND NEW MORTGAGE LOANS MADE EACH YEAR BY ALL LIFE INSURANCE COMPANIES IN THE UNITED STATES

(Based on reports of leading life insurance companies having approximately 90% of total assets)



Marked shifts in the investment portfolios of life insurance companies are revealed by the flow chart on the left. The diminishing importance of farm mortgages and the relatively constant proportion of nonfarm mortgages in recent years are clearly shown. Continued expansion of holdings of U. S. Government bonds, and the mounting cash position, indicate the difficulty of finding satisfactory investments in sufficient volume.

The bar chart on the right discloses only slight increases in the volume of new nonfarm mortgage loans made by life insurance companies during the past two years after rapid expansion in 1936 and 1937.

year. One-third of the investments was made in U. S. Government bonds, while an additional 8 percent was disbursed for the purchase of State, county, municipal, and other Government bonds. Stocks and other bonds received the remaining 39 percent of the new funds invested in 1939.

Although the aggregate amount of new investments rose only 2.8 percent over 1938, the amount invested in other Government bonds increased almost 14 percent, and new investments in stocks and other bonds rose nearly 6 percent. The $19,000,000 increase in investments in nonfarm mortgages was practically offset by a $15,000,000 drop in the volume of new farm loans. A slight decrease in the purchases of U. S. Government bonds points to the fact that although insurance company investment in these obligations continued to increase during 1939 both in dollar volume and in relation to total assets, the annual increment has become smaller each year since 1936. There are indications that public utility bonds and those of local governments have been accounting for larger portions of newly invested funds.

Study of the trends in the percentage distribution of life insurance company assets during recent years is revealing of shifts in investment policy. The accompanying table shows this distribution for the three most recent years (1937–1939) and for 1929 (Table 3). It is at once apparent that the ratio of nonfarm mortgages has remained consistently at about 16 percent of total assets, after a rapid shrinkage during

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Table 3.—**Estimated distribution of assets of all life insurance companies, 1929, 1937–1939**

Type of asset	Percentage distribution of assets			
	1929	1937	1938	1939
Nonfarm mortgages	30.0	16.3	16.2	16.2
Farm mortgages	12.0	3.4	3.2	2.9
All mortgages	42.0	19.7	19.4	19.1
Real estate	2.2	8.0	7.6	7.2
U. S. Government bonds	2.0	18.1	18.2	18.3
Other Government bonds	5.9	7.8	7.9	8.5
Stocks and other bonds	29.4	29.3	30.4	31.1
Cash	0.7	2.8	2.8	3.1
	82.2	85.7	86.3	87.3
Other admitted assets	17.8	14.3	13.7	12.7
Total	100.0	100.0	100.0	100.0

the years through 1936. Farm mortgages have continued to play a less important part in the portfolios.

Owned real estate is one major type of investment which is not ordinarily acquired as a direct result of investment programs. For the past three years, the value of owned real estate on the books has remained approximately the same at $2,100,000,000. In relation to total resources, this item in each of these years has shown a decline. Since the real estate owned figure includes both real estate sold on contract and home and branch office buildings, it is quite possible that if these elements were removed, the remainder would show a small decline in actual dollar amount from 1938.

A Mounting Cash Position

At the end of 1939, cash of life insurance companies stood at $903,000,000, or 3.1 percent of assets. Since the cash ratio is normally less than 2 percent, the higher levels of recent years reflect in part the backing up of funds due to the difficulty of finding satisfactory investments readily.

Recent testimony of insurance company officials before the Temporary National Economic Committee shows that there is some concern as to the proportion of the investment portfolio which is made up of U. S. Government bonds. A hesitancy to place more funds in this field, coupled with a mounting cash account, might cause a more liberal investment policy in mortgages and in other types of government and industrial obligations. In several instances, large companies have already entered directly into the field of large-scale rental housing, using investment funds to build and operate large apartment units. As yet, however, there is little evidence of any marked increase in participation in home finance by life insurance companies.

Directory of Member Institutions

I. INSTITUTIONS ADMITTED TO MEMBERSHIP IN THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN FEBRUARY 16 AND MARCH 15, 1940

DISTRICT NO. 1

NEW HAMPSHIRE:
Berlin:
Berlin Building & Loan Association of Berlin, N. H.

DISTRICT NO. 3

PENNSYLVANIA:
Philadelphia:
First Philadelphia Savings & Loan Association, 1700 Samson Street.

DISTRICT NO. 4

SOUTH CAROLINA:
Easley:
Home Building & Loan Association, Easley Bank Building.

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN FEBRUARY 16 AND MARCH 15, 1940

LOUISIANA:
New Orleans:
Pan-American Life Insurance Company, Whitney Building (voluntary withdrawal).

MISSOURI:
Kansas City:
Bankers Savings & Loan Association, 101 Keith and Perry Building (voluntary withdrawal).

NEW JERSEY:
Jersey City:
Franklin Building & Loan Association of Hudson County, 74 Franklin Street (voluntary withdrawal).
Newark:
The Park Building & Loan Association of the City of Newark, 631 Springfield Avenue (merger with, and under name of, "Supreme Building & Loan Association of Irvington, N. J.", Irvington, New Jersey).

WISCONSIN:
Milwaukee:
First Bohemian National Loan & Building Association, 1872 North Twelfth Street (voluntary withdrawal).

II. FEDERAL SAVINGS AND LOAN ASSOCIATIONS CHARTERED BETWEEN FEBRUARY 16 AND MARCH 15, 1940

DISTRICT NO. 2

NEW JERSEY:
Eatontown:
Twin Boro Federal Savings & Loan Association, Main Street (converted from Eatontown and Oceanport Building & Loan Association).

DISTRICT NO. 3

PENNSYLVANIA:
Philadelphia:
Founders-Oxford Federal Savings & Loan Association, 5710 North Fifth Street (converted from Founders Building & Loan Association).
Oxford Federal Savings & Loan Association, 1523 West Girard Avenue (converted from Oxford Building & Loan Association).

DISTRICT NO. 5

KENTUCKY:
Hopkinsville:
Hopkinsville Federal Savings & Loan Association, First City Bank Building (converted from Hopkinsville Building & Loan Association).

CANCELATIONS OF FEDERAL CHARTERS BETWEEN FEBRUARY 16 AND MARCH 15, 1940

NEW MEXICO:
Silver City:
Grant County Federal Savings & Loan Association, 208 Bullard Street (dissolution).

WISCONSIN:
Milwaukee:
Kinnickinnic Federal Savings & Loan Association, 2252 South Kinnickinnic Avenue (Board action).

(*Continued on p. 248*)

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THE HOME-CONSTRUCTION EXHIBIT—A PUBLIC SERVICE

Few potential home builders and buyers are aware of the technical features which are essential to a soundly constructed dwelling. The educational aspects of a home-construction exhibit are equally as important therefore as the ultimate benefit to the sponsoring institution.

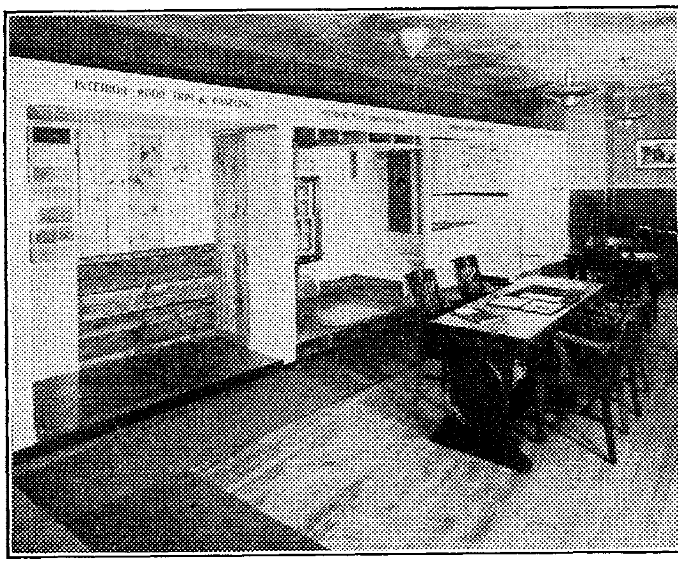
■ THE largest single purchase in the lifetime of the average person is a home, yet his knowledge of the technical background of construction is probably less complete than that for any of his other investments. Providing an opportunity for the home-buying public to study and become more familiar with many of these technological details is more than a program of consumer education. Inevitably, it will arouse a greater interest in quality production and place increased emphasis upon the need for expert architectural advice and construction supervision in the acquiring of a new home.

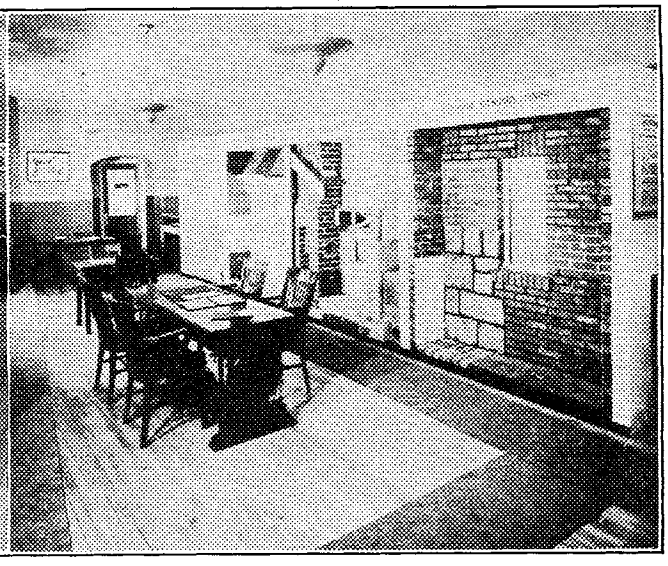
In this last function, such a program performs a genuine public service—one which benefits not only the home owner in terms of his ultimate satisfaction with the property, but also the lending institution which will invest funds in this dwelling.

An unusual home-construction exhibit was opened recently by the Richmond County Federal Savings and Loan Association in Tottenville, New York. This display, showing the use of building materials and proper construction methods in the small-house field, has been described as one of the most complete of its kind. Not only are the types of rooms shown, together with all types of flooring, roofing, and equipment, but many safeguards that can be taken against faulty construction are pointed out.

The exhibit, which is being held in a large room next door to the association's offices on Staten Island, is open to the public daily from 9:00 a. m. to 4:00 p. m. and during one evening a week.

The photographs below present a general view of the display showing the booths arranged along each side of the room and the provisions which have been made for a leisurely study of the instructive and explanatory literature which is made available to all visitors. Of interest is the fact that the project has been designed to appeal not only to prospects for new homes, but also those who intend to modernize and improve existing dwellings.





These general views of the entire exhibit present the atmosphere and setting of the room as one would observe them upon entering. The tables in the center provide an opportunity for a careful study of the Home Selector of the Federal Home Building Service Plan as well as the other booklets and pamphlets which are available. The room is modern and well lighted and offers every facility for the convenience of the visitor.

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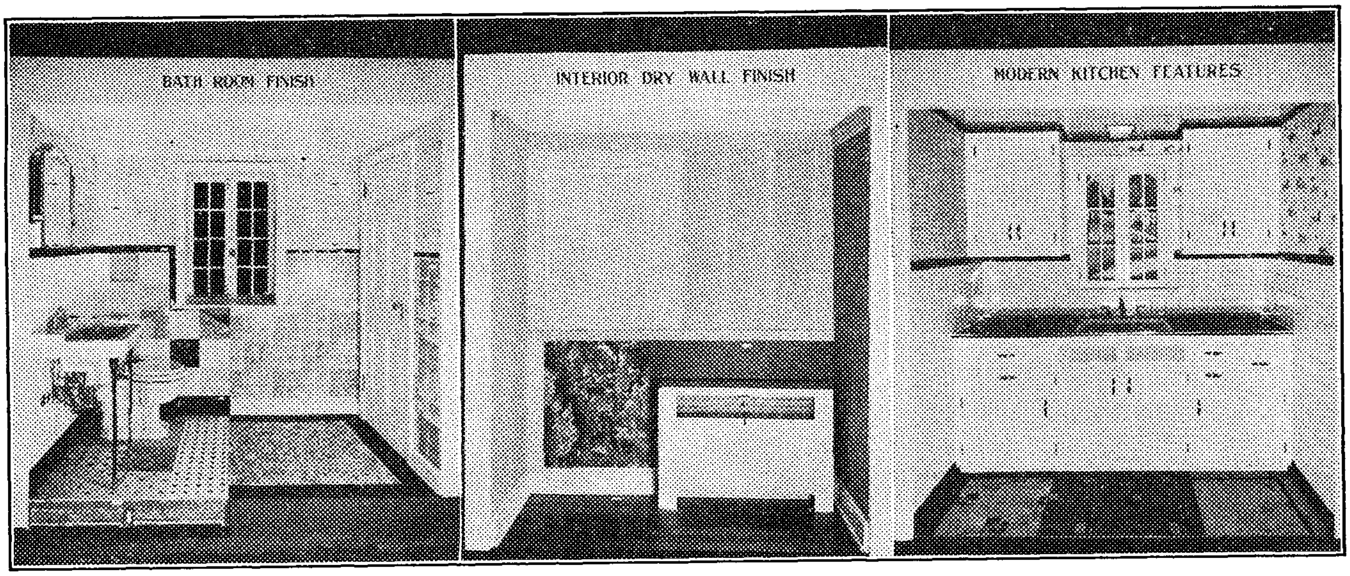
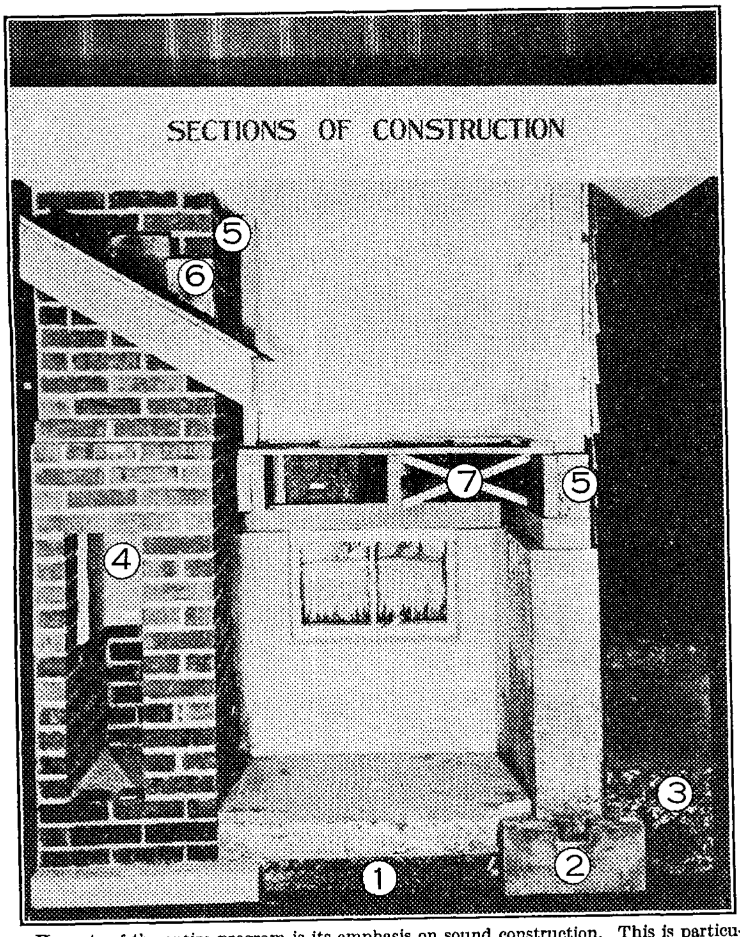


The three sections of the exhibit pictured above illustrate not only some of the features of sound construction, but also some of the variations which may be obtained in finishing an individual room. The floor of the sample bathroom, for example, contains seven different tile patterns in addition to a composition material.



Keynote of the entire program is its emphasis on sound construction. This is particularly stressed in the section illustrated above. The designated details are as follows: (1) cinder fill beneath concrete, necessary for proper foundation; (2) wall should "key" into footing to improve foundation; (3) about 12 inches of gravel around drain with heavy packed earth supporting turf; (4) proper insulation of chimney; (5) two proper fire stops: one of rock wool and the other concrete; (6) copper flashing for roofing; (7) flooring support.

The samples of construction which make up the display were erected in accordance with recognized architectural standards, and the requirements of the local building department. The individual booths were built with the full cooperation of six local architects, seven contractors, and three material dealers. Commendable, however, is the fact that there is not a single commercial trade name involved in the entire display.

Objective Approach Maintained

Every effort has been made to preserve a purely objective approach throughout the presentation of this exhibit. It provides a place to which a prospective home buyer may go with his architect, his contractor, or his friends, to study the various panels which demonstrate the construction principles essential to a well-built home and different types of exterior and interior finish.

A collection of Home Magazines and pamphlets is maintained in the Building Library, as well as the Home Selector of the Federal Home Building Service Plan which includes a variety of attractive small-house designs created by local architects in addition to those approved for national use.

According to Mr. C. B. Gandy, executive vice president of the Richmond County Federal association, who initiated this enterprise,

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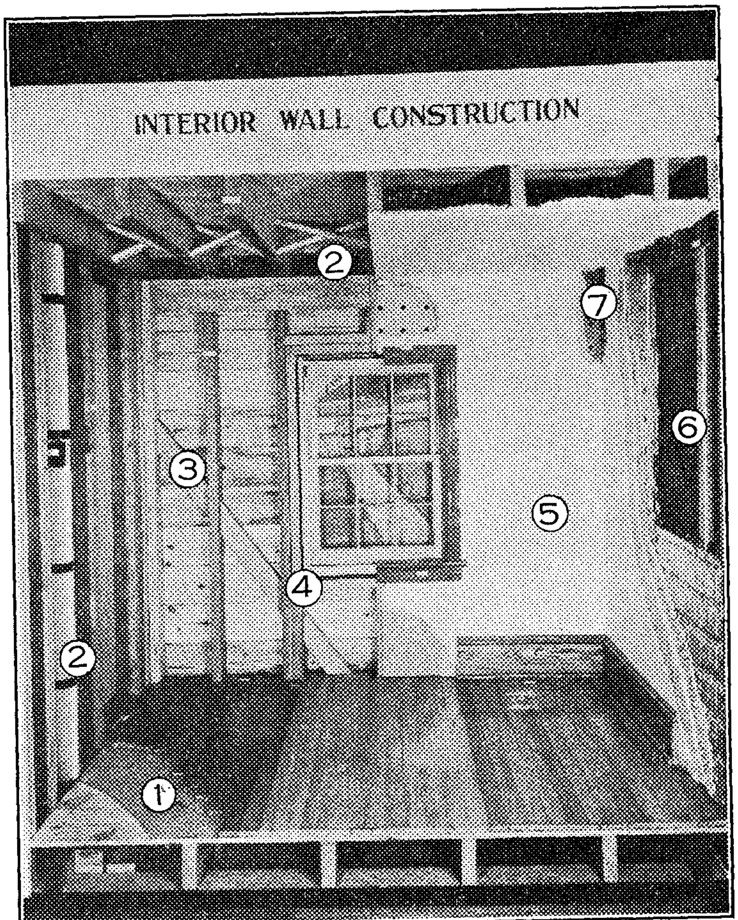
"Although any officer or member of our trained staff in the office of the Association, which is right next door, will be glad to answer questions pertaining to the exhibit and assist visitors in any way possible, the display room will be left unattended so that guests may feel free to come and go as they please during the hours that it is open.

"The exhibit is exactly what it purports to be—a headquarters for those planning to build homes or remodel their present homes. It attempts to show home builders what they must have in order to achieve a well-constructed home, as well as pointing out the necessity of proper professional guidance in design and supervision of construction."

Details of the Individual Booths

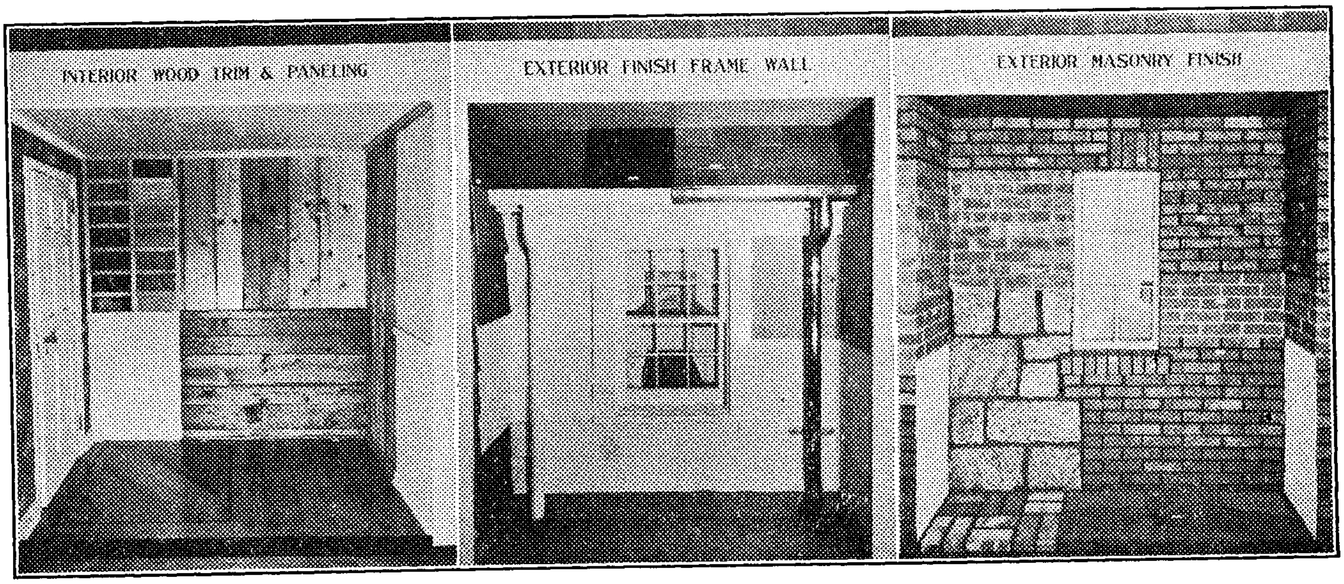
Included in the photographs on these two pages is a close-up of each of the eight individual booths in the display. Each variation in the type of construction is plainly marked for the convenience of the visitor, and as many different materials were used as could possibly be fitted into the space. Brick and frame exteriors are carried out with 25 different materials.

Inasmuch as sound construction methods keynote the entire exhibit, the two panels highlighting these features are presented in the upper right-hand and lower left-hand corners of these pages.



What lies behind the wallpaper and paint is shown above. For example, prospective borrowers might overlook: (1) building paper between the rough and finished floors; (2) asbestos insulation of steam or hot water risers and fire stops between beams at each floor level; (3) corner bracing where sheathing is laid horizontally; (4) double studs around all window and door openings; (5) 3-coat plaster on either ½-inch rock lath, or wire lath with waterproof backing; (6) insulating batts between studs; and (7) metal cornerites.

The remaining three sections of the display are illustrated below. The increased use of wood paneling throughout the modern house is demonstrated by the first picture on the left. Even a casual observer is impressed by the number of ways in which the exterior of his dwelling may be finished.



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TRENDS IN RESIDENTIAL VACANCIES—1939

U. S. Department of Commerce reports indicate mixed trends for the over-all vacancy ratios of individual communities during last year. The percentage of unoccupied 1-family dwellings showed favorable declines in many cities, but these were largely offset by marked increases in vacancies in multifamily units.

■ THE volume of new residential construction in any community is greatly influenced by the number of unoccupied units already in existence. Under normal conditions an increasing number of vacant units will have a deterrent effect upon the erection of new dwellings, while rising occupancy will provide a positive stimulus to construction. Of prime significance, therefore, to home-financing institutions, contractors and builders, and material dealers in every city are the trends in residential vacancies.

Changes during 1939 in the relationship of unoccupied units to the total number of available dwellings varied greatly with individual communities according to reports received by the Construction and Real Property Section of the Bureau of Foreign and Domestic Commerce. As there was no apparent geographic concentration to these changes, it is evident that they were effected primarily by local conditions.

Of the 35 cities for which comparable surveys were made in 1939 and 1938, 20 reported a lower percentage of vacancies last year, 14 showed a higher percentage than in 1938, and one indicated no change. Analysis of the trends in those communities for which data were available in 1937 and 1939 shows that there may have been a slight upward tendency predominating during the period as a whole: 16 cities had a greater percentage of vacancies last year than in 1937; 13 had a lower ratio; and the proportions of three were unchanged.

One fact stands out from this analysis: the nationwide trend of decreasing vacancies, which started at the high levels of 1932–1933 and continued well into 1936, had ended. Further changes in vacancies are controlled now largely by local factors which bear directly upon the trends within an individual community.

Among the significant local factors influencing the shifts in residential occupancy, the Construction and Real Property Section lists the volume of new construction, demolition of buildings, doubling and undoubling of families, migration to and from a city, and the number of deaths, marriages, and divorces. Each of these affects the community trend, but with varying degrees of importance.

A vacancy decrease in one city, it was pointed out, may reflect an improved level of business activity and family income resulting in migration to the city and an undoubling of families within the city. This might well be the situation in those communities which have received economic stimulation from the establishment of a new industry, or from unusual circumstances such as war orders, or the effect of nearby construction projects such as the Tennessee Valley System.

On the other hand, a trend toward a higher vacancy ratio in another city may reflect primarily a larger volume of new residential construction which is adding to the supply of unused dwellings. In still another city, new construction may be offset by the undoubling of families and the result will be no change in vacancy.

Trends in Vacancy by Type of Structure

It is unfortunate that only a few of the cities undertaking vacancy studies make a complete classification of the types of structures which are unoccupied. The chart on page 226 presents these data for most of the cities which prepared such an analysis during 1939. It is interesting to note that although the trends in over-all vacancy ratios of these 12 cities were decidedly mixed (five increased, five decreased, and two were unchanged), there were more definite divergent movements in the 1-family and multifamily classifications. More than half of the reporting areas indicated fewer unoccupied single-family dwellings in proportion to the total on the date of the survey in 1939 than in the preceding year. Multifamily vacancies, on the other hand, have been increasing in these communities with nine out of the 12 showing more vacant units than in 1938.

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Percentage of vacant dwelling units to all dwelling units in selected cities, 1936–1939

In each year, period I covers surveys made from January 1 to April 30; period II, from May 1 to August 31; period III, from September 1 to December 31.

Federal Home Loan Bank District and city	Source of data	1939			1938			1937			1936		
		I	II	III	I	II	III	I	II	III	I	II	III
No. 1—Boston:													
Boston, Mass	HA	8.1			6.2								
Brockton, Mass	CWD			4.2			4.9			5.8			6.4
New Bedford, Mass	HA	3.6			3.3			4.1			5.8		
Springfield, Mass [1]	REB			2.4			2.8			2.4			2.7
No. 2—New York:													
Oranges, and Maplewood, N. J	REB	3.4			2.7			3.0			3.6		
Trenton, N. J.[2]	REB	1.5			1.6			1.3			2.0		
Westfield, N. J.[2]	REB	3.3			2.9			2.6			2.3		
Syracuse, N. Y	HA	2.7			2.3						4.1		
No. 3—Pittsburgh:													
Pittsburgh, Pa	(3)	1.9	2.2	1.8	1.8	2.1	1.9	2.2	2.3	1.7	3.5	3.0	2.2
Williamsport, Pa	REB	2.0				2.6					.9		
No. 4—Winston-Salem:													
Asheville, N. C.[4]	REB	1.9	2.0		2.8	2.2	2.0	2.6 2.0	1.5	1.9 2.4	3.7 2.6	2.4 2.1	
Tampa, Fla	REB			2.4			3.4			4.4			
No. 5—Cincinnati:													
Cleveland, Ohio (metropolitan district)	(5)			2.9	3.3	3.3	3.0	2.4	2.6	2.6	3.0	2.4	2.1
Cleveland, Ohio (city only)	(5)			2.9			2.9			2.4			1.8
Cleveland, Ohio (suburbs)	(5)			2.7			3.3			3.2			2.9
Columbus, Ohio	REB			1.7						1.6		1.7	
No. 6—Indianapolis:													
Elkhart, Ind.[2]	P	1.3			1.9						2.3		
Indianapolis, Ind.[2]	CC	1.8			2.5			2.0			3.6		
Muncie, Ind.[6]	REB	1.8			1.2			.8			1.3		
South Bend, Ind	REB	2.5			2.8			1.6			1.8		
Detroit, Mich	HA	2.0			1.3						1.0		
Lansing, Mich	REB	1.2			2.0			.9					
No. 7—Chicago:													
Madison, Wis	REB		1.3			1.6	1.4	.9	1.5			.9	
Racine, Wis	REB		2.1			1.7				.7		1.3	
No. 8—Des Moines:													
Cedar Rapids, Iowa	REB	1.0			1.1			1.4			1.7		
Davenport, Iowa	REB	.9			.8								
Des Moines, Iowa	REB	1.5			1.9			1.8			1.7		
Duluth, Minn	P	1.5			1.4			2.6					
Minneapolis, Minn	P		1.9		1.5			1.5					
St. Paul, Minn	REB		1.8			1.3			1.2			1.5	
Kansas City, Mo	REB	6.6			6.7			6.6			7.2		
St. Louis, Mo	(7)	3.9	3.6	3.5	4.6	4.5	3.8	3.7	3.6	3.8	4.3	3.7	3.8
No. 9—Little Rock:													
San Antonio, Tex.[8]	REB	3.1			3.3			3.3			3.0		
No. 10—Topeka:													
Denver, Colo	UD			2.0			2.0			1.2			1.0
Omaha, Nebr.[9]	REB	1.6		1.5	2.0		1.6	1.3		1.9	1.3		1.6
Oklahoma City, Okla.[10]	REB	4.7			4.1			1.6			1.5		
No. 11—Portland:													
Portland, Oreg	REB		4.5					2.5					
Seattle, Wash	REB	1.4			1.5			1.7			2.1		
No. 12—Los Angeles:													
Pasadena, Calif.[2]	P	2.5			1.7			2.0			2.2		

Key to "Source of data" column: P, private source; *CC,* Chamber of Commerce; *CWD,* City Water Department; *HA,* Housing Authority; *REB,* Local Real Estate Board; *UD,* Bureau of Business Research, Univ. of Denver.

[1] The 1936 and 1937 figures have been revised.
[2] Excluding apartments.
[3] Data are for idle electric meters for the months of February, June, and October of each year, covering most of Allegheny and Beaver Counties. The data are published by the Bureau of Business Research of the University of Pittsburgh.
[4] Where two figures are given for a period, the upper is for the earlier survey within the period; the surveys were made at irregular intervals.
[5] Data for period III are from surveys made as WPA projects each October, and are made available by the Real Property Inventory of Metropolitan Cleveland, Inc., a nonprofit research agency; figures for periods I and II are based on trends in inactive electric meters in the metropolitan area, adjusted to the annual surveys, and are for the months of February and June. Data for periods I and II, 1939, not yet available.
[6] One-family houses only; includes dwellings under construction, but excludes those "unfit for use".
[7] The figures are for February, June, and October, and are taken from the monthly sample surveys of Real Estate Analysts, Inc.
[8] Houses under construction are counted as vacant.
[9] The Omaha surveys cover 1-family houses and some duplexes and flats over stores only.
[10] New houses which have not yet been occupied are not counted as vacant.

NOTE.—Comparison of the vacancy survey figures presented in this article with the results of Real Property Inventories made in some of the cities at the same time indicates that the *level* of vacancy is generally considerably higher than the vacancy surveys show. This does not affect the reliability of these vacancy figures as indicators of the presence or absence of upward or downward *trends* in vacancy over a period of time, however. Vacancy in Detroit, for example, was undoubtedly greater than 2.0 percent in February 1939 (according to a Real Property Survey it was 5.1 percent in the summer of 1938), but the reported increase from 1.3 in 1938 to 2.0 in 1939 nevertheless correctly points out a substantial increase in total vacancy.

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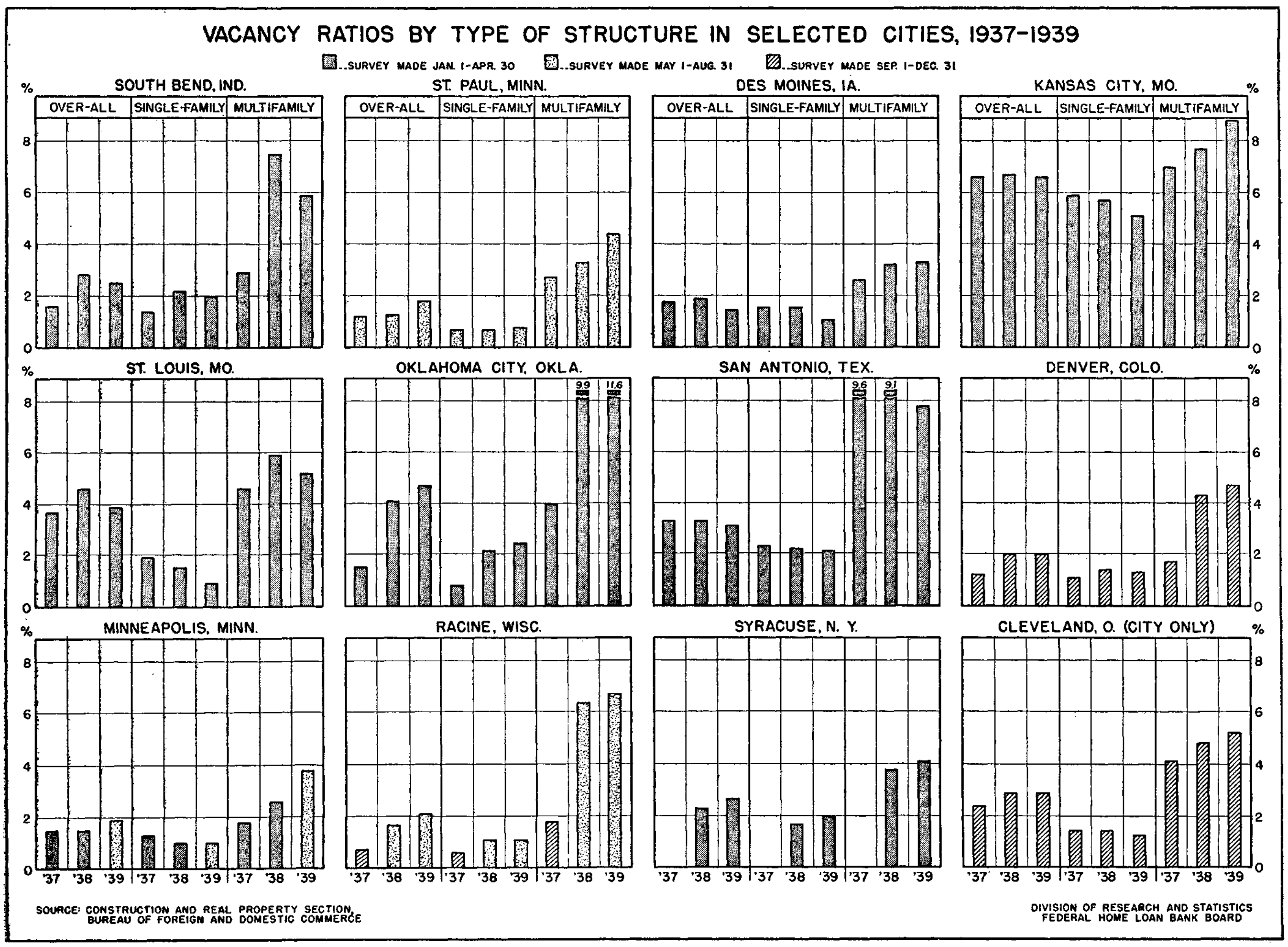
Studying these communities over a 3-year period from 1937 to 1939, this same distinction between the occupancy trends of single-family and multifamily dwellings is in evidence. Eliminating Syracuse, New York, which did not report in 1937, the over-all ratios of seven cities increased; of one, did not change; and of three, decreased. Data on 1-family occupancy trends show that the gains and losses were almost equally divided: six cities indicated fewer vacancies at the end of the period and five showed a larger number. For multifamily units, however, the record of San Antonio ran counter to an otherwise unanimous movement toward higher vacancies.

The Nature of Vacancy Surveys

A vacancy survey in its simplest terms is a statistical photograph of conditions in the real estate market at any given moment. It is a census of unused housing facilities. When properly prepared with a sufficient amount of detail and interpretation, it outlines the location and nature of the demand for housing. It serves as a reliable guide in the planning of future construction by indicating where, when, and how much new residential building can be justified in terms of the present relationship of the supply of, and the demand for, dwelling units.

On the basis of an adequate vacancy survey, for example, it should be possible to determine whether the construction of a new series of homes by an operative builder would merely add to the excess supply of that type of units already in existence in a community. Cognizance of a rising trend in vacancies in multifamily units in another city should turn building efforts from the apartment field to a more profitable one. Many of the problems of production excesses and shortages in the residential construction industry have been due to "trial and error" methods of estimating vacancies.



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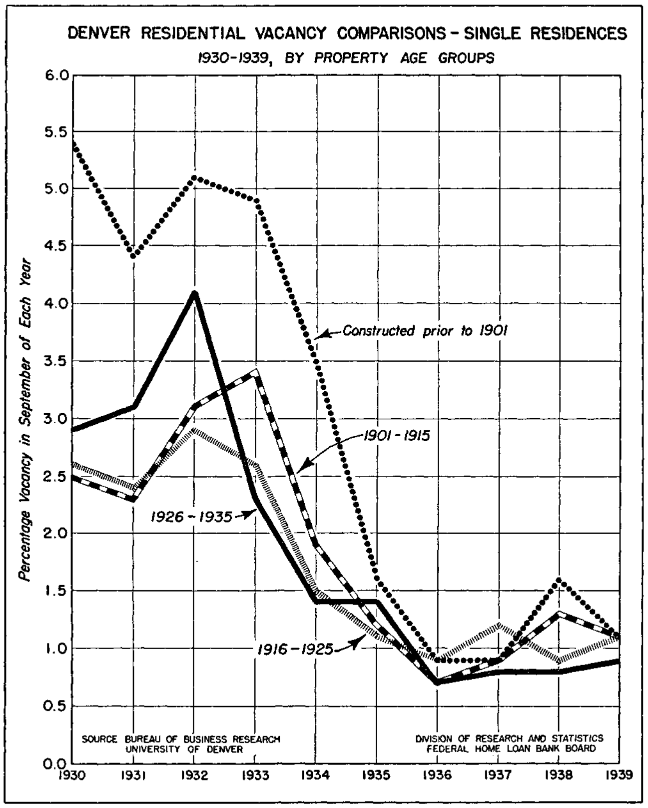

One of the interesting studies which can be made, when complete analysis of vacancy data is available, is the trend in dwellings of different ages. In the chart above, it will be noted that there is a definite tendency for the oldest dwellings to show the highest vacancy ratio. This is true of every year except 1937. The newest group of residences (1926–1935), on the other hand, had the lowest percentage of vacancies in six out of the last seven years.

The utility of these surveys, however, is not limited solely to the field of new construction, for they reflect with equal accuracy changes in the demand for old as well as new dwellings. The practicability of this has been demonstrated by vacancy data for the city of Denver which have been compiled for 10 consecutive years by the Bureau of Business Research of the University of Denver for the Denver Real Estate Exchange.

One of the most complete of vacancy studies, this report classifies its data by property age groups, type of construction, and location within 33 Districts of the city and county, thus permitting a study of the trends within limited geographic areas. The chart above shows the vacancy ratios for the various property age groups of single-family dwellings during the years 1930–1939. It highlights the demand preference for newer homes and indicates the fact that homes built prior to 1901 were the last to be reoccupied following the depression (see accompanying chart).

It is apparent that such information would be of substantial assistance in formulating policies regarding the disposition of real estate owned, or the management of these properties. Rents and selling prices will fluctuate in accord with changing market conditions brought about by shifts in the demand for or supply of these older dwellings.

The Role of Savings and Loan Associations in Vacancy Surveys

Concurrent with the increasing interest of savings and loan executives in the importance and usefulness of various types of statistics, there is a growing recognition of the relationship of vacancy studies to the operations of all home-financing institutions. Mortgage lenders, desiring to protect the value of their loan security, see in these data an opportunity to safeguard against lending money on properties in areas in which the supply of dwellings, evidenced by vacancy surveys, is already adequate. At the same time, they look to these reports for possible clues to new opportunities for loan prospects in those areas where demand is the greatest.

It is not the purpose of this article to discuss the procedures and methods for conducting vacancy surveys. This has been a project of the Construction and Real Property Section of the Bureau of Foreign and Domestic Commerce which is now preparing a special release on this subject of particular appeal to home-financing institutions.[1]

According to the Department of Commerce, it is hoped that this report may be the means of stimulating interest in the development of additional surveys of residential vacancy, sponsored by local organizations, singly, or in cooperative groups. City or county savings and loan leagues, or study groups of the American Savings and Loan Institute, could easily serve as the nucleii for such undertakings to the ultimate benefit of the entire home-financing and residential construction industries.

The Construction and Real Property Section of the Bureau of Foreign and Domestic Commerce will be glad to assist local groups in initiating vacancy surveys. Those interested may write directly to this division of the Department of Commerce.

[1] "Residential Vacancy Surveys, 1936–1939" will soon be released by the Construction and Real Property Section of the Bureau of Foreign and Domestic Commerce, Washington, D. C. It will treat the general development of vacancy surveys, the standard methods of securing them, potential sources of new information, an evaluation of the different survey methods, and the types of useful vacancy data. The report also will include a presentation of all available vacancy data for the years 1936–1939, as well as revised and supplementary vacancy ratios for the period from 1930–1935.

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DECLINING: "That immigration is a declining factor in American growth is indicated by the fact that during the first eight years of the decade ending in 1940 the United States actually registered an excess of emigration over immigration."

Background for 1940 Census, U. S. Department of Commerce, Bureau of the Census.

LUMBER: "The prospects for the lumber industry at this time are to a large degree dependent upon further expansion in this field (residential building, especially small lower-priced homes of frame construction and low-cost housing projects)."

W. LeRoy Neubrech, *Survey of Current Business*, January 1940.

NO WAR BOOM: "The restriction of building activity and the increase in building costs will tend in the direction of stabilizing house values, but the serious shortage of houses of 1918 does not obtain today and there is no probability of a repetition of the boom which followed the last war."

Walter Harvey, *The Building Societies' Gazette*, (London, England), February 1940.

INTANGIBLE RESERVE: "The association that by performance can merit and receive his (the customer's) confidence will find a loyalty that may be drawn upon in times of stress. His loyalty will produce a liquidity greater than can be provided by any high-grade bond portfolio."

J. T. S. Lyle, *Savings and Loans*, February 1940.

INTEREST RATES: " . . . a further decline in interest rates in this field (mortgage loans) would not be impossible and would no doubt be in the public interest, because interest charges are an important part of the cost of home-ownership. The reductions that have occurred have no doubt been a factor in increasing building activity."

Woodlief Thomas, *Federal Reserve Bulletin*, March 1940.

TRANSFORMATION: "Signs are not lacking that we may be on the threshold of a technological revolution in agriculture no less far-reaching than the industrial revolution of the eighteenth and nineteenth centuries. Already we are witnessing . . . the transformation of cornstalks into wallboard and other building material."

The Index, New York Trust Co., Spring 1940.

Opportunities for leadership . . . . .

"The manager of a savings and loan association, as I see him, has the opportunity of being one of the real constructive leadership citizens of his community. By his experience, his knowledge, and his day-to-day decisions, he can play a major part in making his city a better place in which to live. He can lead it to better community planning. He can help it to avoid the growth of blighted districts which are the cause of so much misery and financial loss in so many of our cities. He can be in the vanguard of movements to make home ownership less expensive and more popular . . ."

Frank W. Hancock, Jr., member Federal Home Loan Bank Board, *Savings and Loans*, March 1940.

Neighborhood trends . . . . .

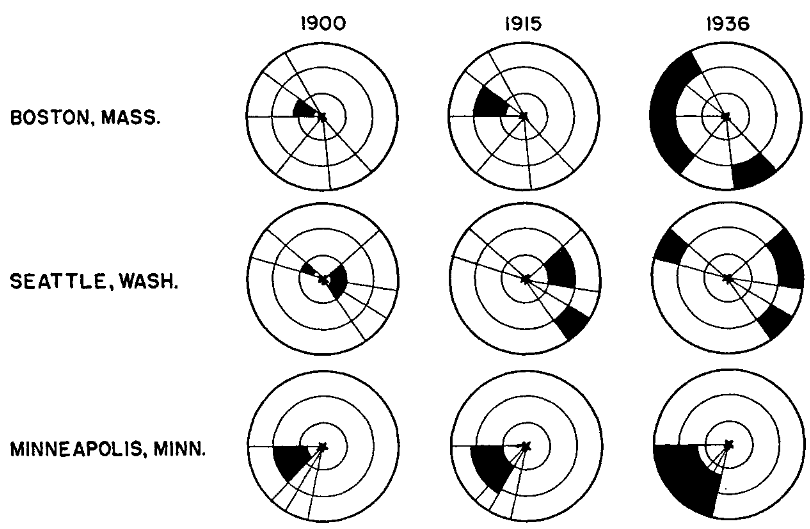
"The high rent neighborhoods of a city do not skip about at random in the process of movement—they follow a definite path in one or more sectors of the city. . . . Thus if one sector of a city first develops as a low-rent residential area, it will tend to retain that character for long distances as the sector is extended through process of the city's growth. On the other hand, if a high rent area becomes established in another sector of the city, it will tend to grow or expand within that sector, and new high-grade areas will tend to establish themselves in the sector's outward extension." (See chart below.)

Dr. Homer Hoyt, "The Structure and Growth of Residential Neighborhoods in American Cities," Federal Housing Administration.

SHIFTS IN LOCATION OF FASHIONABLE RESIDENTIAL AREAS IN THREE AMERICAN CITIES

1900-1936

FASHIONABLE RESIDENTIAL AREAS INDICATED BY SOLID BLACK



FEDERAL HOUSING ADMINISTRATION
DIVISION OF ECONOMICS & STATISTICS

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THE THIRD ANNUAL "HUNT FOR FACTS"

Based on nearly 1,300 schedules returned by member savings and loan associations, the current study of the business promotional programs of the industry is the most extensive yet undertaken. This preliminary report outlines the scope of the survey and describes some of the new features to be developed in this year's analysis.

■ ONE out of every three savings and loan members of the Federal Home Loan Bank System has replied thus far to the third annual "Hunt for Facts" questionnaire distributed by the Public Relations Department early in February. In all, more than 1,270 returns have been received which will make possible the most extensive study of savings and loan business promotional activity and expenditures undertaken up to this time. More than 830 communities, distributed in every Bank District, in every one of the 48 States, the District of Columbia, and the Territory of Hawaii, are represented by at least one reporting institution.

Roughly 603, or more than 70 percent of the 838 members that filed useable returns last year, have again submitted schedules. In addition, there are approximately 619 new responses from associations which did not participate in the second "Hunt for Facts" survey. Preliminary inspection of the replies reveals that there is a marked improvement both as to quality and quantity of information supplied, in general indicating a great deal of care in preparation.

Distribution of responses

Federal Home Loan Bank District	Total number of Bank members	Associations reporting	Percent of total Bank members
United States	3, 862	1, 222	31. 6
Bank Districts:			
Boston	209	58	27. 8
New York	416	88	21. 2
Pittsburgh	531	109	20. 5
Winston-Salem	400	119	29. 8
Cincinnati	582	167	28. 7
Indianapolis	213	84	39. 4
Chicago	466	137	29. 4
Des Moines	240	99	41. 3
Little Rock	275	97	35. 3
Topeka	227	89	39. 2
Portland	133	71	53. 4
Los Angeles	170	104	61. 2

Comparison of responses, 1939 and 1938

Type of association	Number of members, Jan. 31, 1940	Associations reporting for 1939		Associations reporting for 1938 as a percent of total membership
		Number	Percent of total	
All savings and loan members	3, 862	1, 222	31. 6	21. 5
Federals	1, 402	699	49. 9	34. 9
Insured State	801	319	39. 8	31. 7
Uninsured State	1, 659	204	12. 3	7. 1

COVERAGE OF THE 1939 SCHEDULE

Association managing officers and boards of directors will use data compiled from these reports as a basis for judging the activities of their own institutions in the light of those carried on by comparable members. The wide coverage of the responses assures them of information based upon a representative sample of all Federal Home Loan Bank member associations.

The percentage of useable schedules has been unusually high, and thus far there are 1,222 which are suitable for analysis (31.6 percent of the total savings and loan membership of the Bank System). The distribution of this sample by Bank Districts appears in the table (left) and shows that more than half of the savings and loan members of the Los Angeles and Portland Bank Districts filed returns, and that even in the Pittsburgh region which had the smallest percentage of responses, one out of every five member associations is included in the survey.

Useable replies from the different classes of members are distributed this year in almost the same mathe-

(Continued on p. 237)

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SUMMARY OF RESIDENTIAL CONSTRUCTION AND HOME-FINANCING ACTIVITY

I. Industrial activity continued to decline during March, but at a slower pace. Export trade, which was sustained at a high level, was an exception to the general trend.

II. Total figures for the first two months of 1940 residential building in cities of more than 10,000 population indicate a slightly lower volume of activity than during the same 1939 period.

A. Building permits issued during February were approximately one-third greater than in January of this year.

III. Mortgage recordings of savings and loan associations showed a 3-percent increase over January: the only classification to register an improvement.

A. Year-to-year comparisons for the first two months of 1939 and 1940 reveal that mutual savings banks have shown the greatest percentage gain with savings and loan associations second.

B. New mortgage loans by savings and loan associations during January and February were 22 percent above 1939, starting 1940 at the highest level since the early '30's.

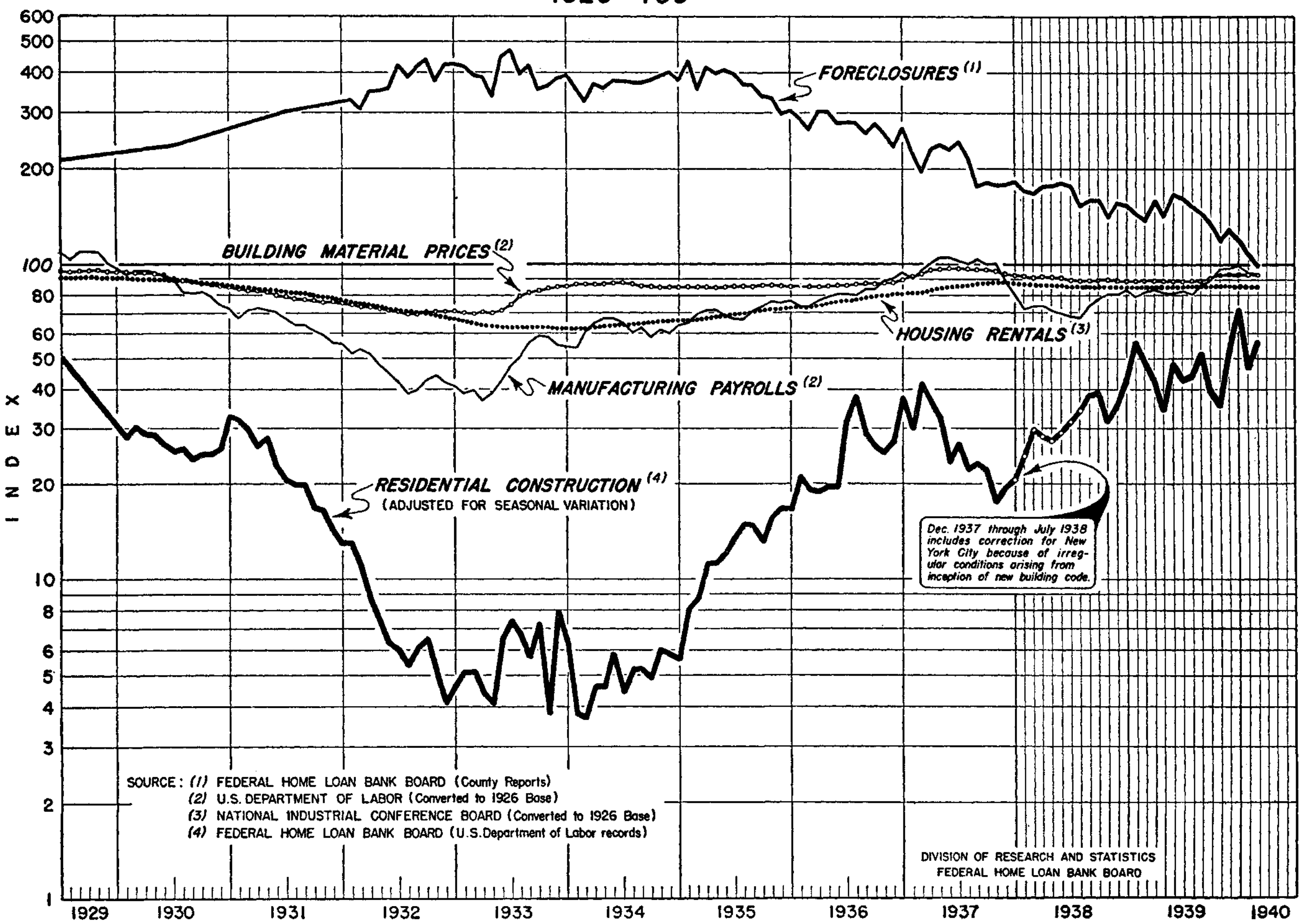
IV. The small-house building cost index registered a fractional increase during February supported by small gains in both material prices and labor costs.

A. The wholesale prices of building materials continued to resist the decrease shown by the all-commodity index during the first 11 weeks of 1940.

V. Foreclosures in February approximated the level of the average month of 1926, and were the lowest in 12 years.

VI. Study of operations of identical Federals during 1939 reveals increases of $185,000,000 in mortgages held and of $197,000,000 in private capital, while real estate holdings were declining rapidly.

RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
1926 = 100



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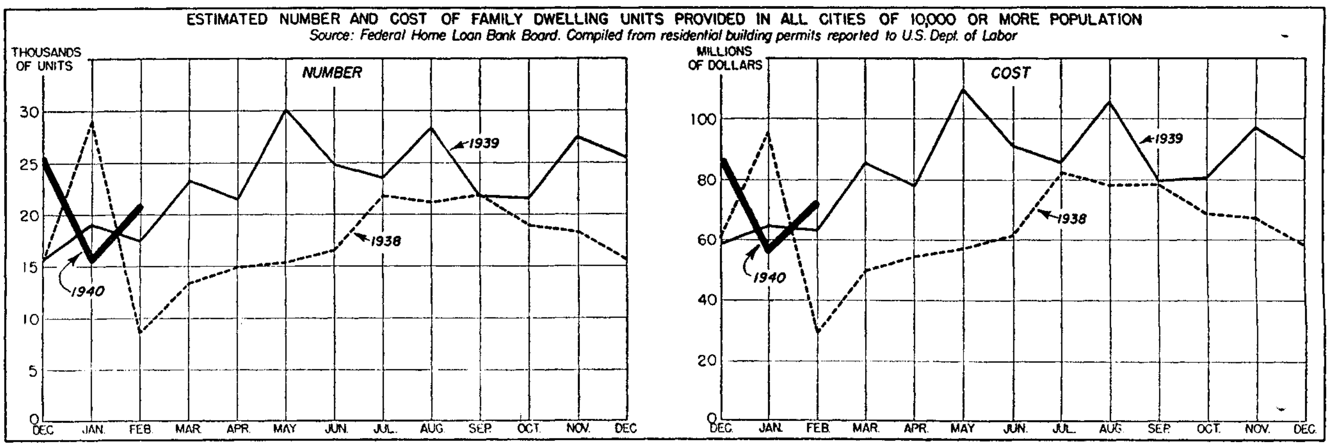
RESIDENTIAL CONSTRUCTION and HOME-FINANCING ACTIVITY

CONTINUOUS curtailment in the volume of foreclosures has occurred during each of the past five years so that, by February of this year, the rate was similar to that prevailing in the average month of 1926. This current foreclosure level, which is the lowest recorded in the past 12 years, is less than one-fourth the magnitude of the peak depression months during 1933.

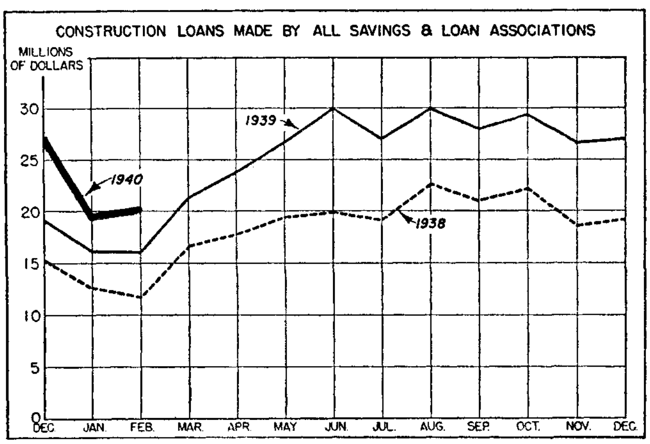
Lowered foreclosure activity at the present time shows that the borrowing public is better able to meet its obligations, and that mortgage lenders are relieved of the pressure of heavy real estate acquisitions, which usually involve considerable expense and ultimate loss. With this pressure lessened, savings and loan associations have been able to strengthen their financial position considerably through the orderly liquidation of real estate holdings.

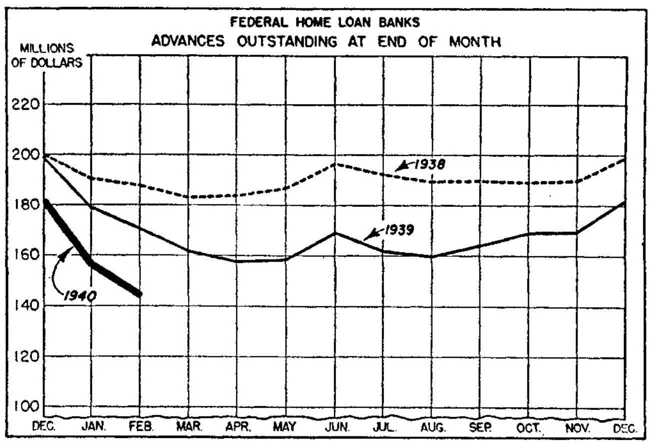
An identical group of nearly 2,000 insured savings and loan associations which were surveyed recently reported a *net* disposal during 1939 of 15 percent of all real estate held by them at the beginning of that year. A higher and more stable consumer income level is reflected in such reductions in real estate holdings. Such improvement in purchasing power reduces the necessity for foreclosures, and results in new mortgage loans as institutions find purchasers for owned real estate.

Stability in construction cost and housing rental levels, which has prevailed during the past few months, has provided additional incentive to build. Residential construction activity in February rose sharply from depressed January levels to a point more than 18 percent above the same month of last year, according to building statistics. Accelerated


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


CONSTRUCTION LOANS MADE BY ALL SAVINGS & LOAN ASSOCIATIONS


FEDERAL HOME LOAN BANKS ADVANCES OUTSTANDING AT END OF MONTH

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building activity was widespread geographically, with all areas of the country except the Boston and Los Angeles Districts reporting increases from January in their cities of 10,000 population and over.

Construction loans of savings and loan associations, although rising 3 percent in volume during February, were far from paralleling the 30-percent rise in the number of 1- and 2-family units placed under construction. Home-purchase loans, which include not only mortgages on older structures but also loans made for the purchase of new homes from speculative builders, showed greater improvement over January than did any other loan class.

Savings and loan associations were the only class of mortgage lender to show a greater volume of mortgage recordings in February than in January. Among the remaining groups, mutual savings banks and commercial banks and trust companies had the greatest declines in mortgage-recording activity during this period. Comparisons of mortgage financing among the various types of lenders reveal that savings and loan associations are making more loans than any other single class of lender, having recorded 31 percent of the total during 1939. During the first two months of this year these institutions have accounted for 30 percent of all recordings.

General Business Conditions

■ THERE was evidence that industrial activity, which has been declining since the beginning of the year, was continuing its downward movement but at a slower pace during March. Preliminary estimates by Federal Reserve economists indicate that the seasonally adjusted index of industrial production, which fell from the January average of 110 to 101 in February (1926 = 100), will remain in March above the August 1939 level of 95.

The Bureau of Agricultural Economics found preliminary evidence that a reversal of the downward movement would probably occur this spring "but there are as yet no signs pointing to rapid recovery thereafter". Emphasis was placed upon three facts: (1) The present decline was preceded by much more moderate increases in inventories during the final half of 1939 than during the longer period of inventory expansion which immediately preceded the 1937–1938 recession; (2) Following declines from December to February, the general level of wholesale commodity prices has been more nearly stable in March; (3) Unless the decline in business is more prolonged than is now expected, the buying power of consumers probably will not be substantially reduced.

The only major factor to resist the weakening tendency in business so far this year is the export trade. With sustaining active demand, the volume of foreign shipments has risen to approximately the 1929 level, when allowance is made for price changes.

Except for a short period in February, commodity prices have fallen steadily since the beginning of the year and on March 16 the Department of Labor index of wholesale commodity prices had dropped to the lowest level since early September, climaxing a 1½-percent decline over the 11-week period since January 1. This reflects the fact that purchasing has not yet improved, as is indicated by the fact that new orders have been substantially below production for several months.

Building materials, with a 0.3-percent increase, were the only group of commodities which registered advancing prices during the first 11 weeks of 1940. Since August 19, 1939, the index of prices for all commodities has risen 2.1 percent, while the index of prices for building materials has increased 4.1 percent.

[1926=100]

Type of index	Feb. 1940	Jan. 1940	Percent change	Feb. 1939	Percent change
Residential construction [1]	57.1	46.5	+22.8	[2] 48.3	+18.2
Foreclosures (metro. cities)	99.0	108.0	−8.3	138.0	−28.3
Rental index (NICB)	85.5	85.5	0.0	85.0	+0.6
Building material prices	93.2	93.4	−0.2	89.6	+4.0
Industrial production [1]	101.0	110.3	−8.4	90.8	+11.2
Manufacturing employment	99.7	99.8	−0.1	92.1	+8.3
Manufacturing pay rolls	93.8	94.3	−0.5	82.5	+13.7
Average wage per employee	94.1	94.5	−0.4	89.6	+5.0

[1] Corrected for normal seasonal variation.
[2] Revised.

U. S. Savings Bonds

■ IMPORTANT changes in handling the sale of United States Savings Bonds were announced recently by the Secretary of the Treasury. Beginning April 1, these "baby" bonds will be sold only to individuals and not to corporations or institutional investors. The effect of this regulation is expected to reduce the annual volume of sales by $150,000,000 to $200,000,000, using last year's business as a criterion.

According to Mr. Morgenthau, this new order was designed to keep this form of security for its original purpose—that of providing a savings medium for individuals. There is a statutory limit

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of $10,000, however, on the amount of bonds which any individual may purchase during a calendar year.

Savings bond sales during the first two months of this year were nearly double the volume during the corresponding period of 1939. January and February sales totaled $408,303,000 as compared with $207,965,000 in the same months of last year.

Residential Construction

[*Tables 1 and 2*]

■ DWELLINGS of the 1- and 2-family type, as well as multifamily structures, participated in renewed building activity during February. Even though February is a short month, there is normally a rise of about 8 percent from the January residential construction level. This year, however, the erection of total residential units increased nearly one-third from January to February, reflecting to a great extent the improvement from abnormally cold January weather in many parts of the country and especially throughout the Southern States.

Activity of the United States Housing Authority, which increased by 2,000 units during February, accounted for nearly two-fifths of the rise over January. Officials of the Authority expect to finance a large volume of slum-replacement units later in the year.

For the first two months of 1940, residential building volume in cities of 10,000 or more population amounted to 36,500 units—fractionally less than the total reported for the comparable 1939 period. Whereas 1-family, 2-family, and joint home and business units increased slightly, multifamily construction was below the activity displayed in the same months of last year.

Small-House Building Costs

[*Tables 3 and 6*]

■ RISING costs for the construction of a standard 6-room frame house were recorded during the preceding quarter-year by a large majority of those cities reporting in March, although only three of these communities had cost increases of $100 or greater in this period. Few cities reported lower costs at the end of the 3-month period. This record, which is itemized on Table 3, page 240, is in contrast to the definite drop which was noted in the cities reporting in the March issue of the REVIEW.

Both residential labor and material cost indexes for the country as a whole increased fractionally during February. Although these two elements are currently moving together, the sharp rises in labor which occurred in 1937 have not been offset to any great extent by subsequent declines. In February of this year, the index of the cost of labor used in building the standard house was still 10 percent higher than in the average month of 1936.

Materials used in building the standard house cost about 5 percent more than in 1936. The rising trend evidenced during the last quarter of 1939 in this index of dealer's cost has been checked during the opening months of this year, but is holding its gain of 2 percent obtained during the first three months of European conflict.

The wholesale prices of building materials as evidenced by the U. S. Department of Labor index have strongly resisted the decline shown by other commodities since the beginning of the new year. The building material index advanced from 92.9 during the first week of January to 93.3 in the week ended March 23. During this same period the all-commodity index dropped from 79.5 to 77.9.

Construction costs for the standard house

[Average month of 1936=100]

Element of cost	Feb. 1940	Jan. 1940	Percent change	Feb. 1939	Percent change
Material	104.5	104.4	+0.1	103.0	+1.5
Labor	110.3	110.2	+0.1	112.2	−1.7
Total	106.5	106.4	+0.1	106.0	+0.5

New Mortgage-Lending Activity of Savings and Loan Associations

[*Tables 4 and 5*]

■ REBOUNDING from the seasonally low level of January, new loan volume of savings and loan associations increased 7 percent to a total of $71,500,000 during February, in line with rises for like periods in the previous four years. During the opening two months of this year, a 22-percent increment in loan volume was shown over the corresponding 1939 period, thus starting 1940 at a higher level than any other year since the early '30's.

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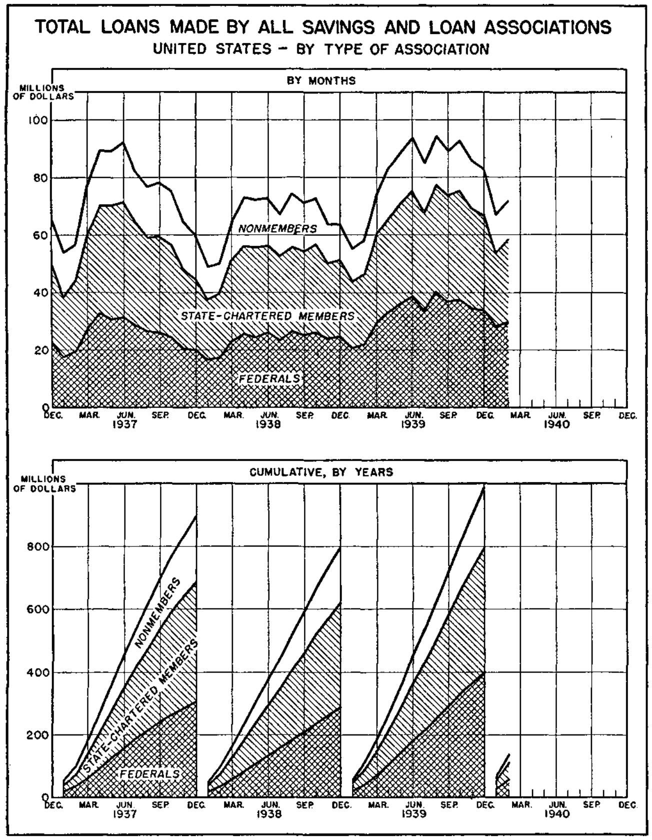

Loans for the purchase of existing homes were leaders in the February acceleration in lending activity, having risen 15 percent from the preceding month, while the average increases for construction and refinancing loans were 3 and 4 percent, respectively. Remaining classes showed little change.

January-to-February rises in total lending activity were reported in all sections of the country other than the New York and Winston-Salem Districts, with the Cincinnati District taking the lead.

New mortgage loans distributed by purpose

[Amounts are shown in thousands of dollars]

Purpose	Feb. 1940	Jan. 1940	Percent change	Feb. 1939	Percent change
Construction	$20, 152	$19, 488	+3. 4	$16, 027	+25. 7
Home purchase	25, 389	22, 039	+15. 2	19, 118	+32. 8
Refinancing	14, 590	13, 999	+4. 2	12, 551	+16. 2
Reconditioning	3, 437	3, 455	−0. 5	3, 593	−4. 3
Other purposes	7, 954	7, 963	−0. 1	7, 020	+13. 3
Total	71, 522	66, 944	+6. 8	58, 309	+22. 7

State-chartered savings and loan members of the Federal Home Loan Bank System made 12 percent more loans in February than in the previous month, a better showing than that made by either Federal or nonmember associations. Each of these three types of institutions registered improvement over last year, with Federals showing greatest gains.

Foreclosures

■ ALTHOUGH the 8-percent decline from January in real estate foreclosure activity in metropolitan communities was only slightly more than the normal seasonal January-to-February recession, it brought the index (1926=100) to 99 for February, the smallest monthly number in over 12 years. Further, February activity was 28 percent below that for the corresponding month of 1939.

Foreclosure cases for the first two months of this year were 27 percent below those for the same period of 1939.

The recent declines in foreclosure activity have been quite general geographically and no doubt reflect to some extent the reduction in HOLC foreclosures due to the provisions of the Mead-Barry Act. Of the 81 communities reporting for both January and February, 43 showed decreases and 33 showed increases, while five indicated no change from January.

Mortgage Recordings

[*Tables 13 and 14*]

■ TOTAL nonfarm mortgage recordings for the first two months of this year amounted to $512,162,000, a gain of 13 percent over the cumulative volume of financing for the same period in 1939. Better than 40 percent of the $60,000,000 increase during this period is attributable to the activity of savings and loan associations; miscellaneous lenders contributed 21 percent of this cumulative rise, while the remaining 35 percent was rather evenly distributed between the other four types of mortgagees.

Despite unfavorable weather conditions, the volume of nonfarm mortgage recordings amounted to $253,646,000 during February, a decrease of only 2 percent from January as compared with a 10-percent decline in the January–February period last year. Registering gains from January in 28 States, savings and loan associations expanded their February

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Mortgage recordings by type of mortgagee

[Amounts are shown in thousands of dollars]

Type of lender	Percent change from January 1940	Percent of February 1940 amount	February 1940 volume	Percent change, Feb. 1939–Feb. 1940
Savings and loan associations	+3.0	29.7	$61,107	+26.4
Insurance companies	−3.1	8.5	18,238	+17.2
Banks, trust companies	−5.8	24.8	56,180	+9.8
Mutual savings banks	−5.5	3.8	7,401	+28.2
Individuals	−4.4	17.9	38,584	+15.9
Others	−0.2	15.3	31,663	+23.7
Total	−1.9	100.0	213,173	+19.0

recording volume by 3 percent to $77,211,000. All other types of lenders showed decreases from January ranging from a minor recession for the miscellaneous group of lenders to a 6-percent decline for banks and trust companies and mutual savings banks.

With all lenders contributing to the acceleration in mortgage financing, February recordings were 19 percent larger than in February 1939. Increases ranged from 10 percent for banks and trust companies to 26 percent for savings and loan associations and 28 percent for mutual savings banks. As in January, savings and loan associations again expanded their proportion of total recordings, accounting for 30.5 percent of recordings this month as compared with 28.7 percent in February 1939. Mutual savings banks and miscellaneous lenders increased their share of recordings somewhat, while banks and trust companies, insurance companies and individuals suffered reductions. Banks and trust companies accounted for 24.3 percent this February in contrast to 26.3 percent in February 1939.

Federal Savings and Loan System

[*Table 7*]

■ OF timely interest to the savings and loan industry and the investing public in general is a survey of the progress and current condition of Federal savings and loan associations recently completed by the Division of Research and Statistics. This study, which is summarized in the tabulation below, reveals that:

1. The gross amount of first mortgages held increased $185,000,000 (19 percent) during 1939, while private repurchasable capital advanced by $197,000,000 (24 percent).

2. Real estate holdings are low and are declining rapidly, showing the reduction during the year.

Condensed statement of condition of Federal savings and loan associations, Dec. 31, 1939 and Dec. 31, 1938

[Amounts are shown in thousands of dollars]

Balance sheet item	All Federals	Identical Federals		
	Dec. 31, 1939	Dec. 31, 1939	Dec. 31, 1938	Percent change
Number of associations	1,409	1,310	1,310	
First mortgages held (gross)	$1,284,859.0	$1,171,697.9	$986,956.0	+18.7
Real estate owned	89,345.9	80,857.2	94,386.1	−14.3
Cash and government obligations	96,547.8	87,584.5	71,216.8	+23.0
Other assets	107,228.3	96,098.3	87,747.5	+9.5
Total assets	1,577,981.0	1,436,237.9	1,240,306.4	+15.8
Private repurchasable capital	$1,110,749.0	$1,012,823.6	$815,654.2	+24.2
Government investment	208,777.0	192,061.4	203,859.9	−5.8
Mortgage pledged shares	13,698.0	10,888.9	14,716.8	−26.0
Federal Home Loan Bank advances	105,869.8	94,749.1	99,261.5	−4.5
General reserves and undivided profits	74,808.8	68,306.0	60,638.1	+12.6
Other liabilities	64,078.4	57,408.9	46,175.9	+24.3
Total liabilities	1,577,981.0	1,436,237.9	1,240,306.4	+15.8

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Progress in number and assets of Federal savings and loan associations

[Amounts are shown in thousands of dollars]

Type of association	Number		Approximate assets	
	Feb. 29, 1940	Jan. 31, 1940	Feb. 29, 1940	Jan. 31, 1940
New	632	632	$454, 772	$447, 033
Converted	773	770	1, 143, 242	1, 128, 052
Total	1, 405	1, 402	1, 598, 014	1, 575, 085

3. General reserves and undivided profits amount to 84 percent of the dollar amount of real estate owned, reflecting the 13-percent increase in these reserves during 1939.

Since the close of last year, mergers among Federal associations have exceeded the number of newly organized institutions, bringing the total membership down to 1,405 on February 29. These mergers represent pooling of resources for the purpose of further strengthening the savings and loan industry in various communities.

A detailed summary of changes during February in selected financial items of Federal savings and loan associations is presented on page 244. This shows that $8,000,000 more private capital was received during the month than was loaned on mortgages, and that this excess of capital was used in paying off Federal Home Loan Bank advances.

Federal Savings and Loan Insurance Corporation

[*Tables 7 and 8*]

■ INCREASED confidence in the savings and loan industry was displayed by the investing public during 1939. Insurance of accounts has proven itself to be a popular feature in the attraction of new share investments, particularly during the past year when almost 2,000 identical insured savings and loan associations reported a rise of approximately 20 percent in the balance of private repurchasable capital on their books. Rises in first mortgage holdings of these identical insured institutions absorbed all but $8,000,000 of this $255,000,000 increase in private capital during the year.

Sharp declines in real estate owned, together with increases in the amount of cash on hand and government obligations held, added to the funds available for investment in new mortgage loans. Reserves and undivided profits of the identical group grew by nearly $11,000,000, or 9 percent, during 1939; and at the end of the year accounted for about 6 percent of their total resources. These reserves and undivided profits of $127,000,000 on December 31 were equal to 85 percent of the book value of their owned real estate.

Over two and one-half million private investors in 2,213 associations had their accounts insured by the Federal Savings and Loan Insurance Corporation at the end of February of this year. These investors had to their credit $1,900,000,000 in capital, which included dividends credited to accounts.

Percentage change in selected balance sheet items of 1,978 identical insured savings and loan associations from December 1938 through December 1939

Balance sheet item	Total	Insured State	New Federals	Converted Federals
Number of associations	1, 978	668	615	695
	Percent	*Percent*	*Percent*	*Percent*
Total assets	+12	+7	+30	+11
First mortgages held (net)	+16	+11	+30	+15
Real estate owned	−15	−15	+9	−15
Cash and government obligations	+19	+13	+29	+21
Private investors	+12	+6	+28	+14
Private repurchasable capital	+19	+10	+51	+17
Government investment	−5	−2	−4	−7
Reserves and undivided profit [1]	+9	+5	+46	+8

[1] Change from January 1939 to January 1940.

Federal Home Loan Bank System

[*Table 9*]

■ FOLLOWING a January total of $29,000,000 in repayments which was the largest in the history of the Bank System, repayments during February continued at a high level. Repayments of advances amounting to $14,000,000 during the month and advances of only $2,000,000 resulted in a net reduc-

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tion of $12,000,000 in advances outstanding, reducing the balance to the lowest point since April 1937 by the end of the month, when advances outstanding totaled $144,500,000.

Substantial reductions in advances outstanding were general in the 12 Banks, with the largest monetary and percentage declines occurring in the Winston-Salem and Cincinnati Districts. The amount of repayments received by each of the Banks (with the exception of the Cincinnati Bank) was less than was received the previous month. However, the advances made in February were also less than January's in all but two of the Bank Districts.

Long-term advances comprised 77.7 percent of the total advances outstanding on February 29, 1940, as compared to 74.6 percent on January 31, 1940, and 81.3 percent on February 28, 1939. Four Banks, namely, Indianapolis, Des Moines, Topeka and Los Angeles, increased their percentages of long-term advances during the past year.

At the end of February 1940 the membership of the Federal Home Loan Bank System stood at 3,913, a net increase of one over the previous month, resulting from the addition of 12 building and loan associations and the withdrawal of two Federal associations and nine State-chartered associations from membership. The year 1939 was the first to reflect an annual decrease in the total membership. However, the aggregate assets of all members have continued to expand (reaching $4,740,983,000 by the end of 1939), which bears out the fact that nearly one-half of the terminations in membership were due to mergers or consolidations, in accordance with the reorganization programs carried on by the Banks.

Interest Rates

The Federal Home Loan Bank of Cincinnati recently announced that the interest rate on all new advances made on or after April 1, 1940, and upon all advances outstanding on that date, would be reduced to 2½ per centum per annum.

"Hunt For Facts"

(Continued from p. 229)

matical proportions as last year. Fifty-seven percent were sent in by Federal associations, 26 percent by insured State-chartered members, and 17 percent by uninsured members. Schedules were returned by one Federal out of every two, by 40 percent of the insured State members, and by one uninsured member out of every eight. For each class, a marked gain is shown in comparison with the returns last year, as is evident from the table at the top of page 229, which compares the proportion of the total membership in each class reporting for 1939 and for 1938.

New Features of the 1939 Schedule

One outstanding feature of the 1939 schedule is that for the first time, information will be tabulated both by Gross Operating Income size group and by Bank District. This means that a savings and loan association will be able to compare its own promotional activity and expenditure in 1939 with the record of all associations of similar size in its District, in neighboring Districts, or in the country as a whole.

A second innovation will be the direct comparison of the total business promotion expenditure in 1939 and in 1938 for a large proportion of the schedules. Supplementing this study of the trend in expenditure will be a detailed comparison of the business development programs of a large number of identical members which reported in both years.

Still another objective of the 1939 "Hunt for Facts" was to secure a better picture of cooperative and radio advertising. One question was phrased to determine an association's opinion of the benefit it received in proportion to cost from the cooperative advertising it engaged in last year. As a gauge of possible development of cooperative advertising in 1940, associations were requested to state whether or not they planned to participate in such joint undertakings this year.

Answers to the detailed question on the duration of an individual association's radio advertising in 1939, the type of program, the savings and loan features advertised, and the amount of air time and the daily schedule, will provide a far better picture than we have ever had before of the extent of savings and loan use of the air waves and the kinds of programs they are offering their listeners. In a number of cases, full descriptions of the 1939 radio advertising were included, and copies of the scripts actually used were submitted.

The large number of schedules sent in made it impossible to complete any detailed analysis in time to meet the Review's deadline, but publication of the results will begin in the next issue.

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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			Jan.–Feb. totals		Monthly totals			Jan.–Feb. totals	
	Feb. 1940	Jan. 1940	Feb. 1939	1940	1939	Feb. 1940	Jan. 1940	Feb. 1939	1940	1939
1-family dwellings	10, 779	8, 272	9, 447	19, 051	18, 642	$41, 689. 4	$31, 923. 0	$36, 707. 5	$73, 612. 4	$72, 141. 0
2-family dwellings	1, 000	766	652	1, 766	1, 370	2, 266. 1	1, 823. 4	1, 774. 3	4, 089. 5	3, 467. 4
Joint home and business [2]	65	40	44	105	95	272. 0	177. 4	160. 9	449. 4	340. 5
3-and-more family dwellings	8, 960	6, 579	[3] 7, 433	15, 539	[3] 16,630	28, 029. 6	22, 411. 3	[3] 24, 499. 4	50, 440. 9	[3] 51, 711. 4
Total residential	20, 804	15, 657	[3] 17,576	36, 461	[3] 36,737	72, 257. 1	56, 335. 1	[3] 63, 142. 1	128, 592. 2	[3] 127, 660. 3

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

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

[3] Revised.

Table 2.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in February 1940, 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	
	Feb. 1940	Feb. 1939	Feb. 1940	Feb. 1939	Feb. 1940	Feb. 1939	Feb. 1940	Feb. 1939
UNITED STATES	20, 804	17, 576	$72, 257. 1	$63, 142. 1	11, 844	10, 143	$44, 227. 5	$38, 642. 7
No. 1—Boston	727	406	2, 691. 8	2, 049. 1	297	337	1, 324. 7	1, 724. 1
Connecticut	243	87	958. 1	445. 4	107	87	514. 3	445. 4
Maine	6	4	16. 3	18. 0	6	4	16. 3	18. 0
Massachusetts	420	219	1, 527. 6	1, 161. 9	126	184	604. 3	1, 011. 9
New Hampshire	18	6	32. 6	22. 0	18	6	32. 6	22. 0
Rhode Island	37	89	149. 0	398. 0	37	55	149. 0	223. 0
Vermont	3	1	8. 2	3. 8	3	1	8. 2	3. 8
No. 2—New York	5, 017	[1] 6, 197	19, 256. 7	[1] 22, 564. 8	1, 503	1, 142	6, 597. 1	5, 071. 1
New Jersey	409	269	1, 542. 3	1, 273. 7	203	169	1, 013. 5	841. 0
New York	4, 608	[1] 5, 928	17, 714. 4	[1] 21, 291. 1	1, 300	973	5, 583. 6	4, 230. 1
No. 3—Pittsburgh	1, 049	653	4, 269. 8	3, 119. 9	516	635	2, 594. 0	3, 043. 4
Delaware	4	0	16. 0	0. 0	4	0	16. 0	0. 0
Pennsylvania	984	590	4, 011. 8	2, 927. 5	456	572	2, 351. 0	2, 851. 0
West Virginia	61	63	242. 0	192. 4	56	63	227. 0	192. 4
No. 4—Winston-Salem	3, 287	1, 879	9, 607. 4	5, 664. 1	1, 998	1, 388	6, 411. 7	4, 452. 7
Alabama	144	207	265. 3	314. 0	137	127	260. 3	214. 0
District of Columbia	643	369	2, 341. 5	1, 374. 9	227	140	1, 274. 7	809. 1
Florida	961	439	2, 951. 0	1, 488. 4	620	434	2, 138. 5	1, 477. 7

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Table 2.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in February 1940, 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	
	Feb. 1940	Feb. 1939	Feb. 1940	Feb. 1939	Feb. 1940	Feb. 1939	Feb. 1940	Feb. 1939
No. 4—Winston-Salem—Contd.								
Georgia	501	139	$1,098.2	$386.9	212	139	$416.2	$386.9
Maryland	225	103	715.2	342.6	225	99	715.2	334.6
North Carolina	289	229	766.6	521.1	273	212	743.7	497.1
South Carolina	133	228	286.3	661.6	125	88	276.3	189.6
Virginia	391	165	1,183.3	574.6	179	149	586.8	543.7
No. 5—Cincinnati	1,047	992	4,118.4	3,537.9	576	503	2,697.3	2,292.0
Kentucky	65	505	172.0	1,159.3	57	67	160.0	167.4
Ohio	517	385	2,658.6	2,034.2	386	334	2,168.1	1,780.2
Tennessee	465	102	1,287.8	344.4	133	102	369.2	344.4
No. 6—Indianapolis	948	946	4,146.9	4,416.6	892	798	3,920.2	3,782.6
Indiana	124	118	463.6	442.5	124	118	463.6	442.5
Michigan	824	828	3,683.3	3,974.1	768	680	3,456.6	3,340.1
No. 7—Chicago	431	554	2,439.7	2,893.7	418	348	2,388.6	1,885.7
Illinois	353	475	2,060.5	2,551.3	340	273	2,009.4	1,551.3
Wisconsin	78	79	379.2	342.4	78	75	379.2	334.4
No. 8—Des Moines	500	285	1,854.6	1,089.0	353	252	1,412.1	1,015.8
Iowa	190	41	594.6	156.1	54	41	194.6	156.1
Minnesota	117	77	529.3	350.2	113	77	505.3	350.2
Missouri	184	162	716.1	574.6	177	129	697.6	501.4
North Dakota	2	0	3.0	0.0	2	0	3.0	0.0
South Dakota	7	5	11.6	8.1	7	5	11.6	8.1
No. 9—Little Rock	3,478	1,877	9,927.1	5,290.0	1,680	1,568	4,559.1	4,253.7
Arizona	72	41	168.9	84.7	72	41	168.9	84.7
Louisiana	1,076	316	3,638.5	1,020.7	180	172	576.3	462.1
Mississippi	323	115	610.6	217.5	196	99	298.9	186.0
New Mexico	44	43	118.0	148.6	41	39	112.8	140.0
Texas	1,963	1,362	5,391.1	3,818.5	1,191	1,217	3,402.2	3,380.9
No. 10—Topeka	537	448	1,753.7.	1,597.3	511	400	1,693.7	1,509.3
Colorado	139	147	458.6	629.7	123	99	418.6	541.7
Kansas	91	71	278.4	199.7	91.	71	278.4	199.7
Nebraska	33	29	137.0	109.9	33	29	137.0	109.9
Oklahoma	274	201	879.7	658.0	264	201	859.7	658.0
No. 11—Portland	619	331	1,977.8	1,058.2	545	319	1,842.0	1,035.2
Idaho	14	3	43.4	5.3	14	3	43.4	5.3
Montana	30	14	71.3	27.9	30	14	71.3	27.9
Oregon	186	111	608.4	410.7	148	107	529.4	399.7
Utah	80	29	189.7	66.8	50	29	156.7	66.8
Washington	300	165	1,029.5	508.5	294	157	1,005.7	496.5
Wyoming	9	9	35.5	39.0	9	9	35.5	39.0
No. 12—Los Angeles	3,164	3,008	10,213.2	9,861.5	2,555	2,453	8,787.0	8,577.1
Arizona	53	53	165.6	165.4	50	53	159.6	165.4
California	3,098	2,946	9,993.2	9,673.4	2,492	2,391	8,573.0	8,389.0
Nevada	13	9	54.4	22.7	13	9	54.4	22.7

[1] February 1939 multifamily units and costs in New York are revised.

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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							
	1940 Mar.	1939 Mar.	1940 Mar.	1939 Dec.	1939 Sept.	1939 June	1939 Mar.	1938 Mar.	1937 Mar.	1936 Mar.
No. 1—Boston:										
Hartford, Conn	$0.247	$0.244	$5,937	$5,903	$5,836	$5,842	$5,865	$5,823	$6,043	$5,636
New Haven, Conn	.244	.235	5,850	5,793	5,673	5,597	5,629	5,771	5,775	5,500
Portland, Maine	.219	.219	5,256	5,242	5,254	5,294	5,264	5,543	5,252	5,124
Boston, Mass	.270	.266	6,490	6,428	6,336	6,286	6,377	6,191	6,412	5,717
Worcester, Mass	.238	-------	5,715	5,716	5,677	5,681	-------	-------	-------	-------
Manchester, N. H	.225	.229	5,390	5,381	5,332	5,427	5,507	5,440	5,652	5,427
Providence, R. I	.251	.247	6,035	6,007	5,949	5,996	5,938	5,991	5,768	5,478
Rutland, Vt	.222	.228	5,321	5,272	5,354	5,427	5,472	5,739	5,723	5,329
No. 4—Winston-Salem:										
Birmingham, Ala	.219	.236	5,264	5,190	5,150	5,310	5,663	6,068	-------	5,351
Washington, D. C	.239	.242	5,741	5,738	5,737	5,655	5,812	5,988	5,742	4,838
Tampa, Fla	.238	.231	5,719	5,709	5,579	5,576	5,535	5,666	5,578	5,373
Atlanta, Ga	.205	.203	4,921	4,926	4,792	4,822	4,876	5,190	5,228	4,911
Baltimore, Md	.209	.205	5,013	5,074	4,970	5,009	4,916	5,105	5,385	4,769
Cumberland, Md	.235	.230	5,631	5,477	5,477	5,539	5,529	5,603	5,670	5,399
Asheville, N. C	.208	.212	4,998	5,115	4,855	4,872	5,085	5,408	-------	4,784
Raleigh, N. C	.213	.219	5,107	5,176	4,853	4,952	5,251	5,444	5,468	4,991
Salisbury, N. C	.203	.197	4,863	4,881	4,645	4,670	4,719	4,703	-------	-------
Columbia, S. C	.197	.202	4,730	4,673	4,721	4,783	4,838	4,755	4,789	4,629
Richmond, Va	.202	.212	4,848	4,953	4,982	4,936	5,080	5,337	5,215	4,868
Roanoke, Va	.217	[2] .214	5,199	[2] 5,191	[2] 5,155	[2] 5,150	[2] 5,142	[2] 5,056	5,051	4,572
No. 7—Chicago:										

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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.

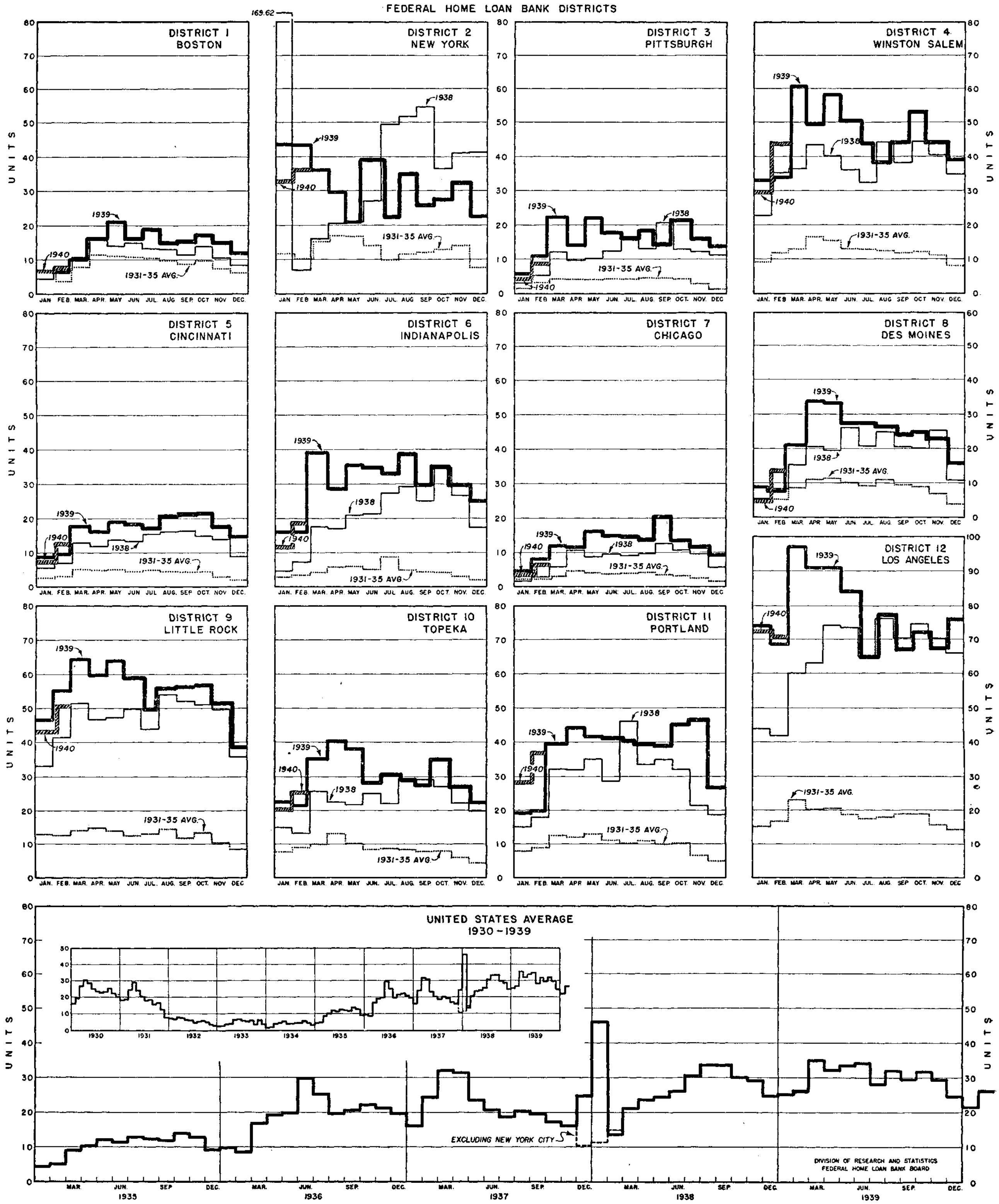

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Table 4.—Estimated volume of new mortgage lending activity of savings and loan associations classified by District and type of association

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and type of association		February 1940	January 1940	Percent change, Jan. 1940 to Feb. 1940	New loans, Feb. 1939	Percent change, Feb. 1939 to Feb. 1940	Cumulative new loans (two months)		
							1940	1939	Percent change
United States:	Total	$71,522	$66,944	+6.8	$58,309	+22.7	$138,466	$113,876	+21.6
	Federal	29,786	28,008	+6.3	22,298	+33.6	57,794	43,192	+33.8
	State member	28,941	25,737	+12.4	24,191	+19.6	54,678	47,262	+15.7
	Nonmember	12,795	13,199	−3.2	11,820	+8.2	25,994	23,422	+11.0
District No. 1:	Total	6,155	5,862	+5.0	4,415	+39.4	12,017	9,306	+29.1
	Federal	2,079	2,206	−5.8	1,271	+63.6	4,285	2,551	+68.0
	State member	2,790	2,695	+3.5	2,125	+31.3	5,485	4,529	+21.1
	Nonmember	1,286	961	+33.8	1,019	+26.2	2,247	2,226	+0.9
District No. 2:	Total	5,694	6,979	−18.4	4,854	+17.3	12,673	10,587	+19.7
	Federal	1,658	2,547	−34.9	1,377	+20.4	4,205	3,254	+29.2
	State member	1,669	1,671	0.0	1,252	+33.3	3,340	2,602	+28.4
	Nonmember	2,367	2,761	−14.3	2,225	+6.4	5,128	4,731	+8.4
District No. 3:	Total	6,272	5,402	+16.1	4,051	+54.8	11,674	8,424	+38.6
	Federal	2,041	1,756	+16.2	1,076	+89.7	3,797	1,968	+92.9
	State member	1,332	1,358	−1.9	1,106	+20.4	2,690	2,339	+15.0
	Nonmember	2,899	2,288	+26.7	1,869	+55.1	5,187	4,117	+26.0
District No. 4:	Total	10,048	10,297	−2.4	8,778	+14.5	20,345	16,443	+23.7
	Federal	5,013	4,563	+9.9	3,274	+53.1	9,576	6,212	+54.2
	State member	3,844	4,137	−7.1	3,636	+5.7	7,981	6,910	+15.5
	Nonmember	1,191	1,597	−25.4	1,868	−36.2	2,788	3,321	−16.0
District No. 5:	Total	11,639	9,525	+22.2	9,585	+21.4	21,164	18,126	+16.8
	Federal	4,167	3,726	+11.8	3,259	+27.9	7,893	6,777	+16.5
	State member	5,902	4,132	+42.8	4,794	+23.1	10,034	8,867	+13.2
	Nonmember	1,570	1,667	−5.8	1,532	+2.5	3,237	2,482	+30.4
District No. 6:	Total	3,878	3,338	+16.2	3,215	+20.6	7,216	5,656	+27.6
	Federal	1,812	1,601	+13.2	1,566	+15.7	3,413	2,699	+26.5
	State member	1,791	1,480	+21.0	1,450	+23.5	3,271	2,650	+23.4
	Nonmember	275	257	+7.0	199	+38.2	532	307	+73.3
District No. 7:	Total	7,153	6,881	+4.0	5,444	+31.4	14,034	10,578	+32.7
	Federal	2,699	2,409	+12.0	1,787	+51.0	5,108	3,452	+48.0
	State member	3,209	3,011	+6.6	2,561	+25.3	6,220	4,612	+34.9
	Nonmember	1,245	1,461	−14.8	1,096	+13.6	2,706	2,514	+7.6
District No. 8:	Total	3,819	3,742	+2.1	3,305	+15.6	7,561	5,881	+28.6
	Federal	1,805	1,526	+18.3	1,498	+20.5	3,331	2,565	+29.9
	State member	1,226	1,165	+5.2	1,057	+16.0	2,391	2,037	+17.4
	Nonmember	788	1,051	−25.0	750	+5.1	1,839	1,279	+43.8
District No. 9:	Total	4,248	3,809	+11.5	4,235	+0.3	8,057	8,088	−0.4
	Federal	1,618	1,564	+3.5	1,772	−8.7	3,182	3,373	−5.7
	State member	2,387	2,114	+12.9	2,253	+5.9	4,501	4,290	+4.9
	Nonmember	243	131	+85.5	210	+15.7	374	425	−12.0
District No. 10:	Total	3,326	2,905	+14.5	2,888	+15.2	6,231	5,911	+5.4
	Federal	1,748	1,437	+21.6	1,234	+41.7	3,185	2,628	+21.2
	State member	782	697	+12.2	923	−15.3	1,479	1,796	−17.7
	Nonmember	796	771	+3.2	731	+8.9	1,567	1,487	+5.4
District No. 11:	Total	2,577	2,271	+13.5	1,915	+34.6	4,848	3,636	+33.3
	Federal	1,643	1,422	+15.5	1,174	+39.9	3,065	2,136	+43.5
	State member	889	756	+17.6	581	+53.0	1,645	1,249	+31.7
	Nonmember	45	93	−51.6	160	−71.9	138	251	−45.0
District No. 12:	Total	6,713	5,933	+13.1	5,624	+19.4	12,646	11,240	+12.5
	Federal	3,503	3,251	+7.8	3,010	+16.4	6,754	5,577	+21.1
	State member	3,120	2,521	+23.8	2,453	+27.2	5,641	5,381	+4.8
	Nonmember	90	161	−44.1	161	−44.1	251	282	−11.0

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Table 5.—Estimated volume of new loans by all savings and loan associations, classified according to purpose and type of association [1]

[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
1938	$220, 458	$265, 485	$160, 167	$58, 623	$93, 263	$797, 996	$286, 899	$333, 470	$177, 627
Jan.-Feb	24, 241	31, 013	22, 627	7, 071	14, 243	99, 195	34, 301	42, 952	21, 942
February	11, 669	16, 117	11, 293	3, 662	7, 352	50, 093	17, 520	22, 073	10, 500
1939	301, 039	339, 629	182, 025	59, 463	104, 227	986, 383	400, 337	396, 041	190, 005
Jan.-Feb	32, 126	36, 621	24, 300	6, 982	13, 847	113, 876	43, 192	47, 262	23, 422
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
December	26, 923	27, 779	15, 001	4, 335	9, 074	83, 112	34, 053	33, 209	15, 850
1940									
Jan.-Feb	39, 640	47, 428	28, 589	6, 892	15, 917	138, 466	57, 794	54, 678	25, 994
January	19, 488	22, 039	13, 999	3, 455	7, 963	66, 944	28, 008	25, 737	13, 199
February	20, 152	25, 389	14, 590	3, 437	7, 954	71, 522	29, 786	28, 941	12, 795

[1] Revised figures for 1936, 1937, and for the first 10 months of 1938 appear on p. 93 of the December 1938 issue.

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
1938: February	91. 1	91. 5	89. 8	91. 0	79. 2	79. 6	114. 9	95. 3
1939: 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
December	93. 0	91. 6	91. 3	97. 8	85. 5	79. 3	107. 3	92. 7
1940: January	93. 4	91. 6	91. 4	97. 6	87. 2	79. 3	107. 3	93. 2
February	93. 2	91. 2	91. 4	97. 6	86. 8	79. 1	107. 3	92. 9
Change:								
Feb. 1940–Jan. 1940	−0. 2%	−0. 4%	0. 0%	0. 0%	−0. 5%	−0. 3%	0. 0%	−0. 3%
Feb. 1940–Feb. 1939	+4. 0%	−1. 3%	+0. 2%	+5. 4%	+7. 8%	−0. 1%	0. 0%	+4. 0%

[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.

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Table 7.—Monthly operations of 1,352 identical Federal and 716 identical insured State-chartered savings and loan associations reporting during January and February 1940

[Amounts are shown in thousands of dollars]

Type of operation	1,352 Federals			716 insured State members		
	February	January	Change January to February	February	January	Change January to February
Share liability at end of month:			*Percent*			*Percent*
Private share accounts (number)	1, 470, 128	1, 443, 590	+1. 8	952, 221	944, 877	+0. 8
Paid on private subscriptions	$1, 155, 012. 8	$1, 134, 026. 8	+1. 9	$687, 775. 8	$682, 770. 4	+0. 7
Treasury and HOLC subscriptions	192, 308. 8	192, 466. 1	−0. 1	[1] 38, 426. 5	[1] 38, 422. 2	[2]
Total	1, 347, 321. 6	1, 326, 492. 9	+1. 6	726, 202. 3	721, 192. 6	+0. 7
Private share investments during month	36, 300. 2	71, 231. 5	−49. 0	14, 473. 1	29, 238. 7	−50. 5
Repurchases during month	15, 663. 6	37, 225. 5	−57. 9	9, 526. 5	18, 750. 1	−49. 2
Mortgage loans made during month:						
a. New construction	11, 017. 5	10, 342. 1	+6. 5	4, 070. 1	3, 453. 3	+17. 9
b. Purchase of homes	8, 467. 1	7, 635. 5	+10. 9	4, 324. 0	4, 037. 8	+7. 1
c. Refinancing	6, 462. 4	5, 974. 2	+8. 2	2, 713. 7	2, 262. 8	+19. 9
d. Reconditioning	1, 077. 4	1, 135. 1	−5. 1	516. 9	533. 9	−3. 2
e. Other purposes	2, 171. 9	2, 344. 2	−7. 4	1, 757. 2	1, 628. 9	+7. 9
Total	29, 196. 3	27, 431. 1	+6. 4	13, 381. 9	11, 916. 7	+12. 3
Mortgage loans outstanding end of month	1, 270, 854. 3	1, 258, 343. 1	+1. 0	647, 556. 5	643, 603. 3	+0. 6
Borrowed money as of end of month:						
From Federal Home Loan Banks	77, 524. 2	85, 589. 2	−9. 4	30, 178. 0	32, 197. 6	−6. 3
From other sources	3, 466. 9	4, 186. 0	−17. 2	2, 982. 1	3, 236. 5	−7. 9
Total	80, 991. 1	89, 775. 2	−9. 8	33, 160. 1	35, 434. 1	−6. 4
Total assets, end of month	1, 567, 813. 9	1, 550, 458. 6	+1. 1	893, 875. 7	888, 449. 7	+0. 6

[1] Includes only HOLC 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, 1936	Dec. 31, 1937	Dec. 31, 1938	Dec. 31, 1939	Jan. 31, 1940	Feb. 29, 1940	Feb. 29, 1940	Feb. 29, 1940	Feb. 29, 1940
State-chartered associations	382	566	737	799	805	809	1, 007, 900	$945, 868	$725, 682
Converted Federals	560	672	[3] 723	[4] 763	[5] 768	[6] 772	1, 081, 600	1, 143, 005	873, 615
New Federals	634	641	637	634	632	632	414, 700	454, 772	302, 043
Total	1, 576	1, 879	2, 097	2, 196	2, 205	2, 213	2, 504, 200	2, 543, 645	1, 901, 340

[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, 12 Federals with assets of $3,667,000 had been approved for conversion but had not been insured as of Dec. 31.
[5] In addition, 2 Federals with assets of $817,000 had been approved for conversion but had not been insured as of Jan. 31.
[6] In addition, 1 Federal with assets of $237,000 had been approved for conversion but had not been insured as of Feb. 29.

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

[Thousands of dollars]

Federal Home Loan Banks	February 1940		January 1940		Advances outstanding, Feb. 29, 1940
	Advances	Repayments	Advances	Repayments	
Boston	$22	$703	$159	$1, 576	$5, 313
New York	506	1, 379	1, 801	1, 598	19, 149
Pittsburgh	264	715	251	1, 784	14, 275
Winston-Salem	424	2, 423	595	5, 532	12, 883
Cincinnati	91	2, 159	489	1, 597	15, 164
Indianapolis	12	612	210	1, 504	9, 050
Chicago	315	948	335	3, 012	22, 572
Des Moines	75	1, 018	106	3, 138	13, 644
Little Rock	60	1, 048	173	1, 742	7, 287
Topeka	56	991	120	1, 111	9, 021
Portland	37	527	50	1, 717	4, 117
Los Angeles	149	1, 761	97	4, 600	12, 040
Total	2, 011	14, 284	4, 386	28, 911	144, 515
Jan.-Feb. 1940	6, 397	43, 195			
February 1939	2, 334	10, 571			170, 614
Jan.-Feb. 1939	5, 257	33, 485			
February 1938	4, 071	7, 090			187, 518
Jan.-Feb. 1938	7, 793	20, 370			

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–Feb. 1940:				
Applications:				
Number	1, 862	4, 602	969	5, 571
Amount	$50, 401	$200, 804	$62, 657	$263, 461
Investments:				
Number	1, 831	4, 187	724	4, 911
Amount	$49, 300	$175, 717	$44, 291	$220, 008
Repurchases	$15, 158	$13, 158	$3, 856	$17, 014
Net outstanding investments	$34, 142	$162, 559	$40, 435	$202, 994
February 1940:				
Applications:				
Number	0	1	1	2
Amount	0	$50	$25	$75
Investments:				
Number	0	1	2	3
Amount	0	$15	$33	$48
Repurchases	$822	$618	$250	$868

[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.—Summary of operations of HOLC Reconditioning Division through Feb. 29, 1940 [1]

Type of operation	June 1, 1934 through Jan. 31, 1940	Feb. 1, 1940 through Feb. 29, 1940	Cumulative through Feb. 29, 1940
Cases received [2]	1, 126, 372	5, 815	1, 132, 187
Contracts awarded:			
Number	727, 541	3, 726	731, 267
Amount	$146, 751, 167	$958, 821	$147, 709, 988
Contracts completed:			
Number	722, 485	3, 972	726, 457
Amount	$144, 487, 880	$985, 513	$145, 473, 393

[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 HOLC through foreclosure and voluntary deed [1]

Period	Number
Prior to 1935	9
1935: Jan. 1 through Dec. 31	1, 097
1936: Jan. 1 through Dec. 31	20, 324
1937: Jan. 1 through Dec. 31	50, 206
1938: Jan. 1 through Dec. 31	50, 919
1939: Jan. 1 through June 30	19, 509
July	2, 773
August	2, 857
September	2, 590
October	2, 445
November	2, 356
December	1, 800
1940: January	1, 567
February	1, 311
Grand total to Feb. 29, 1940	159, 763

[1] Does not include 9,269 properties bought in by HOLC at foreclosure sale but awaiting expiration of the redemption period before title in absolute fee can be obtained.

In addition to the 159,763 completed cases, 916 properties were sold at foreclosure sale to parties other than the HOLC and 24,361 cases have been withdrawn due to payment of delinquencies by borrowers after foreclosure proceedings were authorized.

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Table 13.—Summary of estimated nonfarm mortgage recordings,[1] $20,000 and under, during February 1940

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)
(Amounts shown are in thousands of dollars)	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
UNITED STATES	31,142	$77,211	4,269	$21,376	19,954	$61,691	2,548	$9,485	24,037	$44,714	12,301	$39,169	94,251	$253,646	$2.75
No. 1--Boston	2,275	7,171	188	1,007	605	2,428	1,423	4,625	1,283	2,974	777	2,348	6,551	20,553	
Connecticut	215	749	37	222	196	804	328	1,220	364	890	179	685	1,319	4,570	3.01
Maine	199	403	12	36	91	257	228	312	85	105	72	135	687	1,248	1.99
Massachusetts	1,490	4,803	118	644	227	1,003	662	2,396	646	1,560	411	1,187	3,554	11,593	2.81
New Hampshire	136	425	10	52	27	108	72	225	61	138	40	110	346	1,058	2.63
Rhode Island	151	530	5	21	47	190	88	333	90	196	51	163	432	1,433	2.14
Vermont	84	261	6	32	17	66	45	139	37	85	24	68	213	651	2.64
No. 2--New York	1,626	4,812	170	1,108	1,154	4,468	792	3,593	2,083	5,082	1,186	4,559	7,011	23,622	
New Jersey	699	2,080	80	501	563	2,371	57	250	814	2,127	553	1,779	2,766	9,108	2.33
New York	927	2,732	90	607	591	2,097	735	3,343	1,269	2,955	633	2,780	4,245	14,514	1.22
No. 3--Pittsburgh	1,920	5,102	164	890	1,529	5,355	108	423	1,448	3,499	876	2,952	6,045	18,221	
Delaware	50	133	27	148	49	232	22	83	90	171	20	99	258	866	4.51
Pennsylvania	1,617	4,500	109	560	1,167	4,165	80	330	1,156	2,980	734	2,656	4,863	15,191	1.73
West Virginia	253	469	28	182	313	958	6	10	202	348	122	197	924	2,164	1.69
No. 4--Winston-Salem	5,128	11,607	598	2,649	2,084	4,979	25	106	3,734	5,581	1,924	4,724	13,493	29,646	
Alabama	239	289	76	311	215	375	------	------	419	460	205	430	1,154	1,865	1.43
District of Columbia	363	1,807	41	283	68	374	------	------	201	522	254	1,044	927	4,030	8.29
Florida	566	1,654	234	981	269	648	------	------	701	1,506	396	1,128	2,166	5,917	4.98
Georgia	484	897	91	423	457	992	------	------	454	627	221	297	1,707	3,236	2.17
Maryland	810	2,062	21	86	133	388	25	106	381	765	127	322	1,497	3,729	2.68
North Carolina	1,653	2,939	52	225	363	744	------	------	708	580	360	697	3,136	5,185	3.30
South Carolina	351	571	31	121	233	430	------	------	411	331	119	228	1,145	1,681	2.04
Virginia	662	1,388	52	219	346	1,028	------	------	459	790	242	578	1,761	4,003	2.72
No. 5--Cincinnati	4,283	12,188	389	2,244	2,235	6,167	52	332	1,342	2,214	1,167	3,167	9,468	26,312	
Kentucky	720	1,606	85	365	322	734	------	------	175	206	42	159	1,344	3,070	2.13
Ohio	3,257	9,869	242	1,591	1,357	4,290	52	332	983	1,782	527	1,833	6,418	19,697	3.50
Tennessee	306	713	62	288	556	1,143	------	------	184	226	598	1,175	1,706	3,545	2.53
No. 6--Indianapolis	2,681	4,964	629	2,756	2,527	6,786	24	50	1,186	2,155	687	2,398	7,734	19,109	
Indiana	2,180	3,644	286	1,045	940	2,253	24	50	541	885	251	555	4,222	8,432	3.48
Michigan	501	1,320	343	1,711	1,587	4,533	------	------	645	1,270	436	1,843	3,512	10,677	2.63
No. 7--Chicago	2,510	7,195	325	1,762	1,192	4,706	2	4	1,479	3,623	1,082	5,645	6,590	22,935	
Illinois	1,820	5,505	273	1,501	731	3,293	------	------	724	2,130	945	5,162	4,493	17,591	2.65
Wisconsin	690	1,690	52	261	461	1,413	2	4	755	1,493	137	483	2,097	5,344	2.60
No. 8--Des Moines	1,939	3,987	407	1,680	1,556	3,190	27	101	1,937	3,147	681	1,703	6,547	13,808	
Iowa	530	962	84	405	485	970	------	------	310	514	105	267	1,514	3,118	2.09
Minnesota	546	1,356	168	643	361	855	27	101	511	808	89	217	1,702	3,980	2.38
Missouri	723	1,396	99	421	569	1,162	------	------	1,007	1,642	412	1,030	2,810	5,651	2.25
North Dakota	121	250	24	134	55	79	------	------	66	107	69	176	335	746	2.63
South Dakota	19	23	32	77	86	124	------	------	43	76	6	13	186	313	1.03
No. 9--Little Rock	2,610	5,750	582	2,738	657	1,688	------	------	2,088	3,303	1,298	3,534	7,235	17,013	
Arkansas	301	556	31	125	92	223	------	------	211	293	141	312	776	1,509	2.05
Louisiana	788	2,103	75	322	97	176	------	------	597	659	307	625	1,864	3,885	3.06
Mississippi	171	268	34	138	97	190	------	------	200	239	110	235	612	1,070	1.65
New Mexico	91	214	1	3	38	95	------	------	115	166	46	109	291	587	2.22
Texas	1,259	2,609	441	2,150	333	1,004	------	------	965	1,946	694	2,253	3,692	9,962	2.87
No. 10--Topeka	1,835	3,577	190	751	714	1,628	------	------	1,407	1,939	669	1,648	4,815	9,543	
Colorado	201	446	23	83	133	413	------	------	480	930	125	448	962	2,320	3.08
Kansas	516	869	57	227	247	513	------	------	213	232	199	372	1,232	2,213	1.88
Nebraska	423	770	57	265	53	100	------	------	159	222	66	164	758	1,521	1.92
Oklahoma	695	1,492	53	176	281	602	------	------	555	555	279	664	1,863	3,489	2.54
No. 11--Portland	1,449	3,044	160	594	1,008	2,242	95	251	1,109	1,685	625	1,940	4,446	9,756	
Idaho	52	115	16	23	55	122	------	------	200	324	57	111	380	695	2.71
Montana	106	223	6	27	60	161	------	------	127	245	24	29	323	685	2.06
Oregon	361	720	57	227	119	251	6	12	357	490	178	591	1,078	2,291	3.14
Utah	128	298	13	55	153	425	------	------	91	102	31	52	416	932	2.38
Washington	742	1,478	68	262	580	1,174	89	239	293	402	317	1,120	2,089	4,675	3.71
Wyoming	60	210	------	------	41	109	------	------	41	122	18	37	160	478	3.14
No. 12--Los Angeles	2,886	7,814	467	3,197	4,693	18,054	------	------	4,941	9,512	1,329	4,551	14,316	43,128	
Arizona	68	167	11	71	131	395	------	------	269	473	41	84	520	1,190	3.54
California	2,803	7,610	454	3,110	4,533	17,571	------	------	4,612	8,934	1,279	4,448	13,681	41,673	8.24
Nevada	15	37	2	16	29	88	------	------	60	105	9	19	115	265	3.55

[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.

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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: February[1]	25, 975	32. 0	3, 532	4. 4	17, 937	22. 1	2, 243	2. 8	21, 386	26. 3	10, 095	12. 4	81, 168	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
December	38, 018	33. 6	5, 694	5. 0	24, 433	21. 6	3, 692	3. 2	27, 034	23. 9	14, 370	12. 7	113, 241	100. 0
1940: January	30, 055	31. 7	4, 428	4. 7	20, 721	21. 9	2, 607	2. 7	24, 494	25. 8	12, 478	13. 2	94, 783	100. 0
February	31, 142	33. 0	4, 269	4. 5	19, 954	21. 2	2, 548	2. 7	24, 037	25. 5	12, 301	13. 1	94, 251	100. 0
Amount:														
1939: February[1]	$61, 107	28. 7	$18, 238	8. 6	$56, 180	26. 3	$7, 401	3. 5	$33, 584	18. 1	$31, 663	14. 8	$213, 173	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
December	95, 724	30. 2	28, 990	9. 2	80, 971	25. 6	13, 550	4. 3	49, 677	15. 7	47, 629	15. 0	316, 541	100. 0
1940: January	74, 933	29. 0	22, 059	8. 5	65, 472	25. 3	10, 032	3. 9	46, 781	18. 1	39, 239	15. 2	258, 516	100. 0
February	77, 211	30. 5	21, 376	8. 4	61, 691	24. 3	9, 485	3. 7	44, 714	17. 6	39, 169	15. 5	253, 646	100. 0

[1] Revised.

Resolutions of the Board

AMENDMENT TO RULES AND REGULATIONS FOR FEDERAL SAVINGS AND LOAN SYSTEM, RELATIVE TO NOTICE OF ANNUAL MEETINGS: Adopted March 6, 1940; effective March 8, 1940.

Part 203 of the Rules and Regulations for the Federal Savings and Loan System was amended by the addition of a new section (203.19) concerning notice to members of annual meetings of Federal associations. This new section reads:

203.19 *Meetings of members.* Each Federal association shall either publish a notice of its annual meeting of members once a week for the two successive calendar weeks (in each instance on any day of the week) prior to the date on which such annual meeting shall convene, in a newspaper printed in the English language and of general circulation in the city or county in which the home office of the Federal association is located, or mail a copy of such notice, postage prepaid, at least 15 days and not more than 30 days prior to the date on which such annual meeting shall convene to each of its members of record at his last address appearing upon its books. Such notice shall state the name of the Federal association, the place of the annual meeting and the time when it shall convene. A similar notice shall be posted in a conspicuous place in each office of the Federal association during the 14 days immediately preceding the date on which such annual meeting shall convene.

AMENDMENT TO RULES AND REGULATIONS FOR FEDERAL SAVINGS AND LOAN SYSTEM, RELATIVE TO PROCEDURE FOR VOLUNTARY DISSOLUTION: Adopted March 20, 1940; effective March 22, 1940.

In accordance with Board regulations, a proposed amendment relative to the procedure for voluntary dissolution of Federals was listed in the February 1940 REVIEW. This amendment has now been formally adopted, and subparagraph (1) of subsection (a), Section 204.2 now reads:

(1) For the Federal Savings and Loan Insurance Corporation to be appointed, in accordance with the provisions of Sections 405 and 406 of the National Housing Act, as amended

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(48 Stat. 1259, 49 Stat. 299; 12 U. S. C. 1728, 1729), and pertinent regulations of such Corporation, as receiver for the purpose of liquidation.

Also formally adopted was the new subparagraph (4) of this subsection, which reads:

(4) For dissolution in such other manner as may be proposed by the directors and approved by the Board and which appears to be to the best interest of all concerned.

AMENDMENT TO RULES AND REGULATIONS FOR FEDERAL HOME LOAN BANK SYSTEM, RELATIVE TO ADVANCES TO MEMBERS: Adopted March 4, 1940; effective March 8, 1940.

1. Subsection (a) of Section 5.1 of the Rules and Regulations for the Federal Home Loan Bank System was amended to read:

(a) *Borrowing capacity of members.* The borrowing capacity for each member shall be the amount for which the member can legally obligate itself. In each case where there is no legal limit on the amount a member can borrow, its borrowing capacity shall be 50 percent of its net assets.

Under the old ruling, the borrowing capacity for each member was the amount for which the member could legally obligate itself, or 50 percent of its net assets, whichever was lower.

2. Subsection (b) of Section 5.1 was amended by the addition of the following sentence at the end of the paragraph:

Reviews of lines of credit shall be comprehensive enough actually to determine the current condition of a member, in order that the review of its line of credit can be made intelligently.

Directory

(*Continued from p. 220*)

III. INSTITUTIONS INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION BETWEEN FEBRUARY 16 AND MARCH 15, 1940

DISTRICT NO. 3

PENNSYLVANIA:
Lansdowne:
Lansdowne Federal Savings & Loan Association, 32 South Lansdowne Avenue.
Philadelphia:
Girard Federal Savings & Loan Association, 6740 Sprague Street.

DISTRICT NO. 4

DISTRICT OF COLUMBIA:
Washington:
Progressive Building & Loan Association, 1416 F Street, Northwest.

DISTRICT NO. 5

OHIO:
Martins Ferry:
Fidelity Savings & Loan Company, 22 South Fourth Street.

DISTRICT NO. 6

INDIANA:
North Vernon:
North Vernon Building & Savings Association of North Vernon, Indiana, Main Street & Madison Avenue.

DISTRICT NO. 10

KANSAS:
Erie:
Erie Building & Loan Association.

The Size of Building Operations

THE business of building houses is one of the largest of American industries, yet it is doubtful if there is any other business in which the operating unit is so small. This statement is substantiated by a recent article appearing in the *Monthly Labor Review* [1] and reporting the findings of the Bureau of Labor Statistics which has been studying the size of building operations in residential construction.

From a preliminary analysis of the building permits for 1-family houses erected in 30 cities in 1938, it was discovered that 60 percent of the builders took out permits for only one house. In fact, a builder who obtained permission to build 10 or more houses during the year could be classed as a large-scale operator for only 6 percent of all builders were in this class. The small builders include subcontractors and craftsmen who build one or two houses, as a speculation between jobs or after hours, and also owners acting as contractors on their own homes—an important item in the totals for some of the smaller cities.

It may be seen from the table that of the total houses built, those who erected only one dwelling constructed about as many units as those in the next three classes. Although less than 10 percent of the houses were erected by those who built 100 or more houses, it may also be said that 6 percent of the builders accounted for almost half (45.8 percent) of the dwellings constructed.

Distribution of builders and of houses in 30 cities, by number of 1-family houses erected in 1938

Number of houses per builder	Builders		Houses constructed	
	Number	Percent of total	Number	Percent of total
Total	2, 891	100. 0	9, 697	100. 0
1 house	1, 735	60. 0	1, 735	17. 9
2 to 4 houses	731	25. 3	1, 910	19. 7
5 to 9 houses	250	8. 6	1, 610	16. 6
10 to 24 houses	122	4. 3	1, 703	17. 6
25 to 49 houses	34	1. 1	1, 129	11. 6
50 to 99 houses	12	0. 5	783	8. 1
100 houses or more	7	0. 2	827	8. 5

[1] *Monthly Labor Review*, U. S. Department of Labor, Vol. 49, No. 4.

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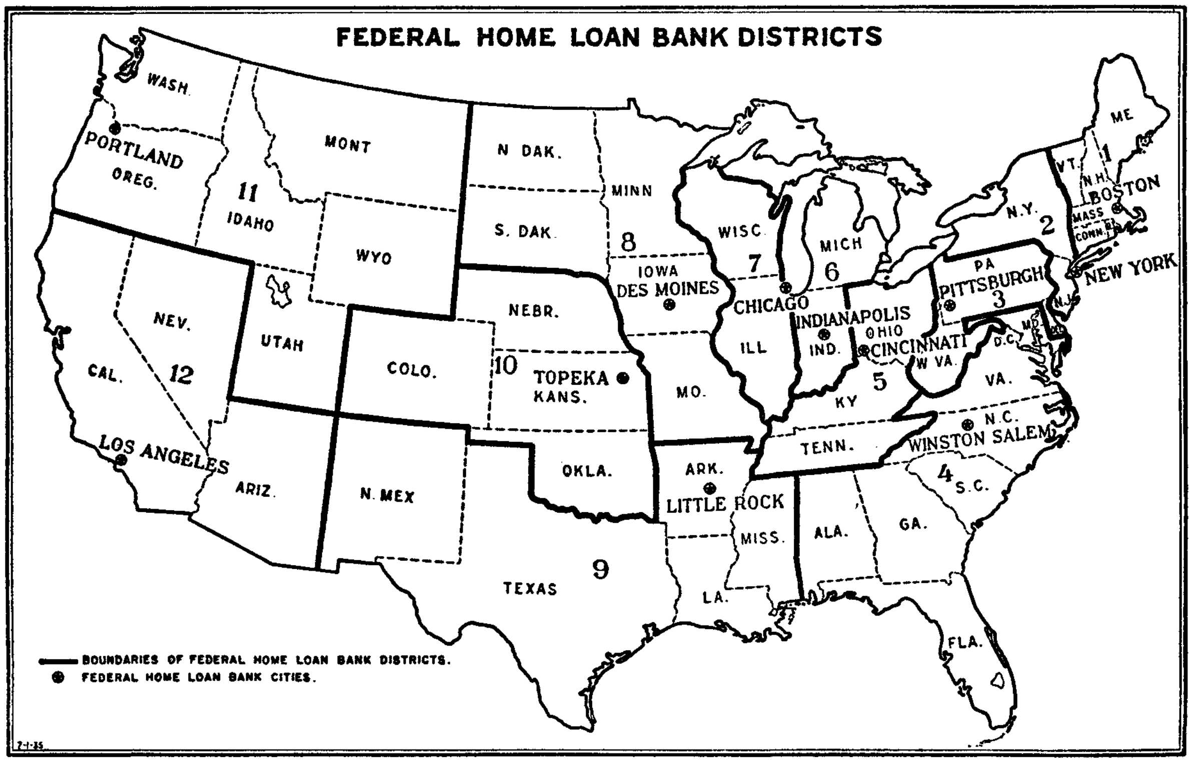

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