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HOME LOAN BANK
REVIEW

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FEDERAL HOME LOAN BANK REVIEW

Published Monthly by the
FEDERAL HOME LOAN BANK BOARD

FEDERAL HOME LOAN BANK SYSTEM

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

HOME OWNERS' LOAN CORPORATION

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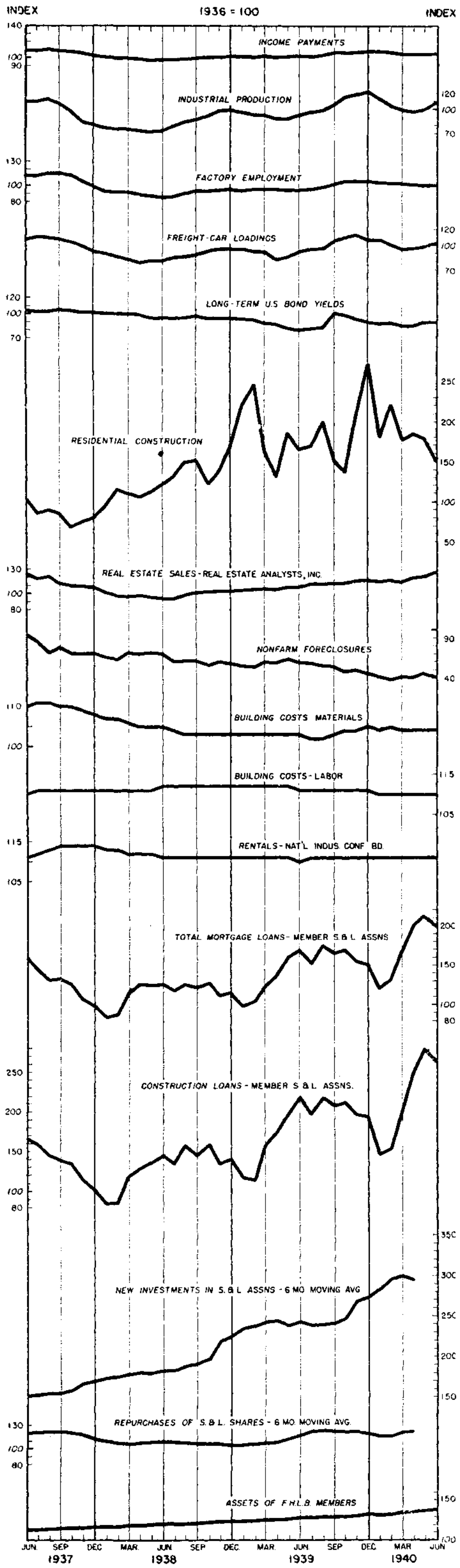
MIDWAY IN 1940



INCOME PAYMENTS: Totals for each of the first six months of this year were above those for the corresponding months of 1938 and 1939, and close to 1937 levels. Decreasing trend in evidence through April was reversed in May and June.

INDUSTRIAL PRODUCTION: Following four successive monthly decreases from the new high peak of December 1939, industrial production turned upward in May led by increased steel production. National defense plans hold key to future activity.

FACTORY EMPLOYMENT: The level of employment during the first half of 1940 was consistently above those of the two previous years, but not equal to 1937. Prospects are good with the increased opportunities in armaments and heavy goods.

FREIGHT-CAR LOADINGS: Second-quarter increases in railroad shipments were indications of the gradual broadening of the recovery movement, although the June loading index was still below the level at the beginning of this year.

BOND YIELDS: The gradual downward trend of the yield on long-term Government bonds was again interrupted during May and June by the spreading of the European war, but reaction was not as sharp as that last September when war began.

RESIDENTIAL CONSTRUCTION: The seasonally adjusted index of new building in cities of more than 10,000 population has turned downward from the December 1939 peak. In actual number of dwellings, the first half of 1940 is 6,500 units ahead of similar 1939 totals.

REAL ESTATE SALES: Except for a slight dip in March, the trend of real estate sales activity has been steadily upward thus far in 1940. The level in June was the highest for any month since January 1930.

FORECLOSURES: Setting a new post-depression low in February, the index of all nonfarm foreclosures during the first half of 1940 remained well below the figures for any year since 1928.

BUILDING COSTS—MATERIALS: There was little change in the price of materials used in the construction of the FHLBB standard 6-room house during the first six months of this year, and prices were only slightly above those of 1939.

BUILDING COSTS—LABOR: Charges for labor used in constructing the standard house continued the gradual decline begun in the spring of 1939. In June, they were down 2.4 percent from the peaks reached in September 1938 and March 1939.

RENTALS: Changes in the NICB index, which is sensitive to the effect of newly tenanted properties, during the first half of this year have been only fractional, although showing a slight upward tendency during the second quarter.

TOTAL MORTGAGE LOANS: The lending activity of member savings and loan associations was higher during the first six months of this year than in any other similar period since the formation of the Bank System in 1932 (comparative 6-month periods: 1940—$461,528,000; 1939—$363,694,000 1937—$354,370,000.

CONSTRUCTION LOANS: The proportion of total loans by members devoted to financing new construction continues to increase: during the first six month of this year, 33.2 percent; of 1939, 32.0 percent; of 1938, 28.0 percent

SHARE INVESTMENTS: The steady upward trend of the index of new investments in comparable insured savings and loan associations reached a new high peak in March with a volume three times as great as the average month of 1936 and 24 percent higher than the same 1939 month.

SHARE REPURCHASES: The volume of share repurchases during the first four month of this year as measured by this six months' moving average index wer approximately 10 percent higher than in the corresponding months of las year.

MEMBER ASSETS: The index of the assets of all savings and loan members of th Bank System is now 38 percent above the average month of 1936. I June the index was 4.5 percent higher than in December, and 7.5 percer higher than a year ago.

OPERATING RATIOS OF SAVINGS AND LOAN ASSOCIATIONS

Analysis of the income and expense statements of more than 3,100 savings and loan members of the Federal Home Loan Bank System provides additional information for association managers and boards of directors to supplement the material presented last month on the combined balance sheet of these institutions.

■ TO the progressive savings and loan leaders of today, the balance sheet and operating statement showing income and expense are as necessary and vital as a camera and compass are to the scientists and explorers who now search the territory of Little America. The camera is the means of making permanent records of an expedition's progress, of portraying the geographic conditions of the region. and of visualizing the physical condition of its equipment at the instantaneous click of a shutter. For managers, boards of directors, and shareholders, the periodic balance sheet simulates the functions of a camera and literally takes a statistical picture of an association's progress, its financial condition, and an economic appraisal of the value of its equipment at any given moment, whether at the end of a day, a month, or a fiscal year.

The analagous properties of a financial statement of condition and a camera are self-evident, but so is the relationship between the operating statement of income and expense and the magnetic compass. Explorers and travelers use this scientific instrument as a route-finder and guide along the path to their ultimate destination. Likewise, the impartial study and analysis of an income and expense statement will go far toward outlining the direction in which an association is headed and in describing the operations leading up to its present balance sheet condition. This is accomplished through its summarization of the income and expense items arising out of the normal and the non-recurring operations of the association during the period between balance sheets.

From the study of the combined balance sheet of 3,868 member savings and loan associations [1], it was evident that 1939 operations were featured by substantial increases in cash, first mortgage loans, and private repurchasable shares. U. S. Government investment, owned real estate, and junior mortgage liens exhibited declines for the year, while general reserves increased.

That some of these changes might have been expected is evidenced by Table 1 on the following page which presents selected operating ratios for 3,110 savings and loan members of the Bank System which submitted statements of income and expense for the year ending December 31, 1939. In comparison with the percentages for a similar group of institutions reporting at the end of 1938, it will be noted that the proportion of total gross operating income received from mortgage loans was almost 1 point higher in 1939 than in the previous year. Net income from real estate owned dropped somewhat as an income item reflecting the continued disposition of institutionally owned properties at almost double the 1938 rate. The increasing tendencies shown by the general reserve accounts will be apparent from the discussion later of the distribution of the net income of these associations.

Selected Operating Ratios

The upper part of Table 1 is devoted to an analysis of the sources from which savings and loan associations derive their operating funds. From these, management must pay its normal expenses as well as dividends for the use of private share capital, interest for the use of borrowed money, and must accumulate the necessary reserve funds. The savings and loan income dollar during 1939 was made up of interest income on mortgage loans (86 cents), interest income from real estate sold on contract (4 cents), net income from real estate owned (3 cents), premiums, fees, commissions, etc., (3 cents), and all other operating income (4 cents).

The proportion of gross operating income represented by interest received on mortgage loans was larger in 1939 for Federals and uninsured State-members, but slightly lower for the insured State-chartered associations. Net income from real estate

[1] "Trends in the Combined Balance Sheet of Member Associations." FEDERAL HOME LOAN BANK REVIEW, July 1940, p. 338

owned accounted for a smaller part of association income in 1939 than in 1938 for each class of association except the insured State-members. Income of these associations from this source rose from 3.8 percent to 4.4 percent. The "all other operating income" classification (which includes such items as dividends on FHLB stock and income from office buildings) contributed a smaller percentage of the total income during 1939 in each class of member association.

Disposition of the Gross Operating Income

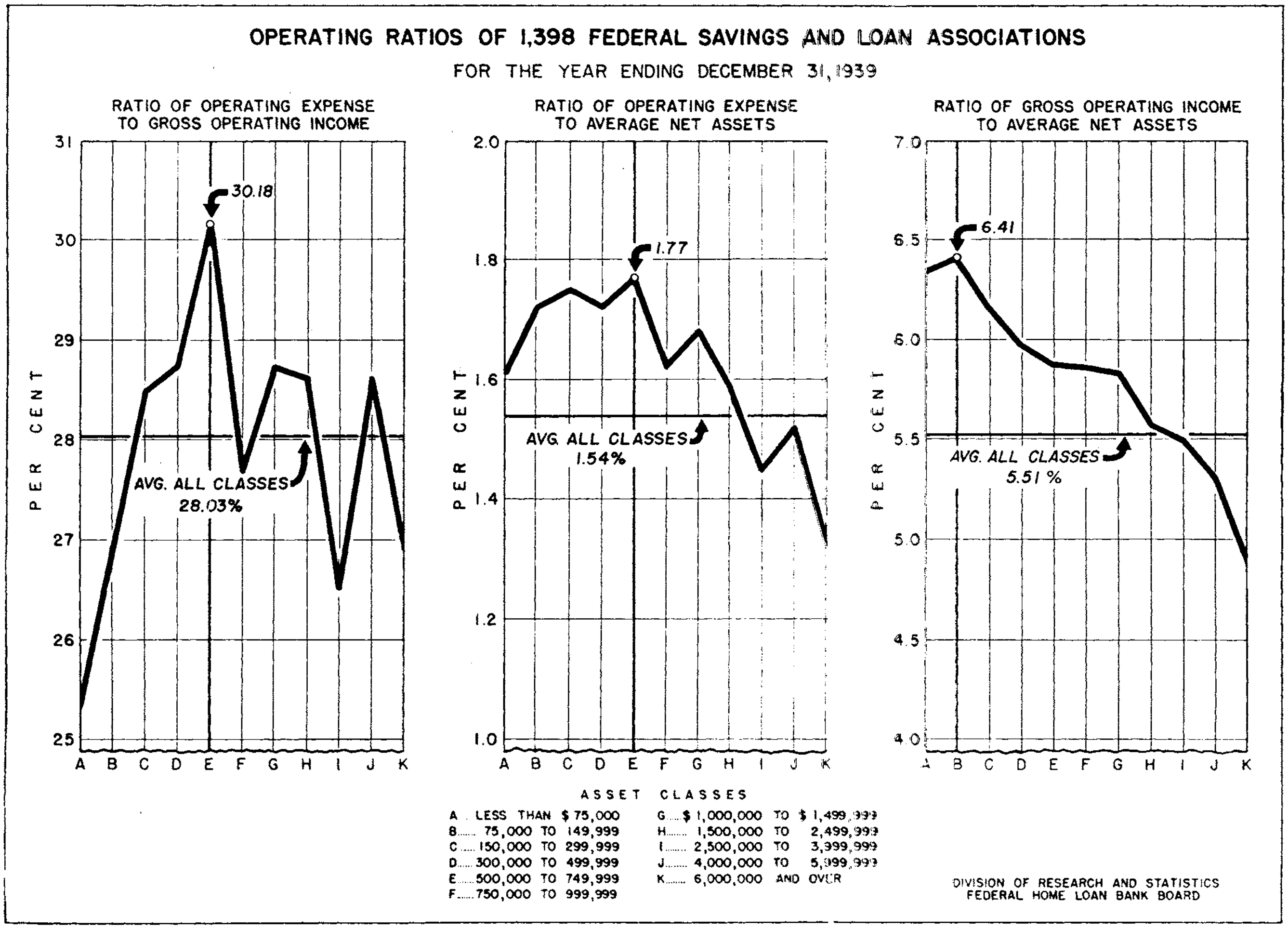
The lower section of Table 1, and Table 2 at the top of page 366, contain an analysis of the disposition of the savings and loan income dollar. In the first place, approximately 26 cents is consumed in the normal operating expenses of the association, and it may be pointed out that this figure remained practically constant in both the 1939 and 1938 statistics. Of this amount, 12½ cents or almost half is used to pay the compensation of employees, officers, and directors. About 2½ cents is expended for the maintenance of office quarters, including rent, light, heat, repairs, and taxes. An additional 2 cents is spent for advertising, and the remaining 9 cents goes for such items as the depreciation of buildings and equipment, the payment of insurance and bond premiums, examination fees, and miscellaneous operating expenses like the cost of stationery, printing, postage, telephone, and telegraph. In comparison with 1938 data, changes in the percentage of income devoted to these purposes were only fractional. The compensation and office maintenance ratios showed small decreases, while those for advertising and other operating expenses rose slightly.

In addition to the normal transactions inherent in the operations of any business, there are always certain extra non-recurring items for which an accounting must be made. During 1939, income arising from such transactions apparently exceeded the loss or charges incurred. This was a reversal of the situation in 1938, although the uninsured group of State-chartered associations continued to report an excess of non-operating charges.

Table 1.—Selected operating ratios for reporting savings and loan members of the Federal Home Loan Bank System

[Calendar years 1938 and 1939]

Item	All associations		Federals		Insured State-chartered		Uninsured State-chartered	
	1939	1938	1939	1938	1939	1938	1939	1938
Number of institutions	3,110	3,094	1,384	1,355	642	588	1,084	1,151
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Interest income:								
On mortgage loans	86.22	85.23	87.26	86.77	83.20	83.21	86.97	84.80
On real estate sold on contract	3.79	3.82	3.81	3.73	5.29	5.28	2.76	2.96
Net income on real estate owned	3.00	3.44	1.99	2.39	4.41	3.82	3.29	4.38
Premiums, fees, commissions, etc	3.23	3.24	4.06	3.90	2.92	2.97	2.42	2.67
All other operating income	3.76	4.27	2.88	3.21	4.18	4.72	4.56	5.19
Total gross operating income	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Compensation	12.61	12.71	13.29	13.27	13.84	13.92	10.97	11.27
Maintenance of office quarters	2.49	2.57	2.80	2.88	2.57	2.53	2.06	2.22
Advertising	2.12	2.06	3.01	3.13	2.11	1.92	1.00	0.93
All other operating expense	8.71	8.60	9.32	9.29	10.85	11.19	6.47	6.17
Total operating expense	25.93	25.94	28.42	28.57	29.37	29.56	20.50	20.59
Total non-operating income	2.59	2.91	2.40	2.61	3.65	3.25	2.13	3.03
Total non-operating charges	2.46	3.47	2.28	2.44	2.61	2.31	2.59	5.39
Total expense for the year	25.80	26.50	28.30	28.40	28.33	28.62	20.96	22.95
Net income (before interest charges)	74.20	73.50	71.70	71.60	71.67	71.38	79.04	77.05



The three charts above are indicative of the effect of size on the operating ratios of savings and loan associations. The ratio of operating expense to gross operating income shown on the left, actually expresses the relationship existing between the lines in the other two charts in any given asset group. The trend-line in this first chart indicates that expenses increase faster than operating income until associations have assets of from $500,000–$749,999. In spite of the irregular character of the line from that point on, it is clear that the general trend is downward. From the other two charts, it is evident that as associations increase in size their expense and gross operating income, expressed as a percentage of assets, decline.

Total expense for the year, expressed as a percentage of gross operating income, may be found by subtracting the excess (0.13 percent) of non-operating income over non-operating charges from the total operating expense (25.93 percent)—leaving a total of 25.80 percent. Deducting this amount from the gross operating income (100.0 percent), there remains a *net* income before interest charges equal to 74.20 percent—0.7 of a point higher than last year. This means that of every dollar of gross income received by the average savings and loan association during 1939 approximately three-fourths of it was available for dividends and interest paid for the use of private share capital and borrowed money, and for the building up of reserves.

Analysis of the disposition of the *net* income is presented in Table 2, and a study of this table reveals the fact that almost three-fourths of all funds remaining after the payment of expenses were turned over to the shareholders in the form of dividends. The trend toward reductions in association dividend rates is undoubtedly responsible for the lower relationship of these disbursements to net income during 1939 than in the previous year. This movement has been accompanied by an increased emphasis on the accumulation of reserves and undivided profits. Together these accounts absorbed slightly more than one-fifth of the associations' net income. In 1939, the combined allotment of these two accounts amounted to 21.9 percent of total net income, whereas during 1938 their share was only 18.7 percent. Interest on advances from the various Fed-

Table 2.—Disposition of net income for the year

[Before interest charges]

Item	All associations		Federals		Insured State-chartered		Uninsured State-chartered	
	1939	1938	1939	1938	1939	1938	1939	1938
Number of institutions	3, 110	3, 094	1, 384	1, 355	642	588	1, 084	1, 151
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Total net income	100. 0	100. 0	100. 0	100. 0	100. 0	100. 0	100. 0	100. 0
For bonus on shares	0. 1	0. 1	0. 2	0. 3	0. 1	0. 1	(1)	(1)
Legal reserves	4. 1	2. 7	1. 5	0. 2	4. 4	3. 1	6. 8	5. 0
Federal insurance reserve	3. 1	3. 2	5. 3	5. 1	4. 0	4. 8	(1)	(1)
Reserve for contingencies	4. 2	5. 2	5. 4	6. 6	3. 0	2. 5	3. 6	5. 4
Real estate reserve	1. 2	1. 2	1. 1	1. 0	1. 3	0. 8	1. 4	1. 7
For other purposes	1. 3	0. 7	0. 3	0. 3	1. 3	1. 0	2. 4	1. 0
Total transfers to reserves	14. 0	13. 1	13. 8	13. 5	14. 1	12. 3	14. 2	13. 1
Dividends (including interest on deposits and investment certificates)	74. 5	76. 6	72. 4	72. 6	74. 6	76. 2	76. 7	81. 0
Interest on FHLB advances	3. 2	4. 3	4. 8	6. 5	3. 2	3. 9	1. 6	2. 3
Interest on other borrowed money	0. 4	0. 4	0. 2	0. 2	0. 4	0. 5	0. 5	0. 6
Balance to undivided profits	7. 9	5. 6	8. 8	7. 2	7. 7	7. 1	7. 0	3. 0

[1] Less than 0.1 percent.

eral Home Loan Banks and other sources totaled 3.6 percent of net income, and the decrease in the proportion devoted to these payments reflects the extensive repayments of borrowed money by member associations last year.

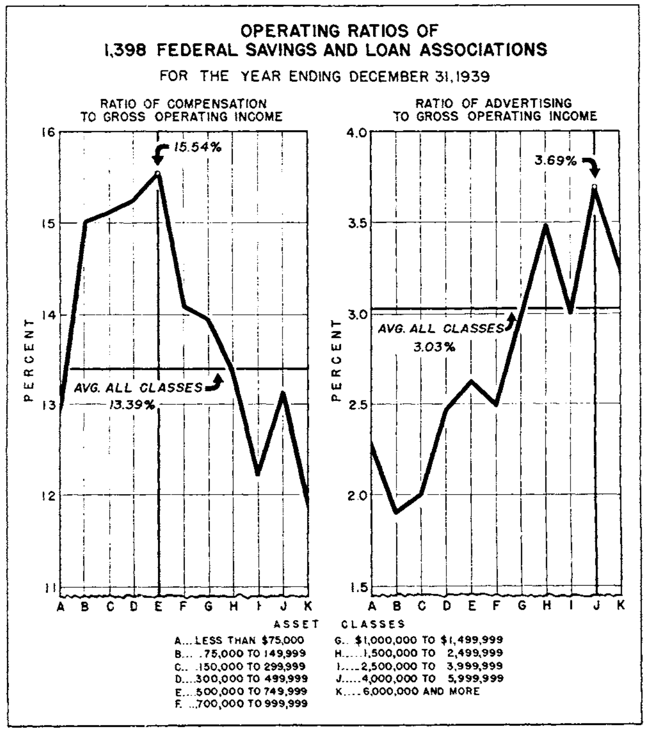
Operating Ratios by Size of Association

To facilitate the use of this material by individual association executives, a special study has again been made this year by the Office of the Governor of the Federal Home Loan Bank System of the combined operating statements of 1,398 Federals by size of institution. This enables a manager to measure the relationships of certain items on his own statement of income and expense in the light of similar ratios obtained by adding together the reports of a group of associations of comparable size.[1]

The chart on the preceding page indicates the ratio of operating expense to gross operating income, of operating expense to average net assets, and of gross operating income to average net assets for each of the 11 size groups. From these three line charts it is evident that size does have a definite and marked influence upon these relationships.

(*Continued on p. 377*)

[1] For an explanation of the basis upon which these ratios were computed, and a definition of the terms used, see "Operating Ratios of Savings and Loan Associations," Federal Home Loan Bank Review, November 1939, p. 37.



The pattern of the chart on the left is similar to that of the comparison of operating expense to gross operating income on page 365. Until associations have assets of from $500,000-$750,000, compensation assumes an increasing proportion of gross operating income. Beyond that point, the percentage of income devoted to compensation tends to decrease.

Although advertising expense takes a much smaller proportion of association income, it is interesting to note the opposite trend which prevails. In the case of advertising, the larger associations generally spend a greater share of their income for advertising.

RETIREMENT AND PENSION PLANS

Continuing the discussion of retirement and pension plans for savings and loan association employees, the following article outlines a group annuity plan developed by the New York State League of Savings and Loan Associations for its members.

■ TO supplement the Federal Old Age Insurance Benefits of the Social Security Act which provide only the foundation of a satisfactory retirement income, private retirement programs for employees have been developed or are now in the process of development by various types of institutions including savings and loan associations, mutual savings banks, and commercial banks. Last month in the first article on these private plans, five individual programs in operation in savings and loan associations in various sections of the country were summarized. Four out of the five were compulsory, requiring all full-time employees to participate. This month the voluntary group annuity plan which has been proposed for members of the New York State League of Savings and Loan Associations is outlined and the progress of another group plan being developed for mutual savings banks in the State of New York is also reported.

Savings and Loan Group Plan

At its Annual Convention in 1939, the New York State League of Savings and Loan Associations approved and adopted a proposed group retirement program developed by its Pension Committee for all member institutions, regardless of the number of eligible employees. Before such a plan can be placed in operation by State-chartered savings and loan associations, however, at least 20 associations with a minimum of 150 individual participants must have made application and obtained the approval of the Superintendent of Banks as required by law. When this has been accomplished, the State League will apply to the Metropolitan Life Insurance Company, which has been selected to underwrite the plan, for a group-annuities contract under which the plan will be operated. Similarly, Federal savings and loan associations may legally establish the plan when a group of such associations insuring at least 150 to 200 employees have signed up to participate. After the Federal and the State-chartered groups have launched their own programs, it is believed that the two could be merged with the approval of the Superintendent of Banks.

Salary classes, benefits, and contributions

Class	Annual rate of earnings	Monthly rate of service annuity for each completed year as contributor in class	Employee monthly contribution
1	Under \$2,000 [1]	\$1.00	\$2,00
2	\$2,000.00–2,499.99	1.25	2.75
3	\$2,500.00–2,999.99	1.50	3.50
4	\$3,000.00–3,399.99	2.00	5.00
5	\$3,400.00–3,799.99	2.50	6.50
6	\$3,800.00–4,199.99	3.00	8.00
etc., to 21.	etc., by \$400 steps to \$9,800.00 and over.	etc., by 50¢ steps to \$10.50.	etc., by \$1.50 steps to \$30.50.

[1] Membership in this class limited to employees who have reached the 40th birthday.

Under the proposed plan, any employee under 64 years of age with at least one year of continuous service to his credit will be eligible to join if he is earning at least \$2,000 a year or has reached his 40th birthday. His contributions will range from a minimum of \$2.00 a month if he is 40 or over and has a yearly salary of less than \$2,000, to a maximum of \$30.50 if he earns \$9,800 or over per year (see table). These amounts will be deducted from his paycheck and, together with the association's contribution (the balance of the net cost of the benefits), turned over each month to the Metropolitan Life Insurance Company.

Employee Benefits

The total service annuity to which an employee in any salary class is entitled may be determined by multiplying the monthly rate of service annuity for that class by the number of years he has been in that class. For example, assume that an employee had been contributing in Class 4 for 10 years, in Class 5 for five years, and then retired at 65 after making contributions in Class 6 for another 10 years. By multiplying the monthly rate of service annuity for Class 4 which is $2.00 by 10 years, the rate for Class 5 ($2.50) by five years, and Class 6 ($3.00) by 10 years, the resulting monthly income at retirement would be $62.50 thereafter as long as he lives, in addition to benefits received under the Social Security Act.

Although optional with each individual association, the plan provides for the purchase by the association of supplementary annuities in order to provide for those older employees who will not have sufficient time to accumulate an adequate amount of annuity before retirement. These additional benefits are open to employees over 41 years of age when the plan is initiated. They must join, however, when first eligible and continue to contribute until retirement. The annual rate of this annuity from normal retirement date will be equal to 1 percent of the employee's yearly salary, as of the date the plan becomes effective, for each full year of prior continuous service since his 40th birthday.

Although an employee's normal retirement date will be the first of the month nearest his 65th birthday, special arrangements will be made for retirement at any time not more than 10 years before normal retirement or for postponement of annuity payments to any date not more than five years after his normal retirement date. In the former case, payments will be on a reduced scale according to actual retirement age; in the latter, they will be the same as from the normal retirement date.

Upon termination of employment, both the employee's and the association's contributions cease, in which case he has the choice of two alternatives: (1) He may leave his contributions with the insurance company to be paid at his normal retirement date in the form of a service annuity. This annuity will be based only on his own payments if he is under 45 and has been a contributor for less than five years. Otherwise, it will include his as well as the association's contributions. (2) He may receive a cash payment in the amount of his total contributions without interest, payable either in a lump sum or in 12 equal monthly installments as determined by the insurance company. In the event of death before retirement, the employee's beneficiary will receive the total amount of employee contributions without interest.

Savings Bank Group Plan

For almost four years the Savings Banks Association of the State of New York has been working toward the development of a self-administered retirement system embracing four separate benefits: a service benefit for participants reaching 65 years of age; a special service retirement allowance to participants retired by their banks between the ages of 60 and 65; a disability benefit for those who become permanently disabled after 10 or more years of service; and a death benefit for the heirs or estate of a participant dying in active service.

Although the exact rates of employee contributions have not yet been announced, they will be based upon each person's age at entering the system. At retirement each participant will receive an annuity, the amount of which will be based on his accumulated contributions plus interest. In addition, each employee will receive a pension provided by the bank in an amount equal to his annuity.

This group retirement plan which will be operated under a trust agreement has been submitted to the Superintendent of Banks for approval. When approval has been obtained, it will be necessary for at least 20 banks to agree formally to participate before the plan can become effective. To date, 13 banks have submitted formal agreements to participate and almost an equal number have indicated their desire to join as soon as the Superintendent of Bank's approval has been secured.

Careful study is needed to determine the type of program best suited to the needs of the individual savings and loan association. The programs already in operation and those in the process of development indicate that association executives are showing increasing interest in setting up provisions for employee retirement and pension plans, which are becoming recognized as important factors in creating and maintaining employee loyalty.

Erratum

Word has been received from the management of the Peoples Federal Savings and Loan Association of Peoria, Illinois, that the description of their retirement plan which appeared on page 336 of the July 1940 Review requires additional information to clarify two specific points. First, the association's annual payment of 5 percent to the retirement fund is based on its *profits after dividends, reserves, and any charge-offs* have been taken care of. Second, instead of receiving from the association at retirement an amount equal to his total contributions, each employee will receive *his proportionate part* of the amount paid into the fund by the association.

« « « FROM THE MONTH'S NEWS » » »

INDEPENDENCE: "It is the first essential of progress for every one to have an objective, a schedule, some plan of saving clearly in view, always. . . . Thrift is the open road to independence. It can be reached, like all worth while things, by careful management. The method never fails."

Charles F. Adams, *The Month's Work*, June 1940.

HANDICAPS: "During the last war bad housing conditions and shortages of space became major handicaps to rearmament and desperate last-minute efforts had to be made. Today conditions are even more serious in one important respect: vacancy percentages in urban areas the country over are much lower than they

[redacted]

Adequate defense . . . . .

"To those citizens who, in following the progress of our national defense program, tend to think in terms of planes and guns only, I would like to say this: Adequate defense means a mobilization of all our industrial forces. It means dozens of other things besides armaments. And high on the list of these other things are decent homes for Americans, homes worth fighting for, homes in which the defense industry worker or the sailor at his naval base can live a normal, healthy life."

Senator Elbert D. Thomas, *Housing Legal Digest*, June 1940.

Interest and dividend rates . . . . .

"Conservative investments should only bear low interest rates, and, while investors and savers want a fair return, they are more interested in the safety of their investments. The difference be-

[redacted]

GOOD DESIGNS REFORM MEMPHIS HOME-BUILDING

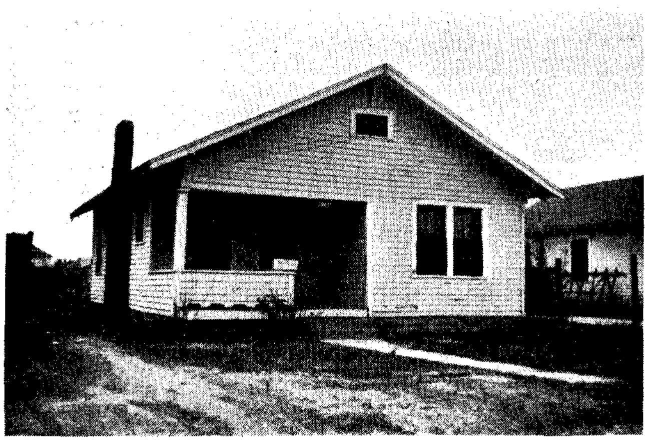
The lack of architectural service in small-house construction undermines the quality of design and consequently the building standards of every community. In spite of the need for such counsel, authorities in this Tennessee city were unable to enforce a State law requiring architectural services on homes until the Memphis Small House Construction Bureau made them available on a practical low-cost fee basis.

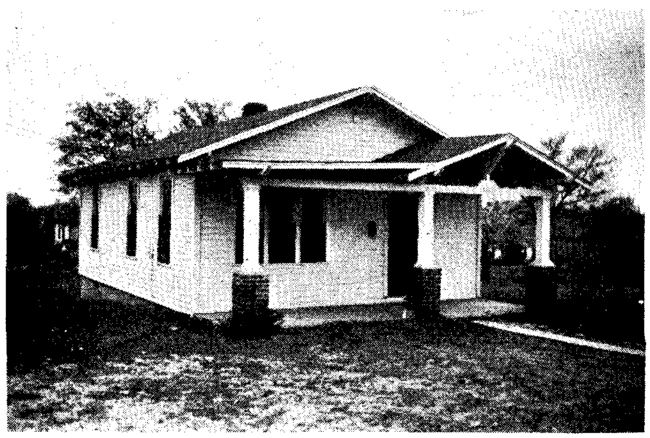
■ WHEN single dwelling permits in Memphis dropped from 752 in 1929 to a low of 44 in 1934, there were other factors than the depression to blame. For years houses had been built on almost incredibly bad designs and lacking in many of the fundamentals of good construction. Not only were buyers disillusioned and dissatisfied but the sight of the structures offered little incentive for other people to invest their savings in homes.

Despite this situation, the operative builders who erect 70 percent of Memphis homes again became active with the impetus furnished by the Federal Housing Administration and again began a considerable volume of residential construction. As unattractive low-cost homes started springing up, the construction industry itself decided it would have to "clean house", if any measure of public confidence was to be revived and translated into business. The fact that FHA reported 85 percent of all projects submitted for commitments and approval as technically inadequate—plans crudely prepared and specifications written without any apparent knowledge of even minimum requirements—gave a basis for action.

Lenders, architects, builders and quality material dealers began to examine the possibilities of developing a program which would achieve better architectural and construction standards. A State law required the use of architectural services on all construction projects, but because such services were not available in Memphis at a reasonable fee, the law could not be enforced generally on residential projects, 91 percent of which amounted to less than $5,000. As a result, houses similar to those reproduced at the bottom of this page were being constructed without the benefit of architectural advice. The solution obviously lay in providing a modified service at a price which was commensurate with the home seeker's pocketbook—and enforcement of the existing law.

The Federal Home Building Service Plan, sponsored by the Federal Home Loan Bank Board, offered procedures to meet the situation but only three member institutions of the Bank System were represented in the general movement for better home building and the other lenders were not prepared to take all the steps then required by the Bank Board for approval under its program. As a result, the



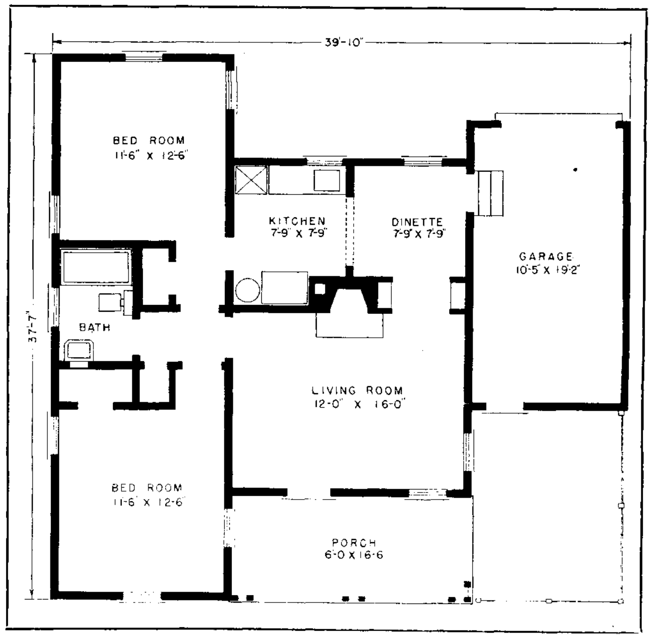


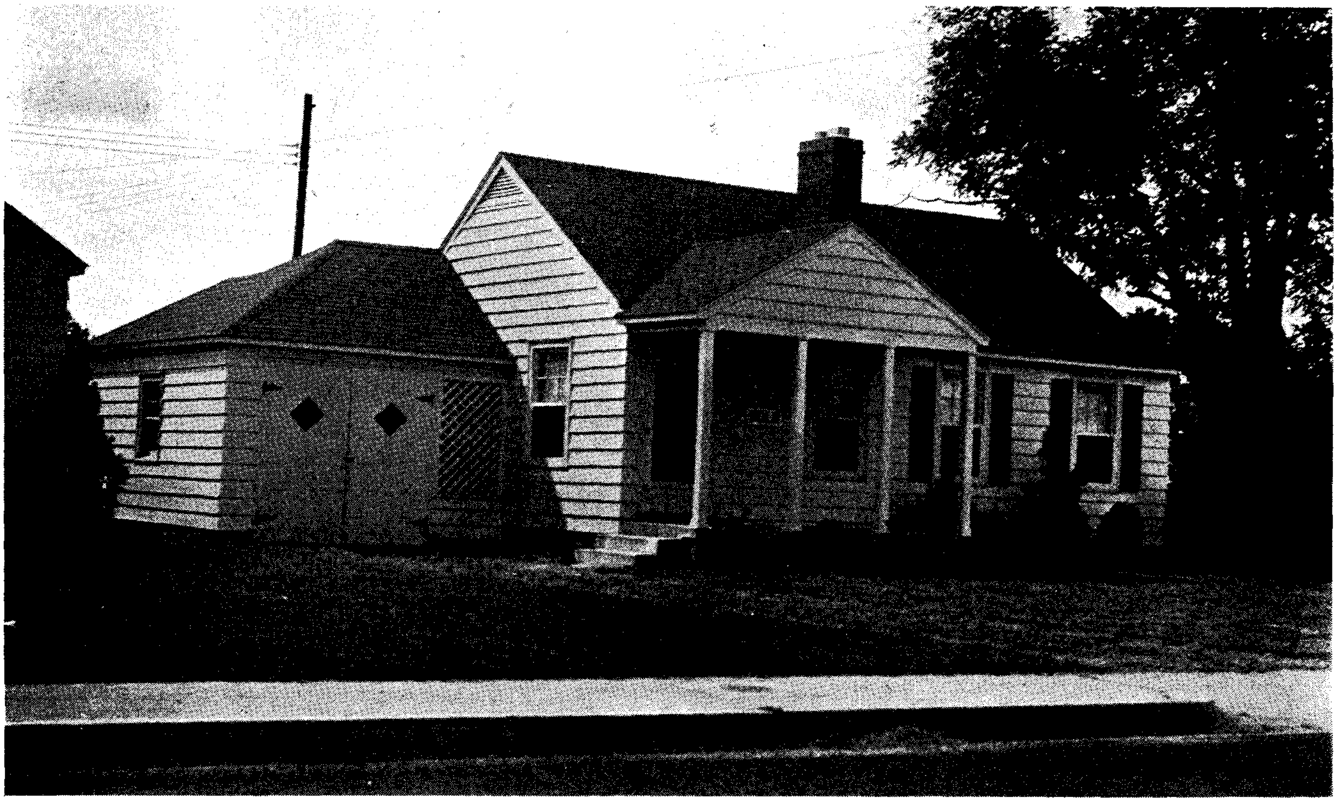
Most of the current demand for Memphis homes has been in the price range below $5,000. This attractive 5-room house with garage has recently sold for $4,000. The house was constructed by an operative builder and has been registered under the Federal Home Building Service Plan. Both of the bedrooms have three-way ventilation and are isolated from the rest of the house. The plans for this dwelling were drawn by J. Frazer Smith.

Memphis Small House Construction Bureau was established in 1937, independent of the Service Plan but embracing many of its essentials. Its leaders worked in close harmony with the Federal Home Building Service Section at Washington and local FHA authorities.

Newspapers in Memphis, which had long recognized the potential blight of the existing building situation, regarded the new program as a vital civic reform and collaborated in every way. City authorities were enabled to enforce the State law requiring architectural services, applying it to any project costing more than $2,500. Memphis architects contributed a comprehensive portfolio of small-house designs, particularly adapted to climate, building conditions and public taste, and accepted other designs which could meet high requirements. All designs were approved under the Federal Home Building Service Plan, as were the architects who had agreed to render the modified technical service.

The Small House Construction Bureau was only a nucleus around which factors interested in good building could focus and through which they could function. It did not even establish offices. Nevertheless, it enabled lenders, dealers, and contractors to

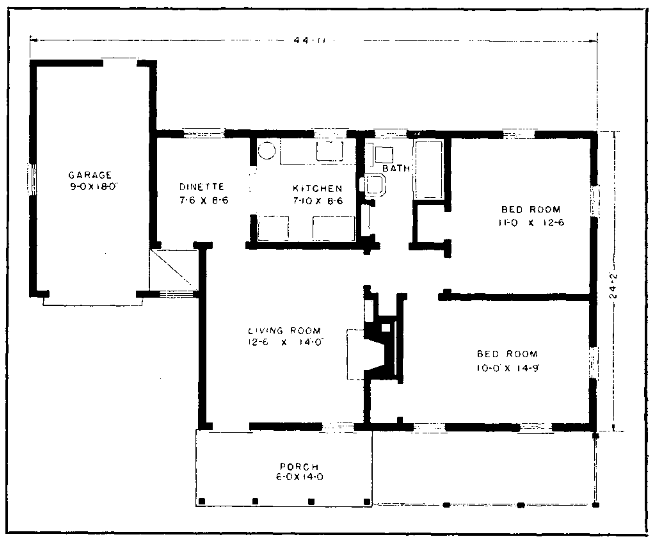




offer Memphis home seekers financial advice, good designs, proper specification of materials, aid in the letting of contracts and supervision of construction—all at an average cost to the home buyer of less than one cent a day for the period of amortization.

According to the Tennessee State Director of the Federal Housing Administration, the volume of acceptable designs offered for commitment and approval in 1938, 1939 and the first few months of 1940 averaged 95 percent, as compared to the previous figure of 15 percent. The Federal Home Building Service Section, in cooperation with the Division of Research and Statistics of the Bank Board, made a survey in 1939 which showed beyond dispute the improvement in the quality of homes erected under the Small House Construction Bureau. Public confidence in home ownership has been revived to an appreciable degree and the difference in the "face" of Memphis is apparent to any discerning visitor.

Whether Bureau-built or not, all small homes now being constructed in Memphis have, to varying degrees, the benefit of architectural services. Typical of the types of houses built with the assistance of the Memphis Bureau is that produced on the previous page. This attractive home, which has



Another low-cost Memphis project, this 5-room house recently sold for $3,900. It was also designed by J. Frazer Smith and has been registered under the Federal Home Building Service Plan.

been registered under the Federal Home Building Service Plan, contains a living room, dinette, kitchen, two bedrooms, bath, and an attached one-car garage and is definitely within the price range of the small-home buyer.

(Continued on p. 385)

WAVERLY: A DEMONSTRATION OF NEIGHBORHOOD CONSERVATION—Part 3

This third and concluding article presents the Master Plan for the conservation of the Waverly area in Baltimore. It tells the story of the proposals for financing necessary reconditioning, and of the organization of the Neighborhood Conservation League, which will translate the recommendations of the Master Plan into physical improvements.

■ THE potential structural life of the average small home is usually far beyond that which has been ascribed to it. With proper maintenance, such life can be extended almost indefinitely. If, at comparatively long intervals—and at reasonable expense—equipment is also modernized, the unimpaired economic life of the neighborhood can be similarly maintained. Therefore, as a first step in halting neighborhood blight in the Waverly District of Baltimore, all of the homes in the group must be made suitable for normal use and maintained at that level.

The equivalent of a surgical operation is not required in Waverly. Demolition is nowhere definitely indicated. General renovation of the entire area is neither necessary nor contemplated. The formula for the successful treatment of Waverly's gradually developing malady is neither costly nor dramatic. It is a simple, *preventive* remedy which has aptly been called "Organized Neighborhood Housekeeping", and is compounded largely of the ingredients of "Conservation", "Street Adjustment", and "Concerted and Continued Community Effort".

Based on the Field Survey and the Planning Study of Waverly itself, a treatment has been developed which can restore and preserve the value of this district as a sound and desirable residential neighborhood. This treatment, as developed in the Master Plan, has been divided into two parallel but not necessarily integrated parts:

Part A—The early physical restoration of all depreciated housing within the area, by minor repair and major reconditioning, by remodeling and landscaping. This restoration would be supplemented by continued maintenance at the level established for the neighborhood.

Part B—As a parallel but separate program, developed over a considerable period of time, the adjustment of zoning regulations and street patterns. This includes improvement of street lighting; increase in playground facilities; gradual elimination of non-conforming structures; progressive street widening, starting with establishment of new building lines and advancing slowly; street openings, closings, paving and adjustments.

Part A of the Master Plan

The physical restoration of depreciated residential units in Waverly will restore to health those infected spots which now menace the Area as a whole, if this remedy is promptly, energetically, and generally applied. Such a program helps to preserve present economic and social values. It provides an effective defense against future objectionable encroachments from the south. It will safeguard the utility, school and street investments which the city has made within its borders and will retain the area as an important city and State tax base. It will protect the residential neighborhoods contiguous to it on the north, east, and west from subsequent infection.

The great majority of Waverly homes require minor repairs, and a large number need extensive reconditioning. This is particularly true of a considerable proportion of its single-family detached and semi-detached houses, located in virtually all sections of the Area. A general program for the structural rehabilitation of virtually all depreciated buildings in Waverly is estimated to cost approximately $150,000 for the exterior reconditioning and for their architectural treatment.

The cost of interior decoration, structural repair and replacement of obsolete plumbing, heating and kitchen equipment, which is essential to the restoration of these structures to general neighborhood standards, will be not less than $50,000. The fact is stressed that although some increase in value over cost is anticipated, the profit factor is of secondary importance in Waverly. Preservation of social values and protection of equities—rather than general equity enhancement—are the primary purposes of the Waverly program.

Part B of the Master Plan

The adjustment of zoning regulations and street patterns requires confirmation by the residents of Waverly, and concurrence by the Plan Commission and by the city. If desired by the residents or made necessary by the financial position of the city, the ultimate completion of this second phase of the program may be postponed for some time.

The general zoning ordinance enacted by the city of Baltimore in 1926 affected Waverly in three ways: (a) it prohibited industrial operation in the area; (b) it limited occupancy in terms of building heights and families per acre; and (c) it defined those districts to which commercial and multiple-family structures were to be confined. The ordinance contained no provision for the removal of those structures, existing at the time of its enactment, which it defined as non-conforming and the use of these buildings can therefore be continued until they are converted, demolished, or destroyed.

Non-conformance to existing land use restrictions definitely promotes property depreciation and encourages neighborhood decay. The problem in Waverly is confined to eventual elimination of two non-conforming manufacturing plants (one making potato chips and the other making musical instruments, each employing from eight to fifteen persons), a coal yard, and some 26 stores, housed in converted residences, and devoted largely to food distribution.

Certain problems of "over-zoning" are also considered in the Master Plan, and eventual solutions proposed. In Waverly, as in many other neighborhoods in American cities, serious over-zoning for multiple family use, and for business purposes, has been common. Therefore, in certain Waverly areas, amendments to zoning ordinances are recommended, reserving districts which warrant only the least intensive land use to 1-family residential purposes. In other districts, residents must cooperate in rigid enforcement of these ordinance provisions which relate to population density and land utilization, if the development of future sources of infection is to be avoided.

As so frequently happens in old or slowly maturing communities, Waverly has an irregular and unscientific street pattern. Even during the past two decades, in platting subdivisions only the most obvious needs were considered. The resulting imperfections constitute a definite functional and economic handicap to both the newer and the older sections of Waverly.

The proposed new street pattern provides: (1) better land utilization, beneficial to all property owners in the entire area; (2) a better traffic system; (3) new street openings, which benefit a great number of property owners by means of additional new street frontages. This street pattern will provide for better cohesion between this Area and adjacent territories. (The recommended adjustments will increase the street area by approximately 5 percent. About 33 percent of the total Area would then be devoted to streets and alleys, a ratio accepted nationally as a proper economical proportion for any neighborhood of this size.)

The Survey Influence

A more complete understanding of the direct cost of neighborhood decay may one day inspire the establishment in every large city of a Department of Conservation, charged with the duty of promoting community stabilization projects in potentially and partially depreciated sections throughout the city. Such a Department would help to form property owners' associations designed to carry out conservation projects, and would make available to the individual home owner through his neighborhood organization technical information in rehabilitation and maintenance. It would introduce economies through the mass purchase of materials and through group contracts for maintenance, painting, repair, fuel, etc.

Under present conditions, however, at the time when preventive measures can most effectively be applied—before neighborhood corrosion first begins actually to show itself—the average owner is reluctant to admit the possible presence of obscure decay. It is therefore relatively difficult to enlist his cooperation in a program for the control of what appears to him to be, at worst, only a distant and potential danger.

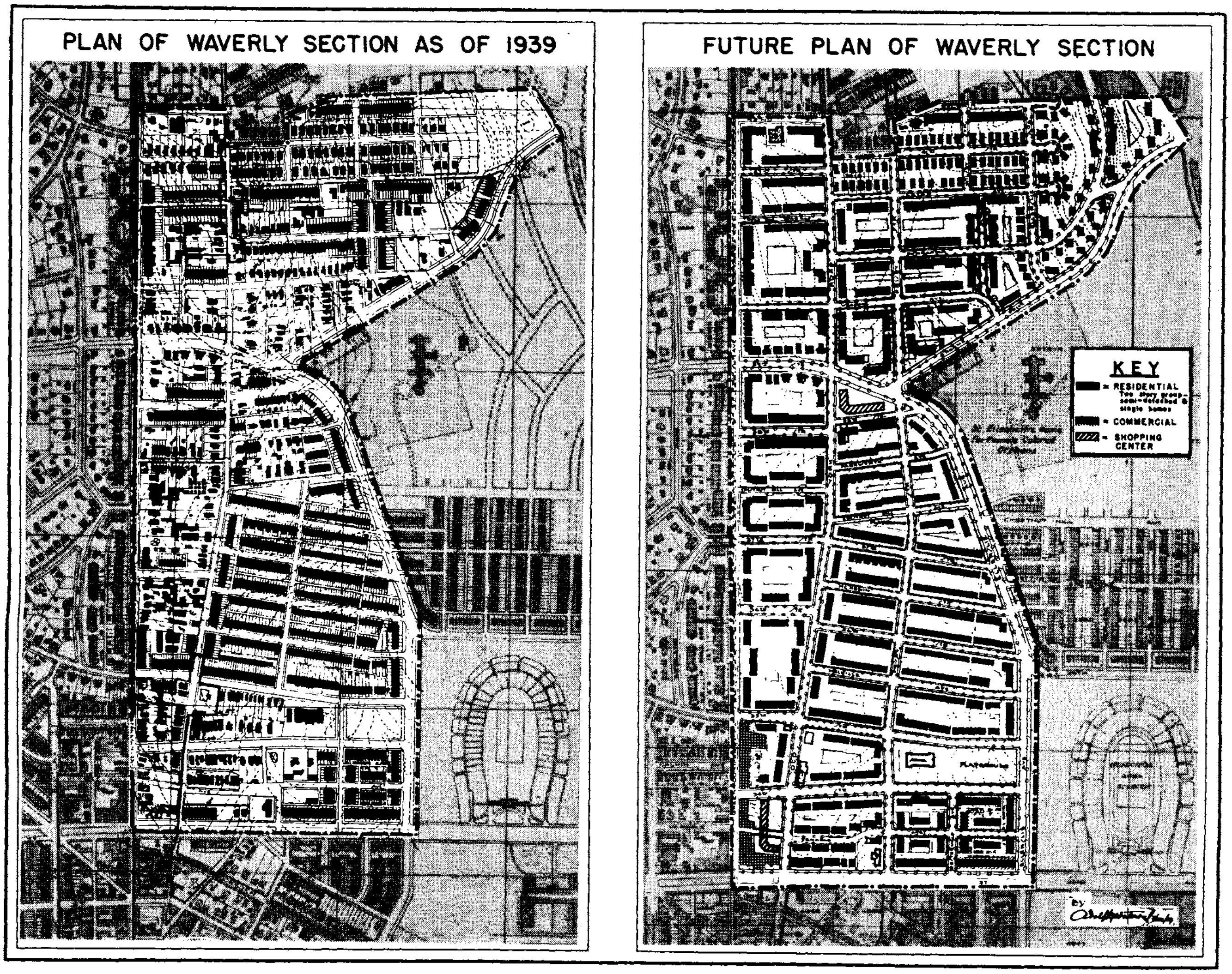
During the early progress of the Survey, the average Waverly resident was reluctant to recognize the threat of progressive neighborhood disintegration, was doubtful of the potency of the proposed cure for it, and was slow to accept the thesis that the coordinated effort of all home owners in the area is the prime essential if community blight is to be checked. Gradually, however, as the Survey progressed and the Program methods and objectives became clearer, the community began to realize that it was confronted with an existing, not a prospective, problem.

Already, even before the community effort has been fully mobilized and the Program definitely launched, the volume of repair and reconditioning undertaken throughout the Area within the past few months greatly exceeds that for any like period in former years.

The volume of what appear to be protective purchases also suggests the development of like confidence. Several examples of small block programs of purchase and reconditioning by individuals, stimulating extensive repairs by adjacent home owners, have already been noted.

The Waverly Neighborhood Organization

The Survey and Master Plan production was a process wholly distinct from the program which must now be undertaken by some form of neighborhood organization designed to inspire and supervise the completion of the recommended physical rehabili-



These illustrations show Waverly as it is today and as it will look if the recommendations of the Master Plan are carried out. The composite plan of a future Waverly is set up to provide groups of row houses, not more than six or seven in a row, within the major portion of the Area, thus counterbalancing the adjacent Guilford development. In the northwest section, similar detached homes will be integrated with the high class development across Alameda Avenue. Utilities now in place can care for the new structural pattern, with the addition of only 1,100 feet of new sanitary sewers. Three shopping centers will be provided, located in the lower southeast, the central portion, and in the upper northwest; as far as possible shopping centers will be occupied by the commercial enterprises now scattered throughout the Area.

Expansion of playground facilities has presented a difficult problem, but several new play areas are recommended, and in addition, every block has its own inner court outdoor area for the smaller children. Greater provision is made for parking, and the plan provides for entirely new lighting standards, serviced by electricity, to replace existing gas light in the Area, at an appreciable saving to the city in maintenance costs.

tation of Waverly. No matter what may be the technical merits and soundness of that study, its ultimate success will depend on community integration, and on the clear recognition, by the mass of the property owners themselves, of the importance of their individual and joint problems. Without their willingness and ability to mobilize cooperative and continued effort, the Conservation Program cannot long survive as an effective neighborhood force.

Recognizing these facts, the HOLC has accepted, as its final obligation to the Waverly Project (other than its participation in future cooperative activities, as one property owner among many) active temporary leadership in the organization of a Neighborhood Conservation League, to which the plans and recommendations for each property and for the whole Area, as developed during the planning phase of the Survey, may be entrusted.

With the aid of organizing personnel from HOLC, an Advisory Committee of 25 persons made up of civic-minded residents of Waverly, including the executive heads of local improvement associations and public-spirited leaders both from within the Area and from other sections of the city, has been formed to advise and support the Waverly Conservation League, and to cooperate with it in applying the Master Plan to the problems of the Area.

With the approval of the Advisory Committee, an operating committee was formed. To be members of this committee, a district chairman was selected from each of the six districts in the Area; three additional members, all women, were appointed to represent the feminine residents of Waverly; and a tenth member, elected at large by the other nine committeemen, will act as League President and chief executive. Block captains, each representing the residents of a single block in his district, will support each chairman. These captains will provide the necessary contact between the operating committee and all individual home owners in the Area in projecting the program to them.

Membership in the Waverly Conservation League will be open to all Waverly residents upon the payment of a nominal annual fee. As the League's central executive agency, the Operating Committee will supervise the translation of the Master Plan into the actual physical improvement and stabilization of the Area. Fortunately, the procedure for the incorporation of such a non-profit organization as the Conservation League under the Maryland statutes is simple and inexpensive. The corporation will not be subject to subsequent Federal or State taxation.[1]

Financing a Conservation Program

Before the preliminary organization of the Waverly Conservation League, it was determined that the contemplated program could be financed on a sound basis. It is fundamental that the final maturity of a monthly installment repair loan, covering a variety of items, shall be shorter than the *average* useful life of the repairs involved. With this principle in mind, a careful examination was made of the available sources of funds for financing the Waverly conservation program as proposed in the Master Plan.

The investigation revealed that Title I of the National Housing Act now provides a practical formula for the financing of minor repairs for Waverly residents, and that there is an abundance of funds in Baltimore financial institutions which can be made available for such Title I loans. Where the cost of conservation reconditioning is relatively large, however, the 3-year and 32-day repayment period to which loans under Title I are now limited develops a monthly installment too heavy for the average small-home owner to assume. In such cases, the solution is made easier by the fact that approximately 60 percent of the residential structures in Waverly are free of all encumbrance. In general, these properties are eligible as security for long-term, monthly payment first mortgages, in amounts at least sufficient to cover the cost of the reconditioning recommended in the Master Plan.

The existing loans on the 40 percent of the Waverly homes which are already mortgaged are generally low in relation to appraised value. For this reason, they can frequently be refunded with a new mortgage covering the unpaid balance of the old lien and also the amount of the cost of rehabilitation. This can be done by extending the final maturity date of the mortgage, without changing the monthly repayment installment.

The Future of Waverly and Other Programs

The Federal Home Loan Bank Board participated in this Waverly test program because of its own vital concern with the stabilization of neighborhood values. The combined value of the residential property with which the Board is, and for many years will be, directly concerned now aggregates some

[1] A full discussion of sources of funds for financing will be found in "Waverly: A Study in Neighborhood Conservation", prepared by Arthur Goodwillie, as Economic Assistant, under the direction of Donald H. McNeal, Deputy General Manager of the Home Owners' Loan Corporation. This report may be ordered when published from the Superintendent of Documents, Government Printing Office, Washington, D. C.

seven billions of dollars. Therefore, the Board considers it sound business policy to assist in any urban conservation program in which there is a reasonable opportunity to preserve potentially depressed areas as genuine home neighborhoods.

In the course of its vast rehabilitation operations, HOLC learned that the utility and investment value of a depreciated residential structure, in a reasonably good neighborhood, can usually be restored at a cost somewhat less than the amount thereby added to the value of the property. HOLC found, also, in making a property a sound investment for itself, that it frequently benefited surrounding property, both by directly increasing values and by inspiring neighboring owners to improve the condition of their homes. On the other hand, HOLC discovered that the individual effort of a single property owner, even an owner with holdings as great as HOLC, could not alone preserve a district from ultimate destruction, once disintegration and decay had really begun their menacing march. Thus, limited by neighborhood conditions and the necessity for avoiding over-improvement, the HOLC was unable fully to restore many homes which otherwise it would have completely reconditioned.

Successful execution of the Waverly Test Conservation Program may well lead to concerted efforts in other cities in which HOLC may participate as one property owner among many for the preservation of other essentially sound residential neighborhoods. The ultimate effectiveness of the program will be measured by the extent and permanence of the cooperation which the Waverly Conservation League is able to inspire among the residents of the Area as a whole. The formula which has been embodied in the Master Plan for the solution of Waverly's problems provides a pattern which is, in general, suitable for the treatment of similarly threatened small-unit, single-family residential neighborhoods elsewhere. The extent to which the formula may be applied to areas improved with structurally sound, large unit dwellings and apartment buildings, can be determined only by the further survey and study of selected Test Districts in which structures of each of these two types predominate. (Such a test is now being carried on in the Woodlawn District of Chicago.) Followed consistently, however, that formula will, for an almost indefinite period, halt the process of physical, social and economic disintegration which is so insidiously and relentlessly attacking great urban districts throughout the United States.

Operating Ratios of Savings and Loan Associations

(Continued from p. 366)

Generally speaking, both income and expense decrease as a percentage of average net assets as associations grow. This is demonstrated by the middle and right-hand charts. The question which again must be answered is: as associations increase in size, do they operate with more, or less, or the same proportion of expense? Do the larger associations obtain an added advantage by virtue of the potential economies of large-scale operations?

Clues to possible answers are found in the chart on the left—the ratio of operating expense to gross operating income, which actually expresses the relationship existing between the other two charts in any given size group. Although the curve is not as smooth as that derived from last year's study, the fact stands out that until associations have approximately $750,000 in assets the tendency is for expenses to assume greater proportions of the gross operating income. The characteristics of a curve which would fit these data give indications that there is a point somewhere in the vicinity of the $1,000,000 mark at which the situation reverses itself, i. e., expenses do not grow as fast as income and a larger share of the association's income receipts remains for the payment of dividends, interest charges, and the building of reserves.

Further analysis of the individual items on the operating statements by size of association sheds additional light on the effect of association size on expense. The small chart on page 366 shows the relationship of compensation and advertising to gross operating income. From this it may be seen that compensation costs, which account for approximately one-half of the total operating expenses of an association, exhibit the same general pattern with a peak in the $500,000–$749,999 group. Advertising expenditures, on the other hand, present a rather consistent upward trend as a percentage of gross operating income with the increase of association assets.

In conclusion, it must be pointed out that the presentation of figures in this article does not in any sense constitute a recommendation or opinion as to the merit of any ratio. They are submitted solely for their statistical significance as the result of the actual operations of these associations during 1939.

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SUMMARY OF RESIDENTIAL CONSTRUCTION AND HOME-FINANCING ACTIVITY

I. Home-financing activity showed signs of slowing up in June following a record-breaking May.

A. The total volume of nonfarm mortgages of $20,000 or less recorded during June was 5 percent below that of the preceding month, but still 11 percent higher than in the corresponding period last year.

B. Savings and loan lending dropped 7 percent from May contrary to the usual May-to-June trend. Loans for new construction, however, displayed strong resistance and were 19 percent higher than in June 1939.

II. For the second consecutive month, the total number of building permits issued in cities of 10,000 or more population was below the 1939 level.

A. The number of 1-family structures continued to compare favorably with 1939 figures: first six months of this year, 91,000 units; of last year, 80,000 units—a gain of 14 percent.

B. While 1-family construction has been gaining, multifamily permits issued during the first half of this year were 12 percent less than during the same 1939 period.

III. There were only minor fluctuations in construction costs during June.

A. FHLB standard house index: material prices, unchanged; labor costs, down slightly.

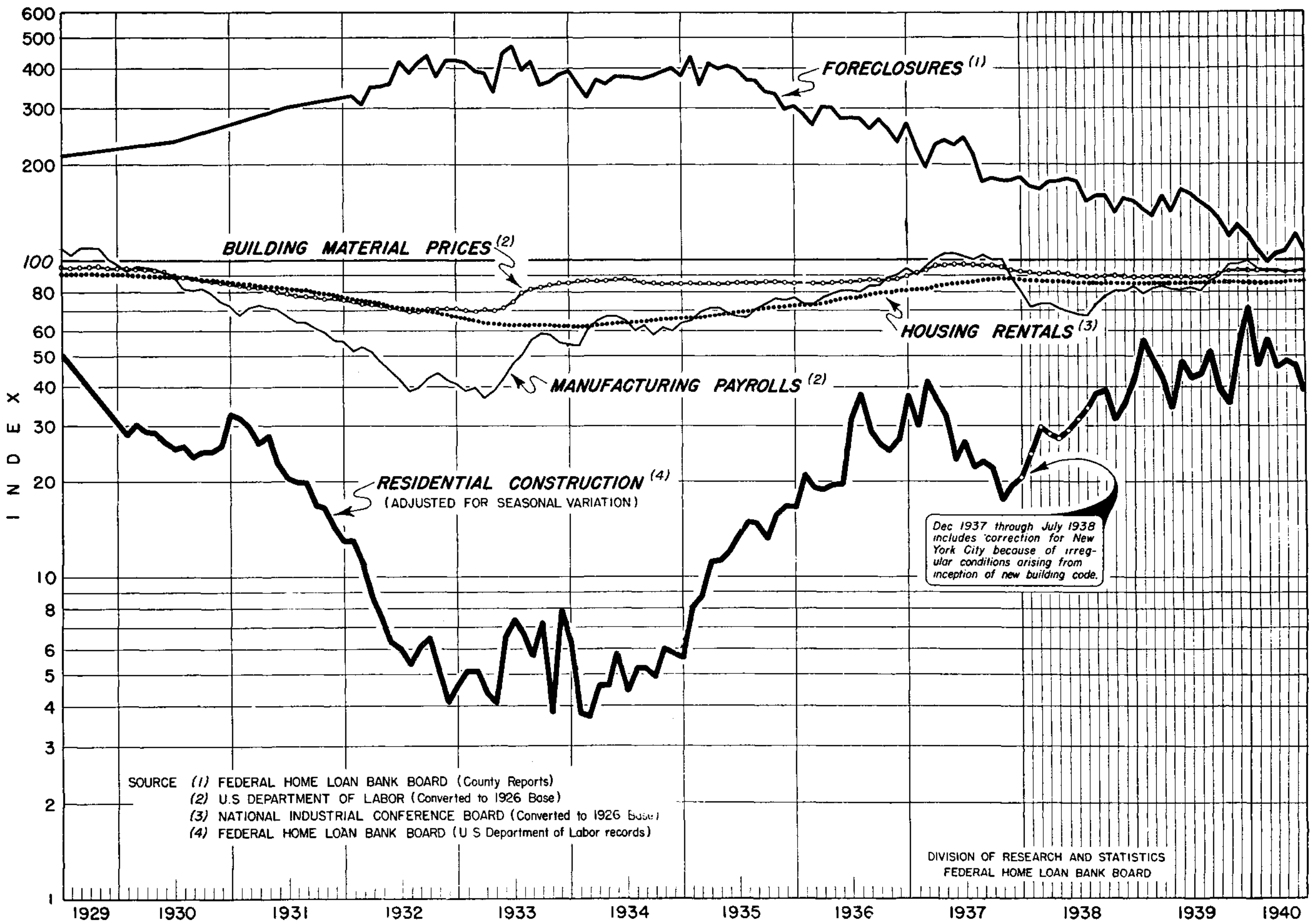
B. Wholesale building material index (Dept. of Labor): fractionally lower in June, but reports for the first three weeks of July indicated rising prices.

IV. The May-to-June rise in FHLB advances outstanding was the largest monthly increase since the establishment of the Bank System: June advances, $23,500,000; repayments, $3,600,000; advances outstanding at end of June, $157,400,000.

V. Prospects for sustained revival of business seem good. Increased department store sales and greater freight shipments during June augur a broadening of the recovery movement. New highs in the excess reserves of Federal Reserve member banks point to continued low money rates.

RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS

1926 = 100

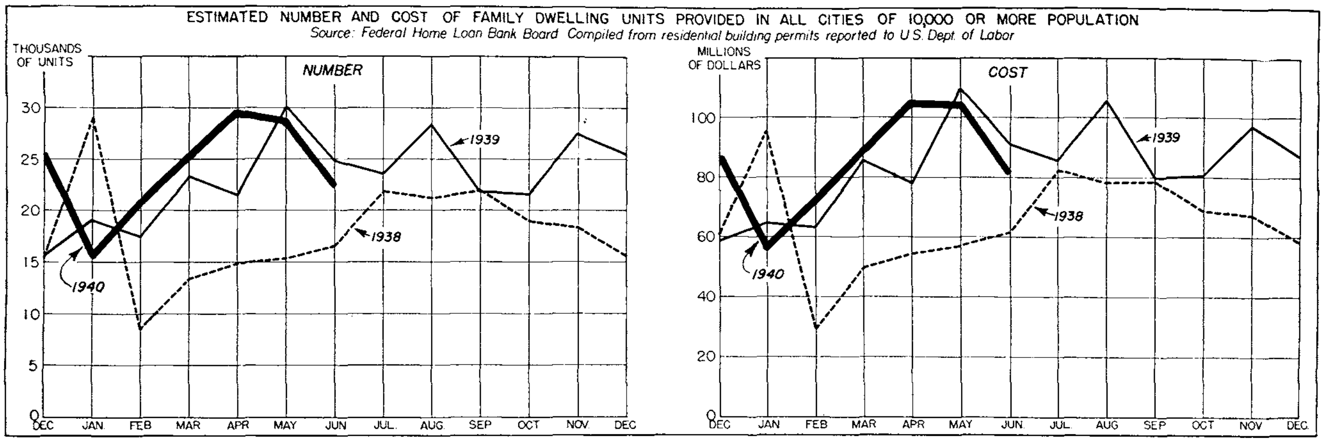


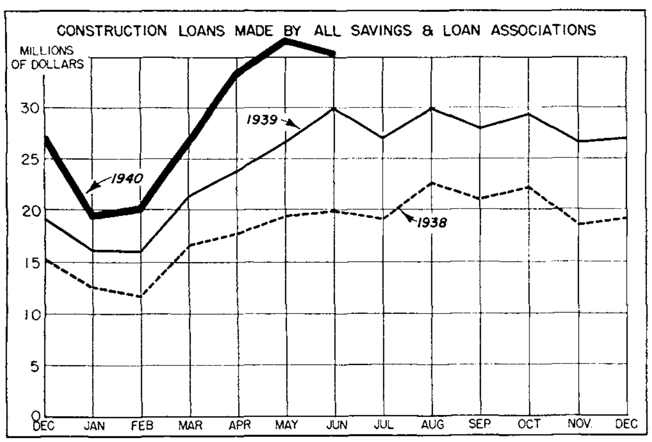
■ MORTGAGE-financing operations of most classes of lenders suffered a setback during June. Savings and loan associations led all other institutional lenders in this current downward movement from what was probably the highest general level of mortgage-lending volume in the last 10 years. On the basis of information which is available for the savings and loan industry, it is apparent that this May-to-June drop was in contrast to a normal seasonal increase.

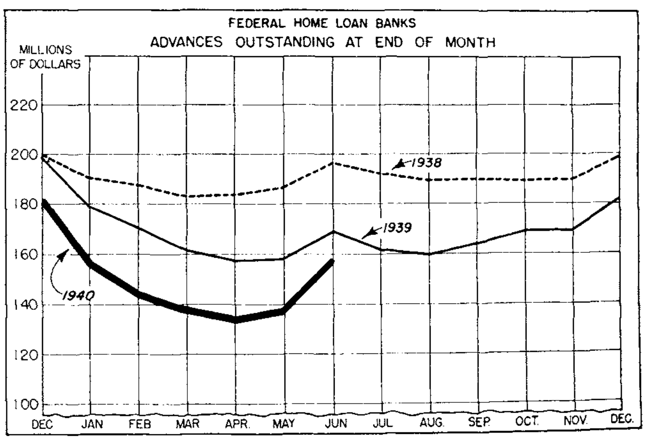
Loans for the financing of reconditioning and for the purchase of existing structures during June showed greater weakness than other classes of loans currently being made by savings and loan associations. The downward trend in the seasonally corrected residential construction index which has been in evidence so far this year, is apparently being reflected in current home-financing activity, as revealed by a decline of 4 percent from May in the volume of new construction loan business of savings and loan associations.

For two months, the total number of permits obtained for new construction in cities of more than 10,000 population has been below the corresponding months of 1939 (see chart below). The volume of single-family dwellings, however, continues to exceed last year's totals. There were 91,000 1-family permits issued during the first half of 1940—a 14.5 percent increase over the same 1939 period.

Any tendency for home-building costs and housing rentals to increase was effectively held in check during the first half of 1940. Although the flurry of rising building material prices which occurred in the autumn of 1939 has not been offset by subsequent declines, further increases in building costs and in the general price level have not as yet developed.







[1926=100]

Type of index	June 1940	May 1940	Percent change	June 1939	Percent change
Residential construction [1]	38.6	46.2	−16.5	42.7	−9.6
Foreclosures (metro. cities)	108.0	119.0	−9.2	161.0	−32.9
Rental index (NICB)	85.7	85.6	+0.1	84.9	+0.9
Building material prices	92.4	92.5	−0.1	89.5	+3.2
Industrial production [1]	105.6	98.2	+7.5	90.8	+16.3
Manufacturing employment	98.1	97.4	+0.7	91.9	+6.7
Manufacturing pay rolls	93.9	92.4	+1.6	83.0	+13.1
Average wage per employee	95.7	94.9	+0.8	90.3	+6.0

[1] Corrected for normal seasonal variation.

General Business Conditions

■ CONTINUED improvement in practically all lines of business characterized operations during June. The industrial production index of the Federal Reserve Board averaged 106 (1926=100) for the month, which compares with 98 in May and 95 in April—the lowest point thus far this year.

Encouraging is the fact that although the rate of increase was slowing down toward the end of the month, there were definite indications that the movement was broadening to include a greater proportion of all production facilities. This is reflected in the trend of railroad freight shipments. June freight-car loadings increased more than seasonally over the May volume and reached a weekly total of more than 752,000 cars in the period ended June 29.

Department store sales displayed unusual resistance to normal declines during June and as a result the seasonally adjusted index of the Federal Reserve Board rose from 87 in May (1923–25 average equals 100) to 93 in June, on a level with activity during the same month in 1937. This and other data such as the contra-seasonal gain in the sales of automobiles from May to June are indicative of the spread of the current recovery movement to consumption as well as production.

According to reports of the Department of Commerce, export trade during the month of June is estimated to have reached $344,000,000—a gain of 8 percent over May, but still 4 percent below the January peak of $360,000,000. This amount was substantially in excess, however, of corresponding months of 1937, 1938, and 1939. The increase of June exports was largely the result of increased shipments of war materials to the United Kingdom and of airplanes to France during the first half of the month. Trade with Canada and South America also expanded during June and established new highs for any period since the war began. These increases more than offset the severe curtailment of shipments to the Mediterranean Area.

Wholesale commodity prices continued their gradual downward movement during June with the weekly index of the U. S. Department of Labor reaching the lowest point since the first week of September of last year. Prices of industrial commodities at wholesale remained virtually unchanged, while those of building materials declined fractionally. During the first two weeks of July, however, the all-commodity index registered a 1-percent increase, reflecting primarily the rise in the prices of farm products and foods.

General Money Market Conditions

The movement of gold to this country continues unabated. The *Guaranty Survey* estimates that during the four weeks ended July 17, the monetary gold stock of the United States rose $487,000,000, reaching a record figure of $20,256,000,000. Despite offsetting influences, Federal Reserve member bank reserves rose $151,000,000 during this period and total excess reserves of member banks stood at the record total of $6,880,000,000 on July 17.

Reflecting on this condition, the *Wall Street Journal* notes that "the best guide to interest rates continues to be the volume of excess reserves of Federal Reserve member banks. In 19 out of the 29 reporting dates so far in 1940 new record highs have been hit in the level of idle funds for all member banks. During this six and a half month period these excess reserves have climbed from $5,270,000,000 to $6,880,000,000. A year ago the total was $4,490,000,000."

It continues by saying that "At such a high point, any additions to excess reserves are of no great importance. Only a sharp reduction would be likely to influence an upward movement in rates; no such development is in sight. Interest rates, therefore, continue to hold at the extremely low level to which the bankers have now been accustomed. Although further fluctuations from time to time in interest rates are expected no important change is looked for."

Residential Construction

[*Tables 1 and 2*]

■ ALTHOUGH the trend in the seasonally adjusted index of residential building had been downward during the first four calendar months of 1940, more actual construction was being started than in the same 1939 months. By May of this year, however, the sagging volume of new building as measured by permits obtained, had carried the total slightly below the same month in the previous year. The sharp drop which took place in June brought the level of residential construction activity in cities of 10,000 or more population down to 22,500 units, which was 10 percent less than in the corresponding month of 1939.

The current downward movement has not been confined to any particular class or classes of building, but so far in 1940 no individual month has evidenced fewer 1-family or 2-family dwellings built than in the like month of the preceding year. On the other hand, construction of apartments has subsided drastically until in June they amounted to only 54 percent of the June 1939 total. During the year to date, 91,000 1-family homes have been built in communities of over 10,000 population—nearly 12,000 more than in the same 1939 period—while new multifamily dwelling units amounted to 44,000, or 6,000 less than in the comparable period a year ago.

Slowing down of the slum-clearance program of the U. S. Housing Authority from the rapid pace set in the last half of 1939 has contributed to the reversal of the trend in total number of residential units being provided. However, in neither the first six months of 1940, nor in the equivalent period of last year, were these government financed and subsidized projects accounting for more than a relatively small proportion of total new residential construction volume—in each instance approximating 19,000 dwelling units.

Small-House Building Costs

[*Tables 3 and 6*]

■ LITTLE change was evidenced in costs for the construction of a standard 6-room frame house during the last quarter-year. A large majority of the cities reporting in April and July showed no change, or a change of less than $25. Three of the reporting communities had a cost decrease of $100 or more.

Material prices charged by dealers showed no change from April and this index has remained practically unchanged since November 1939. It is 2 percent above the index for June a year ago, however.

The index of wholesale price of building material, which is based upon costs of materials used in all classes of buildings, fell slightly during the month of June, but reports for the first three weeks in July indicate rising prices.

Construction costs for the standard house

[Average month of 1936=100]

Element of cost	June 1940	May 1940	Percent change	June 1939	Percent change
Material	104. 4	104. 4	0. 0	102. 5	+1. 9
Labor	109. 7	109. 9	−0. 2	111. 3	−1. 4
Total	106. 2	106. 2	0. 0	105. 4	+0. 8

Rates paid for labor in constructing the standard house continued the gradual downward swing which was started over a year ago and this index is now down more than 2 percent from the March 1939 peak.

Mortgage Recordings

[*Tables 12 and 13*]

■ DESPITE a general slowing down of mortgage-financing operations during June, the total volume of mortgages of $20,000 or less recorded on nonfarm properties in the United States during the first six months of this year amounted to almost $1,900,000,000, an increase of 15 percent over the corresponding period of 1939. All types of mortgage lenders shared in this rise, which was general throughout, with increases ranging from 25 percent for mutual savings banks to 8 percent for individuals. Savings and loan association recording volume rose $117,000,000, or 24 percent. The proportionate share of total home-financing done by these institutions rose from 29.4 percent in 1939 to 31.7 percent in 1940. Mutual savings banks and insurance companies also increased their share of total business.

Mortgage recordings by type of mortgagee

[Amounts are shown in thousands of dollars]

Type of lender	Percent change from May 1940	Percent of June 1940 amount	Cumulative recordings (six months)	Percent of total recordings
Savings and loan associations	−5. 6	32. 8	$598, 766	31. 7
Insurance companies	−0. 6	8. 1	151, 498	8. 0
Banks, trust companies	−4. 0	24. 6	465, 342	24. 7
Mutual savings banks	+7. 1	4. 7	75, 557	4. 0
Individuals	−9. 2	14. 9	312, 861	16. 6
Others	−3. 7	14. 9	282, 974	15. 0
Total	−4. 6	100. 0	1, 886, 998	100. 0

Individuals led all other classes of lenders in the May-to-June drop which occurred in all classes of lenders except mutual savings banks; this represented a distinct let-down from the rising trend in mortgage-financing operations exhibited throughout the past year. Savings and loan associations, with loans 6 percent below May, displayed greater weakness than any other institutional type, although banks and trust companies as well as the miscellaneous group of mortgagees contributed to the current decline in mortgage recordings. Life insurance companies receded only fractionally.

Despite the downward movement of mortgage financing in June, savings and loan associations accounted for nearly 33 percent of the total for that month as compared with only 30 percent in June of last year.

Foreclosures

■ NORMALLY there is a slight seasonal rise in foreclosure activity in metropolitan communities during June and consequently the 9-percent decrease from May is quite favorable. This decline brought the monthly metropolitan index (1926=100) to 108 for the third time this year (January, April and June). The June figure was 33 percent below that for the same 1939 month.

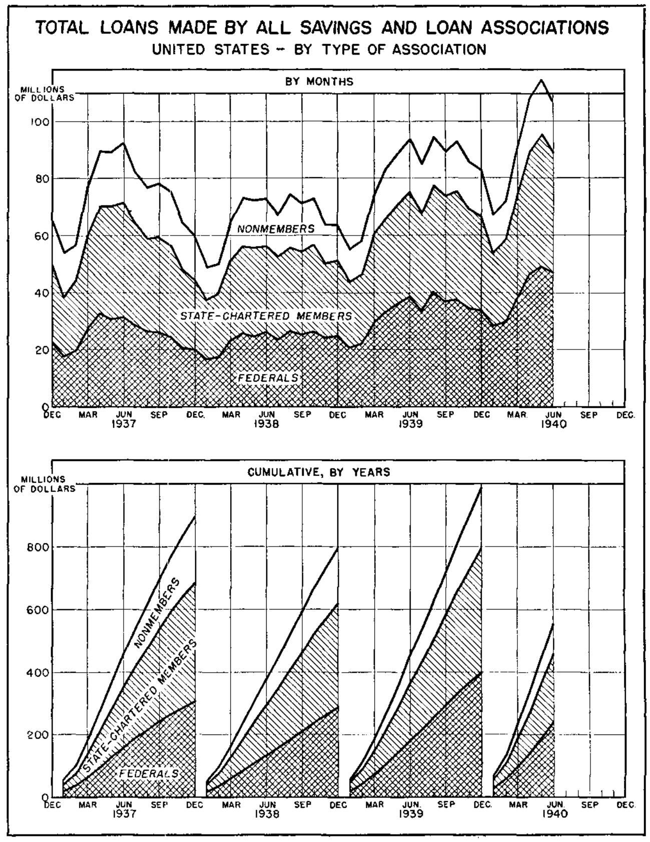
Foreclosures during the first half of this year were 29 percent below the same period for 1939 and only 20 percent above that for 1926.

Of the 85 communities reporting for both May and June, 50 showed decreases and 32 increases, while three reported no change in foreclosure activity from the preceding month.

New Mortgage-Lending Activity of Savings and Loan Associations

[*Tables 4 and 5*]

■ AFTER climbing to post-depression peaks in both April and May of this year, new mortgage-lending activity of savings and loan associations showed signs of slowing up during June. New mortgage loans totaling $107,000,000 were made, a contra-seasonal decrease of $7,600,000, or 7 percent, from the previous month. While new home-financing activity during June was 14 percent above the corresponding month of last year, this is the smallest percentage gain registered over the same month of a previous year since March 1939.



New mortgage loans made in June of this year, despite the sharp drop from May, amounted to almost $13,000,000 more than in June 1939. Federal and State-chartered member institutions showed increases of 21 and 16 percent, respectively, while nonmember institutions declined in this comparison. Construction and home-purchase loans of all savings and loan associations accounted for 92 percent of this $13,000,000 June-to-June increase.

Four Federal Home Loan Bank Districts showed increased total lending activity, but in only one of these Districts did each of the three types of associations register gains over May.

New mortgage loans distributed by purpose

[Amounts are shown in thousands of dollars]

Purpose	June 1940	May 1940	Percent change	June 1939	Percent change
Construction	$35, 523	$36, 956	−3. 9	$29, 919	+18. 7
Home purchase	38, 402	42, 049	−8. 7	32, 228	+19. 2
Refinancing	17, 147	18, 034	−4. 9	17, 123	+0. 1
Reconditioning	5, 691	6, 896	−17. 5	5, 802	−1. 9
Other purposes	10, 221	10, 607	−3. 6	9, 082	+12. 5
Total	106, 984	114, 542	−6. 6	94, 154	+13. 6

Federal Home Loan Bank System

[Table 8; Supplemental Tables A and B]

DURING the six months' period ended June 30, 1940, the advances outstanding of the Federal Home Loan Banks declined from $181,300,000 at the beginning of the year to $157,400,000. This was a 13-percent reduction, as compared with the 15-percent reduction experienced during this same period last year. Gross advances and repayments during the six months totaled $49,100,000 and $73,000,000, respectively, a relative improvement from the standpoint of Bank operations over the $35,900,000 in advances and $65,800,000 in repayments for the comparable period of 1939.

Advances made during the month of June reached the unprecedented high of $23,500,000 while repayments amounted to $3,600,000. These operations resulted in advances outstanding of $157,400,000 on June 30 and reflect the largest monetary ($19,900,000) and percentage (14.5) increases during any given month since the period of organization. A large volume of advances during June is a normal seasonal occurrence as funds are usually required for dividend payments and withdrawal demands at this time of year.

All 12 of the Banks reported more advances during June than in the previous month, and all but one Bank received less repayments. Reports from the Banks indicate that increases in advances outstanding ranged from 4.8 percent in New York to 41.5 percent in Portland. The largest monetary increase of advances outstanding in June was made by the Winston-Salem Bank in the amount of $3,800,000 (28.5 percent), while Portland was the only Bank to exceed its volume of advances outstanding on December 31, 1939.

The membership of the Banks on June 30 totaled 3,914, a net increase of three over May 31, resulting from the admission of eight and the withdrawal of five savings and loan associations. During the fiscal

Condensed consolidated statement of condition of the Federal Home Loan Banks as of June 30, 1940

ASSETS		
CASH	(18.11%)	$47,109,586.84
Cash on hand and on deposit in the U. S. Treasury and commercial banks.		
CASH ON DEPOSIT IN SPECIAL ACCOUNT IN THE U. S. TREASURY	(0.01%)	13,552.50
To provide for retirement of $13,552.50 of consolidated debentures and interest previously matured but not presented for redemption.		
INVESTMENTS	(21.09%)	54,856,103.91
Book value of obligations of the U. S. Government and securities fully guaranteed by it.		
ADVANCES OUTSTANDING	(60.52%)	157,397,047.16
Advances made under provisions of the Federal Home Loan Bank Act to members.		
ACCRUED INTEREST RECEIVABLE	(0.19%)	485,526.68
Interest accrued but not due on investments, deposits, and advances outstanding.		
DEFERRED CHARGES	(0.08%)	198,049.81
Prepaid expense items applicable to future operations.		
OTHER ASSETS	(0.00%)	7,592.45
Accounts receivable and miscellaneous assets.		
TOTAL ASSETS	(100.00%)	$260,067,459.35

As of June 30, 1940, the U. S. Treasury held 74.5 percent of the total capital stock in the Federal Home Loan Banks which represented an investment of $124,741,000. The capital stock of the Banks owned by members totaled $42,647,900, an increase of $1,640,200 or 4.0 percent over December 31, 1939. The members owed a balance of $15,425 on outstanding Bank stock.

The Surplus-Reserve and Undivided Profits accounts of the several Banks reflect an increase from $9,619,481.60 at the close of 1939 to $10,264,036.39 on June 30, 1940, which is a gain of 6.7 percent.

LIABILITIES AND CAPITAL			
Liabilities			
DEPOSITS			$33,171,820.81
Demand and time deposits of members totaled $33,114,867.20 and the deposits of applicants on stock subscribed in connection with membership applications, $56,953.61.			
ACCRUED INTEREST PAYABLE			187,848.47
Interest accrued but not due on members' time deposits, $28,681.83 and on consolidated debentures, $159,166.64.			
DIVIDENDS PAYABLE			542,200.62
Dividends payable in July 1940 on stock as of record June 30, 1940.			
ACCOUNTS PAYABLE			15,057.20
Debentures matured and interest accrued on certificates not presented for payment totaled $13,552.50, while miscellaneous items totaled $1,504.70.			
DEBENTURES OUTSTANDING			48,500,000.00
Consolidated debentures outstanding which are the joint and several obligations of the Federal Home Loan Banks:			
Series C—2%—12-1-40—$25,000,000.			
Series D—2%— 4-1-43—$23,500,000.			
PREMIUMS ON DEBENTURES			13,020.86
Unamortized portion of premiums received on sale of consolidated debentures.			
TOTAL LIABILITIES			$82,429,947.96
Capital			
CAPITAL STOCK:			
Fully paid issued and outstanding		$167,358,200.00	
Subscribed for and partially paid	$30,700.00		
Less unpaid balance	15,425.00		
		15,275.00	
Total paid in		167,373,475.00	
SURPLUS:			
Legal reserve (20% of net earnings to date)		4,908,673.89	
Reserve for contingencies		901,701.25	
Total surplus		5,810,375.14	
UNDIVIDED PROFITS		4,453,661.25	
TOTAL CAPITAL			177,637,511.39
TOTAL LIABILITIES AND CAPITAL			$260,067,459.35

year ended June 30, 1940, the membership declined from 3,946 to 3,914, reflecting the admission of 90 and the withdrawal of 122 members. Mergers and voluntary liquidations accounted for more than 60 percent of the withdrawals. During this period there were 59 State-chartered associations converting to a Federal status. As of June 30, 1940, 96 applications for membership were pending in the several Banks.

The total assets of the 12 Federal Home Loan Banks on June 30, 1940, amounted to more than $260,000,000, as is shown by the condensed consolidated statement of condition, on the previous page, which presents the principal balance sheet items in dollar and percentage figures and briefs the trends of capital stock, surplus, and undivided profits.

Mid-year dividends of the Federal Home Loan Banks have brought the total paid by them on their capital stock since their establishment up to $14,272,763. The United States Treasury has received $11,183,336 of this amount on its share holdings in the Banks and $3,089,427 has gone to member institutions of the Banks. Dividends were declared for the 6-month period ended June 30 by 10 Banks at annual rates ranging from 1 percent to 1¼ percent. These 10 Banks distributed $706,063 in dividends during this period, of which the United States Government received $531,176 and member institutions of the Banks received $174,887. Details relative to current dividends are set forth in the table below.

Interest Rates

Interest rates on advances to members were further reduced by the Banks of New York, Cincinnati, and Boston during the first half of 1940, as shown in the following table. The Federal Home Loan Bank

Interest rates on advances to members [1]

Federal Home Loan Bank	Rate in effect on July 1, 1940	Type of advance
	Percent	
No. 1—Boston	1½	All short-term advances amortized within one year.
	2½	All long-term advances.
No. 2—New York	1½	All short-term advances amortized within one year.
	2½	All long-term advances.
No. 3—Pittsburgh	3	All advances.
No. 4—Winston-Salem	3	All advances.
No. 5—Cincinnati	2½	All advances.
No. 6—Indianapolis [2]	3	All advances.
No. 7—Chicago	3	All advances.
No. 8—Des Moines	3	All advances.
No. 9—Little Rock	3	All advances.
No. 10—Topeka	3	All advances.
No. 11—Portland	3	All advances.
No. 12—Los Angeles	3	All advances.

[1] Banks are required to charge ½ to 1 percent additional on advances to nonmembers.

[2] Effective August 1, 1940, interest rates on all short-term advances for periods up to one year will be 2½ per centum per annum.

Dividends paid or declared by the Federal Home Loan Banks through June 30, 1940

Federal Home Loan Bank	Jan. 1, 1940, through June 30, 1940				Cumulative through June 30, 1940		
	Rate per annum	Members	Government	Total	Members	Government	Total
	Percent						
No. 1—Boston	1.0	$20,096.16	$62,337.50	$82,433.66	$231,017.69	$845,467.11	$1,076,484.80
No. 2—New York	1.0	23,664.19	94,816.00	118,480.19	404,842.05	1,685,484.75	2,090,326.80
No. 3—Pittsburgh [1]					186,426.77	945,574.39	1,132,001.16
No. 4—Winston-Salem [1]					223,120.94	695,907.29	919,028.23
No. 5—Cincinnati	1.0	38,417.64	63,878.50	102,296.14	774,573.82	1,723,203.04	2,497,776.86
No. 6—Indianapolis	1.0	14,576.61	32,887.00	47,463.61	248,376.26	706,534.59	954,910.85
No. 7—Chicago	1.0	23,113.38	70,869.50	93,982.88	406,972.50	1,661,687.45	2,068,659.95
No. 8—Des Moines	1.25	15,242.93	46,218.13	61,461.06	174,160.02	772,967.70	947,127.72
No. 9—Little Rock	1.0	10,377.31	43,862.00	54,239.31	136,568.11	682,890.62	819,458.73
No. 10—Topeka	1.0	8,706.66	36,668.00	45,374.66	85,735.27	423,256.56	508,991.83
No. 11—Portland	1.0	5,887.76	29,800.00	35,687.76	66,645.09	439,190.88	505,835.97
No. 12—Los Angeles	1.0	14,804.07	49,839.50	64,643.57	150,988.81	601,171.61	752,160.42
Total		174,886.71	531,176.13	706,062.84	3,089,427.33	11,183,335.99	14,272,763.32

[1] These Banks declare dividends as of December 31.

of Indianapolis recently announced that the interest rate on all short-term advances for periods up to one year, made on or after August 1, 1940, will be reduced from 3 to 2½ per centum per annum. Provision has been made to refinance at 2½ per centum per annum those short-term advances outstanding on the effective date of the new rate.

The consolidated statement of condition of the 12 Federal Home Loan Banks as of June 30, 1940, and the consolidated statement of profit and loss for the 6-month period ending June 30, 1940, will be found on pages 396 and 398 (Supplemental Tables A and B).

Federal Savings and Loan System

[*Table 7*]

■ NINE additional savings and loan institutions were operating under Federal charter at the end of June than at the close of the preceding month. Assets of the Federal associations as of June 30 amounted to $1,729,000,000, a growth of $42,000,000, or 2.5 percent from May. During the early years of the Federal Savings and Loan System most of the rapid growth was due to new chartering activity, but since few charters are now being issued the great bulk of current growth comes from the acquisition of new share accounts and growth within existing accounts invested in these institutions.

Funds continued to flow into Federal associations in June far in excess of the volume of repurchases, despite the seasonal tendency towards less investment activity immediately prior to the declaration of dividends. Although lending activity of Federals declined in June, the demand for mortgage funds during that month was approximately $2,000,000 in excess of the inflow of money as evidenced by the net increase in private capital plus repayments on outstanding mortgage loans.

Progress in number and assets of Federals

[Amounts are shown in thousands of dollars]

Class of association	Number		Approximate assets	
	June 30, 1940	May 31, 1940	June 30, 1940	May 31, 1940
New	633	633	$506, 588	$490, 762
Converted	796	787	1, 222, 277	1, 195, 948
Total	1, 429	1, 420	1, 728, 865	1, 686, 710

Federal Savings and Loan Insurance Corporation

[*Table 7*]

■ DURING the six years since the organization of the Federal Savings and Loan Insurance Corporation, its assets have grown to nearly $125,000,000. In addition to the $100,000,000 invested by the HOLC in its capital stock, the Corporation by June 30 had accumulated reserves of $23,600,000. These funds are practically all invested in Government and Government-guaranteed bonds.

In the second quarter, the FSLIC issued insurance certificates to 22 associations with assets of $9,600,000, and share and creditor liabilities of $8,400,000. These totals are somewhat below those for the first quarter of this year, and well below the new insurance activity of the second quarter of last year. As of June 30, 1940, there were 2,235 insured associations in which 2,592,000 shareholders had a total repurchasable investment of $2,020,000,000.

Memphis Home-building

(*Continued from p. 372*)

The house was sold for approximately $4,000. Equally attractive is the Bureau-built home shown at the top of page 372. Although both exterior and interior arrangements differ from the house described above, the two dwellings have approximately the same amount of living space.

The Small House Construction Bureau—its preliminary work done and agreements on procedures worked out with the Bank Board—recently became affiliated with the Federal Home Building Service Plan. As a result, homes being built to acceptable standards in Memphis are now registered as certified homes under the Plan. All lenders have been approved and the same architectural services are being offered.

When Memphis issued 1,591 single-dwelling permits in 1939, it more than doubled the previous record established in 1929. More important than new quantity records, however, is the fact that a major American city, with the most advanced requirements for technical advice, planning and supervision, has found a way to enable authorities to enforce the law and assure the public better designed and better constructed homes.

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

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

[Amounts are shown in thousands of dollars]

Type of dwelling	Number of family units provided					Total cost of units				
	Monthly totals			January-June totals		Monthly totals			January-June totals	
	June 1940	May 1940	June 1939	1940	1939	June 1940	May 1940	June 1939	1940	1939
1-family dwellings	16, 873	19, 406	15, 538	91, 362	79, 814	$66, 322. 7	$76, 371. 6	$62, 181. 2	$354, 338. 6	$313, 585. 3
2-family dwellings	1, 146	1, 354	1, 028	6, 928	5, 726	2, 886. 5	3, 345. 6	2, 544. 4	16, 729. 6	14, 448. 7
Joint home and business [2]	54	87	67	354	375	177. 3	397. 8	299. 9	1, 489. 9	1, 616. 2
3-and-more family dwellings	4, 403	8, 115	8, 188	44, 337	50, 490	11, 886. 7	24, 539. 7	25, 870. 5	135, 609. 1	161, 680. 8
Total residential	22, 476	28, 962	24, 821	142, 981	136, 405	81, 273. 2	104, 654. 7	90, 896. 0	508, 167. 2	491, 331. 0

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

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

Table 2.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in June 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	
	June 1940	June 1939	June 1940	June 1939	June 1940	June 1939	June 1940	June 1939
UNITED STATES	22, 476	24, 821	$81, 273. 2	$90, 896. 0	18, 073	16, 633	$69, 386. 5	$65, 025. 5
No. 1—Boston	1, 352	957	5, 439. 4	4, 029. 9	1, 234	902	5, 081. 0	3, 914. 8
Connecticut	348	223	1, 553. 8	970. 9	342	219	1, 536. 8	960. 9
Maine	76	57	196. 8	160. 7	54	46	149. 4	147. 9
Massachusetts	677	480	2, 747. 4	2, 135. 2	587	446	2, 453. 4	2, 055. 2
New Hampshire	58	51	184. 2	180. 8	58	51	184. 2	180. 8
Rhode Island	180	122	693. 5	490. 2	180	116	693. 5	477. 9
Vermont	13	24	63. 7	92. 1	13	24	63. 7	92. 1
No. 2—New York	2, 942	5, 537	11, 193. 4	20, 035. 0	1, 571	1, 947	6, 972. 1	8, 559. 4
New Jersey	982	644	3, 711. 1	2, 785. 2	368	442	1, 657. 8	1, 925. 6
New York	1, 960	4, 893	7, 482. 3	17, 249. 8	1, 203	1, 505	5, 314. 3	6, 633. 8
No. 3—Pittsburgh	934	1, 477	4, 276. 6	6, 633. 4	865	1, 053	4, 122. 7	4, 931. 2
Delaware	10		54. 9		10		54. 9	
Pennsylvania	844	1, 377	3, 849. 4	6, 170. 3	775	957	3, 695. 5	4, 483. 1
West Virginia	80	100	372. 3	463. 1	80	96	372. 3	448. 1

Table 2.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in June 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	
	June 1940	June 1939	June 1940	June 1939	June 1940	June 1939	June 1940	June 1939
No. 4—Winston-Salem	2, 816	3, 217	$9, 262. 0	$9, 923. 5	2, 242	2, 000	$7, 898. 0	$6, 786. 7
Alabama	207	205	456. 8	421. 6	207	189	456. 8	388. 6
District of Columbia	350	457	1, 686. 8	1, 815. 8	198	198	1, 351. 8	1, 089. 8
Florida	645	1, 182	2, 261. 5	3, 603. 6	557	592	2, 010. 6	2, 095. 8
Georgia	534	235	1, 314. 4	566. 4	262	231	646. 0	548. 8
Maryland	285	307	1, 007. 0	1, 052. 5	285	194	1, 007. 0	701. 5
North Carolina	346	362	1, 001. 9	859. 3	314	267	941. 4	726. 2
South Carolina	135	85	295. 2	229. 1	121	82	276. 0	219. 5
Virginia	314	384	1, 238. 4	1, 375. 2	298	247	1, 208. 4	1, 016. 5
No. 5—Cincinnati	1, 996	2, 757	7, 423. 3	10, 526. 5	1, 222	971	5, 227. 3	4, 209. 4
Kentucky	118	115	351. 8	306. 0	113	111	343. 6	299. 0
Ohio	1, 665	1, 314	6, 539. 6	5, 906. 4	896	679	4, 351. 8	3, 361. 7
Tennessee	213	1, 328	531. 9	4, 314. 1	213	181	531. 9	548. 7
No. 6—Indianapolis	2, 002	1, 736	8, 296. 5	7, 737. 6	1, 998	1, 598	8, 288. 0	7, 099. 7
Indiana	512	348	1, 856. 8	1, 254. 5	508	344	1, 848. 3	1, 244. 5
Michigan	1, 490	1, 388	6, 439. 7	6, 483. 1	1, 490	1, 254	6, 439. 7	5, 855. 2
No. 7—Chicago	1, 330	1, 017	6, 440. 1	5, 226. 6	1, 299	1, 008	6, 320. 0	5, 193. 7
Illinois	897	692	4, 656. 1	3, 820. 3	866	686	4, 536. 0	3, 794. 9
Wisconsin	433	325	1, 784. 0	1, 406. 3	433	322	1, 784. 0	1, 398. 8
No. 8—Des Moines	1, 284	1, 005	4, 902. 2	3, 897. 7	1, 230	894	4, 779. 7	3, 519. 7
Iowa	412	309	1, 501. 2	1, 109. 1	400	303	1, 482. 2	1, 102. 1
Minnesota	444	344	1, 913. 0	1, 581. 0	430	298	1, 879. 5	1, 349. 0
Missouri	340	282	1, 243. 6	989. 7	312	227	1, 173. 6	866. 7
North Dakota	33	34	101. 8	125. 8	33	34	101. 8	125. 8
South Dakota	55	36	142. 6	92. 1	55	32	142. 6	76. 1
No. 9—Little Rock	2, 322	2, 001	5, 952. 4	5, 611. 7	1, 706	1, 943	4, 408. 6	5, 416. 5
Arkansas	82	95	196. 9	205. 1	82	91	196. 9	196. 1
Louisiana	252	291	704. 1	804. 8	252	277	704. 1	772. 5
Mississippi	166	183	262. 0	322. 0	162	183	253. 5	322. 0
New Mexico	55	64	132. 3	167. 4	50	64	124. 1	167. 4
Texas	1, 767	1, 368	4, 657. 1	4, 112. 4	1, 160	1, 328	3, 130. 0	3, 958. 5
No. 10—Topeka	798	593	2, 526. 2	1, 898. 2	761	569	2, 476. 1	1, 853. 9
Colorado	258	179	851. 8	569. 2	243	167	841. 8	544. 4
Kansas	156	105	455. 6	301. 9	151	99	449. 6	293. 4
Nebraska	103	88	362. 9	324. 8	90	82	340. 8	313. 8
Oklahoma	281	221	855. 9	702. 3	277	221	843. 9	702. 3
No. 11—Portland	879	686	3, 132. 4	2, 385. 1	774	660	2, 820. 3	2, 338. 6
Idaho	26	27	96. 7	91. 8	22	27	85. 7	91. 8
Montana	47	61	139. 4	161. 4	47	53	139. 4	150. 4
Oregon	241	152	870. 0	562. 1	182	137	660. 0	528. 6
Utah	112	93	385. 3	285. 3	103	90	365. 8	283. 3
Washington	430	339	1, 564. 8	1, 190. 9	397	339	1, 493. 2	1, 190. 9
Wyoming	23	14	76. 2	93. 6	23	14	76. 2	93. 6
No. 12—Los Angeles	3, 821	3, 838	12, 428. 7	12, 990. 8	3, 171	3, 088	10, 992. 7	11, 201. 9
Arizona	206	62	437. 8	201. 7	51	62	155. 6	201. 7
California	3, 599	3, 757	11, 912. 0	12, 683. 0	3, 104	3, 007	10, 758. 2	10, 894. 1
Nevada	16	19	78. 9	106. 1	16	19	78. 9	106. 1

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 July	1939 July	1940			1939		1938 July	1937 July	1936 July
			July	Apr.	Jan.	Oct.	July			
No. 2—New York:										
Atlantic City, N. J	$0. 249	$0. 244	$5, 984	$6, 084	$6, 262	$6, 272	$5, 867	$5, 932	$6, 176	$5, 743
Camden, N. J	. 248	. 232	5, 956	5, 956	5, 942	5, 829	5, 574	5, 705	5, 872	5, 160
Newark, N. J	. 238	. 229	5, 713	5, 708	5, 705	5, 654	5, 492	5, 479	5, 660	5, 100
Albany, N. Y	. 235	. 230	5, 634	5, 682	5, 619	5, 602	5, 522	5, 667	5, 811	5, 301
Buffalo, N. Y	. 238	. 234	5, 713	5, 703	5, 683	5, 914	5, 607	5, 797	6, 120	5, 446
Utica, N. Y	. 261	. 238	6, 257	--------	5, 826	5, 786	5, 706	5, 524	--------	--------
White Plains, N. Y	. 226	. 226	5, 430	5, 580	5, 600	5, 538	5, 433	--------	6, 005	5, 546
No. 6—Indianapolis:										
Evansville, Ind	. 255	. 246	6, 111	6, 110	6, 116	6, 095	5, 897	--------	5, 816	5, 585
Indianapolis, Ind	. 229	. 248	5, 491	5, 486	5, 582	5, 725	5, 956	5, 806	5, 866	5, 486
South Bend, Ind	. 246	. 231	5, 896	5, 898	5, 804	5, 848	5, 553	5, 343	6, 032	5, 541
Detroit, Mich	. 243	. 255	5, 843	5, 822	5, 816	5, 935	6, 118	6, 142	6, 334	5, 293
Grand Rapids, Mich	. 236	. 243	5, 658	5, 515	5, 490	5, 672	5, 824	5, 914	5, 795	5, 118
No. 8—Des Moines:										
Des Moines, Iowa	. 265	. 262	6, 352	6, 342	6, 339	6, 303	6, 287	6, 117	6, 464	6, 089
Duluth, Minn	. 257	. 250	6, 162	6, 188	6, 198	6, 043	6, 000	6, 199	6, 272	6, 571
St. Paul, Minn	. 270	. 273	6, 485	6, 497	6, 525	6, 550	6, 548	6, 546	6, 820	5, 472
Kansas City, Mo	. 245	. 255	5, 879	5, 998	6, 022	5, 960	6, 116	5, 751	6, 239	5, 311
St. Louis, Mo	. 249	. 248	5, 967	6, 114	6, 159	6, 052	5, 959	6, 027	6, 517	6, 108
Fargo, N. Dak	. 240	. 234	5, 752	5, 847	5, 863	5, 841	5, 605	5, 843	6, 029	5, 608
Sioux Falls, S. Dak	. 257	. 251	6, 164	6, 168	6, 099	6, 051	6, 016	6, 374	6, 174	5, 705
No. 11—Portland:										
Boise, Idaho	. 261	. 257	6, 270	6, 253	6, 220	6, 112	6, 161	5, 860	6, 134	5, 656
Great Falls, Mont	. 287	. 289	6, 888	6, 906	6, 956	6, 887	6, 932	7, 109	7, 027	6, 615
Portland, Oreg	. 225	. 214	5, 392	5, 351	5, 345	5, 283	5, 132	5, 087	5, 936	5, 281
Salt Lake City, Utah	. 250	. 251	6, 010	6, 014	6, 035	5, 998	6, 016	5, 911	6, 064	5, 707
Seattle, Wash	. 264	. 261	6, 342	6, 357	6, 315	6, 310	6, 255	6, 256	6, 600	5, 728
Spokane, Wash	. 263	. 255	6, 314	6, 310	6, 313	6, 282	6, 114	6, 620	6, 796	5, 892
Casper, Wyo	. 251	. 272	6, 024	6, 263	6, 435	6, 594	6, 522	6, 452	--------	6, 144

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

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

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

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

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

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

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

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

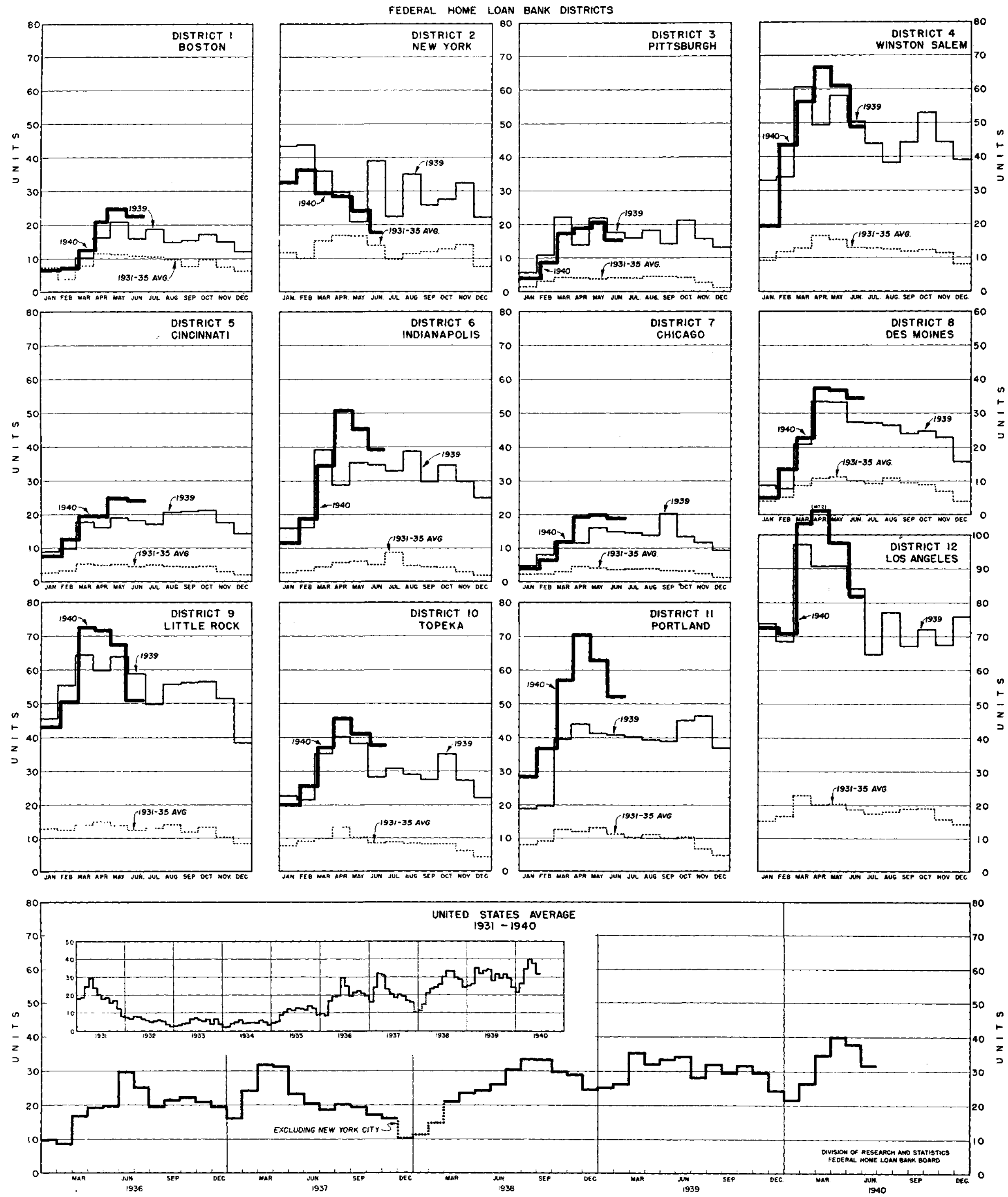


Table 4.—Estimated volume of new mortgage-lending activity of savings and loan associations classified by District and class of association

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and class of association		New loans: June 1940	New loans: May 1940	Percent change, May 1940 to June 1940	New loans, June 1939	Percent change, June 1939 to June 1940	Cumulative new loans (6 months): 1940	Cumulative new loans (6 months): 1939	Cumulative new loans (6 months): Percent change
United States:	Total	$106,984	$114,542	−6.6	$94,154	+13.6	$558,361	$453,956	+23.0
	Federal	47,435	49,287	−3.8	39,094	+21.3	239,334	181,855	+31.6
	State member	42,214	45,803	−7.8	36,465	+15.8	222,194	181,839	+22.2
	Nonmember	17,335	19,452	−10.9	18,595	−6.8	96,833	90,262	+7.3
District No. 1:	Total	11,310	10,966	+3.1	9,254	+22.2	48,830	38,028	+28.4
	Federal	3,900	3,906	−0.2	3,110	+25.4	16,965	11,822	+43.5
	State member	5,738	5,604	+2.4	3,966	+44.7	23,654	17,423	+35.8
	Nonmember	1,672	1,456	+14.8	2,178	−23.2	8,211	8,783	−6.5
District No. 2:	Total	9,969	10,332	−3.5	9,909	+0.6	48,133	43,212	+11.4
	Federal	2,830	3,153	−10.2	4,223	−33.0	14,960	16,181	−7.5
	State member	2,849	2,733	+4.2	2,116	+34.6	13,518	9,965	+35.7
	Nonmember	4,290	4,446	−3.5	3,570	+20.2	19,655	17,066	+15.2
District No. 3:	Total	8,362	9,010	−7.2	8,338	+0.3	44,324	38,756	+14.4
	Federal	3,831	3,663	+4.6	2,707	+41.5	16,881	9,746	+73.2
	State member	2,113	2,265	−6.7	1,944	+8.7	11,158	10,245	+8.9
	Nonmember	2,418	3,082	−21.5	3,687	−34.4	16,285	18,765	−13.2
District No. 4:	Total	15,486	17,636	−12.2	11,853	+30.7	82,244	60,755	+35.4
	Federal	7,853	8,323	−5.6	5,158	+52.2	39,049	24,212	+61.3
	State member	6,128	6,496	−5.7	4,881	+25.5	32,011	26,654	+20.1
	Nonmember	1,505	2,817	−46.6	1,814	−17.0	11,184	9,889	+13.1
District No. 5:	Total	17,390	18,994	−8.4	14,474	+20.1	91,367	72,006	+26.9
	Federal	6,776	7,055	−4.0	5,867	+15.5	34,347	28,749	+19.5
	State member	7,695	9,409	−18.2	7,084	+8.6	43,673	34,573	+26.3
	Nonmember	2,919	2,530	+15.4	1,523	+91.7	13,347	8,684	+53.7
District No. 6:	Total	6,016	5,782	+4.0	4,084	+47.3	28,648	21,195	+35.2
	Federal	3,078	2,713	+13.5	1,904	+61.7	13,516	9,956	+35.8
	State member	2,671	2,701	−1.1	1,852	+44.2	13,347	9,765	+36.7
	Nonmember	267	368	−27.4	328	−18.6	1,785	1,474	+21.1
District No. 7:	Total	10,527	11,358	−7.3	9,771	+7.7	57,856	44,978	+28.6
	Federal	4,774	4,570	+4.5	3,389	+40.9	23,393	15,085	+55.1
	State member	4,670	5,279	−11.5	4,240	+10.1	25,118	19,416	+29.4
	Nonmember	1,083	1,509	−28.2	2,142	−49.4	9,345	10,477	−10.8
District No. 8:	Total	7,195	7,048	+2.1	6,113	+17.7	34,804	27,352	+27.2
	Federal	3,602	3,679	−2.1	2,856	+26.1	16,353	12,812	+27.6
	State member	2,128	1,926	+10.5	1,543	+37.9	10,807	8,134	+32.9
	Nonmember	1,465	1,443	+1.5	1,714	−14.5	7,644	6,406	+19.3
District No. 9:	Total	5,122	5,744	−10.8	5,184	−1.2	29,934	28,991	+3.3
	Federal	1,942	2,236	−13.1	2,011	−3.4	12,049	12,173	−1.0
	State member	2,932	3,284	−10.7	3,083	−4.9	16,599	15,636	+6.2
	Nonmember	248	224	+10.7	90	+175.6	1,286	1,182	+8.8
District No. 10:	Total	4,874	4,815	+1.2	4,501	+8.3	25,481	22,853	+11.5
	Federal	2,569	2,568	+0.0	2,282	+12.6	13,591	11,392	+19.3
	State member	1,149	1,118	+2.8	1,140	+0.8	5,839	5,940	−1.7
	Nonmember	1,156	1,129	+2.4	1,079	+7.1	6,051	5,521	+9.6
District No. 11:	Total	3,592	4,199	−14.5	3,608	−0.4	20,397	16,107	+26.6
	Federal	2,261	2,551	−11.4	1,915	+18.1	12,634	9,715	+30.0
	State member	1,217	1,489	−18.3	1,413	−13.9	6,942	5,581	+24.4
	Nonmember	114	159	−28.3	280	−59.3	821	811	+1.2
District No. 12:	Total	7,141	8,658	−17.5	7,065	+1.1	46,343	39,723	+16.7
	Federal	4,019	4,870	−17.5	3,672	+9.4	25,596	20,012	+27.9
	State member	2,924	3,499	−16.4	3,203	−8.7	19,528	18,507	+5.5
	Nonmember	198	289	−31.5	190	+4.2	1,219	1,204	+1.2

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

[Thousands of dollars]

Period	Purpose of loans					Total loans	Class of association		
	Mortgage loans on homes				Loans for all other purposes		Federals	State members	Nonmembers
	Construction	Home purchase	Refinancing	Reconditioning					
1938	$220, 458	$265, 485	$160, 167	$58, 623	$93, 263	$797, 996	$286, 899	$333, 470	$177, 627
Jan.–June	97, 891	127, 322	81, 956	28, 334	47, 563	383, 066	134, 795	162, 571	85, 700
June	19, 892	25, 636	13, 885	5, 211	8, 443	73, 067	26, 310	30, 350	16, 407
1939	301, 039	339, 629	182, 025	59, 463	104, 227	986, 383	400, 337	396, 041	190, 005
Jan.–June	156, 680	180, 934	99, 027	29, 517	53, 954	520, 112	218, 064	206, 068	95, 980
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.–June	172, 594	197, 868	101, 398	30, 233	56, 268	558, 361	239, 334	222, 194	96, 833
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
March	26, 711	32, 168	16, 769	4, 657	10, 063	90, 368	38, 241	36, 484	15, 643
April	33, 764	37, 821	20, 859	6, 097	9, 460	108, 001	46, 577	43, 015	18, 409
May	36, 956	42, 049	18, 034	6, 896	10, 607	114, 542	49, 287	45, 803	19, 452
June	35, 523	38, 402	17, 147	5, 691	10, 221	106 984	47, 435	42, 214	17, 335

[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: June	89. 7	90. 6	89. 9	88. 7	80. 1	77. 2	113. 0	93. 3
1939: 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
March	93. 3	90. 4	91. 2	97. 8	87. 2	81. 0	107. 3	92. 7
April	92. 5	90. 2	90. 3	96. 1	86. 7	80. 9	107. 3	92. 3
May	92. 5	90. 2	90. 5	96. 6	86. 0	80. 6	107. 3	92. 2
June	92. 4	90. 2	90. 6	96. 0	85. 2	80. 5	107. 3	93. 0
Change:								
June 1940–May 1940	−0. 1%	0. 0%	+0. 1%	−0. 6%	−0. 9%	−0. 1%	0. 0%	+0. 9%
June 1940–June 1939	+3. 2%	−1. 0%	−1. 0%	+5. 8%	+3. 4%	+1. 5%	0. 0%	+3. 9%

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

Table 7.—Progress of institutions insured by the Federal Savings and Loan Insurance Corporation

[Amounts are shown in thousands of dollars]

Period and class of association	Number of associations	Total assets	Net first mortgages held	Private repurchasable capital	Government investment	Federal Home Loan Bank advances	Number of investors	Operations: New investments	Operations: Repurchases	Operations: New mortgage loans
ALL INSURED										
1938: June	2,015	$1,978,476	$1,472,896	$1,315,936	$258,403	$143,004	1,832,800	$27,300	$13,000	$38,350
December	2,097	2,128,706	1,605,511	1,452,692	260,904	149,977	2,035,700	35,900	13,700	36,763
1939: June	2,170	2,339,411	1,769,112	1,657,859	260,451	127,062	2,236,000	40,700	15,800	55,848
July	2,170	2,341,735	1,795,313	1,689,462	257,075	121,031	2,261,900	74,300	52,200	49,488
August	2,177	2,370,200	1,832,587	1,709,642	250,445	120,878	2,282,900	44,900	27,200	57,659
September	2,180	2,399,847	1,869,838	1,725,529	250,570	124,811	2,307,200	36,800	29,000	54,275
October	2,188	2,431,801	1,898,025	1,747,770	250,705	129,881	2,340,200	41,200	24,200	54,605
November	2,189	2,459,038	1,921,717	1,769,033	250,675	129,289	2,351,300	40,000	19,537	49,809
December	2,195	2,506,944	1,943,852	1,811,181	250,725	142,729	2,386,000	48,400	17,445	49,516
1940: January	2,205	2,513,765	1,959,678	1,868,736	238,496	121,271	2,461,000	102,571	57,096	40,342
February	2,211	2,543,417	1,980,887	1,901,162	236,854	111,277	2,504,000	55,332	28,042	43,950
March	2,216	2,576,885	2,011,281	1,928,835	236,714	104,993	2,528,200	51,377	27,195	56,270
April	2,225	2,615,190	2,050,052	1,958,417	236,508	101,569	2,546,800	55,809	28,123	68,034
May	2,231	2,653,685	2,089,761	1,981,445	236,553	104,546	2,560,900	46,655	27,150	70,990
June	2,235	2,708,529	2,129,687	2,019,809	236,913	124,133	2,591,600	43,626	20,418	67,751
FEDERAL										
1938: June	1,336	1,208,357	938,455	760,953	218,567	101,318	1,027,100	18,100	6,200	26,310
December	1,360	1,311,080	1,028,891	857,737	219,673	106,411	1,162,700	23,800	6,700	25,019
1939: June	1,383	1,441,058	1,135,511	990,248	217,026	88,298	1,299,100	27,000	8,100	39,094
July	1,382	1,442,667	1,156,700	1,013,503	214,186	82,146	1,316,900	49,100	31,500	34,055
August	1,384	1,471,714	1,185,800	1,033,325	208,499	84,480	1,336,500	30,200	16,300	40,645
September	1,386	1,484,212	1,205,900	1,041,188	208,524	88,151	1,351,200	24,700	17,200	37,090
October	1,389	1,512,924	1,231,000	1,059,869	208,524	93,096	1,373,300	28,200	14,600	37,854
November	1,390	1,535,895	1,249,900	1,077,918	208,597	93,654	1,384,800	27,300	10,970	34,785
December	1,397	1,574,314	1,268,872	1,108,481	208,777	105,870	1,412,200	32,000	9,231	34,053
1940: January	1,400	1,574,268	1,279,803	1,149,410	197,751	87,592	1,462,700	71,367	37,689	28,008
February	1,403	1,597,550	1,296,198	1,175,480	196,701	79,391	1,496,100	36,951	15,942	29,786
March	1,408	1,623,767	1,317,641	1,197,882	196,619	74,495	1,515,000	35,500	16,200	38,241
April	1,411	1,655,179	1,346,608	1,222,025	196,813	71,577	1,529,500	39,329	16,679	46,577
May [1]	1,415	1,685,324	1,375,683	1,239,973	196,933	74,428	1,538,000	31,915	16,124	49,287
June [2]	1,421	1,727,337	1,403,933	1,267,156	197,268	90,489	1,560,900	29,404	11,022	47,435
STATE										
1938: June	679	770,119	534,441	554,983	39,836	41,686	805,700	9,200	6,800	12,040
December	737	817,626	576,620	594,955	41,231	43,566	873,000	12,100	7,000	11,744
1939: June	787	898,353	633,601	667,611	43,425	38,764	936,900	13,700	7,700	16,754
July	788	899,068	638,613	675,959	42,889	38,885	945,000	25,200	20,700	15,433
August	793	898,486	646,787	676,317	41,946	36,398	946,400	14,700	10,900	17,014
September	794	915,635	663,938	684,341	42,046	36,660	956,000	12,100	11,800	17,185
October	799	918,877	667,025	687,901	42,181	36,785	966,900	13,000	9,600	16,751
November	799	923,143	671,817	691,115	42,078	35,635	966,500	12,700	8,567	15,024
December	798	932,630	674,980	702,700	41,948	36,859	973,800	16,400	8,214	15,463
1940: January	805	939,497	679,875	719,326	40,745	33,679	998,300	31,204	19,407	12,334
February	808	945,867	684,689	725,682	40,153	31,886	1,007,900	18,381	12,100	14,164
March	808	953,118	693,640	730,953	40,095	30,498	1,013,200	15,877	10,995	18,029
April	814	960,011	703,444	736,392	39,695	29,992	1,017,300	16,480	11,444	21,457
May	816	968,361	714,078	741,472	39,620	30,118	1,022,900	14,740	11,026	21,703
June	814	981,192	725,754	752,653	39,645	33,644	1,030,700	14,222	9,396	20,316

[1] In addition, 5 Federals with assets of $1,386,000 had been approved for conversion but had not been insured as of May 31.
[2] In addition, 8 Federals with assets of $1,528,000 had been approved for conversion but had not been insured as of June 30.

Table 8.—Lending operations of the Federal Home Loan Banks

[Thousands of dollars]

Federal Home Loan Bank	June 1940		May 1940		Advances outstanding, June 30, 1940
	Advances	Repayments	Advances	Repayments	
Boston	$1, 225	$117	$377	$448	$5, 743
New York	1, 360	542	381	1, 229	17, 835
Pittsburgh	1, 657	486	773	720	14, 913
Winston-Salem	4, 079	302	2, 362	768	17, 010
Cincinnati	1, 285	227	611	420	14, 645
Indianapolis	1, 310	103	344	185	9, 422
Chicago	2, 982	970	2, 198	549	25, 056
Des Moines	2, 857	172	569	566	14, 369
Little Rock	1, 077	161	79	595	6, 692
Topeka	912	215	221	246	9, 123
Portland	2, 032	43	378	191	6, 785
Los Angeles	2, 705	255	1, 591	269	15, 804
Total	23, 481	3, 593	9, 884	6, 186	157, 397
Jan.–June 1940	49, 111	73, 027			
June 1939	16, 839	5, 789			168, 962
Jan.–June 1939	35, 882	65, 762			
June 1938	14, 846	5, 131			196, 225
Jan.–June 1938	41, 181	45, 050			

Table 9.—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–June 1940:				
Applications:				
Number	1, 862	4, 625	966	5, 591
Amount	$50, 401	$201, 627	$63, 347	$264, 974
Investments:				
Number	1, 831	4, 207	717	4, 924
Amount	$49, 300	$176, 290	$44, 398	$220, 688
Repurchases	$15, 163	$13, 159	$4, 505	$17, 664
Net outstanding investments	$34, 137	$163, 131	$39, 893	$203, 024
June 1940:				
Applications:				
Number	0	0	5	5
Amount	0	0	$500	$500
Investments:				
Number	0	1	5	6
Amount	0	$100	$360	$460
Repurchases	0	0	$100	$100

[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 10.—Summary of operations of HOLC Reconditioning Division through June 30, 1940 [1]

Type of operation	June 1, 1934 through May 31, 1940	June 1, 1940 through June 30, 1940	Cumulative through June 30, 1940
Cases received [2]	1, 203, 529	4, 699	1, 208, 228
Contracts awarded:			
Number	796, 711	3, 924	800, 635
Amount	$158,106,655	$1,092,322	$159, 198, 977
Contracts completed:			
Number	791, 749	4, 118	795, 867
Amount	$155,879,357	$1,192,343	$157, 071, 700

[1] All figures are subject to adjustments. Figures *include* 52,269 reconditioning cases 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 11.—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
March	1, 657
April	1, 323
May	1, 466
June	1, 543
Grand total to June 30, 1940	165, 752

[1] Does not include 7,961 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 165,752 completed cases, 978 properties were sold at foreclosure sale to parties other than the HOLC and 25,891 cases have been withdrawn due to payment of delinquencies by borrowers after foreclosure proceedings were authorized.

Table 12.—Summary of estimated nonfarm mortgage recordings,[1] $20,000 and under, during June 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	45,564	$116,595	5,922	$28,909	26,986	$87,552	4,237	$16,493	27,896	$52,973	16,126	$52,941	126,731	$355,463	$ 3.85
No. 1--Boston	4,061	12,558	289	1,489	990	3,754	2,217	7,597	1,779	3,630	1,115	3,264	10,451	32,292	
Connecticut	319	1,128	77	502	328	1,340	428	1,719	406	912	328	1,288	1,886	6,889	4.53
Maine	289	683	28	95	96	273	164	440	152	229	97	174	826	1,894	3.02
Massachusetts	2,951	9,290	172	830	342	1,404	1,167	4,007	947	2,008	602	1,528	6,181	19,067	4.62
New Hampshire	171	412	3	21	90	265	211	653	82	106	14	26	571	1,483	3.68
Rhode Island	226	792	7	28	79	309	117	377	142	310	65	232	636	2,048	3.05
Vermont	105	253	2	13	55	163	130	401	50	65	9	16	351	911	3.69
No. 2--New York	2,627	8,203	438	2,442	2,039	8,204	1,463	6,808	3,146	7,426	2,017	7,855	11,730	40,938	
New Jersey	1,007	3,306	256	1,252	941	3,829	96	515	1,257	3,202	872	2,964	4,429	15,068	3.85
New York	1,620	4,897	182	1,190	1,098	4,375	1,367	6,293	1,889	4,224	1,145	4,891	7,301	25,870	2.18
No. 3--Pittsburgh	3,145	7,777	273	1,512	2,377	7,503	194	733	1,849	3,884	1,048	3,615	8,886	25,024	
Delaware	68	202	17	100	67	321	39	125	74	204	62	167	327	1,119	5.83
Pennsylvania	2,618	6,688	197	1,096	1,696	5,645	155	608	1,438	3,217	854	3,153	6,956	20,407	2.33
West Virginia	459	887	59	316	614	1,537	------	------	337	463	132	295	1,601	3,498	2.73
No. 4--Winston-Salem	7,175	16,953	974	4,374	2,371	7,024	42	169	4,278	7,753	2,411	6,334	17,251	42,607	
Alabama	206	333	79	363	153	329	------	------	362	673	251	575	1,051	2,273	1.74
District of Columbia	536	2,796	78	603	129	848	------	------	390	1,154	208	999	1,341	6,400	13.16
Florida	902	2,834	292	1,254	259	799	------	------	720	1,764	472	1,509	2,645	8,160	6.86
Georgia	720	1,039	154	735	407	915	------	------	434	747	150	215	1,865	3,651	2.45
Maryland	1,224	2,931	37	219	285	874	42	169	414	795	216	480	2,218	5,468	3.92
North Carolina	2,023	3,591	165	565	331	1,062	------	------	757	707	521	1,269	3,797	7,194	4.58
South Carolina	420	778	47	185	206	534	------	------	446	585	179	345	1,298	2,427	2.95
Virginia	1,144	2,651	122	450	601	1,663	------	------	755	1,328	414	942	3,036	7,034	4.78
No. 5--Cincinnati	6,985	19,402	684	3,253	3,084	9,657	94	358	1,984	3,676	1,620	4,245	14,451	40,591	
Kentucky	1,058	2,257	165	716	525	1,190	------	------	201	381	80	225	2,029	4,769	3.32
Ohio	5,642	16,469	359	2,057	2,118	7,211	94	358	1,398	2,868	866	2,776	10,477	31,739	5.63
Tennessee	285	676	160	480	441	1,256	------	------	385	427	674	1,244	1,945	4,083	2.91
No. 6--Indianapolis	3,602	7,471	636	2,914	3,286	9,300	17	23	1,188	2,186	927	3,369	9,656	25,263	
Indiana	2,515	4,706	273	1,092	1,123	2,920	17	23	447	769	304	880	4,679	10,390	4.26
Michigan	1,087	2,765	363	1,822	2,163	6,380	------	------	741	1,417	623	2,489	4,977	14,873	3.66
No. 7--Chicago	3,770	10,733	377	2,012	1,657	6,166	6	22	1,686	3,730	1,260	5,723	8,756	28,386	
Illinois	2,699	8,006	238	1,331	1,061	4,272	------	------	692	1,674	995	4,875	5,685	20,158	3.04
Wisconsin	1,071	2,727	139	681	596	1,894	6	22	994	2,056	265	848	3,071	8,228	4.00
No. 8--Des Moines	3,326	7,651	553	2,677	2,080	5,213	42	256	2,729	4,674	1,588	4,498	10,318	24,969	
Iowa	871	1,804	105	479	644	1,590	------	------	431	680	232	645	2,283	5,198	3.48
Minnesota	1,236	3,178	244	1,213	595	1,461	42	256	616	1,151	252	808	2,985	8,067	4.83
Missouri	960	2,104	135	759	684	1,898	------	------	1,510	2,644	1,035	2,888	4,324	10,293	4.09
North Dakota	156	355	20	83	51	85	------	------	57	55	46	123	330	701	2.47
South Dakota	103	210	49	143	106	179	------	------	115	144	23	34	396	710	2.35
No. 9--Little Rock	2,932	6,963	707	3,203	786	1,982	------	------	1,927	3,295	1,604	5,030	7,956	20,473	
Arkansas	223	445	39	168	151	252	------	------	219	232	72	188	704	1,285	1.75
Louisiana	802	2,407	29	202	44	98	------	------	278	550	321	1,023	1,474	4,280	3.37
Mississippi	136	247	38	168	96	184	------	------	184	287	102	242	556	1,128	1.74
New Mexico	170	347	3	4	46	149	------	------	132	415	59	93	410	1,008	3.81
Texas	1,601	3,517	598	2,661	449	1,299	------	------	1,114	1,811	1,050	3,484	4,812	12,772	3.68
No. 10--Topeka	2,764	5,978	239	983	935	2,281	------	------	1,422	2,130	820	2,514	6,180	13,886	
Colorado	350	842	28	97	146	332	------	------	576	947	262	922	1,362	3,140	4.17
Kansas	733	1,374	56	253	350	798	------	------	223	295	141	465	1,503	3,185	2.71
Nebraska	731	1,541	77	340	86	257	------	------	219	335	75	239	1,188	2,712	3.42
Oklahoma	950	2,221	78	293	353	894	------	------	404	553	342	888	2,127	4,849	3.53
No. 11--Portland	1,821	4,020	292	959	1,420	3,387	162	527	1,088	1,636	708	2,181	5,491	12,710	
Idaho	130	288	12	32	104	338	------	------	144	204	93	226	483	1,088	4.24
Montana	142	373	16	70	43	115	------	------	100	192	16	28	317	778	2.34
Oregon	401	929	88	300	210	463	26	111	402	536	159	537	1,286	2,876	3.94
Utah	223	564	29	81	283	774	------	------	97	123	47	86	679	1,628	4.15
Washington	847	1,707	147	476	724	1,561	136	416	259	381	372	1,249	2,485	5,790	4.60
Wyoming	78	159	------	------	56	136	------	------	86	200	21	55	241	550	3.61
No. 12--Los Angeles	3,356	8,886	460	3,091	5,961	23,081	------	------	4,820	8,953	1,008	4,313	15,605	48,324	
Arizona	95	266	11	46	163	566	------	------	232	538	51	189	552	1,605	4.77
California	3,240	8,561	446	3,035	5,762	22,389	------	------	4,536	8,295	946	4,082	14,930	46,362	9.17
Nevada	21	59	3	10	36	126	------	------	52	120	11	42	123	357	4.78

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

Table 13.—Estimated volume of nonfarm mortgages recorded, $20,000 and under, 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: June [1]	38,964	33.2	5,114	4.4	25,691	21.9	3,719	3.2	27,929	23.8	15,902	13.5	117,319	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	30,005	31.3	4,392	4.6	21,061	22.0	2,675	2.8	24,884	25.9	12,844	13.4	95,861	100.0
February	31,015	32.8	4,240	4.5	20,110	21.2	2,548	2.7	24,193	25.6	12,548	13.2	94,654	100.0
March	38,734	34.7	4,631	4.2	24,288	21.7	2,823	2.5	27,658	24.7	13,655	12.2	111,789	100.0
April	44,188	35.4	5,484	4.4	26,711	21.4	3,465	2.8	29,532	23.7	15,341	12.3	124,721	100.0
May	49,166	36.3	5,887	4.3	28,495	21.0	4,111	3.0	30,704	22.7	17,219	12.7	135,582	100.0
June	45,564	36.0	5,922	4.7	26,986	21.3	4,237	3.3	27,896	22.0	16,126	12.7	126,731	100.0
Amount:														
1939: June [1]	$96,996	30.2	$24,437	7.6	$82,324	25.7	$13,509	4.2	$52,799	16.5	$50,748	15.8	$320,813	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	74,711	28.4	21,989	8.4	66,342	25.3	10,520	4.0	48,026	18.3	41,095	15.6	262,683	100.0
February	76,944	30.1	21,350	8.4	62,065	24.3	9,485	3.7	45,333	17.7	40,451	15.8	255,628	100.0
March	96,244	32.0	23,084	7.7	75,650	25.2	10,543	3.5	51,596	17.2	43,303	14.4	300,420	100.0
April	110,787	32.5	27,091	8.0	82,569	24.3	13,122	3.9	56,561	16.6	50,203	14.7	340,333	100.0
May	123,485	33.1	29,075	7.8	91,164	24.5	15,394	4.1	58,372	15.7	54,981	14.8	372,471	100.0
June	116,595	32.8	28,909	8.1	87,552	24.6	16,493	4.7	52,973	14.9	52,941	14.9	355,463	100.0

[1] Revised.

Resolutions of the Board

Proposed Amendments

Proposed amendment to rules and regulations for insurance of accounts, relative to percentage of appraised value on loans beyond the 50-mile area.

On June 28, 1940, the Board of Trustees of the Federal Savings and Loan Insurance Corporation adopted a resolution proposing to amend Insurance Regulation 301.11 (d) (4) to permit all insured institutions to extend the maximum percentage of appraised value that may be loaned beyond the 50-mile limit to 75 percent. The proposed amendment substitutes the figure '75' for the figure '66⅔' where it appears in the second sentence of paragraph (4) of this section.

Proposed amendment to rules and regulations for Federal Savings and Loan System, relative to percentage of appraised value on loans beyond the 50-mile area.

The Federal Home Loan Bank Board on the same day adopted a resolution proposing to change Federal Regulation 203.12 (c) (3) by an amendment of similar purpose. This proposed amendment repeals paragraph (3) which now limits to 66⅔ percent the maximum percentage of appraised value that may be loaned by Federals beyond the 50-mile area, and renumbers paragraph (4) to paragraph (3).

Since all Federals must be insured, their operations in this respect will be governed by the preceding amendment to the Insurance Regulations, if adopted.

In accordance with regulations, these proposed amendments will not be approved until at least 30 days after mailing to the Advisory Council.

Balance sheet item	Consolidated	Combined	Boston	New York	Pittsburgh
ASSETS					
CASH:					
On Hand	$ 5,484.32	$ 5,484.32	$ 500.00	$ 500.00	$ 1,200.00
On deposit with:					
U. S. Treasurer	35,265,505.86	35,265,505.86	2,980,197.73	5,185,047.64	273,922.67
Commercial Banks	11,463,596.66	11,463,596.66	2,034,331.98	241,388.75(a)	896,509.24
Commercial Banks - Certificates of Deposit	360,000.00	360,000.00	0	0	0
F. H. L. Bank of New York, Agent	15,000.00	15,000.00	1,250.00	1,250.00	1,250.00
Other Federal Home Loan Banks	0	2,700,000.00	0	2,000,000.00	0
Total Cash	47,109,586.84	49,809,586.84	5,016,279.71	7,428,186.39(a)	1,172,881.91(b)
Deposit with U. S. Treasurer for matured obligations	13,552.50	0	0	0	0
INVESTMENTS:					
U. S. Government obligations and securities fully guaranteed by United States	54,856,103.91	54,856,103.91	9,207,287.55	2,207,081.93	5,505,923.54
ADVANCES OUTSTANDING - Members	157,397,047.16	157,397,047.16	5,742,629.00	17,834,544.93	14,913,220.55
ACCRUED INTEREST RECEIVABLE					
Deposits - other F. H. L. Banks	0	124.32	0	95.63	0
Investments	221,783.16	221,783.16	32,649.17	14,952.51	24,926.65
Advances to members	263,173.25	263,173.25	5,721.98	44,212.10	47,738.46
Other	570.27	570.27	0	0	0
Total Accrued Interest Receivable	485,526.68	485,651.00	38,371.15	59,260.24	72,665.11
DEFERRED CHARGES:					
Prepaid debenture expense	40,993.40	40,993.40	0	0	6,020.76
Prepaid assessment - F. H. L. B. Board	150,000.00	150,000.00	9,501.21	13,408.82	14,530.80
Prepaid surety bond and insurance premiums	7,048.59	7,048.59	515.73	1,118.99	503.49
Other	7.82	7.82	0	0	0
Total Deferred Charges	198,049.81	198,049.81	10,016.94	14,527.81	21,055.05
OTHER ASSETS:					
Accounts receivable	5,892.45	5,892.45	379.15	250.00	1,983.91
Miscellaneous	1,700.00	1,700.00	0	0	0
Total Other Assets	7,592.45	7,592.45	379.15	250.00	1,983.91
TOTAL ASSETS	$260,067,469.35	$262,754,031.17	$20,014,963.50	$27,543,851.30	$21,687,730.07
LIABILITIES AND CAPITAL					
LIABILITIES:					
DEPOSITS:					
Members - time	$ 28,102,032.02	$ 28,102,032.02	$ 2,657,457.95	$ 2,520,915.18	$ 960,899.32
Members - demand	5,012,835.18	5,012,835.18	282,000.00	154,400.00	125,000.00
Applicants	56,953.61	56,953.61	675.00	4,475.00	18,678.61
Other Federal Home Loan Banks	0	2,700,000.00	0	0	0
Total Deposits	33,171,820.81	35,871,820.81	2,940,132.95	2,679,790.18	1,104,577.93
ACCRUED INTEREST PAYABLE:					
Deposits - members	28,681.83	28,681.83	6,041.55	122.04	2,552.26
Deposits - other F. H. L. Banks	0	124.32	0	0	0
Consolidated Debentures	159,166.64	159,166.64	0	0	22,500.00
Total Accrued Interest Payable	187,848.47	187,972.79	6,041.55	122.04	25,052.26
DIVIDENDS PAYABLE:					
U. S. Government	399,692.13	399,692.13	62,337.50	0	0
Members	142,508.49	142,508.49	20,096.16	0	0
Total Dividends Payable	542,200.62	542,200.62	82,433.66	0	0
ACCOUNTS PAYABLE	1,504.70	1,504.70	0	0	208.34
PREMIUMS ON CONSOLIDATED DEBENTURES	13,020.86	13,020.86	0	0	781.25
*CONSOLIDATED DEBENTURES:					
2% Series C due December 1, 1940	25,000,000.00	25,000,000.00	0	0	1,500,000.00
2% Series D due April 1, 1943	23,500,000.00	23,500,000.00	0	0	4,000,000.00
Total Consolidated Debentures	48,500,000.00	48,500,000.00	0	0	5,500,000.00
MATURED OBLIGATIONS:					
Consolidated debentures	10,000.00	0	0	0	0
Interest on consolidated debentures	3,552.50	0	0	0	0
Total Matured Obligations	13,552.50	0	0	0	0
Total Liabilities	$ 82,429,947.96	$ 85,116,519.78	$ 3,028,608.16	$ 2,679,912.22	$ 6,630,619.78
CAPITAL:					
CAPITAL STOCK (PAR):					
Members (fully paid)	$ 42,617,200.00	$ 42,617,200.00	$ 4,063,700.00	$ 4,845,000.00	$ 2,757,600.00
Members (partially paid)	30,700.00	30,700.00	0	0	3,900.00
Total	42,647,900.00	42,647,900.00	4,063,700.00	4,845,000.00	2,761,500.00
Less: Unpaid subscriptions	15,425.00	15,425.00	0	0	2,100.00
	42,632,475.00	42,632,475.00	4,063,700.00	4,845,000.00	2,759,400.00
U. S. Government (fully paid)	124,741,000.00	124,741,000.00	12,467,500.00	18,963,200.00	11,146,300.00
Total paid in on Capital Stock	167,373,475.00	167,373,475.00	16,531,200.00	23,808,200.00	13,905,700.00
SURPLUS:					
Reserve as required under Section 16 of Act	4,908,673.89	4,908,673.89	306,365.02	629,260.84	456,682.29
Reserve for contingencies	901,701.25	901,701.25	0	104,893.21	0
Total Surplus	5,810,375.14	5,810,375.14	306,365.02	734,154.05	456,682.29
UNDIVIDED PROFITS:	4,453,661.25	4,453,661.25	148,790.32	321,585.03	694,728.00
Total Surplus and Undivided Profits	10,264,036.39	10,264,036.39	455,155.34	1,055,739.08	1,151,410.29
Total Capital	$177,637,511.39	$177,637,511.39	$16,986,355.34	$24,863,939.08	$15,057,110.29
TOTAL LIABILITIES AND CAPITAL	$260,067,459.35	$262,754,031.17	$20,014,963.50	$27,543,851.30	$21,687,730.07

(a) As of June 30, 1940 the New York Bank administered as Agent for the 12 Banks an imprest fund of $15,000, from which debenture expenses, other than brokerage commissions
(b) In addition the Pittsburgh Bank on June 30, 1940, held in trust for certain associations in Altoona, Pennsylvania, the sum of $569,363.73 representing proceeds of
* Consolidated Federal Home Loan Bank debentures issued by the Federal Home Loan Bank Board and now outstanding are the joint and several obligations of all Federal

the Federal Home Loan Banks as of June 30, 1940

	Winston-Salem	Cincinnati	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	Portland	Los Angeles
	$ 10.00	$ 510.00	$ 2,154.31	$ 300.00	$ 25.01	$ 25.00	$ 25.00	$ 0	$ 235.00
	2,393,055.34	5,230,011.41	2,421,557.80	3,206,232.49	3,309,471.55	4,843,275.21	2,319,882.25	737,445.74	2,365,406.03
	840,220.39	900,301.69	750,146.01	5,140,783.27	70,219.42	0	4,917.40	210,000.00	374,778.51
	0	0	360,000.00	0	0	0	0	0	0
	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00
	0	700,000.00	0	0	0	0	0	0	0
	3,234,535.73	6,832,073.10	3,535,108.12	8,348,565.76	3,380,965.98	4,844,550.21	2,320,074.65	948,695.74	2,741,669.54
	0	0	0	0	0	0	0	0	0
	1,519,182.90	13,452,312.01	8,448,878.48	4,440,000.00	1,367,000.00	2,200,000.00	1,938,750.00	1,355,000.00	3,214,687.50
	17,010,237.00	14,644,948.53	9,421,954.95	25,056,486.23	14,369,080.00	6,692,327.62	9,122,588.58	6,785,386.61	15,803,643.16
	0	0	28.69	0	0	0	0	0	0
	6,044.41	53,605.75	27,711.65	17,308.81	11,086.25	10,556.94	11,706.04	2,427.85	8,807.13
	47,111.42	41,854.28	4,605.59	5,926.18	11,710.54	14,282.04	13,597.36	16,430.79	9,982.51
	0	0	0	570.27	0	0	0	0	0
	53,155.83	95,488.72	32,887.51	23,234.99	22,796.79	24,838.98	25,303.40	18,858.64	18,789.64
	4,479.45	4,392.34	4,131.82	6,902.79	7,229.27	2,236.18	3,010.52	0	2,590.27
	12,762.38	17,085.25	11,922.06	19,368.82	12,650.98	9,884.14	9,745.97	6,261.69	12,877.88
	313.05	1,312.74	426.64	207.38	436.07	506.34	476.65	475.22	755.69
	7.82	0	0	0	0	0	0	0	0
	17,563.30	22,790.33	16,480.52	26,478.99	20,316.32	12,626.66	13,233.14	6,736.91	16,223.84
	130.00	582.55	153.90	275.00	0	102.05	0	75.00	1,960.89
	1,050.00	0	0	75.00	0	0	0	0	575.00
	1,180.00	582.55	153.90	350.00	0	102.05	0	75.00	2,535.89
	$21,835,854.76	$35,048,195.24	$21,455,463.48	$37,895,115.97	$19,160,159.09	$13,774,445.52	$13,425,949.77	$9,114,752.90	$21,797,549.57
	$ 1,401,806.68	$ 4,609,500.00	$ 6,587,424.50	$ 6,481,178.81	$ 952,849.58	0	$ 914,000.00	0	$ 1,016,000.00
	0	3,012,902.24	183,716.92	0	23,477.89	73,254.83	56,320.95	682,500.00	419,262.35
	4,975.00	14,100.00	0	4,150.00	4,925.00	0	0	175.00	4,800.00
	0	0	0	0	0	0	0	700,000.00	2,000,000.00
	1,406,781.68	7,636,502.24	6,771,141.42	6,485,328.81	981,252.47	73,254.83	970,320.95	1,382,675.00	3,440,062.35
	5,562.71	116.00	11,235.80	2,876.82	54.47	0	120.18	0	0
	0	0	0	0	0	0	0	28.69	95.63
	17,500.00	17,083.33	15,833.32	28,333.33	27,500.00	8,333.33	11,250.00	0	10,833.33
	23,062.71	17,199.33	27,069.12	31,210.15	27,554.47	8,333.33	11,370.18	28.69	10,928.96
	0	63,878.50	32,887.00	70,869.50	46,218.13	43,862.00	0	29,800.00	49,839.50
	0	38,410.27	14,576.61	23,113.38	15,242.93	10,377.31	0	5,887.76	14,804.07
	0	102,288.77	47,463.61	93,982.88	61,461.06	54,239.31	0	35,687.76	64,643.57
	0	25.00	40.56	0	0	0	0	1,200.00	30.80
	1,562.50	1,432.24	1,041.77	4,166.67	1,562.50	260.52	390.47	0	1,822.94
	3,000,000.00	2,750,000.00	2,000,000.00	8,000,000.00	3,000,000.00	500,000.00	750,000.00	0	3,500,000.00
	2,500,000.00	2,500,000.00	2,500,000.00	3,000,000.00	4,500,000.00	1,500,000.00	2,000,000.00	0	1,000,000.00
	5,500,000.00	5,250,000.00	4,500,000.00	11,000,000.00	7,500,000.00	2,000,000.00	2,750,000.00	0	4,500,000.00
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	6,931,406.89	13,007,447.58	11,346,756.48	17,614,688.51	8,571,830.50	2,136,087.99	3,732,081.60	1,419,591.45	8,017,488.62
	4,513,800.00	7,810,100.00	2,961,600.00	4,810,400.00	2,532,600.00	2,125,600.00	1,779,200.00	1,274,000.00	3,143,600.00
	3,000.00	11,100.00	500.00	1,800.00	1,600.00	0	0	800.00	8,000.00
	4,516,800.00	7,821,200.00	2,962,100.00	4,812,200.00	2,534,200.00	2,125,600.00	1,779,200.00	1,274,800.00	3,151,600.00
	1,750.00	4,775.00	375.00	1,025.00	1,200.00	0	0	200.00	4,000.00
	4,515,050.00	7,816,425.00	2,961,725.00	4,811,175.00	2,533,000.00	2,125,600.00	1,779,200.00	1,274,600.00	3,147,600.00
	9,208,200.00	12,775,700.00	6,577,400.00	14,173,900.00	7,394,900.00	8,772,400.00	7,333,600.00	5,960,000.00	9,967,900.00
	13,723,250.00	20,592,125.00	9,539,125.00	18,985,075.00	9,927,900.00	10,898,000.00	9,112,800.00	7,234,600.00	13,115,500.00
	420,045.21	789,460.46	304,908.25	672,802.48	321,571.38	311,975.28	218,713.21	193,286.25	283,603.22
	152,334.49	194,473.55	0	0	150,000.00	0	0	200,000.00	100,000.00
	572,379.70	983,934.01	304,908.25	672,802.48	471,571.38	311,975.28	218,713.21	393,286.25	383,603.22
	608,818.17	464,688.65	264,673.75	622,549.98	188,857.21	428,382.25	362,354.90	67,275.20	280,957.73
	1,181,197.87	1,448,622.66	569,582.00	1,295,352.46	660,428.59	740,357.53	581,068.17	460,561.45	664,560.95
	$14,904,447.87	$22,040,747.66	$10,108,707.00	$20,280,427.46	$10,588,328.59	$11,638,357.53	$ 9,693,868.17	$ 7,695,161.45	$13,780,060.95
	$21,835,854.76	$35,048,195.24	$21,455,463.48	$37,895,115.97	$19,160,159.09	$13,774,445.52	$13,425,949.77	$ 9,114,752.90	$21,797,549.57

and interest are paid. In addition the New York Bank held as Agent $122.80 for the payment of premiums on employees' group life insurance in the several Banks.
RFC loans in connection with a plan of reorganization.
Home Loan Banks.

	Consolidated	Combined	Boston	New York	Pittsburgh
GROSS OPERATING INCOME:					
Interest earned on advances	$ 2,084,654.32	$2,084,654.32	$ 71,769.94	$ 218,574.86	$ 213,441.34
Interest earned on investments	490,811.44	490,811.44	79,331.61	16,291.77	51,490.29
Interest earned on deposits - other F. H. L. Banks	0	3,541.68	833.34	1,491.12	0
Interest earned on deposits - commercial banks	570.27	570.27	0	0	0
Gross Operating Income	2,576,036.03	2,579,577.71	151,934.89	236,357.75	264,931.63
LESS - OPERATING CHARGES:					
Compensation, Travel, etc. (Detail below)	482,507.58	482,507.58	30,251.81	65,966.72	59,358.92
Interest on debentures	469,374.98	469,374.98	0	0	54,062.50
Debenture expense - commissions	16,291.57	16,291.57	0	0	1,624.98
Debenture expense - other	8,184.88	8,184.88	682.07	682.07	682.07
Interest on deposits - members	121,058.23	121,058.23	6,329.97	10,845.67	5,381.68
Interest on deposits - other F. H. L. Banks	0	3,541.68	0	0	597.68
Assessment for expenses of F. H. L. B. Board	150,000.00	150,000.00	8,488.42	15,618.87	13,595.31
Total Operating Charges	1,247,417.24	1,250,958.92	45,752.27	93,113.33	135,303.14
NET OPERATING INCOME	1,328,618.79	1,328,618.79	106,182.62	143,244.42	129,628.49
ADD - NON-OPERATING INCOME:					
Profit on Sale of Investments	29,361.45	29,361.45	0	0	0
Miscellaneous	146.81	146.81	0	0	0
Total Non-operating Income	29,508.26	29,508.26	0	0	0
LESS - NON-OPERATING CHARGES:					
Premium charged off on investments	7,516.79	7,516.79	0	0	0
NET INCOME	$ 1,350,610.26	$1,350,610.26	$106,182.62	$143,244.42	$129,628.49
DETAIL OF COMPENSATION, TRAVEL AND OTHER EXPENSES:					
COMPENSATION:					
Directors' fees	$ 20,170.00	$ 20,170.00	$ 1,200.00	$ 2,880.00	$ 1,575.00
Officers' salaries	138,349.98	138,349.98	13,125.00	12,649.98	10,650.00
Counsel's compensation	24,025.00	24,025.00	1,600.00	3,000.00	2,800.00
Other salaries	132,857.06	132,857.06	4,600.00	23,179.00	25,983.75
Total Compensation	315,402.04	315,402.04	20,525.00	41,708.98	41,008.75
TRAVEL EXPENSE:					
Directors	14,927.93	14,927.93	506.36	1,002.86	1,636.41
Officers	15,404.85	15,404.85	1,201.44	2,063.85	1,742.56
Other	9,348.98	9,348.98	41.05	2,252.12	909.83
Total Travel Expense	39,681.76	39,681.76	1,748.85	5,318.83	4,288.80
OTHER EXPENSES:					
Telephone and telegraph	10,105.34	10,105.34	450.91	1,274.44	1,282.57
Postage and express	11,205.67	11,205.67	298.06	1,970.26	1,006.49
Light, power, etc.	4,187.89	4,187.89	236.54	1,338.62	84.11
Stationery, printing and supplies	14,063.55	14,063.55	957.14	3,217.15	1,052.45
Insurance and surety bond premiums	12,472.84	12,472.84	909.50	1,764.20	1,017.59
Furniture and fixtures purchased	4,244.86	4,244.86	210.11	567.00	546.49
Rent, less rental charged Examining Division - F. H. L. B. Board	28,495.54	28,495.54	1,249.98	4,174.98	3,763.08
Services of Examining Division	22,549.13	22,549.13	1,242.45	3,074.17	3,609.96
Miscellaneous operating expense	20,098.96	20,098.96	2,423.27	1,558.09	1,698.63
Total Other Expenses	127,423.78	127,423.78	7,077.96	18,938.91	14,061.37
TOTAL	$ 482,507.58	$ 482,507.58	$ 30,251.81	$ 65,966.72	$ 59,358.92

Analysis of Surplus - Reserves

	Consolidated	Combined	Boston	New York	Pittsburgh
SURPLUS - RESERVE SECTION 16 OF ACT:					
Credit Balance - December 31, 1939	$ 4,638,551.83	$4,638,551.83	$285,128.49	$600,611.95	$ 430,756.59
Add: 20% net earnings first half 1940	270,122.06	270,122.06	21,236.53	28,648.89	25,925.70
Credit Balance - June 30, 1940	4,908,673.89	4,908,673.89	306,365.02	629,260.84	456,682.29
SURPLUS - RESERVE FOR CONTINGENCIES:					
Credit Balance - December 31, 1939	901,701.25	901,701.25	0	104,893.21	0
Credit Balance - June 30, 1940	901,701.25	901,701.25	0	104,893.21	0
UNDIVIDED PROFITS:					
Credit Balance - December 31, 1939	4,079,228.52	4,079,228.52	146,277.89	325,469.69	501,025.21
Add: Profit first half 1940	1,350,610.26	1,350,610.26	106,182.62	143,244.42	129,628.49
December 1939 Dividend adjustment-members	7.37	7.37	0	0	0
Total Additions	1,350,617.63	1,350,617.63	106,182.62	143,244.42	129,628.49
Deduct: Dividends declared June 30, 1940 - U. S. Government	531,176.13	531,176.13	62,337.50	94,816.00	0
- Members	174,886.71	174,886.71	20,096.16	23,664.19	0
Allocation to legal reserve	270,122.06	270,122.06	21,236.53	28,648.89	25,925.70
Allocation to reserve for contingencies	0	0	0	0	0
Total Deductions	976,184.90	976,184.90	103,670.19	147,129.08	25,925.70
Credit Balance - June 30, 1940	$ 4,453,661.25	$4,453,661.25	$148,790.32	$321,585.03	$604,728.00
TOTAL SURPLUS AND UNDIVIDED PROFITS	$10,264,036.39	$10,264,036.39	$455,155.34	$1,055,739.08	$1,151,410.29

Home Loan Banks for the period Jan. 1, 1940, through June 30, 1940

Winston-Salem	Cincinnati	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	Portland	Los Angeles
$ 202,084.02	$ 206,899.09	$131,736.54	$ 338,699.25	$196,582.35	$105,623.74	$134,022.83	$ 69,270.46	$195,943.90
19,869.50	106,262.85	67,809.24	32,561.71	19,270.53	29,570.12	23,611.62	14,105.31	30,636.89
0	178.96	0	1,038.26	0	0	0	0	0
0	0	570.27	0	0	0	0	0	0
221,953.52	313,340.90	200,116.05	372,299.22	215,852.88	135,199.86	157,634.45	83,375.77	226,580.79
39,642.79	53,302.10	30,327.07	44,061.03	30,379.39	35,939.42	28,612.60	25,002.31	39,663.42
53,125.00	50,781.24	43,749.98	105,000.00	73,125.00	19,687.52	27,031.22	0	42,812.52
1,874.94	1,770.84	1,458.36	4,083.33	2,374.98	583.32	812.48	0	1,708.34
682.08	682.08	682.08	682.07	682.07	682.08	682.07	682.07	682.07
5,765.69	11,022.13	22,947.96	44,354.68	4,329.04	0	5,615.78	0	4,465.63
196.72	0	218.58	0	628.42	0	0	28.69	1,871.59
11,376.85	19,872.79	10,810.05	20,124.40	11,605.96	8,443.69	9,062.02	9,292.82	11,708.82
112,664.07	137,431.18	110,194.08	218,305.51	123,124.86	65,336.03	71,816.17	35,005.89	102,912.39
109,289.45	175,909.72	89,921.97	153,993.71	92,728.02	69,863.83	85,818.28	48,369.88	123,668.40
0	0	7,520.82	0	0	21,840.63	0	0	0
0	0	0	146.81	0	0	0	0	0
0	0	7,520.82	146.81	0	21,840.63	0	0	0
0	0	7,516.79	0	0	0	0	0	0
$ 109,289.45	$ 175,909.72	$ 89,926.00	$ 154,140.52	$ 92,728.02	$ 91,704.46	$ 85,818.28	$ 48,369.88	$123,668.40
$ 1,220.00	$ 2,450.00	$ 1,050.00	$ 1,420.00	$ 1,800.00	$ 1,650.00	$ 1,540.00	$ 1,960.00	$ 1,425.00
10,000.00	15,900.00	9,050.00	12,925.00	11,850.00	14,050.00	8,750.00	7,700.00	11,700.00
1,200.00	2,500.00	1,500.00	2,500.00	1,625.00	1,650.00	1,500.00	1,200.00	2,950.00
12,517.00	13,923.53	7,769.20	11,160.00	3,690.00	8,082.75	7,530.00	4,647.83	9,774.00
24,937.00	34,773.53	19,369.20	28,005.00	18,965.00	25,432.75	19,320.00	15,507.83	25,849.00
1,343.17	1,513.35	644.63	814.52	1,321.67	1,935.55	1,260.35	1,940.13	1,008.93
1,566.38	1,221.91	930.87	429.87	1,360.91	1,423.10	847.54	744.99	1,871.43
1,870.54	545.75	954.93	971.90	93.40	208.94	200.10	1,153.67	146.75
4,780.09	3,281.01	2,530.43	2,216.29	2,775.98	3,567.59	2,307.99	3,838.79	3,027.11
985.79	983.36	636.29	738.29	532.67	1,046.59	472.45	397.04	1,304.94
914.55	1,165.76	729.32	1,498.58	872.46	730.24	430.38	450.00	1,139.57
128.54	444.28	291.51	879.69	164.75	316.65	0	0	303.20
1,318.80	1,974.08	631.28	781.80	518.33	815.54	626.10	418.77	1,752.11
618.10	1,484.59	909.70	1,076.76	742.01	1,151.32	794.04	765.34	1,239.69
169.50	962.52	215.48	147.59	226.80	218.49	115.20	365.68	500.00
1,432.50	4,200.02	1,590.00	5,100.00	1,999.98	900.00	2,100.00	1,350.00	635.00
2,285.27	1,954.68	1,696.34	2,869.04	1,225.59	584.65	1,201.05	785.08	2,020.85
2,072.65	2,078.27	1,727.52	747.99	2,355.82	1,175.60	1,245.39	1,123.78	1,891.95
9,925.70	15,247.56	8,427.44	13,839.74	8,638.41	6,939.08	6,984.61	5,655.69	10,787.31
$ 39,642.79	$ 53,302.10	$ 30,327.07	$ 44,061.03	$ 30,379.39	$ 35,939.42	$ 28,612.60	$ 25,002.31	$ 39,663.42

and Undivided Profits

$ 398,187.32	$ 754,278.52	$286,923.05	$ 641,974.38	$303,025.78	$293,634.39	$201,549.55	$ 183,612.27	$ 258,869.54
21,857.89	35,181.94	17,985.20	30,828.10	18,545.60	18,340.89	17,163.66	9,673.98	24,733.68
420,045.21	789,460.46	304,908.25	672,802.48	321,571.38	311,975.28	218,713.21	193,286.25	283,603.22
152,334.49	194,473.55	0	0	150,000.00	0	0	200,000.00	100,000.00
152,334.49	194,473.55	0	0	150,000.00	0	0	200,000.00	100,000.00
521,386.61	426,249.64	240,196.56	593,220.44	176,135.85	409,257.99	339,075.00	64,267.06	246,666.58
109,289.45	175,909.72	89,926.00	154,140.52	92,728.02	91,704.46	85,818.28	48,369.88	123,668.40
0	7.37	0	0	0	0	0	0	0
109,289.45	175,917.09	89,926.00	154,140.52	92,728.02	91,704.46	85,818.28	48,369.88	123,668.40
0	63,878.50	32,887.00	70,869.50	46,218.13	43,862.00	36,668.00	29,800.00	49,839.50
0	38,417.64	14,576.61	23,113.38	15,242.93	10,377.31	8,706.66	5,887.76	14,804.07
21,857.89	35,181.94	17,985.20	30,828.10	18,545.60	18,340.89	17,163.66	9,673.98	24,733.68
0	0	0	0	0	0	0	0	0
21,857.89	137,473.08	65,448.81	124,810.98	80,006.66	72,580.20	62,538.32	45,361.74	89,377.25
608,818.17	464,683.65	264,673.75	622,549.98	188,857.21	428,382.25	362,354.96	67,275.20	280,957.73
$1,131,197.87	$1,448,622.66	$569,582.00	$1,295,352.46	$660,428.59	$740,357.53	$581,068.17	$460,561.45	$664,560.95

Directory of Member, Federal, and Insured Institutions

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

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

DISTRICT NO. 3

PENNSYLVANIA:
  Altoona:
    Investment Building & Loan Association of Altoona, Pennsylvania.
    Kittanning Building & Loan Association of Altoona, Pennsylvania.

DISTRICT NO. 7

ILLINOIS:
  Chicago:
    West Albany Park Savings & Loan Association, 4204 Lawrence Avenue.
  Edwardsville:
    Clover Leaf Loan, 406 National Bank Building.

DISTRICT NO. 8

MINNESOTA:
  Winona:
    Fidelity Building & Loan Association of Winona, Minnesota.

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN JUNE 16 AND JULY 15, 1940

CALIFORNIA:
  Los Angeles:
    Torrance Mutual Building & Loan Association, 1335 Post Avenue (merger with, and transfer of 48 shares of Bank stock to, Lincoln Building & Loan Association, Los Angeles, California).
INDIANA:
  Indianapolis:
    South Park Saving & Loan Association, 301 Kresge Building (conversion by way of merger with, and under name of, Union Federal Savings & Loan Association, Indianapolis, Indiana).
NEVADA:
  Reno:
    American Loan Society, 130 West Second Street (voluntary withdrawal).
NEW JERSEY:
  Camden:
    Mickle Building & Loan Association, Broadway at Berkeley (sale of assets and transfer of 15 shares of Bank stock to Fidelity Mutual Building & Loan Association, Camden, New Jersey).
  Union City:
    Greater City Building & Loan Association, 336 Forty-eighth Street (voluntary liquidation).
NORTH CAROLINA:
  Raleigh:
    Durham Life Insurance Company, 324 Lafayette Street (voluntary withdrawal).
    Occidental Life Insurance Company, Professional Building (voluntary withdrawal).
OHIO:
  Trenton:
    Trenton Building & Loan Association (liquidation).
PENNSYLVANIA:
  Pittsburgh:
    Pittsburgh Realty Building & Loan Association, 316 Fourth Avenue (voluntary liquidation).
WISCONSIN:
  West Allis:
    Greenfield Avenue Building & Loan Association, 7245 Greenfield Avenue (voluntary liquidation).

II. FEDERAL SAVINGS AND LOAN ASSOCIATIONS CHARTERED BETWEEN JUNE 16 AND JULY 15, 1940

DISTRICT NO. 2

NEW YORK:
  New York:
    Greater New York Federal Savings & Loan Association, 415 Lexington Avenue (converted from the Greater New York Savings & Loan Association).

DISTRICT NO. 5

OHIO:
  Sidney:
    Mutual Federal Savings & Loan Association, 127 Ohio Avenue (converted from the First Mutual Savings & Loan Company).

CANCELLATIONS OF FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTERS BETWEEN JUNE 16 AND JULY 15, 1940

PENNSYLVANIA:
  Philadelphia:
    Allegheny Avenue Federal Savings & Loan Association, 1847 East Allegheny Avenue (merger with North East Federal Savings & Loan Association, Philadelphia, Pennsylvania).

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

PENNSYLVANIA: DISTRICT NO. 3
  Willow Grove:
    Willow Grove Federal Savings & Loan Association, 75 North York Road.

NORTH CAROLINA: DISTRICT NO. 4
  Greensboro:
    Home Building & Loan Association, 232 West Market Street.

Advisory Council Membership

■ ANNOUNCEMENT has been made recently by the Federal Home Loan Bank Board of the annual selections of members of the Federal Savings and Loan Advisory Council. Members of the Council who will confer with the Board during the fiscal year, 1940–1941, on thrift and home-financing problems include a representative from each of the Federal Home Loan Banks and six others appointed by the Board.

BANK ELECTIONS

Boston: Raymond P. Harold, Worcester Cooperative Federal Savings and Loan Association, Worcester, Massachusetts.

New York: LeGrand W. Pellett, The Building and Loan Association of Newburgh, Newburgh, New York.

Pittsburgh: James J. O'Malley, First Federal Savings and Loan Association of Wilkes-Barre, Wilkes-Barre, Pennsylvania.

Winston-Salem: George W. West, First Federal Savings and Loan Association of Atlanta, Atlanta, Georgia.

Cincinnati: Herman F. Cellarius, The San Marco Building and Loan Association, Cincinnati, Ohio.

Indianapolis: William C. Walz, Ann Arbor Federal Savings and Loan Association, Ann Arbor, Michigan.

Chicago: William E. Hodnett, Lincoln Savings and Loan Association, Lincoln, Illinois.

Des Moines: John W. Ballard, Safety Federal Savings and Loan Association of Kansas City, Kansas City, Missouri.

Little Rock: I. Friedlander, Gibraltar Savings and Building Association, Houston, Texas.

Topeka: George E. McKinnis, First Federal Savings and Loan Association of Shawnee, Shawnee, Oklahoma.

Portland: Frank S. McWilliams, Fidelity Savings and Loan Association, Spokane, Washington.

Los Angeles: Paul Endicott, Home Builders' Loan Association, Pomona, California.

BOARD APPOINTMENTS

Joseph H. Soliday, Franklin Savings Bank, Boston, Massachusetts.

Ernest T. Trigg, National Paint, Varnish and Lacquer Association, Philadelphia, Pennsylvania.

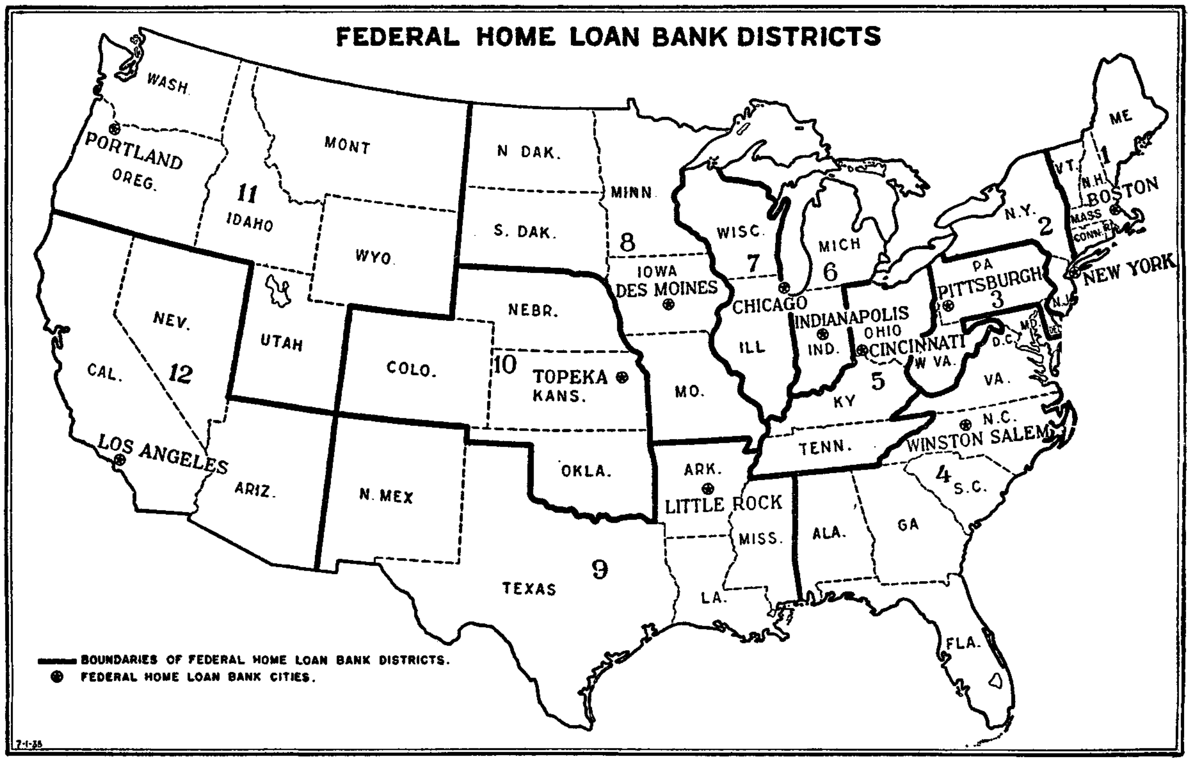
Herman B. Wells, Indiana University, Bloomington, Indiana.

Will C. Jones, Jr., The Murray Company, Dallas, Texas.

Paul F. Good, Good and Simons (law firm), Lincoln, Nebraska.

David G. Davis, Raphael Weill and Company (merchandising), San Francisco, California.

U. S. GOVERNMENT PRINTING OFFICE: 1940



OFFICERS OF FEDERAL HOME LOAN BANKS

Boston

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

New York

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

Pittsburgh

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

Winston-Salem

E. C. Baltz, Vice Chairman; O. K. LaRoque, President-Secretary; G. E. Walston, Vice President-Treasurer; Jos. W. Holt, Assistant Secretary; T. Spruill Thornton, Counsel.

Cincinnati

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

Indianapolis

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

Chicago

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

Des Moines

C. B. Robbins, Chairman; E. J. Russell, Vice Chairman; R. J. Richardson, President-Secretary; W. H. Lohman, Vice President-Treasurer; J. M. Martin, Assistant Secretary; A. E. Mueller, Assistant Treasurer; Emmert, James, Needham & Lindgren, Counsel.

Little Rock

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

Topeka

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

Portland

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

Los Angeles

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