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SEPTEMBER 1940

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NOTICE

FEDERAL HOME LOAN BANK REVIEW INDEX

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MORATORIUM FOR MILITARY MEN

In the next few months operations of savings and loan associations will more and more be affected by legislation in connection with the defense program. The REVIEW will keep its readers currently informed on these questions. The following article summarizes the moratorium provisions of the new "National Guard Act."

■ ON August 27, the President signed the joint resolution commonly known as the "National Guard Act," which authorizes the Chief Executive to order into active military service members and units of "any or all reserve components of the Army of the United States" and retired personnel of the Regular Army (Public Resolution No. 96, 76th Congress). The joint resolution contains moratorium provisions which are of vital importance to mortgage-lending institutions and holders of residential real estate.

The extent to which day-to-day operations of savings and loan associations will be immediately affected by these measures is difficult to predict. The joint resolution includes a provision permitting the resignation or discharge of any member of a reserve component below the rank of captain who has a person or persons solely dependent on him for support and who has no means of support except the wages, salary, or other compensation for personal services which he earns. As the vast majority of home owners are heads of families, exemptions may be numerous for this group. However, this is the first moratorium legislation in connection with the defense program, setting a possible precedent for future legislation which may involve larger numbers of our population. For this if for no other reason, and because of the principles involved, the new legislation deserves careful attention by savings and loan executives.

Revival of a 1918 Act

The joint resolution extends to all persons called into service under its terms certain provisions of the Soldiers' and Sailors' Civil Relief Act of March 8, 1918. It protects these persons against proceedings caused by default upon mortgages, rental payments, or installment contracts. The joint resolution does *not* comprise protective measures as to life insurance premiums, real estate taxes and assessments, and rights to public lands—items included in the 1918 Act.

Generally, the provisions of the 1918 Act which are thus revived authorize, and in some circumstances require, the stay of legal proceedings for the duration of the service and three months thereafter. Specifically, the more relevant provisions of the now revived sections may be summarized as follows:

Foreclosures

The Act applies to "obligations originating prior to the date of approval of this Act and secured by mortgage, trust deed, or other security in the nature of a mortgage upon real or personal property owned by a person in military service at the commencement of the period of the military service and still so owned by him." In any court proceeding to enforce such obligation the court may either (a) stay the proceedings or (b) "make such other disposition of the case as may be equitable to conserve the interests of all parties." The court may, after hearing, take such action in its discretion and on its own motion, and where application is made by the person in military service or by some person on his behalf, the court is required to act, unless in its opinion the defendant's ability to comply with the terms of the obligation "is not materially affected by reason of his military service." Hence, not every borrower called into service is protected.

Provisions similar to those for court-action foreclosure are made for sales under power of sale or under judgment entered on warrant of attorney. The revived provisions stipulate that no such sale is to be valid if made during the period of military service or within three months thereafter unless upon order of sale previously granted by the court and a return thereto made and approved by the court.

Rental Payments

The revived portions of the Act provide that during the period of military service no eviction or distress shall be made in respect to any premises for which the agreed rent does not exceed $50 a month, occupied chiefly for dwelling purposes by the wife, children, or other dependents of the person in military service, except upon leave of court. Here again, the court may in its discretion act on its own motion, and is required to act on application, unless in its opinion the tenant's ability to pay the agreed rent is not materially affected by reason of his military service. The Act provides for a stay of proceedings for not longer than three months, or "such other order as may be just."

The revived provisions state that the Secretary of War or the Secretary of the Navy, as the case may be, is empowered, subject to such regulations as he may prescribe, to order an allotment of the pay of a person in military service in reasonable proportion to discharge the rent of premises occupied for dwelling purposes by the wife, children, or other dependents of such person. It is to be noted, however, that the joint resolution of August 27 applies only to reserve components and retired personnel of the Army.

Installment Contracts

The provisions relating to installment contracts are of importance to mortgage lenders because they apply to real estate sold "on contract." Where a deposit or installment of the purchase price has been received, the revived provisions of the Act prohibit the exercise of any right or option under the contract to rescind or terminate the contract or to repossess the property for non-payment of any installment which falls due during the period of military service, except by court action. The Act provides that in such an action the court may order the return of prior installments or deposits, or any part thereof, as a condition of termination of the contract or resumption of possession, or may order a stay of proceedings or "make such other disposition of the case as may be equitable to conserve the interests of all parties." Here again, the court may act on its own initiative, and must act on application, unless in its opinion the ability of the defendant to comply with the contract is not materially affected by reason of his military service.

Bills in Process

At the time this issue went to press, the Senate version of the Conscription Bill (S. 4164), providing for a system of selective compulsory training and service, had been passed by the Senate with moratorium provisions similar to those discussed but applicable to all persons inducted into the land or naval forces under its terms. Also, the House Committee on Military Affairs had reported favorably the House version of this proposed legislation (H. R. 10132) with a committee amendment including moratorium provisions similar to those of S. 4164.

Either of these bills would affect a much larger number of persons than the National Guard Act. The President has already called 60,000 members of the National Guard, drawn from 26 States, for active service effective September 16.

In addition, there are pending two separate and more inclusive moratorium bills for persons in military service. These bills are S. 4270 and H. R. 10338. Both include moratoria not only on mortgage foreclosures, rental payments where the agreed rent does not exceed $80 a month, and installment contracts, but also on real estate taxes and assessments and on premiums on life insurance policies not exceeding the face amount of $5,000, with provisions by which the Government would later pay the balance due on such premiums but would have a lien on the policies for its reimbursement.

Other bills now pending provide for the payment by the Government of the installments due on certain classes of mortgages where the mortgagor is in service or training in or as a part of the military or naval forces during any national emergency for which he volunteers or is drafted through selective methods. The mortgagor would be required to reimburse the Government for these payments. One of these bills (H. R. 10294) would apply to any "home mortgage;" two others (S. 4198 and H. R. 10280) would be applicable only to mortgages insured under Section 203 of the National Housing Act.

Appointment of FHLB Director

■ THE Federal Home Loan Bank Board recently announced the appointment of Dr. William Bennett Bizzell as Public Interest Director for the Federal Home Loan Bank of Topeka for the unexpired portion of a 4-year term ending December 31, 1943. Dr. Bizzell has had a long and distinguished career in the academic field. He has been President of the University of Oklahoma since 1925, and is the author of a number of books in the fields of political science and economics.

THE VALUE OF MODERNIZATION

During the last two or three years, savings and loan associations in all parts of the country have evidenced increased interest in the location and appearance of their office quarters. This article summarizes the experience of a representative group of those institutions which have undertaken modernization programs and analyzes the ultimate effect on association operations.

■ WHAT value do you place on the modernization of your office quarters? What results have been achieved? How extensive were the changes made? How did you correlate this activity with your public relations program?

These were some of the questions recently posed to a group of almost 50 savings and loan executives in an effort to single out those factors of greatest importance in undertaking a systematic and profitable renovation of office interiors and exteriors. Replies to this survey were received from 28 institutions of various size groups in 20 different States throughout all parts of the country.

The gradual rehabilitation of the savings and loan industry since the period of the early 'thirties—the elimination of many part-time, "back room" operations and the substitution of full-time management and ground-floor office quarters—has been accompanied by a quickened interest in the location and appearance of *all* associations as a means of creating confidence, inspiring loyalty, and winning new friends and members. From the correspondence of executives responding to this survey, it is apparent that efforts to transform this intangible interest into positive action have been guided by the personal nature of savings and loan operations—of accepting savings and of loaning money—which requires a pleasant, friendly atmosphere with ample provisions for privacy, comfort, and convenience. In the creation of new office space, or the remodeling of existing structures, the goal of every savings and loan modernization program has been to satisfy these requirements.

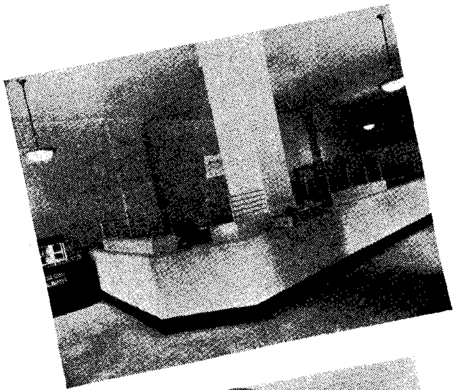
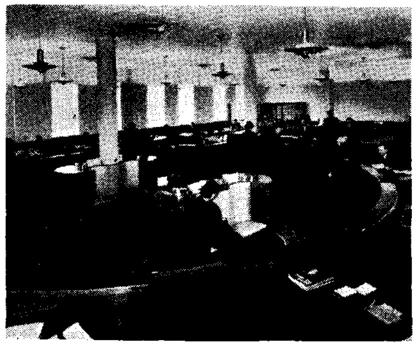
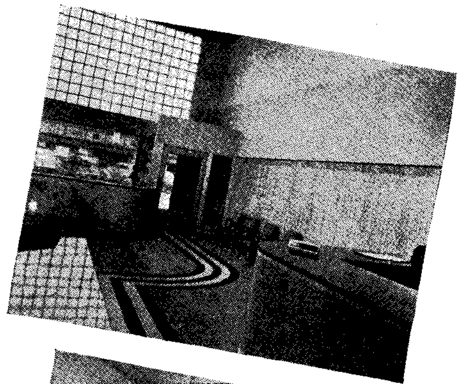
Evaluating the Effect of Modernization

The task of measuring the definite value of a modernization program is not easy but most of the respondents found little difficulty in visualizing benefits in the form of increased enthusiasm on the part of both association members and employees One executive of a medium-sized midwestern association expressed this feeling by saying, "The psychology of tearing out the old antiquated equipment and replacing it with new, up-to-date, comfortable equipment and quarters for the announced purpose of preparing to take care of future expansion in business is good." Another association on the West Coast has this to say about the value of modernization: "From our experience in building a new office, modern quarters do effect an immediate and active stimulation of new business. . . . It acts as a constant advertisement and produces confidence and a sense of stability in the mind of the public."

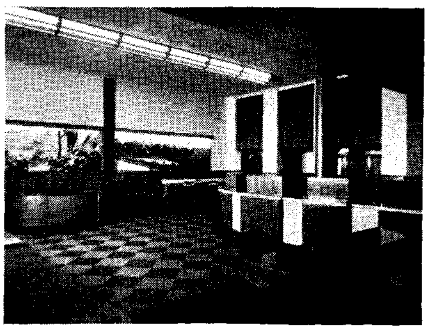
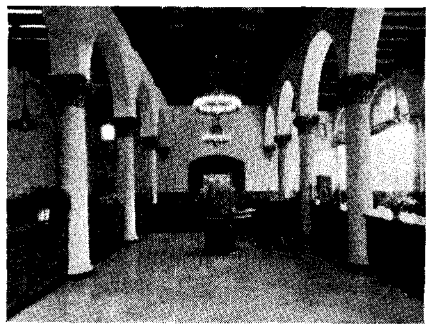
Because these programs are often timed to coincide with the granting of insurance certificates, conversion to Federal charter, or other forms of important changes in operations, and because it is not possible to isolate the influence of improving general business conditions, it does not seem practical to reduce "before" and "after" figures on lending and savings volume to a concise, statistical summary. It may be pointed out, however, that without exception the 28 associations reporting in this survey indicated substantial gains following the modernization of their offices and moving to a central location, if that was necessary.

To cite only two specific examples, a small association in Chicago increased its assets from $100,000 to $325,000 in less than six months after complete renovation of its old quarters. A larger institution in West Virginia points to its 3-year business record: *new investments*—1937, $166,000; 1938, $374,000; 1939, $582,000; and for the first six months of this year, $438,000. *New loans*—1937, $442,000; 1938, $629,000; 1939, $650,000. "This was due, we think, largely to the fact that we erected our own home which attracts considerable attention," says the president of this institution.

Beginning with the photograph in the upper left-hand corner, and reading from left to right, the exteriors of the following associations are presented: Anchor Building Savings & Loan Association, Kansas City, Kans.; Chase Federal Savings & Loan Association, Miami Beach, Fla.; First Federal Savings & Loan Association of Richmond, Richmond, Ind.; Community Building & Loan Association of Ridgewood, Ridgewood, N. J.; Peoples Savings Association, Benton Harbor, Mich.; Hancock Savings & Loan Company, Findlay, Ohio; San Luis Valley Federal Savings & Loan Association of Alamosa, Alamosa, Colo.; Home Federal Savings & Loan Association of Chicago, Chicago, Ill.; Huntington Federal Savings & Loan Association, Huntington, W. Va.; Union Federal Savings & Loan Association, Evansville, Ind.; Monmouth Street Federal Savings & Loan Association, Newport, Ky.; Union Federal Savings & Loan Association, Baton Rouge, La.




Beginning with the photograph in the upper left-hand corner, and reading from left to right, the interiors of the following associations are presented: Guaranty Savings & Homestead Association, New Orleans, La.; Occidental Building & Loan Association, Omaha, Nebr.; Anchor Building Savings & Loan Association, Kansas City, Kans.; Monmouth Street Federal Savings & Loan Association, Newport, Ky.; Chase Federal Savings & Loan Association, Miami Beach, Fla.; Home Federal Savings & Loan Association, Cincinnati, Ohio; Home Federal Savings & Loan Association of Chicago, Chicago, Ill.; Santa Barbara Mutual Building & Loan Association, Santa Barbara, Calif.; Western Federal Savings & Loan Association, Los Angeles, Calif.; First Federal Savings & Loan Association of Lakewood, Lakewood, Ohio; Union Federal Savings & Loan Association, Evansville, Ind.

The Nature of Modernization Changes

The extent and nature of modernization changes must be determined largely on an individual case basis, but from our sample of institutions it is apparent that these range from the installation of new counters, fixtures, and office equipment in an established location to the construction of an entirely new building more conveniently situated with every conceivable facility for conducting association operations.

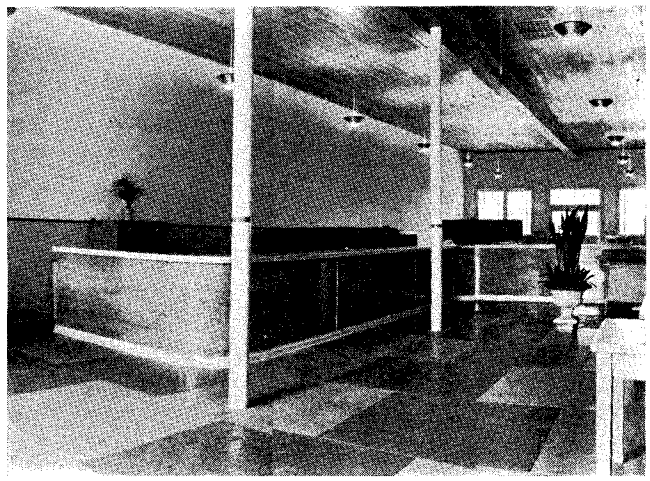
Many institutions have achieved highly satisfactory results through a complete renovation of their existing quarters. This might include putting in new and modern office equipment, redecorating the walls, rearranging the counters, and perhaps reconstructing the exterior of the office. This is especially true of associations that are near a prominent shopping area or community center, but whose furniture and fixtures fail to possess the appeal characteristic of the smart, trim, well-groomed appearance which is typical of most progressive business establishments today. Such action has the added advantage of preserving a continuity of location which may be an important factor in many cases.

If it does not seem advisable to spend additional money on existing association quarters, management has several choices in the next step to take. First, it may proceed to lease more favorably located space and reach an agreement with the lessee on necessary alterations and improvements. Second, it may uncover desirably situated property which is structurally sound, but which requires substantial rehabilitation for association use. Third, it may start from scratch to erect its own structure to be planned and built to its own specifications and particularly adapted to its individual requirements.

The cost of each one of these steps will vary in accordance with the extent of the changes to be made and again will be governed by individual circumstances. One small institution, following the second step in the previous paragraph, solved its problem by acquiring an old building at about half of the replacement cost. It spent $1,000 in reconditioning which produced a first-class structure in sound condition and attractive appearance. The rental income from surplus office space on the second floor has been helpful in cutting down the overhead and amortizing the original investment. Several associations, which have constructed their own quarters, have also solved the problem of future expansion as well as added to their current income by building a structure in excess of their present needs, placing a temporary partition around the extra floor space, and leasing this to disassociated tenants.

Features of Construction

In analyzing the experience of savings and loan associations in modernization programs, there are certain features of construction which, by virtue of their repetition, seem to indicate the general trend these programs are following. For example, 11 out of 28 reporting associations were careful to explain that some form of air-conditioning had been provided for the comfort of their members and their employees. A large association in the corn-belt area of the Middle West describes this as "an investment that pays dividends in increased office efficiency as well as better customer relations." The president of another institution in this section of the country says, "We now have four thermostats for comfort in summer and winter: one that keeps us warm in winter, one that keeps us cool in summer, one that gives us the proper amount of humidity, and one that gives us day and night control."



Rehabilitation of an Old Building

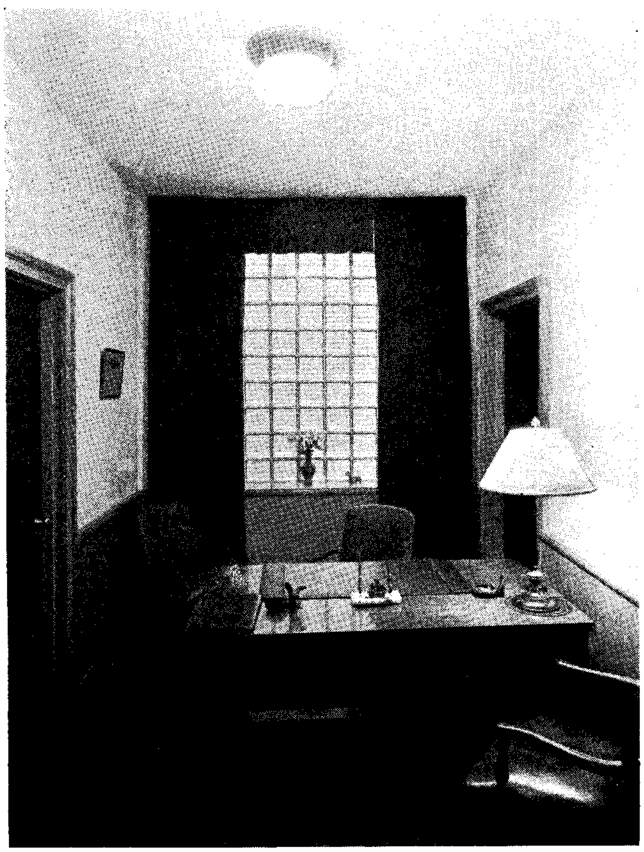
Another feature of construction which seems to be receiving increased attention in current programs is the use of some form of sound absorption material especially in the ceiling of the public lobby and the work area. Many managers have found this to be one of the most valuable aspects of office modernization for it helps to create a quiet, dignified atmosphere which is more conducive to the orderly transaction of business.

The need for proper lighting is becoming more apparent with the greatest interest being shown in the installation of new fixtures, in indirect lighting, and in the latest type of fluorescent illumination. A special study of fluorescent lighting recently completed by the National Association of Building Owners and Managers reveals that this modern product consumes only about one-half as much current, radiates only one-quarter as much heat, produces a better quality of light, and that the savings in current will be sufficient in most instances to repay the increased original investment within a period of five or six years.

Of equal importance is the emphasis which is being placed on comfortable facilities for the actual handling of business transactions. This includes the counters, tellers' windows, desks, work area, and loan-closing conference rooms. The barred tellers' cages, frosted glass partitions, and narrow counters which characterized pre-war financial institutions are now being discarded in favor of the low, friendly counters which appeal to the customer and promote a more personal feeling in the direct over-the-counter dealings with the public. Work areas are so arranged that the necessary equipment is located right next to the individual who is going to use it. Further, many associations have installed counter bookkeeping equipment to speed the handling of window business so that it is seldom necessary for members to stand in line waiting for service.

Because of the extremely personal elements of arranging or servicing a loan, virtually every modernized office includes adequate provision for privacy in preliminary and final discussions. One association in the Cincinnati region points to the fact that this has not only been helpful in securing new loan applications, but it also has facilitated the handling of delinquent borrowers. In addition to these private rooms for dealing with customers, many associations have prepared other special conference rooms for meetings of the officers and boards of directors.

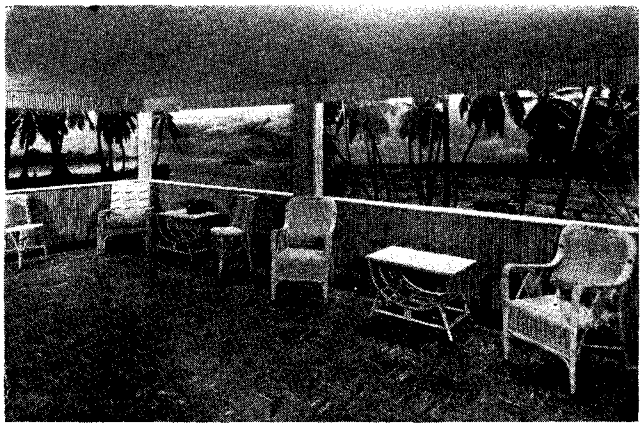
LOAN CLOSING ROOM



LOUNGE AND RECREATIONAL FACILITIES

The inclusion of lounge and recreational rooms in modernization programs is another of the innovations in these new office quarters. Serving a dual purpose, these accommodations add to the comfort and convenience of both employees and members. One association located in the downtown area of a large city makes it a definite policy to encourage members and others to say, "Meet me at the------ ------ Association lounge." It is a certain method of getting people into the habit of coming to the institution. On the surface, this would appear to be the type of project reserved for the larger associations but the example of an institution with less than $700,000 in assets located in a small midwestern community tends to invalidate this impression. The lobby of this association is completely furnished with davenports, chairs, and reading facilities, as well as rest rooms, for the convenience of its members and to create a pleasant atmosphere of friendly service. Functioning as a focal point for almost every type of social activity, an association recreation room can be an important consideration from the standpoint of satisfactory relationships between management and employees.

One other new feature worth noting is the increasing tendency to use large photomurals in finishing the interior walls of the public lobby. These afford considerable flexibility and provide a fresh appearance in contrast to plain painted walls. A Chicago association, for example, has lined one side of its lobby with four views of the city in 1886—the year in which



LOUNGE AND RECREATION ROOM

the institution was founded. On the opposite wall is a view of modern Chicago's skyline.

Summarizing the effect of these new features of construction, it is clear that each contributes an important part in accomplishing the purpose of modernization.

Correlation With the Public Relations Program

To obtain the greatest value from the renovation of office quarters, it is necessary to correlate the progress of the improvements with a carefully planned advertising and public relations program. It is a splendid opportunity to utilize every advertising facility to further customer relations and obtain new business. Although the methods used by the associations varied widely, there are some general characteristics which are common to all.

Newspapers were the most frequently used medium with every effort being made to supplement the paid advertisement of the associations with news and feature stories whenever possible. Many associations, for example, have received considerable publicity on the installation of their vault or by publishing an architect's rendition of the new office front, or new building, at the time the city construction permit was obtained. Opening day ceremonies are good material for news stories, and many institutions arranged for special pages or rotogravure sections to focus attention on the event.

Spot announcements and other types of radio programs have been used successfully in securing additional publicity for the improvements which have been made. Some institutions have even sponsored "on the spot" broadcasts from their offices with interviews and comments from those in the lobby.

Among the more unique features employed as a part of these public relations activities is the program of a $2,300,000 association in one of the Midwestern States. The president of this institution describes the plan as follows:

> Moving into our new building gave us an opportunity for publicity unequalled at any other time. The week before our actual opening and before the counters were installed, we decorated the office with palms and flowers, set up tables, put in an orchestra, and invited every civic club in the city to hold its meeting in our home during that week. It was a great revival of business friendship on the Avenue . . . . Every day we had a program broadcast on the radio . . . . In other words, the best of the business life of the city consisting of about 1,000 business and professional men and women met and took lunch in our building and everyone heard a friendly message about savings and loans.

Virtually all of the institutions arranged special celebrations to mark the completion of their modernization programs and invited prominent local civic leaders and representatives of the State and Federal Home Loan Bank authorities to take part. House organs, special pamphlets, and other forms of direct mail advertising were also used extensively and engraved invitations were usually sent to all members and friends to visit the new offices.

From this brief outline of activities, it is evident that the public relations phase of every program must be planned carefully *in advance* to assure an adequate coverage of the community and to avoid a wasteful expenditure of money. Faced with the problem of choosing between a large number of advertising and publicity channels, it is apparent that association management must review thoroughly the opportunities and possible results before adopting any specific proposal.

Factors To Be Considered in a Modernization Program

From the experience of this group of associations it is possible to draw several conclusions which may assist in the preparation of plans by the management of those institutions which have not as yet undertaken modernization programs.

1. Renovating old office quarters, moving to a new location, or constructing a new building has a beneficial psychological effect not only on the present members and employees, but also on persons outside the organization. It is concrete evidence that the institution is active and progressive. Many people are still impressed by the old maxim that "Nothing succeeds like success." Every type of business has

(Continued on p. 435)

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EXPANSION OF HOME-MORTGAGE FINANCING ACTIVITY DURING 1939

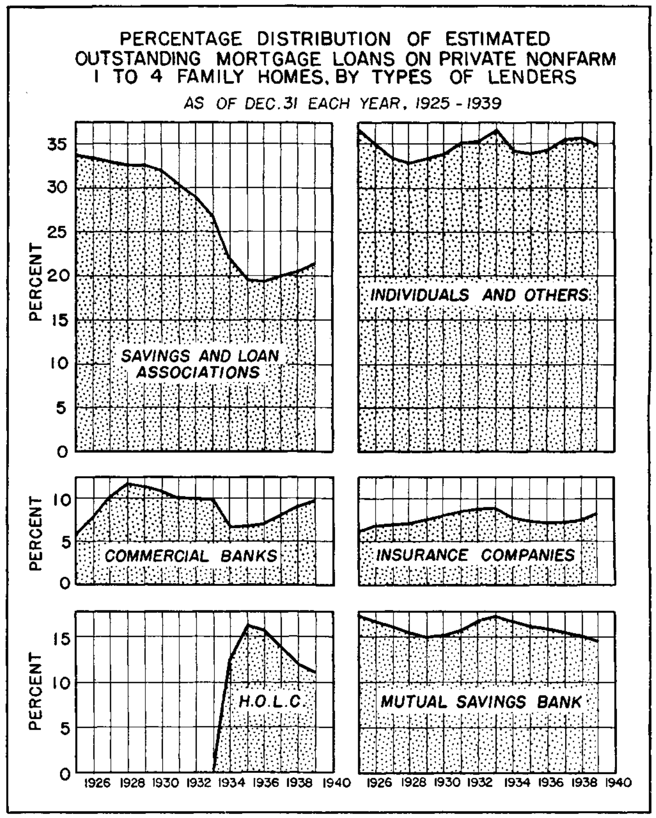
An increase of almost $700,000,000 in the total outstanding nonfarm home-mortgage debt is reported in the final estimates of the Federal Home Loan Bank Board based on the 1939 activity of all lenders. Total mortgage loans made during the year were the largest since 1930.

THE 1939 increase of almost $700,000,000 in the private nonfarm home-mortgage debt was the largest annual gain since 1929 and the third successive year to reflect an improvement in this important index of conditions in the field of residential real estate. Final estimates, prepared by the Federal Home Loan Bank Board, indicate that there was a total of $18,415,000,000 due on mortgages secured by nonfarm 1- to 4-family homes at the end of last year. This rise in the outstanding debt was accompanied by the highest volume of new lending activity since 1930. Home-mortgage loans written during 1939 by all types of lenders totaled $2,871,000,000—approximately $400,000,000 more than in either 1938 or 1937.

Analysis of changes in the private home-mortgage debt structure as well as estimates of the new lending activity are based upon the regular monthly survey of mortgages recorded throughout the country and upon the published statistics of the holdings of savings and loan associations, life insurance companies, mutual savings banks, commercial banks, and the Home Owners' Loan Corporation.

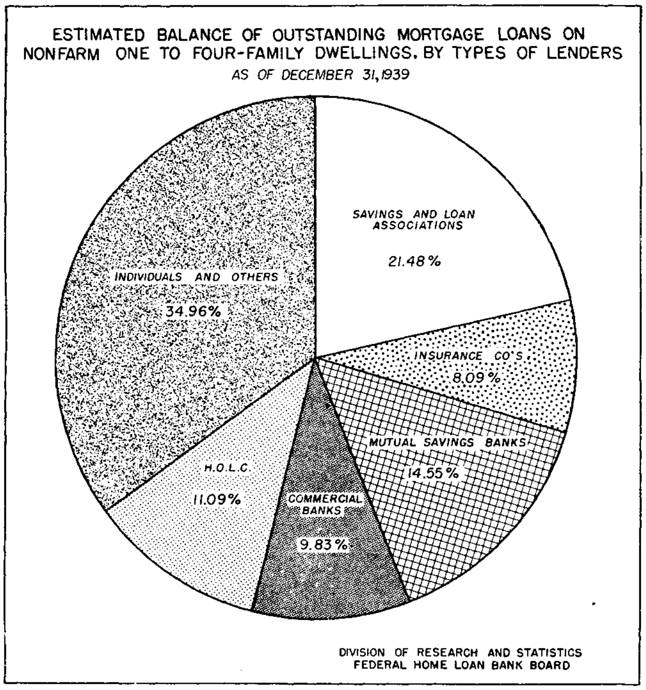
Increases in the total debt arise from either the granting of loans to new borrowers or the extension of further credit on properties already mortgaged. In the last few years, loans on new construction and the sale of institutionally owned real estate have contributed substantially to the annual gains. Decreases come about through the normal repayment of outstanding loans and through transfers to owned real estate accounts in the case of foreclosed properties.

The accuracy of 1939 figures as well as the refinement of those for previous years has been increased because of several factors operating during the 12-month period ending December 31, 1939. For the first time, it was possible to base estimates for the current year upon a complete 12-month record of the mortgages recorded by all lenders throughout the entire country. This was obtainable from the regular monthly summary of recordings of all nonfarm mortgages of $20,000 and under, prepared by the Federal Home Loan Bank Board from reports of more than 600 counties and localities which contain almost two-thirds of the total nonfarm population. Analysis of commercial bank activity in this field has been facilitated by the use of a new form for reports to the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Board of Governors of the Federal Reserve System. This



This flow chart indicates the changes in the proportion of the total home-mortgage debt held by the various classes of lenders in the last 15 years. From 1938 to 1939, savings and loan associations, insurance companies, and commercial banks increased their share in total home-mortgage holdings, while the share of mutual savings banks, the HOLC, and "individuals and others" declined. Comparing 1939 with 1929, savings and loan associations and commercial banks have not yet regained their relative position of a decade ago.

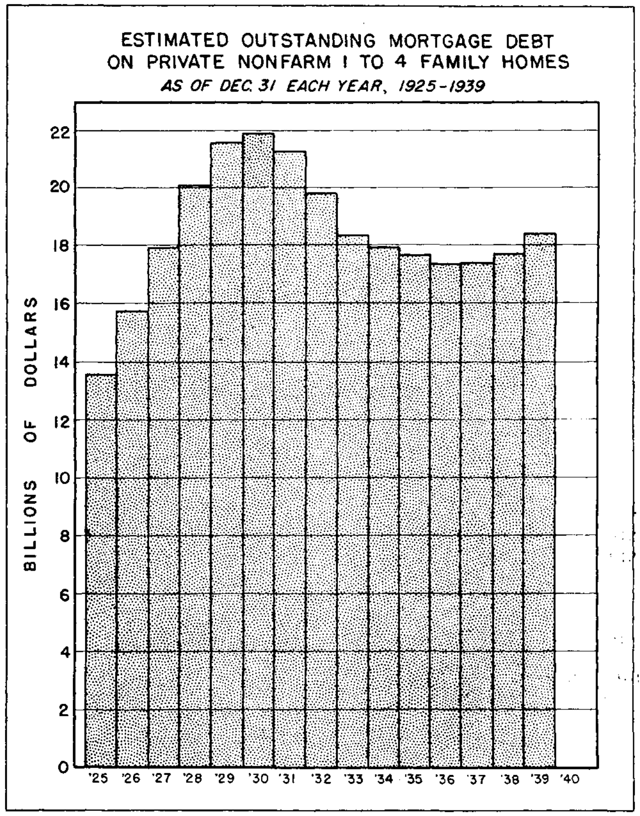
schedule has been filed semiannually since the end of 1938 and provides a more detailed breakdown of the mortgage holdings of these institutions. Finally, comprehensive reports on the operations of insurance companies prepared for the hearings of the Temporary National Economic Committee have revealed additional information about this source of home-financing funds and made possible a revision of certain figures for years prior to 1938.



Among institutional lenders, savings and loan associations hold a predominant position in the home-mortgage field. Mutual savings banks are the second largest holders of home mortgages, followed by the HOLC, commercial banks, and life insurance companies. "Individuals and others" hold over one-third of the balance of home mortgages outstanding.

Outstanding Home-Mortgage Loans

It is apparent from an analysis of the outstanding home-mortgage loans that savings and loan associations continue as the most important institutional holder of home mortgages, although even their portfolio is exceeded by the combined holdings of individuals and of various unclassified lenders. The "pie" chart on this page indicates the distribution of the nonfarm home-mortgage debt at the close of 1939. Slightly more than one-third of the circle is devoted to the outstanding loans held by "individual and other" mortgagees. Savings and loan associations account for the second largest section—approximately one-fifth of the total. Mutual savings banks, the Home Owners' Loan Corporation, commercial



This chart shows the phenomenal growth of the private home-mortgage debt in the late 'twenties, its gradual decline from 1930 to 1936, and the slow but steady recovery in the last three years. At the end of 1939, the balance of home-mortgage loans outstanding stood about midway between the 1927 and the 1928 levels.

banks, and insurance companies follow in order of their proportionate share of the outstanding loans.

The nonfarm home-mortgage debt increased $694,000,000 during 1939. This is the most substantial increase since 1929 and is an important indication of the recovery which has occurred in the field of residential real estate. Inasmuch as changes in the outstanding home-mortgage indebtedness have tended to parallel changes in the net capital formation in residential real estate, it appears likely that during 1939 a substantial amount was added to our national wealth as represented by residential buildings. In other words, new construction and the remodeling and reconditioning of existing dwellings were of sufficient volume to offset the factor of depreciation and loss through demolition, fire, and similar causes.

The home-mortgage portfolio of savings and loan associations showed the largest dollar increase during 1939 with a gain of $327,000,000, or 9 percent. Commercial banks experienced the greatest percentage improvement with an increase of $210,000,000

Table 1.—Estimated balance of outstanding mortgage loans on private 1- to 4-family nonfarm homes[1]

[Millions of dollars]

Year	Savings and loan associations	Insurance companies	Mutual savings banks	Commercial banks	Home Owners' Loan Corporation	Individuals and others [2]	Total
1925	$4, 577	$837	$2, 375	$800		$5, 000	$13, 589
1926	5, 268	1, 062	2, 650	1, 250		5, 500	15, 730
1927	5, 926	1, 254	2, 900	1, 850		6, 000	17, 930
1928	6, 540	1, 445	3, 125	2, 375		6, 600	20, 085
1929	7, 008	1, 626	3, 225	2, 500		7, 200	21, 559
1930	6, 984	1, 732	3, 300	2, 425		7, 400	21, 841
1931	6, 485	1, 775	3, 375	2, 145		7, 500	21, 280
1932	5, 756	1, 724	3, 375	1, 995		7, 000	19, 850
1933	4, 906	1, 599	3, 200	1, 810	$103	6, 700	18, 318
1934	4, 012	1, 379	3, 000	1, 189	2, 209	6, 200	17, 989
1935	3, 467	1, 281	2, 850	1, 189	2, 897	6, 000	17, 684
1936	3, 361	1, 245	2, 750	1, 230	2, 763	6, 000	17, 349
1937	3, 480	1, 246	2, 700	1, 400	2, 398	6, 180	17, 404
1938	3, 630	1, 320	2, 670	1, 600	2, 169	6, 332	17, 721
1939	3, 957	1, 490	2, 680	1, 810	2, 038	6, 440	18, 415

[1] For a detailed description of the source of these estimates of the outstanding loans on nonfarm 1- to 4-family homes see Federal Home Loan Bank Review, November 1939, p. 51.
[2] Includes fiduciaries, trust departments of commercial banks, real estate, bond companies, title and mortgage companies, philanthropic and educational institutions, fraternal organizations, construction companies, RFC Mortgage Company, etc.

(+13 percent). Insurance company holdings and those of individuals were up $170,000,000 and $108,000,000, respectively. Mutual savings banks added $10,000,000 to their outstanding loans—the first annual increase for these institutions since 1931. The only institution to reflect a decrease was the HOLC which, of course, is now in the process of liquidation. Its balance of loans declined $131,000,000 during the year.

The Proportion of Insured Loans

Of the total outstanding home-mortgage debt at the end of 1939, 9.3 percent of the loans were insured by the Federal Housing Administration. The estimated $550,000,000 increase of these loans during last year, however, accounted for a substantial portion of the entire gain registered by the aggregate debt total. Of the estimated $1,720,000,000 of FHA insured loans outstanding on December 31, 1939, commercial banks held almost half—$848,000,000. Slightly less than one-fifth ($328,000,000) of the total FHA loans were in the portfolios of life insurance companies. The "other" classification accounted for $274,000,000; savings and loan associations were responsible for $184,000,000; and mutual savings banks, $86,000,000.

Relating the FHA-insured holdings of each of the lenders to their balance of outstanding loans, the ratio for commercial banks was 46.9 percent; for insurance companies, 22.0 percent; for savings and loan associations, 4.6 percent; and for mutual savings banks, 3.2 percent.

Analysis of 1939 Lending

The volume of mortgage loans written during 1939 on 1- to 4-family nonfarm homes is estimated at $2,871,000,000. This was the highest annual volume since 1930 and more than 16 percent above the 1938 level. Savings and loan associations accounted for the largest single share (34 percent) with total loans of $986,000,000. One-fourth of the 1939 mortgage loans ($740,000,000) was made by individuals and others and approximately one-fifth ($610,000,000) by commercial banks and their trust departments. Life insurance companies, the Home Owners' Loan Corporation,[1] and mutual savings banks were responsible for the remainder of the home-financing operations last year.

All types of lenders increased their activity during 1939. The following table shows the actual volume of home-mortgage loans made during the year as well as the dollar and percentage increases over 1938 figures:

[1] Loans by the HOLC reflect increased sales of properties and the acceptance of purchase money mortgages as a result of these sales, as well as additional advances to existing borrowers.

[Amounts are shown in millions of dollars]

Type of lender	Loans made during 1939	Dollar increase over 1938	Percentage increase over 1938
Savings and loan associations	$986	+$188	+23.6
Individuals and others	740	+71	+10.6
Commercial banks and trust departments	610	+50	+8.9
Life insurance companies	274	+32	+13.2
Home Owners' Loan Corporation	149	+60	+67.4
Mutual savings banks	112	+7	+6.6
Total	2,871	+408	+16.6

FHA-insured loans written during 1939 totaled $669,000,000—more than 40 percent higher than the 1938 total of $473,000,000. Of *all* new loans made last year, 23.3 percent were insured by FHA as compared with a corresponding ratio of 19.2 percent for 1938. Distribution of the loans made during 1939 by type of lender is shown in the table below. This does not reflect the present holders of these loans, however, because of the large volume of transfers in the ownership of these instruments.

FHA home mortgages written during 1939

[Title II, premium-paying loans]

Type of lender	Amount	Percent
Savings and loan associations	$67,000,000	10.01
Life insurance companies	71,000,000	10.61
Mutual savings banks	26,000,000	3.89
Commercial banks and their trust departments	315,000,000	47.09
Others	190,000,000	28.40
Total	669,000,000	100.00

NOTE.—These figures do not include approximately $25,000,000 in Title I, Class 3, loans of $2,500 or less which were insured during 1939.

REVISION OF EARLIER FIGURES

Because of the gradual uncovering of new information on the true picture of home-financing operations in previous years, revisions in earlier estimates are constantly improving their accuracy. Table 1 on page 412 presents the complete series, 1925 to 1939. Primary change from the figures reported last year is in the holdings of life insurance companies which have been revised through 1937.

Defense Housing Coordinator

■ ON July 21, 1940, Charles F. Palmer, of Atlanta, Georgia, was appointed Housing Coordinator in the National Defense Advisory Commission. The Housing Coordinator has had a long and distinguished career in private as well as public housing.

On August 19 the National Defense Advisory Commission issued its first statement on the functions and general policies of the Housing Coordinator:

1. The Defense Housing Coordinator will be attached to the office of the Secretary and will exercise his authority under the general direction of the Commission.

2. Generally speaking, he will be responsible for planning the defense housing program and for its prosecution through private industry and the appropriate Federal agencies concerned with the planning, construction, and financing of housing. Thus it will be his responsibility to channelize and coordinate those activities of Federal agencies that will be concerned with defense housing, to insure an effective and integrated program. Among other matters, the Defense Housing Coordinator will be expected to anticipate housing needs that may arise as a result of defense activities and to take whatever action may be necessary to avoid any housing shortages. He will determine, after survey, whether the construction of necessary additional housing facilities should be undertaken by private enterprise or by public agencies and in appropriate cases, he will assist such public or private agencies in formulating the plans, terms, and other conditions and arrangements for such construction. He will, in addition, review plans for erection or expansion of plants or for the procurement of large stocks of materials in the light of housing needs which they may create.

3. Any information that will enable him to forecast the exact housing needs and make necessary preparations to see that these needs are supplied should be made available to him.

4. In those instances where the costs of housing construction or of remodeling to meet the needs of the defense program are to be borne in whole or in part by a Federal agency (whether by subsidy or loan), the need for such housing and the standards of construction shall be certified by the Commissioner responsible for labor and employment and by the Commissioner responsible for consumer protection. Standards of construction shall include (1) those factors in construction which affect costs and thereby rents and (2) those factors which affect liveability, including lay-out, spacing of dwellings, and availability of utilities and of community facilities.

5. In working out the plans for construction, arrangements shall be made with the Commissioner on employment and labor toward insuring satisfactory terms of employment and the availability of an adequate supply of labor.

6. He will, as part of his duties, review the legislation relating to or affecting defense housing activities with a view to determining the direction of the program within the limits of existing legislation and will recommend to the Commission such additional legislation as may be required to insure an adequate program.

« « « FROM THE MONTH'S NEWS » » »

RARE: "It is a rare family indeed which has not discovered that the housing problem is a thing which not only concerns social workers campaigning against slums, or bankers seeking safe outlets for their funds, but a matter which affects almost every phase of day-to-day living."

Miles Colean, *Can America Build Houses?* (Public Affairs Committee).

MARKET: "There is no market today for industrial production and for the investment of capital which offers a greater opportunity than that presented by the building industry."

Bror Dahlberg, President of the Celotex Corporation. *American Savings and Loan News*, August 1940.

INTEREST RATES: "Asked to report the commonest rate at which loans are now being made on new moderately priced homes, exactly half the 256 cities say it is 5 percent and 62 cities out of every 100 cite a rate no higher than 5 percent, while 75 cities out of 100 give a rate no higher than 5½ percent and 98 out of every 100 list a rate no higher than 6 percent."

News release, National Association of Real Estate Boards, July 13, 1940.

OLD HOUSES: "The age of a property need not be the greatest obstacle in its sale, for people have been buying 'used' houses for centuries. . . . But the old house must be as clean as it is possible to make it, both inside and out. . . . There are many minor changes that can be made at little cost that will more than pay for themselves in realizing a better selling price—and really sell the property!"

Ed. Flaharty, *National Real Estate Journal*, July 1940.

REMODELING: ". . . is a severe test of the architect's ability: transformation of an outmoded house into an integrated and livable home requires judgment and ingenuity . . . represents a judicious compromise between the ideal and the maximum use of existing elements."

B. A. Bugbee, *Architectural Record*, May 1940.

GLAMOUR: "The fluorescent lamp is the 'glamour' product of the lighting industry; novelty—quite apart from efficiency and quality—has a psychological dollar-and-cents value. In the modernization of an existing building, or the construction of one, this distinctive factor merits serious consideration."

Real Estate and Building Management Digest, August 1940.

Flattening out . . . . .

"Cities of the United States are flattening out," according to Director William L. Austin of the U. S. Bureau of the Census. The Census Chief made this statement recently after studying field office reports for the 1940 Census which indicate that a tremendous migration of city residents to suburban areas has taken place since the 1930 Census."

National Municipal Review, June 1940.

Auguries . . . . .

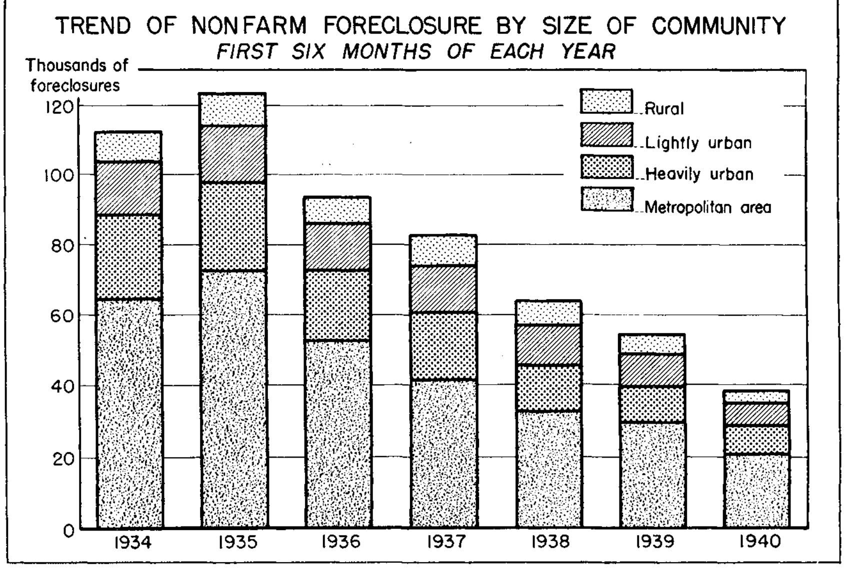
"There are visible auguries of a revived interest of Americans in home owning, stimulated by lower costs of credit, by more liberal mortgage terms, public attention to better planning and construction, the march of technical improvements, the drive of government and industry toward the development of low-price houses, and a rise in the national income".

John H. Fahey, Chairman, Federal Home Loan Bank Board, "Housing Yearbook of 1940."

Looking ahead . . . . .

"The mortgage-lending officer of 1950, I venture to predict, will be characterized by an open and flexible mind, largely untrammeled by tradition. I do not mean to infer that he will ignore the light which falls from the lamp of experience. I mean rather that he will be constantly on the alert so as to avoid standing himself in that light which emanates from the lamp of experience, and casting his own shadow over the problems which he confronts in his daily task."

Dr. Ernest M. Fisher, *The Mortgage Banker*, July 15, 1940.



This chart, which is based on compilations by the Division of Research and Statistics, illustrates the continuous improvement of the foreclosure situation over the past five years. In the first six months of 1940 nonfarm real estate foreclosures were 28 percent below the corresponding period of 1939, and the decline was fairly general throughout the country, only three states (Maryland, Montana, and Nevada) showing an increase in foreclosures.

Federal Home Loan Bank Board, Monthly Report of Foreclosures, June 1940.

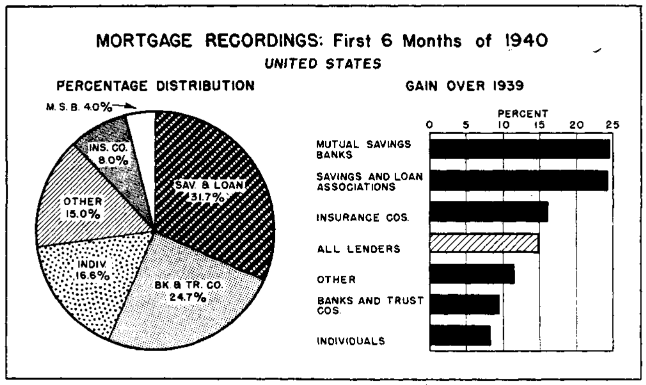
SIX MONTHS OF MORTGAGE RECORDINGS: 1939 AND 1940

Current analysis of the home-financing activity of all types of lenders is now possible through the monthly summaries prepared by the Division of Research and Statistics of all nonfarm mortgages of $20,000 or less. This article presents complete data for the first six months of this year on a Bank District basis, and notes significant trend changes where they have occurred.

■ IN the face of increased activity on the part of all types of home-mortgage lenders, savings and loan associations have continued to hold their position as the leading source for funds in the financing of American homes. This fact is clear from a detailed analysis of the $1,887,000,000 of nonfarm mortgages of $20,000 or less recorded throughout the entire United States during the first six months of this year. From the chart at the top of the next column, it is evident that savings and loan associations accounted for almost one-third (31.7 percent) of the dollar volume of all of these instruments—an appreciable increase over their share of 29.4 percent during the same 1939 period.

Commercial banks and trust companies were responsible for almost one-quarter of the total activity, with individual lenders and the "other" mortgagee classification each contributing approximately one-sixth. Insurance company recordings amounted to 8 percent, while those of mutual savings banks made up the remaining 4 percent and were, concentrated largely in the Boston and New York Federal Home Loan Bank Districts.

A definite indication of the trend of activity for these lenders is provided in the small bars in the right half of the chart which show the percentage gain over the previous year. By comparing the bar of one class of mortgagee with the shaded bar for all lenders, it is possible to determine at a glance whether that mortgagee has increased his proportion of the total recordings or has failed to keep pace with the progress in the entire field of home finance. For example, the bars of mutual savings banks, savings and loan associations, and insurance companies reflect gains in excess of the "total" bar. Therefore, it is evident that these institutions have added to their share of the aggregate mortgage recordings. On the other hand, the "other" mortgagee classification, banks and trust companies, and individual



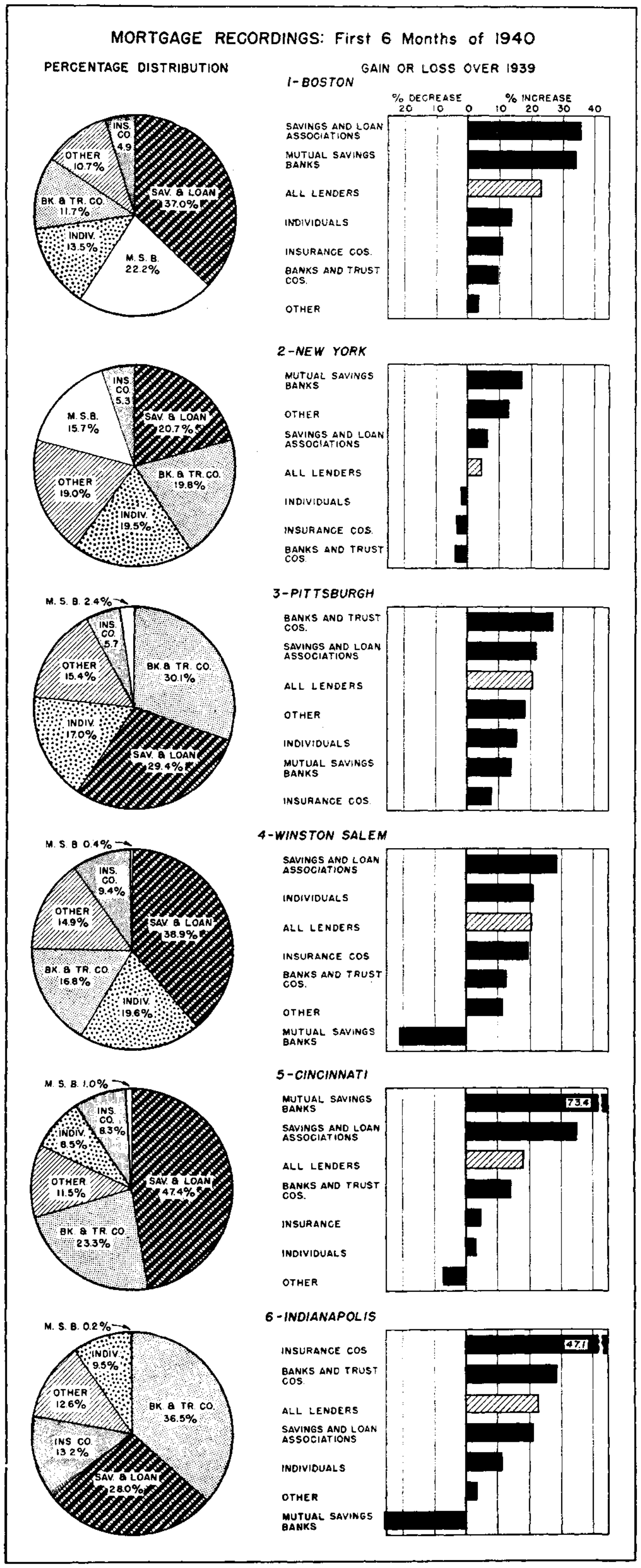
The small pie chart on the left shows the share of each type of lender in the total mortgage-recording activity during the first six months of this year. The bars on the right indicate the percentage gain over the corresponding period of 1939. If a lender's gain is greater than that registered by all lenders (shaded bar), then it is evident that his share of the total recordings has increased.

enders—having shorter bars than the all-lender line—have lost some ground from their position during the first six months of 1939.

Differences in the size of the mortgages recorded conceal, in the foregoing analysis, the fact that savings and loan associations actually accounted for almost 35 percent of the total *number* of instruments handled during the first half of 1940. The average mortgage registered by savings and loan associations was $2,510, as compared with an over-all average of $2,740. Insurance companies were recording the largest transactions, within the $20,000 limit, averaging $4,960. Arithmetic means for the other lenders were: mutual savings banks, $3,810; commercial banks and trust companies, $3,150; "other" mortgagees, $3,230; and loans by individuals, $1,900.

National trends are important from the point of view of the entire home-financing industry, but of primary significance to the individual association manager and his board of directors are the trends in their own county, their own State, and their own Federal Home Loan Bank District. It is impossible

District analysis . . . . .



to present here the individual county and State analyses but these can be prepared from county records and from the State summaries which appear each month in the tables of the REVIEW. As straws-in-the-wind, the following digests have been made of the activity in each of the 12 Bank regions.

Boston: Cooperative banks and savings and loan associations accounted for 37 percent of the dollar volume of recordings. The position of mutual savings banks is stronger here than in any other District. From the small bar chart, it is evident that both of these types of institutions are gaining ground on the other lenders. The 23-percent increase in total recordings was the second largest in the entire country.

New York: Distribution is more evenly divided in this region than in any other in the country. Savings and loan associations have a slight lead, but only one percentage point separates the top four lenders. Among all lenders, mutual savings banks have shown the greatest improvement over last year, but the District as a whole showed the smallest gain over 1939 of any area.

Pittsburgh: Bank and trust company recordings exceeded those of savings and loan associations by a slight margin in this District—a year ago these positions were reversed. This is clear from the small bars which show that the increase of commercial banks was greater than that of savings and loan associations. The 20-percent rise in total activity was well above the national gain of 15 percent.

Winston-Salem: Savings and loan associations continued to increase their share of the recordings in this District and accounted for 39 percent of the total. A substantial decline was indicated for mutual savings banks, but the volume involved was relatively small.

Cincinnati: Although mutual savings banks scored a 73-percent gain in this region, the increase was not significant in view of the small proportion of the total volume which it affected. Savings and loan associations increased their share of the aggregate recordings which was already larger than in any other District.

Indianapolis: A spectacular increase of insurance company activity was the feature of this District. These institutions and commercial banks and trust companies added to their portion of the business, while all other lenders failed to keep pace with the 23-percent gain for the region as a whole. Commercial banks led as a source of home-financing funds with savings and loan associations second.

Chicago: Savings and loan associations raised their portion of the total recordings from slightly less than 30 percent in the first half of 1939 to 36 percent during the first six months of this year, by virtue of their 40-percent gain in dollar volume. Increases of other lenders did not match the average for the entire District.

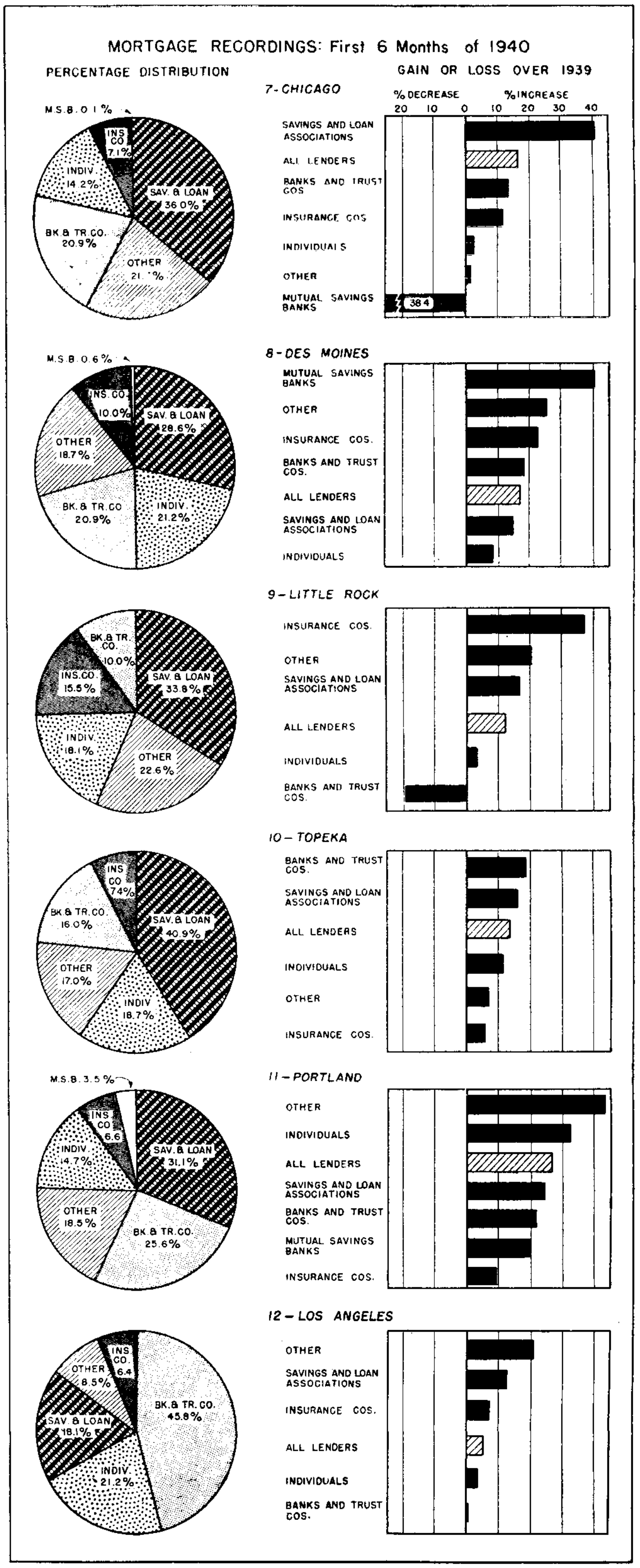
Des Moines: Mutual savings banks, the "other" mortgagee classification, insurance companies, and commercial banks showed improvements over last year greater than the District average and thereby increased their proportionate share of the total recording volume. Savings and loan associations and individual lenders lost some ground in spite of showing increases over the previous year's volume. They still outranked all other lenders as mortgage-money sources, however.

Little Rock: As in the Indianapolis District, insurance companies registered sharp gains in this area, raising their portion of the total activity to more than 15 percent. Savings and loan associations and "other" mortgagees also added to their share of the total business. Bank and trust company recordings declined sharply from last year, but the volume of all other lenders was higher.

Topeka: Almost 41 percent of all mortgages recorded in this District were accounted for by savings and loan associations—the second largest savings and loan share in any single District. Every type of lender indicated some increase over last year's totals, but only the banks and trust companies and savings and loan associations exceeded the average improvement for the region as a Whole.

Portland: This region experienced the greatest year-to-year increase of any of the 12 Bank Districts. The "other" mortgagee classification and individual lenders set the pace in this area although all lenders reflected some of the increase. Savings and loan associations, banks and trust companies, and mutual savings banks showed fractional declines in their share of the total recordings, and insurance companies dropped a full point.

Los Angeles: Although every lender showed an increase over last year, the percentage gain for the entire District was next to the smallest in the country. This was due to the fact that activity of banks and trust companies which are responsible for a major portion of the total volume was almost stationary. "Other" mortgagees, savings and loan associations, and insurance companies increased their proportion of the total business.



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SUMMARY OF RESIDENTIAL CONSTRUCTION AND HOME-FINANCING ACTIVITY

I. A contra-seasonal increase in residential construction during July brought the adjusted index for cities of 10,000 or more population to the second highest level of the current year.

A. June-to-July increase was occasioned largely by resumption of United States Housing Authority activity.

B. Construction of 1- and 2-family dwellings during the first seven months of this year increased 18 percent over 1939, in contrast to an 11-percent decline in multifamily structures.

II. Concurrent with expanding home construction, mortgage-financing activity in July approached the record high levels of last May.

A. Nonfarm mortgages under $20,000 recorded by all lenders in July totaled $367,000,000: a gain of 3.3 percent over June. Savings and loan associations accounted for 32.4 percent of the aggregate recordings.

B. New mortgage loans written by all savings and loan associations reached $114,300,000 and approached the post-depression high of May 1940.

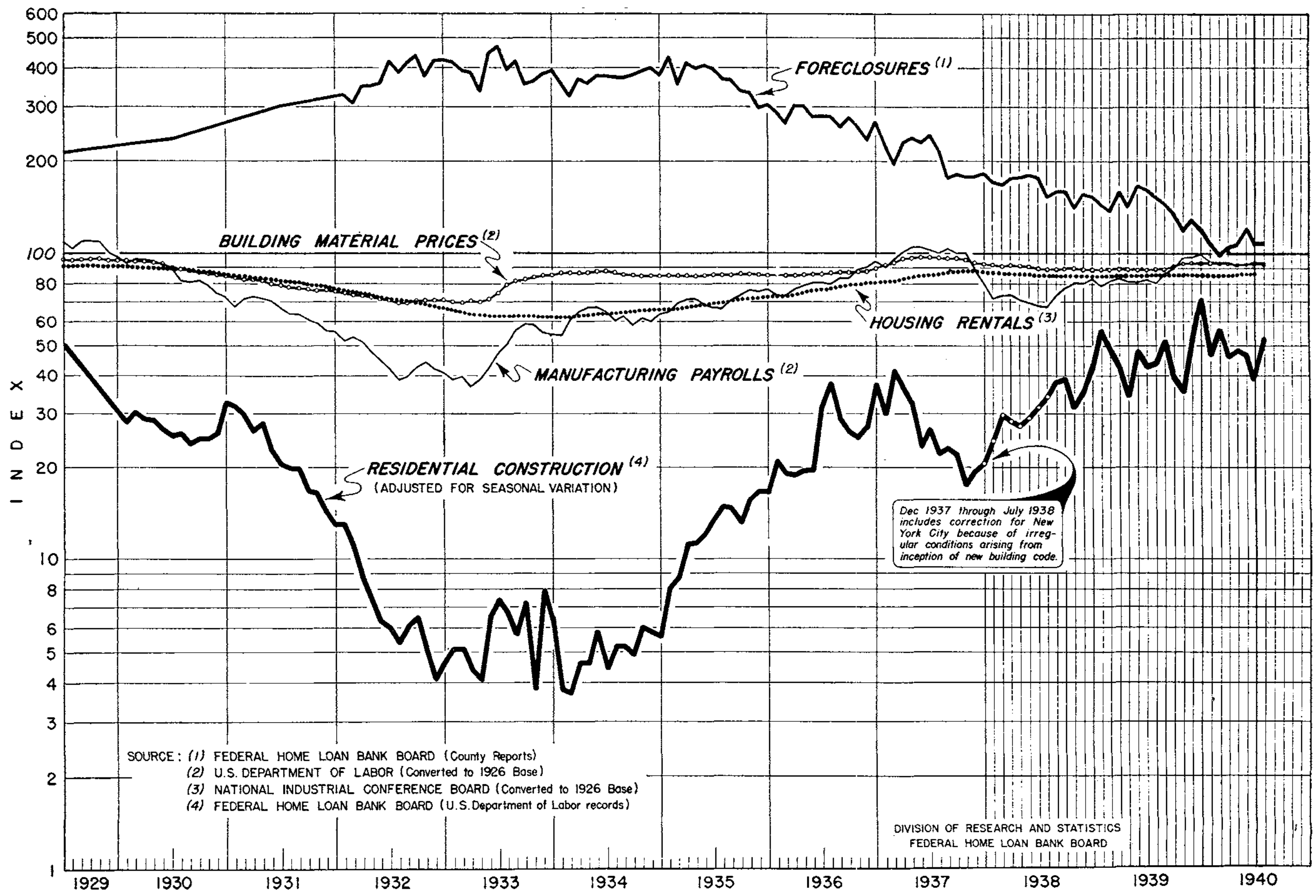
III. July operations of savings and loan associations, as measured by the trend of all insured institutions, were also marked by substantial withdrawals of private capital and the retirement of $16,000,000 of Government investments.

IV. Nonfarm real estate forcelosures in metropolitan communities during the first seven months of this year were 29 percent below last year, but failed to show the usual seasonal decline from June to July.

V. Wholesale building material prices rose fractionally during July with more significant increases indicated for August. Construction costs for the standard 6-room house declined slightly during July.

VI. General business activity maintained the high level reached in June, supported by orders for national defense. There was little evidence of inventory accumulations in the recent business expansion.

RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
1926 = 100



RESIDENTIAL CONSTRUCTION and HOME-FINANCING ACTIVITY

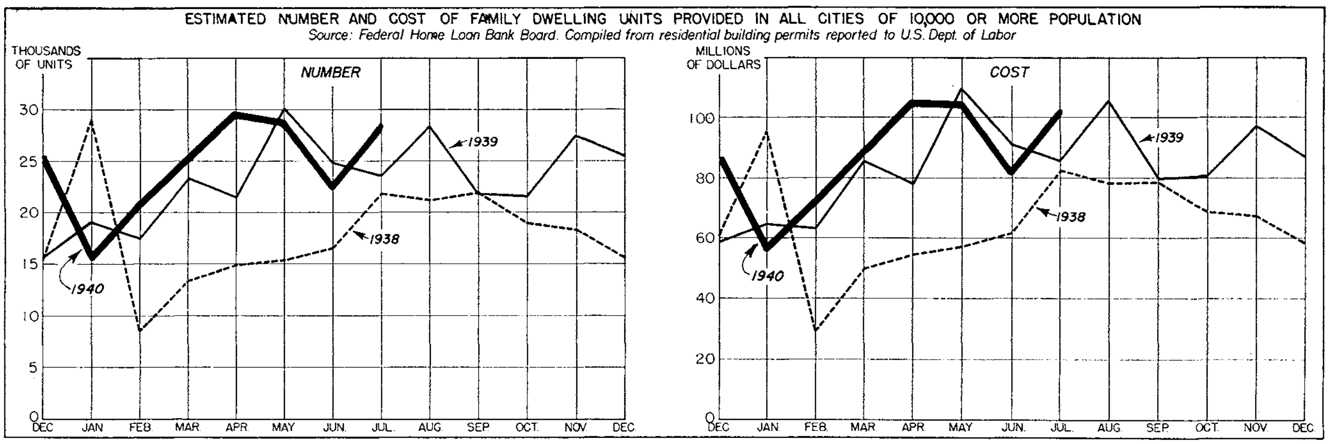
WITHDRAWALS of private share capital reached a new peak in July, as evidenced by reports received from insured savings and loan associations. Although there is normally a sharp rise in both share repurchases and new share investments during the month following dividend declarations, July of this year experienced an unusually abnormal increase in withdrawals accompanied by relatively small growth in the volume of new capital received.

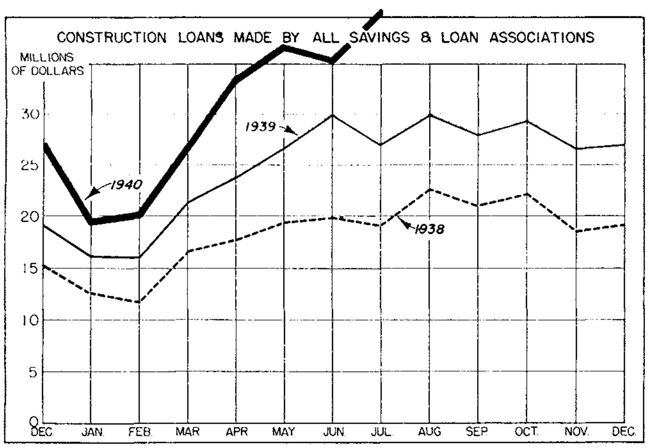
Renewed lending activity in the face of restricted volumes of available share capital caused savings and loan associations to increase their borrowings from the 12 Federal Home Loan Banks during July. Another factor contributing to this increase was the replacement of Treasury and HOLC investments by Bank advances. This is the first time since 1937 that Federal Home Loan Bank advances outstanding have failed to drop during July.

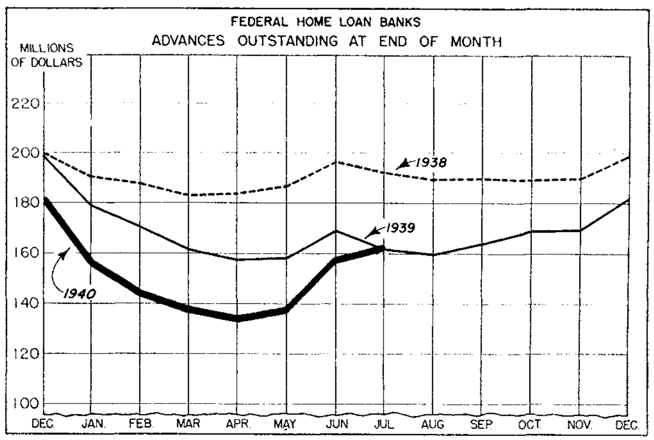
Mortgage-financing activity which demonstrated some weakness in June, steadied in July and displayed a 3-percent improvement during the month. This midsummer rise was contrary to normal seasonal expectations. The $367,000,000 invested in nonfarm mortgages of $20,000 or less during July, represented a gain of $66,000,000, or 22 percent, over the same 1939 month.

Over three-fourths of the July rise was concentrated in the industrial East, from New England west to the Tennessee valley and the Ohio-Indiana line. This may reflect increased demands for housing facilities resulting from accelerated activity in the war and national defense industries throughout this area.

All classes of lending institutions, with the exception of mutual savings banks shared in the July upswing. Savings and loan associations did not,







however, make as favorable a showing as that indicated by the total mortgage-recording volume.

Loans for new construction in July led in the rises over June 1940 and over July of last year. This current improvement is in line with renewed activity in the residential building industry, which in turn is apparently responding to the increased level of general business activity and a relatively stable building cost index during the last few months.

[1926=100]

Type of index	July 1940	June 1940	Percent change	July 1939	Percent change
Residential construction [1]	53.2	36.6	+37.8	43.9	+21.2
Foreclosures (metro. cities)	108.0	108.0	0.0	152.0	−28.9
Rental index (NICB)	85.7	85.7	0.0	85.2	+0.6
Building material prices	92.7	92.4	+0.3	89.7	+3.3
Industrial production [1]	126.0	126.0	0.0	108.3	+16.3
Manufacturing employment	97.9	97.8	+0.1	92.0	+6.4
Manufacturing pay rolls	92.5	93.9	−1.5	81.0	+14.2
Average wage per employee	94.5	96.0	−1.6	88.0	+7.4

[1] Adjusted for normal seasonal variation.

NOTE.—Figures for industrial production are based on the newly revised series prepared by the Board of Governors of the Federal Reserve System.

General Business Conditions

AFTER the rapid improvement of business conditions in May and June, economic activity leveled off during July. The revised industrial production index of the Federal Reserve Board averaged 126 (1926=100) for the month, which was the same as in June, but 18 points above the level of July 1939. Preliminary data for August indicate a steady volume of industrial output, with steel operations at approximately 90 percent of capacity.

Although there was some let-up in new business orders during July, inventory accumulations as reported by the Department of Commerce were negligible, indicating that the recent expansion of business has been on a much sounder basis than the hectic and short-lived spurt caused by forward buying in the fall of 1939. With accelerating new model production in the automobile industry and with accumulating order backlogs in defense industries, business activity should at least be well maintained in the near future.

Defense preparation was responsible for a substantial increase of public non-residential construction during June and July, and after the appropriation of hundreds of millions for military construction, there is expected to be a continued upward trend in this type of building.

Thus far, general price increases which usually go along with expanding business activity have been notably absent throughout the last two or three months. The wholesale price level remained practically unchanged. The U. S. Department of Labor index of wholesale prices showed a slight upturn in the first two weeks of July, but fell back to lower levels through the middle of August. Some increase in the third week of August was due primarily to higher prices for foods. For the week ended August 24, the index stood at 77.2 (1926=100) as compared with 74.8 for the corresponding 1939 week.

Although prices for industrial goods failed to advance in recent months, the greater volume of business was sufficient to lift the earnings of industrial corporations substantially. Reports of 400 companies tabulated by the National City Bank of New York for the first six months of 1940 show a rise of 59 percent above results for the corresponding period of 1939, with earnings in the second quarter somewhat lower than in the preceding quarter.

Exports continued on a high level as the loss of the French market after that country's collapse was largely offset by increased shipments to Great Britain and Latin-American countries. The July total of $317,000,000 was 9 percent below June 1940 but 38 percent above July 1939.

Rents and Vacancies

LATEST rent surveys conducted by the U. S. Department of Labor in a representative sample of cities indicate significant variations between 1- and 2-family dwellings and apartment houses. In the majority of cases, rents in 1- and 2-family houses are firm or upward, while rents in apartment houses show mixed trends pointing downward rather than upward.

June reports on 1-family dwellings in 33 cities, when compared with June 1939, show higher rents in nine cities and lower rents in five cities, with 19 cities reporting no change. Of the 31 cities which register rents for 2-family or 2- to 4-family dwellings, 10 report rent increases and five decreases, with no change in the remaining cities. For apartments, 16 cities indicate no change, 15 report declines, and only two report slight increases.

Although changes from June 1939 to June 1940 are generally small, they indicate a preference for 1- and 2-family houses in the rental market.

Recent vacancy surveys, when compared with similar surveys made one year previous, show a predominantly downward trend in residential vacancies, according to a study by the U. S. Department of Commerce. Of the 46 cities included in this study, 24 report a decline in residential vacancies, 6 register no change, and 16 indicate increased vacancies. Some of the vacancy surveys were made as late as May of this year.

Although only fragmentary data are available, the surveys indicate the greatest declines in vacancies in the Northeast and East North Central States. The vacancy situation appears to be rather stable in the South and Far West, with a slightly upward tendency in the West North Central States. (For basic information on vacancy surveys, see "Trends in Residential Vacancies—1939", FEDERAL HOME LOAN BANK REVIEW, April 1940.)

Foreclosures

■ THE decrease from June to July in real estate foreclosures for metropolitan communities was almost negligible and did not compare favorably with the customary seasonal decline of about 7 percent. The monthly index for these communities (1926=100) remained at 108 for July, the same level shown for January, April, and June. Of the 84 communities reporting for both June and July, 40 showed decreases and 37 increases, while 7 reported no change.

Compared with the corresponding periods of last year, real estate foreclosures during July as well as in the first seven months of this year were 29 percent lower.

Residential Construction

[*Tables 1 and 2*]

■ ALTHOUGH there is normally a seasonal decline of 8 percent from June to July in the total volume of residential units placed under construction, statistics for July 1940 revealed a rise of 27 percent, bringing the month's total to 28,500 units for cities of 10,000 or more population. Hence, the seasonally adjusted index of residential building activity rose 38 percent during the month.

Current revival in the residential building field, while being distributed over all types of dwellings showed a particularly strong improvement in the multifamily classification. Resumption of United States Housing Authority activity, which has now diverted a part of its remaining funds from slum-clearance to defense housing, played an important part in the rise from June.

Construction of 1- and 2-family structures, which constitutes the bulk of privately financed building activity, continued the upward movement started in June. During the first seven months of this year each of these types of dwellings showed sizable increments over the corresponding 1939 periods, in contrast to the 11-percent drop in the multifamily classification.

Accelerated residential building activity was most pronounced in the Boston, Pittsburgh, Winston-Salem, and Chicago Districts, each of which had rises of over 50 percent from June to July. Greatest concentration of new United States Housing Authority projects started in July was in the Winston-Salem District.

Mortgage Recordings

[*Tables 12 and 13*]

■ MORE than $2,250,000,000 of nonfarm mortgages have been recorded during the first seven months of this year—an increase of 16 percent, or $313,000,000, over the same period of last year. Savings and loan associations accounted for 31.8 percent of the cumulative January–July total this year as compared with 29.6 percent during the same 1939 period. Insurance companies and mutual savings banks also increased their proportionate share of the total.

The current upswing in mortgage-financing operations brought total recordings within $5,000,000 of equalling the high level of $372,000,000 in May. Mutual savings banks, whose activities are confined to relatively few States in the northeastern part of the country, were the only lenders to show reduced

Mortgage recordings by type of mortgagee

[Amounts are shown in thousands of dollars]

Type of lender	Percent change from June 1940	Percent of July 1940 amount	Cumulative recordings (seven months)	Percent of total recordings
Savings and loan associations	+2.0	32.4	$717,680	31.8
Insurance companies	+5.9	8.3	182,100	8.1
Banks, trust companies	+5.8	25.3	558,000	24.8
Mutual savings banks	−2.6	4.4	91,624	4.1
Individuals	+4.2	15.0	368,052	16.3
Others	+1.3	14.6	336,596	14.9
Total	+3.3	100.0	2,254,052	100.0

operations in July. This occurred despite the fact that total activity of all other lenders in this same area forged far ahead of June. During the year to date, however, mutual savings banks displayed an increase over last year's recordings of 22 percent; this rise was exceeded only by that of savings and loan associations.

For two consecutive months savings and loan associations have shown slight reductions in their proportion of the total financing business. Although this class of institution increased its mortgage-recording volume from June to July, it failed to keep pace with the monthly rise of either banks or life insurance companies. However, in July, savings and loan associations accounted for 32.4 percent of the total of all lenders thereby maintaining a strong margin of leadership in the mortgage-financing field.

Small-House Building Costs

[*Tables 3 and 6*]

■ WHOLESALE building material prices showed a slight tendency to rise in July and in the fourth week of August reached the highest level since the fourth week in January, according to the Department of Labor. The index for the month of July was only fractionally higher than that for June but 3 percent above the level of July 1939. Cost increases from a year ago were greatest in lumber.

Dealers' costs of material used in constructing a 6-room frame house dropped slightly in July. The materials used in this structure, however, cost 4 percent more than during the average month of 1936.

Labor rates used in compiling the cost index for the standard house continued the fractional month-to-month decrease which has been evidenced since March 1939. Nevertheless, labor costs were still 10 percent in excess of the 1936 average.

An analysis of 24 communities reporting in August reveals that during the preceding quarter, total home-construction costs rose at least $100 in two cities (Philadelphia and Cleveland) while Wheeling, W. Va. and Houston, Tex. reported declines of similar magnitude since May.

Construction costs for the standard house

[Average month of 1936=100]

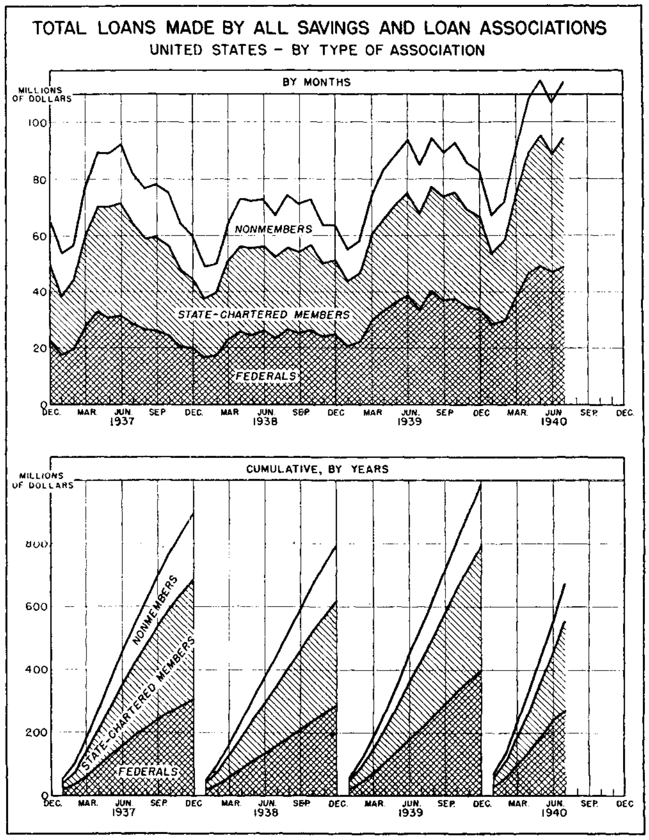
Element of cost	July 1940	June 1940	Percent change	July 1939	Percent change
Material	104. 3	104. 4	−0. 1	102. 4	+1. 9
Labor	109. 5	109. 7	−0. 2	111. 3	−1. 6
Total	106. 0	106. 2	−0. 2	105. 3	+0. 7

New Mortgage-Lending Activity of Savings and Loan Associations

[*Tables 4 and 5*]

■ ALTHOUGH real estate activity normally declines in July, new mortgage loans written by savings and loan associations increased substantially over the preceeding month and closely approached the post-depression peak established in May. Accelerated activity in the construction and purchase of homes was largely responsible for the high July volume which reached $114,300,000. Nine-tenths of the June-July increase of $7,300,000 was accounted for by loans for these purposes.

While all types of associations contributed to the upswing in new financing, nonmember institutions led with a rise of more than 16 percent; State-chartered members and Federals followed in order with gains of 8 percent and 3 percent.



New mortgage loans distributed by purpose

[Amounts are shown in thousands of dollars]

Purpose	July 1940	June 1940	Percent change	July 1939	Percent change
Construction	$39, 907	$35, 523	+12. 3	$26, 865	+48. 5
Home purchase	40, 658	38, 402	+5. 9	29, 638	+37. 2
Refinancing	17, 649	17, 147	+2. 9	15, 353	+15. 0
Reconditioning	6, 115	5, 691	+7. 5	5, 133	+19. 1
Other purposes	9, 972	10, 221	−2. 4	8, 183	+21. 9
Total	114, 301	106, 984	+6. 8	85, 172	+34. 2

Geographically, the accelerated activity of savings and loan associations was rather general. Only three of the 12 FHLB Districts (Boston, Indianapolis, and Des Moines) registered volumes lower than in June. In the other areas, gains ranged from fractional proportions to an increase of 15 percent in the Los Angeles and 18 percent in the Cincinnati Districts.

Compared with the same month of last year, July financing by savings and loan associations in the United States was up by more than one-third. Construction and home-purchase loans again were responsible for the bulk of this gain.

Federal Savings and Loan Insurance Corporation

[*Table 7*]

■ AGAIN, as at the end of June and December 1939, the Federal Home Loan Bank Board has requested repurchase of 10 percent of all Treasury and HOLC shares (after credits for previous voluntary repurchases) which have been invested in savings and loan associations for a period of five years or more. This action was pursuant to the terms of the original investment agreements.

Insured associations, which hold practically all of the Government invested funds, voluntarily repurchased $15,000,000 in addition to almost $1,000,000 included in the July call by the Board; therefore, the total Treasury and HOLC investment in insured institutions dropped $16,000,000 during the month to a net balance of $221,000,000 at the end of July.

Accelerated lending activity on the part of insured associations, particularly in construction loans, brought about a net rise of $38,000,000 in the balance of mortgage loans outstanding at the end of the month. On the other hand, total private share capital increased only $20,000,000, reflecting extensive withdrawals during the month.

At the close of July, 2,237 insurance certificates were outstanding; associations protected under the terms of these certificates had $2,040,009,000 in private repurchasable shares which were held by 2,610,000 investors. Total assets of these insured institutions amounted to $2,706,000,000, or slightly less than at the end of June.

Federal Savings and Loan System

[*Table 7*]

■ ALTHOUGH the number of associations operating under Federal charter remained unchanged in July, there was a decrease in assets of $2,500,000 caused by the retirement of Treasury and HOLC investments in the amount of $15,500,000. Private capital increased by $15,400,000 during the month, but this was offset by the heavy repurchases of Government investments.

Net mortgage loans outstanding rose by $27,000,000 under the momentum of the larger volume of lending that was done by Federals. This was in part responsible for the increase of $4,700,000 in Federal Home Loan Bank advances to Federals during July.

Progress in number and assets of Federals

[Amounts are shown in thousands of dollars]

Class of association	Number		Approximate assets	
	July 31, 1940	June 30, 1940	July 31, 1940	June 30, 1940
New	633	633	$507, 042	$506, 588
Converted	796	796	1, 219, 266	1, 222, 277
Total	1, 429	1, 429	1, 726, 308	1, 728, 865

Federal Home Loan Bank System

[*Table 8*]

■ DURING the month of July 1940, the Federal Home Loan Banks made advances to members in the amount of $15,543,000—more than twice the volume of July of last year. With repayments received amounting to $10,718,000, advances out

(*Continued on p. 435*)

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–July totals		Monthly totals			January–July totals	
	July 1940	June 1940	July 1939	1940	1939	July 1940	June 1940	July 1939	1940	1939
1-family dwellings	18, 635	16, 873	13, 789	109, 997	93, 603	$74, 199. 8	$66, 322. 7	$54, 011. 3	$428, 538. 4	$367, 596. 6
2-family dwellings	1, 652	1, 146	910	8, 580	6, 636	4, 195. 3	2, 886. 5	2, 366. 8	20, 924. 9	16, 815. 5
Joint home and business [2]	62	54	76	416	451	330. 0	177. 3	327. 8	1, 819. 9	1, 944. 0
3-and-more family dwellings	8, 114	4, 403	8, 704	52, 801	59, 194	22, 475. 1	11, 886. 7	28, 904. 2	159, 078. 9	190, 585. 0
Total residential	28, 463	22, 476	23, 479	171, 794	159, 884	101, 200. 2	81, 273. 2	85, 610. 1	610, 362. 1	476, 941. 1

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

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

Table 2.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in July 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	
	July 1940	July 1939	July 1940	July 1939	July 1940	July 1939	July 1940	July 1939
UNITED STATES	28, 463	23, 479	$101, 200. 2	$85, 610. 1	20, 349	14, 775	$78, 725. 1	$56, 705. 9
No. 1—Boston	2, 304	1, 112	8, 886. 3	4, 580. 3	1, 322	892	5, 637. 1	3, 906. 9
Connecticut	1, 011	227	3, 872. 7	1, 083. 8	338	224	1, 533. 3	1, 072. 8
Maine	63	40	176. 9	114. 5	63	40	176. 9	114. 5
Massachusetts	932	636	3, 763. 7	2, 522. 5	652	419	2, 885. 9	1, 860. 1
New Hampshire	79	64	270. 6	248. 9	76	64	264. 6	248. 9
Rhode Island	204	135	739. 6	562. 4	178	135	713. 6	562. 4
Vermont	15	10	62. 8	48. 2	15	10	62. 8	48. 2
No. 2—New York	3, 011	3, 426	12, 303. 4	15, 013. 5	1, 988	1, 433	8, 778. 7	6, 355. 2
New Jersey	747	703	2, 909. 0	2, 849. 4	588	337	2, 639. 0	1, 592. 6
New York	2, 264	2, 723	9, 394. 4	12, 164. 1	1, 400	1, 096	6, 139. 7	4, 762. 6
No. 3—Pittsburgh	1, 459	2, 767	6, 065. 3	11, 167. 4	1, 030	917	4, 859. 0	4, 493. 6
Delaware	3	21	19. 2	108. 3	3	12	19. 2	73. 3
Pennsylvania	1, 008	2, 627	4, 455. 7	10, 565. 2	895	795	4, 210. 4	3, 939. 9
West Virginia	448	119	1, 590. 4	493. 9	132	110	629. 4	480. 4

Table 2.—Number and estimated cost of new family dwelling units provided in all cities of 10,000 population or over, in July 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	
	July 1940	July 1939	July 1940	July 1939	July 1940	July 1939	July 1940	July 1939
No. 4—Winston-Salem	5, 150	3, 339	$14, 785. 7	$10, 427. 1	2, 656	1, 896	$8, 964. 2	$6, 040. 7
Alabama	1, 029	191	2, 504. 5	380. 1	310	178	653. 2	367. 6
District of Columbia	905	303	3, 064. 7	1, 148. 8	261	149	1, 852. 5	761. 5
Florida	750	816	2, 427. 7	2, 463. 1	736	692	2, 405. 7	2, 126. 8
Georgia	931	1, 017	2, 304. 2	3, 340. 9	300	211	732. 0	582. 7
Maryland	365	167	1. 109. 4	552. 0	244	151	844. 4	522. 0
North Carolina	535	246	1, 393. 3	635. 9	355	218	957. 1	591. 4
South Carolina	307	267	812. 7	742. 6	150	105	397. 3	312. 6
Virginia	328	332	1, 169. 2	1, 163. 7	300	192	1, 122. 0	776. 1
No. 5—Cincinnati	2, 472	1, 412	9, 372. 3	5, 615. 6	1, 506	897	6, 412. 4	3, 874. 3
Kentucky	172	129	456. 1	339. 2	168	118	448. 6	307. 6
Ohio	1, 548	701	6, 832. 0	3, 374. 2	1, 090	634	5, 327. 1	3, 141. 4
Tennessee	752	582	2, 084. 2	1, 902. 2	248	145	636. 7	425. 3
No. 6—Indianapolis	2, 335	1, 929	9, 726. 8	7, 677. 8	2, 308	1, 648	9, 667. 1	7, 081. 6
Indiana	645	690	2, 351. 5	1, 972. 7	636	412	2, 339. 8	1, 384. 3
Michigan	1, 690	1, 239	7, 375. 3	5, 705. 1	1, 672	1, 236	7, 327. 3	5, 697. 3
No. 7—Chicago	2, 069	1, 002	8, 809. 1	4, 479. 0	1, 404	837	6, 783. 9	3, 980. 1
Illinois	1, 582	565	6, 879. 6	2, 899. 6	947	548	4, 943. 9	2, 835. 8
Wisconsin	487	437	1, 929. 5	1, 579. 4	457	289	1, 840. 0	1, 144. 3
No. 8—Des Moines	1, 290	1, 006	4, 951. 4	3, 732. 6	1, 150	953	4, 540. 2	3, 601. 9
Iowa	399	285	1, 517. 4	1, 044. 1	390	279	1, 492. 7	1, 027. 6
Minnesota	410	335	1, 815. 5	1, 385. 1	393	326	1, 767. 5	1, 364. 4
Missouri	353	299	1, 249. 7	1, 062. 5	253	275	961. 2	998. 0
North Dakota	44	34	137. 8	107. 8	39	28	119. 8	99. 8
South Dakota	84	53	231. 0	133. 1	75	45	199. 0	112. 1
No. 9—Little Rock	2, 512	3, 303	6, 749. 4	8, 740. 2	1, 859	1, 616	5, 160. 4	4, 444. 9
Arkansas	120	67	269. 8	198. 1	120	67	269. 8	198. 1
Louisiana	358	246	1, 170. 7	725. 2	324	212	1, 028. 7	602. 7
Mississippi	143	140	258. 5	271. 0	143	140	258. 5	271. 0
New Mexico	55	52	158. 2	160. 9	47	43	145. 2	140. 9
Texas	1, 836	2, 798	4, 892. 2	7, 385. 0	1, 225	1, 154	3, 458. 2	3, 232. 2
No. 10—Topeka	807	639	2, 492. 1	2, 056. 7	771	594	2, 413. 9	1, 947. 6
Colorado	250	167	781. 7	539. 8	222	142	709. 7	474. 8
Kansas	169	130	426. 7	308. 6	161	117	420. 5	281. 6
Nebraska	135	96	504. 8	377. 9	135	89	504. 8	360. 8
Oklahoma	253	246	778. 9	830. 4	253	246	778. 9	830. 4
No. 11—Portland	859	675	3, 147. 8	2, 156. 7	816	600	3, 049. 3	1, 989. 7
Idaho	21	46	104. 5	153. 9	21	23	104. 5	105. 4
Montana	76	46	245. 5	103. 7	70	46	232. 0	103. 7
Oregon	198	164	691. 7	556. 2	165	136	616. 7	491. 7
Utah	133	106	469. 0	362. 3	133	94	469. 0	329. 5
Washington	413	301	1, 556. 1	928. 3	413	289	1, 556. 1	907. 1
Wyoming	18	12	81. 0	52. 3	14	12	71. 0	52. 3
No. 12—Los Angeles	4, 195	2, 869	13, 910. 6	9, 963. 2	3, 539	2, 492	12, 458. 9	8, 989. 4
Arizona	277	113	596. 8	405. 3	53	113	169. 8	405. 3
California	3, 906	2, 739	13, 264. 5	9, 457. 8	3, 474	2, 362	12, 239. 8	8, 484. 0
Nevada	12	17	49. 3	100. 1	12	17	49. 3	100. 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 Aug.	1939 Aug.	1940			1939		1938 Aug.	1937 Aug.	1936 Aug.
			Aug.	May	Feb.	Nov.	Aug.			
No. 3—Pittsburgh:										
Wilmington, Del	$0.217	$0.226	$5,217	$5,231	$5,389	$5,389	$5,416	$5,898	$5,811	$5,309
Harrisburg, Pa	.247	.239	5,916	5,873	5,882	6,105	5,724	5,682	5,995	5,584
Philadelphia, Pa	.242	.229	5,816	5,676	5,595	5,583	5,485	5,416	5,972	4,962
Pittsburgh, Pa	.256	.268	6,155	6,134	6,254	6,398	6,440	6,487	6,786	5,816
Charleston, W. Va	.242	.242	5,808	5,855	5,843	5,843	5,813	5,905	6,282	5,458
Wheeling, W. Va	.253	.263	6,071	6,343	6,323	6,346	6,314	6,042	6,503	--------
No. 5.—Cincinnati:										
Lexington, Ky	.232	.238	5,574	5,659	5,905	5,912	5,715	5,325	5,702	5,223
Louisville, Ky	.226	.218	5,423	5,447	5,408	5,402	5,230	5,189	5,461	5,119
Cincinnati, Ohio	.232	.229	5,564	5,512	5,525	5,564	5,500	5,836	6,056	5,604
Cleveland, Ohio	.287	.270	6,888	6,693	6,794	6,836	6,492	6,404	6,981	6,165
Columbus, Ohio	.240	.234	5,754	5,800	5,799	5,774	5,618	5,919	6,429	5,659
Memphis, Tenn	.223	.220	5,350	5,394	5,400	5,415	5,269	5,299	5,467	5,095
Nashville, Tenn	.203	.206	4,883	4,946	4,980	5,022	4,956	5,090	5,504	5,120
No. 9—Little Rock:										
Little Rock, Ark	.214	.218	5,137	5,169	5,180	5,183	5,225	5,150	5,208	5,202
New Orleans, La	.238	.235	5,702	5,763	5,829	5,860	5,641	5,865	5,865	5,063
Jackson, Miss	.254	.246	6,084	6,084	6,033	6,015	5,894	6,079	6,086	5,373
Dallas, Tex	.226	.226	5,417	5,412	5,414	5,335	5,431	5,888	6,068	5,634
Houston, Tex	.237	.245	5,681	5,902	5,927	5,866	5,882	5,993	6,162	5,733
San Antonio, Tex	.228	.244	5,479	5,497	5,590	5,688	5,867	6,055	6,231	5,535
No. 12—Los Angeles:										
Phoenix, Ariz	.258	.255	6,199	6,199	6,199	6,223	6,129	6,489	6,802	6,088
Los Angeles, Calif	.219	.218	5,254	5,250	5,256	5,303	5,231	5,704	6,001	5,285
San Diego, Calif	.222	.234	5,320	5,311	5,419	5,471	5,605	5,834	6,144	5,468
San Francisco, Calif	.260	.263	6,250	6,289	6,308	6,301	6,314	6,329	6,452	5,999
Reno, Nev	.282	.274	6,777	6,777	6,745	6,701	6,574	6,560	6,666	6,313

[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.

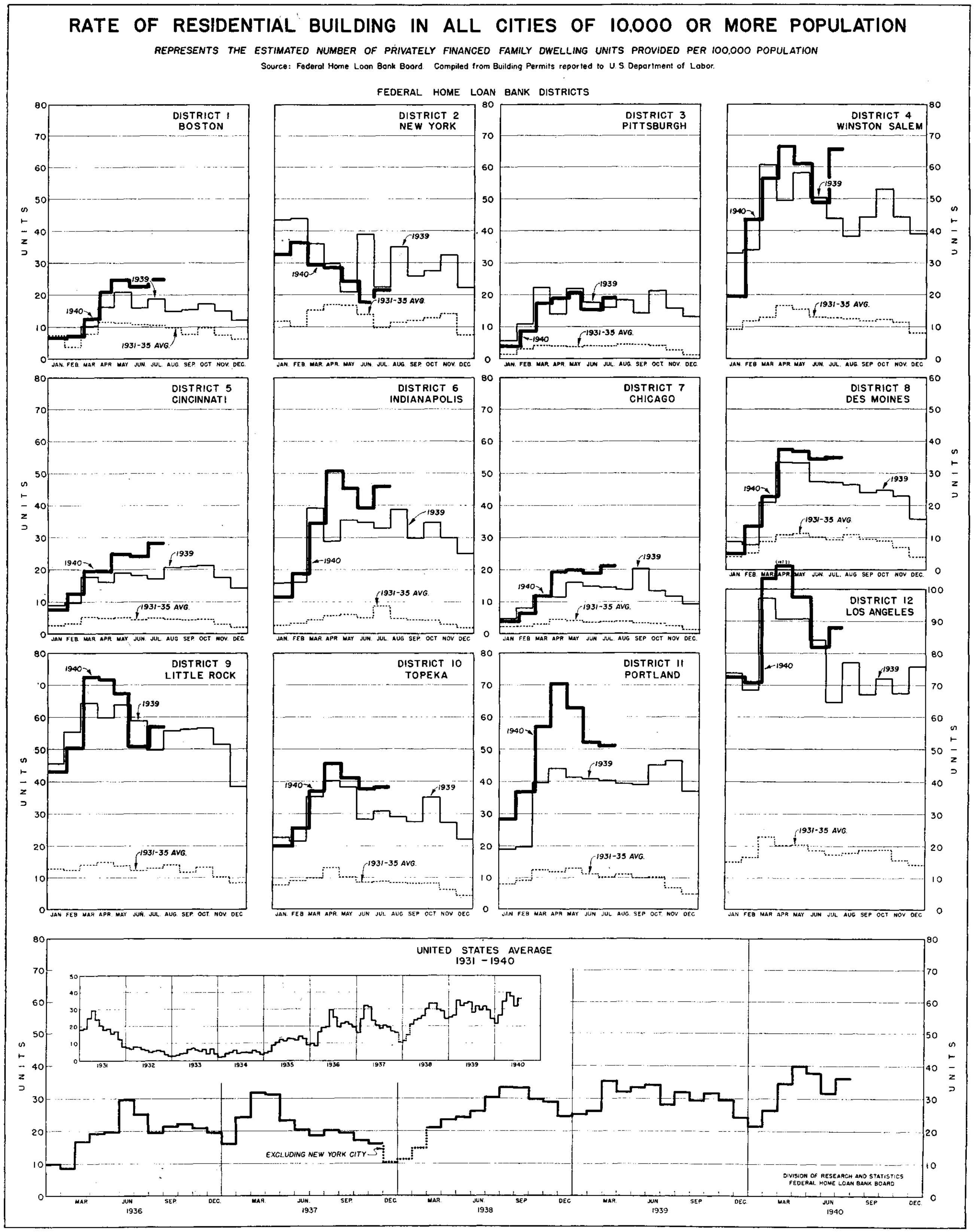

RATE OF RESIDENTIAL BUILDING IN ALL CITIES OF 10,000 OR MORE POPULATION
REPRESENTS THE ESTIMATED NUMBER OF PRIVATELY FINANCED FAMILY DWELLING UNITS PROVIDED PER 100,000 POPULATION
Source: Federal Home Loan Bank Board. Compiled from Building Permits reported to U.S. Department of Labor.
FEDERAL HOME LOAN BANK DISTRICTS
DISTRICT 1 BOSTON
DISTRICT 2 NEW YORK
DISTRICT 3 PITTSBURGH
DISTRICT 4 WINSTON SALEM
DISTRICT 5 CINCINNATI
DISTRICT 6 INDIANAPOLIS
DISTRICT 7 CHICAGO
DISTRICT 8 DES MOINES
DISTRICT 9 LITTLE ROCK
DISTRICT 10 TOPEKA
DISTRICT 11 PORTLAND
DISTRICT 12 LOS ANGELES
1940
1939
1931-35 AVG.
UNITS
JAN. FEB. MAR. APR. MAY JUN. JUL. AUG. SEP. OCT. NOV. DEC.
UNITED STATES AVERAGE 1931 - 1940
1931 1932 1933 1934 1935 1936 1937 1938 1939 1940
EXCLUDING NEW YORK CITY
MAR JUN SEP DEC
1936 1937 1938 1939 1940
DIVISION OF RESEARCH AND STATISTICS FEDERAL HOME LOAN BANK BOARD

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

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and class of association	New loans: July 1940	New loans: June 1940	Percent change, June 1940 to July 1940	New loans, July 1939	Percent change, July 1939 to July 1940	Cumulative new loans (7 months): 1940	Cumulative new loans (7 months): 1939	Cumulative new loans (7 months): Percent change
United States: Total	$114, 301	$106, 984	+6. 8	$85, 172	+34. 2	$672, 662	$539, 128	+24. 8
Federal	48, 676	47, 435	+2. 6	34, 055	+42. 9	288, 010	215, 910	+33. 4
State member	45, 414	42, 214	+7. 6	34, 146	+33. 0	267, 608	215, 985	+23. 9
Nonmember	20, 211	17, 335	+16. 6	16, 971	+19. 1	117, 044	107, 233	+9. 1
District No. 1: Total	11, 191	11, 310	−1. 1	8, 759	+27. 8	60, 021	46, 787	+28. 3
Federal	4, 002	3, 900	+2. 6	2, 649	+51. 1	20, 967	14, 471	+44. 9
State member	5, 332	5, 738	−7. 1	4, 088	+30. 4	28, 986	21, 511	+34. 7
Nonmember	1, 857	1, 672	+11. 1	2, 022	−8. 2	10, 068	10, 805	−6. 8
District No. 2: Total	10, 602	9, 969	+6. 3	8, 699	+21. 9	58, 735	51, 911	+13. 1
Federal	2, 750	2, 830	−2. 8	3, 354	−18. 0	17, 710	19, 535	−9. 3
State member	3, 508	2, 849	+23. 1	1, 884	+86. 2	17, 026	11, 849	+43. 7
Nonmember	4, 344	4, 290	+1. 3	3, 461	+25. 5	23, 999	20, 527	+16. 9
District No. 3: Total	9, 145	8, 362	+9. 4	6, 753	+35. 4	53, 469	45, 509	+17. 5
Federal	3, 600	3, 831	+6. 0	1, 770	+103. 4	20, 481	11, 516	+77. 8
State member	2, 189	2, 113	+3. 6	1, 970	+11. 1	13, 347	12, 215	+9. 3
Nonmember	3, 356	2, 418	+38. 8	3, 013	+11. 4	19, 641	21, 778	+9. 8
District No. 4: Total	16, 146	15, 486	+4. 3	12, 167	+32. 7	98, 390	72, 922	+34. 9
Federal	8, 074	7, 853	+2. 8	5, 179	+55. 9	47, 123	29, 391	+60. 3
State member	6, 431	6, 128	+4. 9	5, 075	+26. 7	38, 442	31, 729	+21. 2
Nonmember	1, 641	1, 505	+9. 0	1, 913	−14. 2	12, 825	11, 802	+8. 7
District No. 5: Total	20, 531	17, 390	+18. 1	13, 005	+57. 9	111, 898	85, 011	+31. 6
Federal	7, 383	6, 776	+9. 0	5, 113	+44. 4	41, 730	33, 862	+23. 2
State member	9, 607	7, 695	+24. 8	6, 370	+50. 8	53, 280	40, 943	+30. 1
Nonmember	3, 541	2, 919	+21. 3	1, 522	+132. 7	16, 888	10, 206	+65. 5
District No. 6: Total	5, 779	6, 016	−3. 9	3, 913	+47. 7	34, 427	25, 108	+37. 1
Federal	2, 982	3, 078	−3. 1	1, 832	+62. 8	16, 498	11, 788	+40. 0
State member	2, 566	2, 671	−3. 9	1, 822	+40. 8	15, 913	11, 587	+37. 3
Nonmember	231	267	−13. 5	259	−10. 8	2, 016	1, 733	+16. 3
District No. 7: Total	11, 472	10, 527	+9. 0	8, 288	+38. 4	69, 328	53, 266	+30. 2
Federal	4, 273	4, 774	−10. 5	3, 158	+35. 3	27, 666	18, 243	+51. 7
State member	5, 334	4, 670	+14. 2	3, 665	+45. 5	30, 452	23, 081	+31. 9
Nonmember	1, 865	1, 083	+72. 2	1, 465	+27. 3	11, 210	11, 942	−6. 1
District No. 8: Total	6, 999	7, 195	−2. 7	5, 444	+28. 6	41, 803	32, 796	+27. 5
Federal	3, 607	3, 602	+0. 1	2, 579	+39. 9	19, 960	15, 391	+29. 7
State member	1, 894	2, 128	−11. 0	1, 641	+15. 4	12, 701	9, 775	+29. 9
Nonmember	1, 498	1, 465	+2. 3	1, 224	+22. 4	9, 142	7, 630	+19. 8
District No. 9: Total	5, 571	5, 122	+8. 8	4, 575	+21. 8	35, 505	33, 566	+5. 8
Federal	2, 149	1, 942	+10. 7	1, 638	+31. 2	14, 198	13, 811	+2. 8
State member	3, 228	2, 932	+10. 1	2, 724	+18. 5	19, 827	18, 360	+8. 0
Nonmember	194	248	−21. 8	213	−8. 9	1, 480	1, 395	+6. 1
District No. 10: Total	4, 920	4, 874	+0. 9	3, 955	+24. 4	30, 401	26, 808	+13. 4
Federal	2, 517	2, 569	−2. 0	1, 871	+34. 5	16, 108	13, 263	+21. 5
State member	1, 061	1, 149	−7. 7	1, 023	+3. 7	6, 900	6, 963	−0. 9
Nonmember	1, 342	1, 156	+16. 1	1, 061	+26. 5	7, 393	6, 582	+12. 3
District No. 11: Total	3, 736	3, 592	+4. 0	3, 270	+14. 3	24, 133	19, 377	+24. 5
Federal	2, 436	2, 261	+7. 7	1, 855	+31. 3	15, 070	11, 570	+30. 3
State member	1, 170	1, 217	−3. 9	1, 166	+0. 3	8, 112	6, 747	+20. 2
Nonmember	130	114	+14. 0	249	−47. 8	951	1, 060	−10. 3
District No. 12: Total	8, 209	7, 141	+15. 0	6, 344	+29. 4	54, 552	46, 067	+18. 4
Federal	4, 903	4, 019	+22. 0	3, 057	+60. 4	30, 499	23, 069	+32. 2
State member	3, 094	2, 924	+5. 8	2, 718	+13. 8	22, 622	21, 225	+6. 6
Nonmember	212	198	+7. 1	569	−62. 7	1, 431	1, 773	−19. 3

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

[Thousands of dollars]

Period	Purpose of loans: Mortgage loans on homes: Construction	Home purchase	Refinancing	Reconditioning	Loans for all other purposes	Total loans	Class of association: Federals	State members	Nonmembers
1938	$220, 458	$265, 485	$160, 167	$58, 623	$93, 263	$797, 996	$286, 899	$333, 470	$177, 627
Jan.-July	116, 987	9, 246	95, 150	33, 731	55, 591	450, 705	158, 618	191, 544	100, 543
July	19, 096	21, 924	13, 194	5, 397	8, 028	67, 639	23, 823	28, 973	14, 843
1939	301, 039	339, 629	182, 025	59, 463	104, 227	986, 383	400, 337	396, 041	190, 005
Jan.-July	183, 545	210, 572	114, 380	34, 650	62, 137	605, 284	252, 119	240, 214	112, 951
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.-July	212, 501	238, 526	119, 047	36, 348	66, 240	672, 662	288, 010	267, 608	117, 044
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
July	39, 907	40, 658	17, 649	6, 115	9, 972	114, 301	48, 676	45, 414	20, 211

[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: July	89. 2	90. 7	91. 0	88. 8	80. 5	79. 5	107. 3	91. 2
1939: 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
July	92. 7	90. 1	90. 6	96. 7	84. 6	80. 5	107. 3	93. 6
Change:								
July 1940–June 1940	+0. 3%	−0. 1%	0. 0%	+0. 7%	−0. 7%	0. 0%	0. 0%	+0. 6%
July 1940–July 1939	+3. 3%	−0. 6%	−1. 0%	+5. 3%	+2. 9%	+1. 5%	0. 0%	+4. 5%

[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 private investments	Operations: Private 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
July	2, 237	2, 706, 259	2, 167, 366	2, 039, 739	220, 893	129, 909	2, 610, 200	86, 496	73, 111	70, 943
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, 415	1, 685, 324	1, 375, 683	1, 239, 973	196, 933	74, 428	1, 538, 000	31, 915	16, 124	49, 287
June [1]	1, 421	1, 727, 337	1, 403, 933	1, 267, 156	197, 268	90, 489	1, 560, 900	29, 404	11, 022	47, 435
July [2]	1, 422	1, 724, 821	1, 430, 982	1, 282, 590	181, 724	95, 175	1, 574, 000	60, 489	49, 244	48, 676
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
July	815	981, 438	736, 384	757, 149	39, 169	34, 734	1, 036, 200	26, 007	23, 867	22, 267

[1] In addition, 8 Federals with assets of $1,528,000 had been approved for conversion but had not been insured as of June 30.
[2] In addition, 7 Federals with assets of $1,487,000 had been approved for conversion but had not been insured as of July 31.

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

[Thousands of dollars]

Federal Home Loan Bank	July 1940		June 1940		Advances outstanding, July 31, 1940
	Advances	Repayments	Advances	Repayments	
Boston	$1, 894	$313	$1, 225	$117	$7, 324
New York	2, 467	853	1, 360	542	19, 448
Pittsburgh	1, 247	565	1, 657	486	15, 595
Winston-Salem	3, 914	1, 479	4, 079	302	19, 445
Cincinnati	1, 665	597	1, 285	227	15, 713
Indianapolis	619	806	1, 310	103	9, 235
Chicago	693	904	2, 982	970	24, 845
Des Moines	868	731	2, 857	172	14, 507
Little Rock	804	665	1, 077	161	6, 832
Topeka	503	194	912	215	9, 431
Portland	367	1, 088	2, 032	43	6, 064
Los Angeles	502	2, 523	2, 705	255	13, 783
Total	15, 543	10, 718	23, 481	3, 593	162, 222
Jan.-July 1940	64, 654	83, 745			
July 1939	6, 823	14, 198			161, 587
Jan.-July 1939	42, 705	79, 960			
July 1938	4, 944	9, 277			191, 892
Jan.-July 1938	46, 125	54, 327			

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–July 1940:				
Applications:				
Number	1, 862	4, 625	967	5, 592
Amount	$50, 401	$201, 627	$63, 397	$265, 024
Investments:				
Number	1, 831	4, 207	719	4, 926
Amount	$49, 300	$176, 290	$44, 548	$220, 838
Repurchases	$22, 420	$21, 446	$5, 132	$26, 578
Net outstanding investments	$26, 880	$154, 844	$39, 417	$194, 261
July 1940:				
Applications:				
Number	0	0	1	1
Amount	0	0	$50	$50
Investments:				
Number	0	0	2	2
Amount	0	0	$150	$150
Repurchases	$7, 257	$8, 287	$627	$8, 914

[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 July 31, 1940 [1]

Type of operation	June 1, 1934 through June 30, 1940	July 1, 1940 through July 31, 1940	Cumulative through July 31, 1940
Cases received [2]	1, 208, 230	4, 593	1, 212, 823
Contracts awarded:			
Number	800, 596	3, 453	804, 049
Amount	$159, 191, 510	$1, 121, 961	$160, 313, 471
Contracts completed:			
Number	795, 867	4, 361	800, 228
Amount	$157, 071, 697	$1, 305, 871	$158, 377, 568

[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 1 through Dec. 31	14, 821
1940: January	1, 567
February	1, 311
March	1, 657
April	1, 323
May	1, 466
June	1, 543
July	1, 615
Grand total to July 31, 1940	167, 367

[1] Does not include 7,205 properties bought in by HOLC at foreclosure sale but awaiting expiration of the redemption period before title in absolute fee can be obtained.

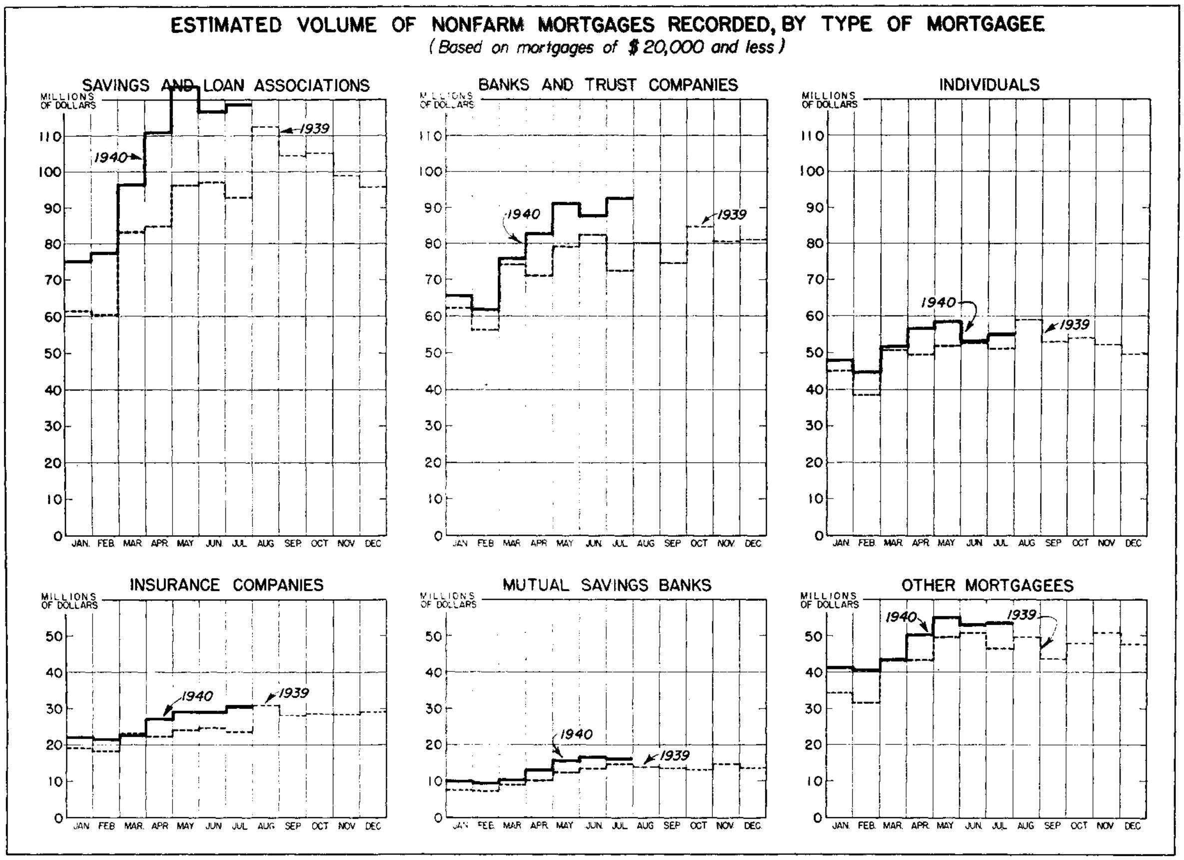
In addition to the 167,367 completed cases, 991 properties were sold at foreclosure sale to parties other than the HOLC and 26,242 cases have been withdrawn due to payment of delinquencies by borrowers after foreclosure proceedings were authorized.

Table 12.—Summary of estimated nonfarm mortgage recordings,[1] $20,000 and under, during July 1940

(Amounts shown are in thousands of dollars)

Federal Home Loan Bank District and State	Savings & loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgagees		Total		Amount per capita (nonfarm)
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
UNITED STATES	46,667	$118,914	6,228	$30,602	28,511	$92,658	4,328	$16,067	29,689	$55,191	16,837	$53,622	132,260	$367,054	$3.98
No. 1--Boston	4,025	12,856	341	1,731	1,088	3,939	2,418	8,308	1,978	4,028	1,252	3,470	11,102	34,332	
Connecticut	403	1,453	110	703	359	1,586	532	1,995	558	1,378	424	1,495	2,389	8,610	5.66
Maine	292	676	30	96	107	243	153	352	166	232	105	177	853	1,776	2.84
Massachusetts	2,842	9,261	171	782	362	1,351	1,229	4,360	938	1,893	597	1,441	6,139	19,088	4.63
New Hampshire	149	371	5	32	78	171	224	676	102	136	18	35	576	1,421	3.53
Rhode Island	245	867	22	99	134	483	142	510	151	305	97	301	791	2,565	3.82
Vermont	91	228	3	19	48	105	138	415	63	84	11	21	354	872	3.53
No. 2--New York	2,935	9,289	401	2,299	2,227	9,163	1,365	5,981	3,234	7,459	1,951	7,873	12,113	42,064	
New Jersey	1,156	3,686	246	1,350	1,329	5,306	50	170	1,193	2,959	929	3,300	4,903	16,771	4.29
New York	1,779	5,603	155	949	898	3,857	1,315	5,811	2,041	4,500	1,022	4,573	7,210	25,293	2.13
No. 3--Pittsburgh	3,439	8,667	269	1,287	2,650	8,530	198	631	2,119	4,607	1,171	3,870	9,846	27,592	
Delaware	75	222	19	110	73	352	43	137	81	224	68	183	359	1,228	6.40
Pennsylvania	2,844	7,434	175	812	1,800	6,528	147	492	1,587	3,661	951	3,333	7,504	22,260	2.54
West Virginia	520	1,011	75	365	777	1,650	8	2	451	722	152	354	1,983	4,104	3.21
No. 4--Winston-Salem	7,848	18,102	876	3,946	2,668	7,125	46	161	4,371	7,303	2,255	5,937	18,064	42,574	
Alabama	217	309	88	346	204	489			403	433	273	616	1,185	2,193	1.68
District of Columbia	575	2,784	58	420	105	622			345	965	215	967	1,298	5,758	11.84
Florida	745	2,162	243	967	359	863			727	1,541	466	1,350	2,540	6,883	5.79
Georgia	884	1,516	144	740	482	1,099			520	548	162	376	2,192	4,279	2.87
Maryland	1,325	3,320	38	198	348	1,004	46	161	483	1,073	159	386	2,399	6,142	4.41
North Carolina	2,288	4,045	129	527	336	991			651	629	339	793	3,743	6,985	4.45
South Carolina	436	808	49	192	214	555			463	608	186	358	1,348	2,521	3.07
Virginia	1,378	3,158	127	556	620	1,502			779	1,506	455	1,091	3,359	7,813	5.31
No. 5--Cincinnati	7,464	20,599	803	4,281	3,294	10,316	76	311	2,205	3,870	1,603	4,325	15,445	43,702	
Kentucky	1,101	2,325	212	1,030	597	1,406			218	248	114	279	2,242	5,288	3.68
Ohio	6,065	17,520	416	2,535	2,174	7,364	76	311	1,602	2,881	793	2,678	11,126	33,289	5.91
Tennessee	298	754	175	716	523	1,546			385	741	696	1,368	2,077	5,125	3.66
No. 6--Indianapolis	3,504	7,564	755	3,632	3,459	9,574	25	38	1,355	2,279	975	3,446	10,073	26,533	
Indiana	2,330	4,490	327	1,393	1,123	3,101	25	38	466	642	285	811	4,556	10,475	4.32
Michigan	1,174	3,074	428	2,239	2,336	6,473			889	1,637	690	2,635	5,517	16,058	3.96
No. 7--Chicago	3,339	9,173	523	2,329	1,744	6,185	7	23	1,893	4,221	1,242	4,899	8,748	26,830	
Illinois	2,326	6,419	387	1,732	933	3,690			785	1,910	915	3,943	5,346	17,694	2.67
Wisconsin	1,013	2,754	136	597	811	2,495	7	23	1,108	2,311	327	956	3,402	9,136	4.44
No. 8--Des Moines	3,435	7,674	566	2,623	2,220	5,404	33	112	2,695	4,835	1,374	4,350	10,323	24,998	
Iowa	839	1,753	94	481	652	1,897			397	691	186	608	2,168	5,430	3.64
Minnesota	1,459	3,526	258	1,076	562	1,216	33	112	669	1,252	219	685	3,200	7,867	4.71
Missouri	946	2,020	138	839	795	1,899			1,437	2,543	902	2,904	4,218	10,205	4.06
North Dakota	111	257	8	27	81	122			72	130	47	93	319	629	2.22
South Dakota	80	118	68	200	130	270			120	219	20	50	418	867	2.86
No. 9--Little Rock	2,703	6,138	661	3,094	855	2,607			1,827	3,406	1,687	5,379	7,733	20,624	
Arkansas	248	483	31	106	175	503			207	224	84	291	745	1,607	2.19
Louisiana	772	2,314	47	249	85	262			286	714	420	1,158	1,610	4,697	3.70
Mississippi	147	251	38	143	120	315			193	208	113	288	611	1,205	1.86
New Mexico	116	239	5	23	71	224			137	201	45	77	374	764	2.89
Texas	1,420	2,851	540	2,573	404	1,303			1,004	2,059	1,025	3,565	4,393	12,351	3.56
No. 10--Topeka	2,831	6,054	240	1,048	938	2,518			1,547	2,065	969	2,679	5,525	14,364	
Colorado	338	829	28	95	165	496			602	955	288	876	1,421	3,251	4.32
Kansas	810	1,451	56	203	293	803			276	318	185	513	1,620	3,288	2.80
Nebraska	721	1,555	100	527	101	343			207	226	108	306	1,237	2,957	3.73
Oklahoma	962	2,219	56	223	379	876			462	566	388	984	2,247	4,868	3.55
No. 11--Portland	1,703	3,836	267	937	1,215	2,964	160	502	1,162	1,680	892	2,858	5,399	12,777	
Idaho	149	330	9	27	71	256			145	158	116	384	490	1,155	4.50
Montana	131	338	32	128	62	192			149	277	33	106	407	1,041	3.13
Oregon	382	987	75	244	186	404	25	78	442	583	248	870	1,358	3,166	4.34
Utah	164	476	38	123	252	743			116	180	47	90	617	1,612	4.11
Washington	806	1,517	111	410	593	1,247	135	424	235	356	423	1,346	2,303	5,300	4.21
Wyoming	71	188	2	5	51	122			75	126	25	62	224	503	3.30
No. 12--Los Angeles	3,441	8,962	526	3,395	6,153	24,333			5,303	9,438	1,466	4,536	16,889	50,664	
Arizona	78	183	11	44	140	459			234	473	45	92	508	1,251	3.72
California	3,346	8,738	512	3,341	5,982	23,772			5,017	8,860	1,411	4,424	16,268	49,135	9.72
Nevada	17	41	3	10	31	102			52	105	10	20	113	278	3.73

[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.


ESTIMATED VOLUME OF NONFARM MORTGAGES RECORDED, BY TYPE OF MORTGAGEE
(Based on mortgages of $20,000 and less)
SAVINGS AND LOAN ASSOCIATIONS
BANKS AND TRUST COMPANIES
INDIVIDUALS
INSURANCE COMPANIES
MUTUAL SAVINGS BANKS
OTHER MORTGAGEES
MILLIONS OF DOLLARS
1940
1939
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

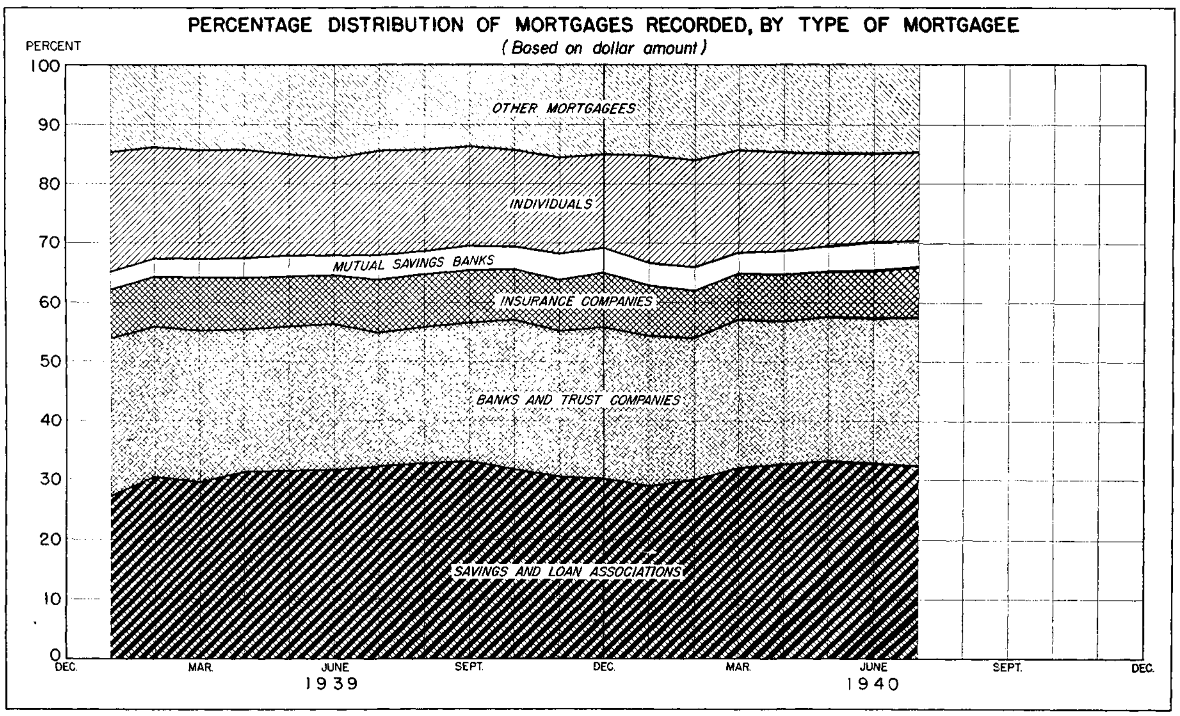

PERCENTAGE DISTRIBUTION OF MORTGAGES RECORDED, BY TYPE OF MORTGAGEE
(Based on dollar amount)
PERCENT
OTHER MORTGAGEES
INDIVIDUALS
MUTUAL SAVINGS BANKS
INSURANCE COMPANIES
BANKS AND TRUST COMPANIES
SAVINGS AND LOAN ASSOCIATIONS
DEC. MAR. JUNE SEPT. DEC. MAR. JUNE SEPT. DEC.
1939
1940

Table 13.—Estimated volume of nonfarm mortgages recorded, by type of mortgagee

[Amounts are shown in thousands of dollars]

Period	Savings and loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgagees		All mortgagees	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Combined total	Percent
Number:														
1939: July[1]	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
July	37, 141	33. 6	4, 706	4. 3	22, 728	20. 6	3, 856	3. 5	27, 668	25. 0	14, 391	13. 0	110, 490	100. 0
Amount:														
1939: July[1]	$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
July	92, 730	30. 8	23, 763	7. 9	72, 403	24. 1	14, 255	4. 7	51, 096	17. 0	46, 433	15. 5	300, 680	100. 0

[1] Revised.

Resolutions of the Board

Amendment to rules and regulations for insurance of accounts, relative to percentage of appraised value on loans beyond the 50-mile area: Adopted August 15, 1940; effective August 16, 1940.

In accordance with regulations of the Board of Trustees of the Federal Savings and Loan Insurance Corporation, a proposed amendment to Insurance Regulation 301.11 (d), which prescribes the maximum percentage of appraised value that may be loaned by insured institutions on properties beyond the 50-mile lending area, was listed in the August 1940 issue of the Federal Home Loan Bank Review on page 395. This amendment has now been formally adopted, and the figure "75" (percent) is substituted for the figure "66⅔" (percent) where it appears in the second sentence of paragraph (4) of this section.

Amendment to rules and regulations for Federal Savings and Loan System, relative to percentage of appraised value on loans beyond the 50-mile area: Adopted August 15, 1940; effective August 16, 1940.

In accordance with the regulations of the Federal Home Loan Bank Board, a proposed amendment of like nature to change Federal Regulation 203.12 (c) (3), was also listed in the August 1940 Review. This amendment also has now been formally adopted, and paragraph (3), which limited to 66⅔ percent the maximum percentage of appraised value that may be loaned on properties beyond the 50-mile area, has been repealed and paragraph (4) has been renumbered paragraph (3).

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

Value of Modernization

(*Continued from p. 409*)

been influenced by the modern trend in offices and equipment, and the adoption of such a program is additional evidence that an association is keeping pace.

2. The extent of changes necessary must, of course, be determined by the individual case but discretion must be exercised lest the improvements be criticized as excessive or unnecessary. This does not mean that an institution must not provide for capacity beyond its present requirements, however. Prudent estimation of future needs will, in the long run, facilitate subsequent expansion with a minimum of additional expense.

3. In planning association offices, it is necessary to consider their effect on the health and welfare of employees as well as the comfort and convenience which they provide for the public.

4. To make certain that all the construction features needed to accomplish the aims of modernization are included in the association's plans, it is preferable to secure the advice of an architect and other competent technicians before proceeding with the actual changes.

5. Unless modernization plans are correlated with a predetermined advertising and public relations program, the opportunity may be lost to secure the full benefit of the changes. This requires a careful study of the possibilities for publicity and the media available for advertising purposes, to prevent an unnecessary expenditure of association funds. An adequate, sound public relations program is an essential phase of the entire modernization operation.

Federal Home Loan Bank System

(*Continued from p. 423*)

standing increased $4,800,000, bringing the balance at the end of the month to $162,200,000—as compared to $161,600,000 outstanding on the same date in 1939. It is interesting to note that the advances during July were 50 percent greater than those during any previous July since the inception of the Banks, and that the total volume of advances during the 7-month period from January to July was exceeded only by the volume for the comparable period in 1937.

Eight of the Federal Home Loan Banks reflected advances greater than repayments during the month. The largest monetary increase in advances outstanding was reported by the Winston-Salem Bank in an amount of $2,400,000, while the Boston Bank reported the largest percentage increase. Of the four Banks showing a decrease, the Los Angeles Bank's reduction of $2,000,000 was the greatest. The Boston, New York, and Cincinnati Banks were the only ones to make greater advances this month over last, while all of the Banks with the exception of Chicago and Topeka received greater repayments than last month.

Some interesting characteristics of savings and loan membership are revealed in an analysis of the number and assets of savings and loan members by size of community in which they operate. At the end of June, 52 percent of all savings and loan members were located in communities with a population of less than 25,000. However, the aggregate assets of these member institutions represented but 30 percent of the total assets of all savings and loan members. Assets appear to be concentrated in the medium-sized cities varying in population from 25,000 to 500,000 where the average size of member association is largest. Generally, member institutions are well distributed over communities of various size.

Distribution of savings and loan members by community size groups as of June 30, 1940

[Amounts are shown in thousands of dollars]

Population group	Institutions		Assets		
	Number	Percent of total	Amount	Percent of total	Average size
Less than 2,500	429	11. 10	$186, 375	4. 40	$434
2,500 to 5,000	460	11. 90	174, 928	4. 13	380
5,000 to 10,000	533	13. 79	344, 416	8. 14	646
10,000 to 25,000	568	14. 70	552, 589	13. 06	973
25,000 to 50,000	323	8. 36	448, 516	10. 60	1, 389
50,000 to 100,000	285	7. 37	437, 358	10. 33	1, 535
100,000 to 250,000	212	5. 49	479, 262	11. 32	2, 261
250,000 to 500,000	378	9. 78	788, 479	18. 63	2, 086
500,000 to 1,000,000	324	8. 38	403, 598	9. 54	1, 246
Over 1,000,000	353	9. 13	417, 160	9. 85	1, 182
Total	3, 865	100. 00	4, 232, 681	100. 00	1, 095

At the end of July, the membership of the Federal Home Loan Bank System totaled 3,908—a net decrease of six members during the month due to the admission of seven savings and loan associations and the withdrawal of nine associations and of four insurance companies.

Directory of Member, Federal, and Insured Institutions

Added during July–August

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

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

DISTRICT NO. 1

NEW HAMPSHIRE:
Rochester:
Rochester Building & Loan Association of Rochester, New Hampshire, 18 South Main Street.
RHODE ISLAND:
Providence:
Roger Williams Savings Fund & Loan Association, 10 Weybosset Street.

DISTRICT NO. 2

NEW JERSEY:
Toms River:
Toms River Building & Loan Association.

DISTRICT NO. 3

PENNSYLVANIA:
Altoona:
Eureka Building & Loan Association of Altoona, Pennsylvania.
Philadelphia:
Keystone Mutual Building & Loan Association, 1608 Walnut Street.
Manufacturers Loan & Savings Association, Broad Street & German Avenue.
Pittsburgh:
Freehold Building & Loan Association, 311 Fourth Avenue.

DISTRICT NO. 4

VIRGINIA:
Fredericksburg:
Mutual Building & Loan Association of Fredericksburg, Virginia, Incorporated, 303 George Street.

DISTRICT NO. 7

WISCONSIN:
Merrill:
Merrill Building & Loan Association, 1005 East Main Street.
Milwaukee:
Mutual Savings & Loan Association, 739 Broadway.

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

FLORIDA:
Jacksonville:
Peninsular Life Insurance Company, Forsyth & Julia Streets (voluntary withdrawal).
ILLINOIS:
Chicago:
Kedzie Building & Loan Association, 3205 West Cermak Road (merger with Lawndale Savings & Loan Association, Chicago, Illinois—formerly the Slovan Building & Loan Association).
Polonia Building & Loan Association, 3028 West Cermak Road (voluntary withdrawal).
MISSOURI:
Kansas City:
Baltimore Avenue Building & Loan Association, 921 Baltimore Avenue (voluntary withdrawal).
NORTH CAROLINA:
Asheville:
Imperial Life Insurance Company, 50 College Street (voluntary withdrawal).
PENNSYLVANIA:
Philadelphia:
German Enterprise Building Association, North Philadelphia Trust Building (voluntary withdrawal).
TEXAS:
Waco:
Amicable Life Insurance Company, Amicable Life Insurance Building (voluntary withdrawal).
WISCONSIN:
Milwaukee:
South Side Mutual Loan & Building Association, 817 West Mitchell Street (voluntary withdrawal).

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

DISTRICT NO. 4

ALABAMA:
Decatur:
First Federal Savings & Loan Association of Decatur, 524 Bank Street (converted from North Alabama Building & Loan Association).

DISTRICT NO. 7

WISCONSIN:
Milwaukee:
North Avenue Federal Savings & Loan Association, 3709 West North Avenue (converted from North Avenue Savings, Building & Loan Association).

DISTRICT NO. 11

OREGON:
Hillsboro:
Washington Federal Savings & Loan Association, 163 South Second Street (converted from Washington Savings & Loan Association).

CANCELATIONS OF FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTERS BETWEEN JULY 16 AND AUGUST 15, 1940

PENNSYLVANIA:
New Castle:
Equitable Federal Savings & Loan Association of New Castle (merger with First Federal Savings & Loan Association of New Castle).

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

DISTRICT NO. 3

PENNSYLVANIA:
Willow Grove:
Willow Grove Federal Savings & Loan Association, 75 North York Road.

DISTRICT NO. 4

NORTH CAROLINA:
Greensboro:
Home Building & Loan Association, 232 West Market Street.

DISTRICT NO. 5

OHIO:
Kingston:
The Kingston Building & Loan Company, 412–13 Main Street.
Sidney:
Mutual Federal Savings & Loan Association, 127 Ohio Avenue.

DISTRICT NO. 7

ILLINOIS:
Batavia:
Batavia Savings & Building Association, 3 West Wilson Street.
Chicago:
Pulaski Savings & Loan Association, 3156 South Morgan Street.
West Pullman Savings & Loan Association, 700 West 119th Street.
WISCONSIN:
Milwaukee:
Mutual Savings & Loan Association, 739 Broadway.

Defense Housing: 1917–1918

THE July issue of the *Monthly Labor Review*, published by the U. S. Department of Labor, contained a comprehensive analysis of the Federal program to house war industry workers during the first World War. The *Monthly Labor Review* states the problem facing the Government at that time as follows:

"Two kinds of housing shortage were necessarily dealt with in 1918: (1) in cities where huge contracts for war materials were placed and the labor force increased beyond the available housing facilities; and (2) in outlying communities where plants were established and where no housing whatever was available. As the present armament program is extended the same problems will undoubtedly arise. . . ."

The article concludes: "There is no doubt that, owing to the improvement made in low-cost housing, both the Government and private industry are much better equipped than in 1918 to proceed with a broadened housing program in 1940."

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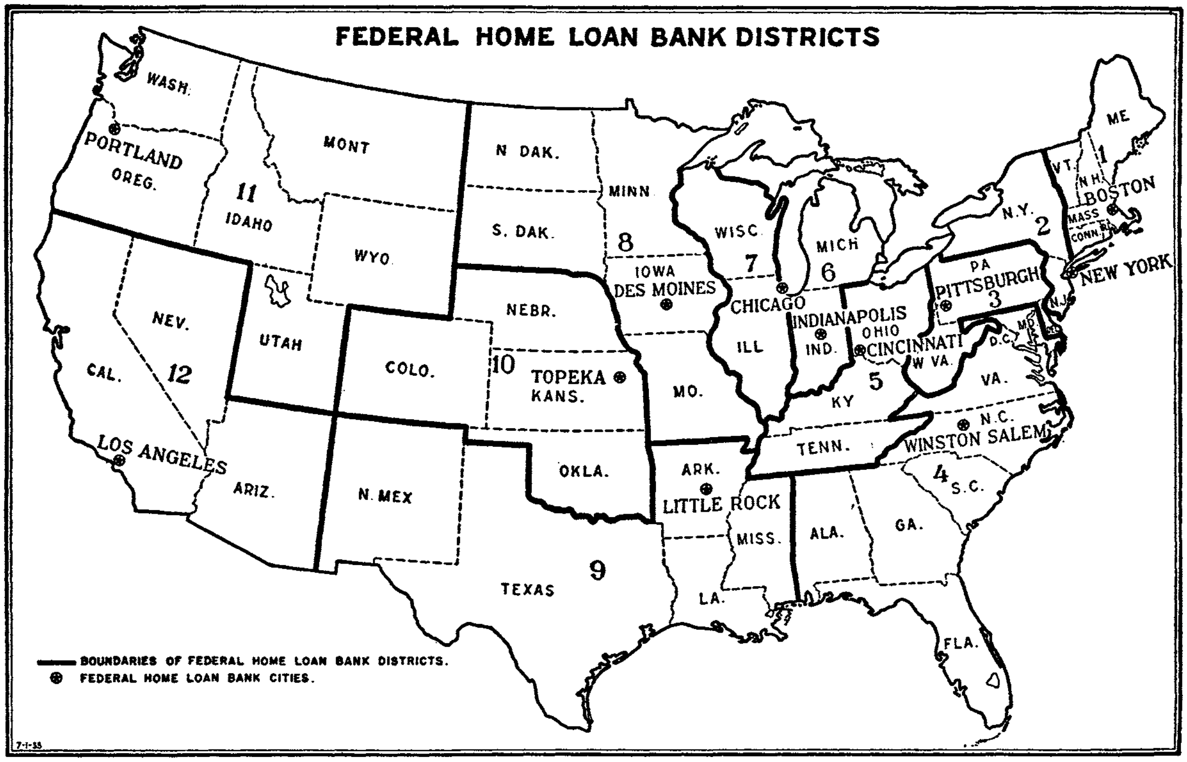
U. S. GOVERNMENT PRINTING OFFICE: 1940



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