Vol. 7

No. 10

FEDERAL HOME LOAN BANK REVIEW

JULY
1941

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

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Published Monthly by the
FEDERAL HOME LOAN BANK BOARD

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

SAVINGS AND LOAN FINANCING AIDS THE DEFENSE HOUSING PROGRAM

What are savings and loan associations doing to assist in the solution of pressing housing problems in defense areas? Records prepared by the Division of Research and Statistics reveal substantially increased lending activities of member associations in defense localities, including the sponsorship of special defense housing projects in various parts of the country.

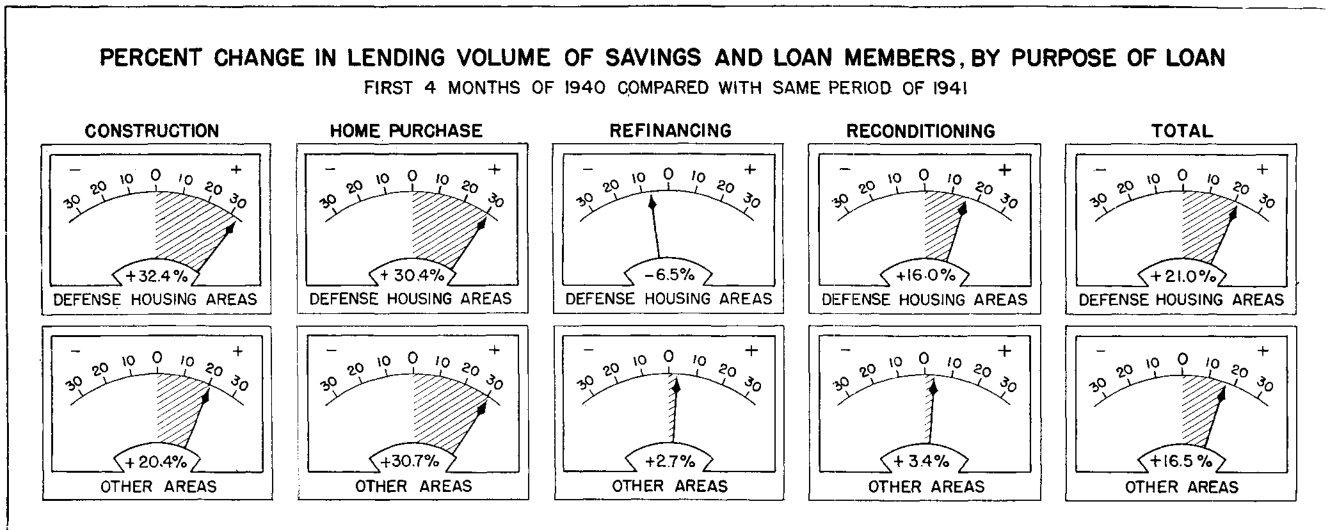
■ DURING the first ten months of our defense effort, which comprise the period from July 1940 through April 1941, savings and loan members of the Bank System have loaned $586,583,000 in defense localities where an acute housing shortage exists. While these loans included funds for new construction as well as home purchase, reconditioning, refinancing, and various other purposes, it is estimated that over 87,000 *newly built* family units were permanently financed with mortgages originated by savings and loan members in defense housing areas. Construction loans in these areas showed an increase of 32 percent over comparable "pre-defense" periods.

These are highlights of a study just completed by the Division of Research and Statistics to ascertain the role of member institutions in meeting the vastly increased housing needs caused by the emergency.

WHAT ARE DEFENSE AREAS?

"Defense housing areas" include those localities for which public housing funds have either been allocated or where allocation is definitely under consideration as well as those which have been designated for FHA insured mortgages under the new Title VI of the National Housing Act. In each case, a severe housing shortage is a prerequisite to the approval by the Federal authorities in charge. Lending data for these areas represent, therefore, a conservative measure of the extent to which member savings and loan associations contribute to the vigorous execution of the defense housing program which, it is generally recognized, needs the support of private capital as well as of Government funds.

There are, of course, numerous communities which have received defense orders and in which acute housing shortages have not—or not as yet—been

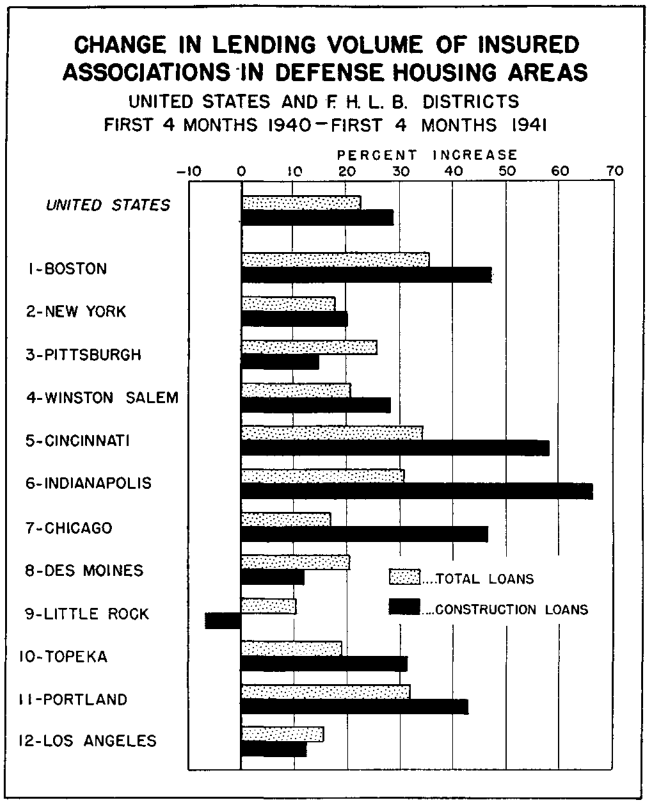


The above chart illustrates the contrast between lending activities of savings and loan members in defense housing areas and lending activities in other areas. Comparison of the loan volume recorded for the first four months of 1941 with that for the same period of 1940 indicates that in defense areas the gains of construction loans (plus 32.4 percent) and reconditioning loans (plus 20.4 percent) were far in excess of those in non-defense areas. Home-purchase loans show about the same increases in both defense and non-defense localities. Refinancing loans declined over 6 percent in armament centers but rose slightly over 3 percent in the rest of the country. Total loans increased 21 percent in defense communities compared with 16 percent in other communities.

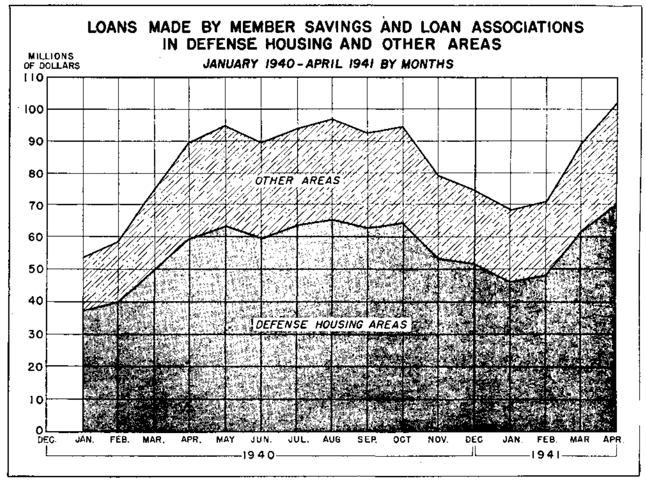
found to exist. If these areas are included, the lending volume of savings and loan members from July 1940 through April 1941 reached $750,000,000. This amount represents the funds loaned in *all* areas where defense contracts have been awarded. The number of *newly constructed* family units financed by savings and loan members in these areas is estimated to exceed 120,000.

What Is Defense Housing?

The data on financing activities of savings and loan members in defense areas were obtained from the monthly reports of insured savings and loan associations and from estimates for uninsured members, based on the known relationship between the lending volume of insured and uninsured member institutions. As a matter of definition, it has been recognized by the Defense Housing Coordinator that any addition to the available family units in armament centers, whether provided specifically for defense workers or not, helps to relieve housing shortages; this is particularly true for structures financed by savings and loan associations whose average mortgage loan is in the neighborhood of $2,500, indicating that these institutions concentrate on the financing of small and inexpensive houses.



Large geographic shifts of lending activities in defense housing areas are indicated in this chart which is based on reports from insured savings and loan associations for the first four months of 1941 and 1940. With one exception, total loans as well as construction loans showed more or less substantial gains, but the rate of increase varied considerably in the different Federal Home Loan Bank Districts. Variations were particularly marked in construction loans in which the Indianapolis District scored the largest gain while the Little Rock area recorded a decline. In eight of the 12 Districts the increase in construction loans was in excess of the increase in total loans.



This chart shows the proportion of member savings and loan lending in defense housing areas to that in other areas. Defense housing areas include those communities for which public housing funds have either been allocated or where allocation is definitely under consideration, as well as those designated for FHA insured loans under Title VI of the National Housing Act. In recent months, close to 70 percent of the total loans originated by member savings and loan associations was made in these areas.

Let us illustrate this point by a hypothetical example. Suppose that in defense community "Middletown," grocer John Jones has a booming business and builds himself a new home, financed by a savings and loan association. He sells his old home to Jim Smith, the bank clerk, who has been living in an apartment and has saved enough money to acquire a home of his own. Jim Smith vacates his apartment which in turn is taken over by Al Brown, the garage mechanic, who likewise feels the effect of the defense boom. Al Brown's apartment finally is rented to defense worker Joe Elliott who has just moved into the community and secured a job. Clearly the financing of grocer Jones' new house has contributed to the solution of the defense housing problem in our hypothetical "Middletown."

A Few Examples

In fact, the participation of savings and loan associations in financing defense housing ranges from many single homes like that of grocer Jones to large-scale projects developed for the avowed purpose of reducing the housing shortage in such defense communities where the demand for dwellings is reasonably permanent. Examples of the latter type are found in Hingham near Boston where a group of associations has financed the construction of several hundred homes close to shipbuilding centers; in a $200,000 project in Camden, New Jersey, which is likewise affected by the shipbuilding boom; and in the completion of arrangements for a revolving fund of $1,000,000 by a group of associations in the Pittsburgh area, one of the most important armament centers.

On the West Coast, a Federal association has made a loan of $200,000 which had the distinction of being the first mortgage insured in this area by the FHA under Title VI of the National Housing Act. The same institution has commitments for a far greater amount pending, and several other associations in this region are financing extensive housing developments in defense localities. Middletown, Ohio, and Ogden, Utah, are among the smaller communities in which an unusual demand for housing, created by defense activities, is being met with the financial aid of local savings and loan associations.

Shifts in Lending Activity

The effect of the defense program on lending operations is perhaps most clearly reflected in a comparison of activities in defense and non-defense areas. Such comparative data for the first four months of 1941 and 1940 are illustrated in the chart on page 322. Not only did the total lending volume in defense localities gain at a more rapid pace (21 percent) than in non-defense localities (16 percent) but there have been remarkable shifts in the distribution of loans according to purpose. Significantly, loans for construction and reconditioning have increased at a much faster rate in armament areas than in the rest of the country. On the other hand, the expansion of home-purchase loans has been about the same in defense and non-defense areas, while refinancing loans actually decreased in the former and increased slightly in the latter.

Likewise, there have been noticeable geographical shifts in total lending volume and especially in construction lending, as is shown in the bar chart on page 323. Undoubtedly the unusual gains of construction loans recorded for defense areas in the Boston, Cincinnati, Indianapolis, Chicago, and Portland Districts are related to the housing needs in communities into which the armament program has drawn great numbers of new inhabitants.

Estimates of New Family Units Permanently Financed

The estimated 87,000 new family units financed by member associations in defense housing areas from July 1940 through April 1941 is about equivalent to the number of units for which *allocations* from public funds had been made during the same period,

(*Continued on p. 341*)

This is a partial view of the Bradley Woods development in Hingham, Massachusetts, which is being sponsored by a group of New England savings and loan associations. Several hundred dwelling units will be added to the housing supply of the vital defense area surrounding Boston. Quantity purchases of materials and supplies and the volume of construction work involved afforded an opportunity to benefit from the economies of large-scale operations. (Picture through the courtesy of the *Christian Science Monitor*.)

PRIORITY PLANS FOR BUILDING MATERIALS

The defense program is having increasingly marked effects on all phases of economic activity. The latest step of direct interest to home-financing institutions is the announcement that priority ratings will be introduced for building materials to assure an adequate supply for public as well as private defense housing.

■ SHORTLY before this issue went to press, a broad program providing priority aid for defense housing projects was announced jointly by E. R. Stettinius, Jr., Director of Priorities, and Charles F. Palmer, Defense Housing Coordinator.

The announcement said that this program puts defense housing ahead of civilian and non-defense housing projects and will assure a steady flow of necessary building materials to the projects deemed essential to the national defense program.

Under the terms of the program, no priority aid will be granted for defense housing, whether publicly or privately financed, until requests for materials have been cleared through the Coordinator or his field representatives in accordance with the procedures being developed. The Division of Defense Housing Coordination will supply the Priorities Division of the Office of Production Management with:

(1) A complete list of all publicly financed defense housing projects for which priority assistance is recommended.

(2) A list of areas in which an acute shortage of housing either exists or impends, thereby threatening to impede or interfere with national defense activities, together with figures on each area indicating how much defense housing is needed.

(3) A formal definition of what constitutes defense housing.

Under the new program, priority assistance may be given either to a publicly financed defense housing project or to private defense projects within a designated area. With the concurrence of the Army and Navy Munitions Board, the Priorities Division will be prepared to give each publicly financed defense housing project, or any area named by the Defense Housing Coordinator, a preference rating considered appropriate in the light of the national defense activity to be served.

Plans are being worked out under which these projects or area ratings may be extended to applicants by local representatives of the Government to be designated by the Coordinator with the approval of the Priorities Division.

The ratings to be assigned will aid contractors engaged in defense housing work to speed up delivery of materials to be specifically named on a Defense Housing Critical List, now being prepared. The ratings may be used only for orders or contracts for these critical list items.

This critical list will contain only those items on which, in the opinion of the Priorities Division, preference ratings are necessary to obtain the quantities and delivery dates required. The list will exclude items of a vital defense nature—such as aluminum, copper, nickel, bronze, zinc, etc.—except when the Defense Housing Coordinator demonstrates that these items or products containing these items are absolutely essential and that adequate substitutes cannot be used.

Representatives who are designated to handle applications for priorities for privately financed defense construction may only extend an area rating when they are satisfied that the housing will be suitable for, and reasonable preference in occupancy will be given to, workers engaged in the designated defense industries; that the intended sales price is $6,000 or less or the intended shelter rental is $50 per month or less, and that the housing is, in general, necessary in connection with defense housing needs.

It was pointed out, however, that exceptions may be made for such other proposed residential construction as may, in particular cases, be necessary to meet defense needs. In such cases, the necessity must be demonstrated to the Coordinator through his designated local representative and the Coordinator will make appropriate recommendations to the Priorities Division. The procedures being developed will apply to rehabilitation of existing structures, as well as new construction, where a dwelling unit not otherwise habitable would thereby be made available.

The present agreement will, the announcement concluded, clarify the priorities situation with relation to residential defense construction and, it is hoped, will remove any hesitancy on the part of builders, lenders, and others to undertake this type of construction.

MONEY RATES: "No material change in money rates can be expected from the present level. A decline in prices of two or three points on long-term Government obligations could not be considered as a material change in interest rates."

Barron's, Apr. 14, 1941.

TAKE AN INTEREST: "Savings and loan . . . men should take an interest in the question of defense housing in their local communities. The matter is one that is of interest and concern to us both as it affects all of us as citizens and as it particularly concerns our own industry."

Joseph A. O'Brien, *Building and Loan Guide and Bulletin*, May 1941.

LABOR DEMAND: ". . . each dollar expended for defense orders requires an hour's labor distributed in plants of final assembly, in fabricating parts and materials, in the extraction of raw materials, and in transporting these goods."

A. F. Hinrichs, *Monthly Labor Review*, May 1941.

AVOIDING INFLATION: "To the extent that people pay taxes or invest in Government bonds, such as the new savings bonds, these funds will not be available for the public to bid up prices in the market place and they will aid in financing defense, thus avoiding inflationary effects."

Marriner S. Eccles, *Domestic Commerce*, May 22, 1941.

A PROFESSION: "Executive management, as I conceive it, is a profession and involves a responsibility of sufficient consequence to merit the full-time, undivided attention of the person designated as the manager, whatever his title may be."

Ralph H. Richards, President, Federal Home Loan Bank of Pittsburgh, in speech before Annual Stockholders Meeting, Mar. 8, 1941.

PRIORITIES: "We must plan as fair and easy a system of priorities as possible but we must see that essential defense housing gets material next in line after bombers. Defense housing is just as much material of war as planes, tanks, and guns. It may even be necessary to make a tight and narrow definition of defense housing and restrict other building."

Charles Palmer, Defense Housing Coordinator, *Defense*, June 17, 1941.

Better annual reports . . . . .

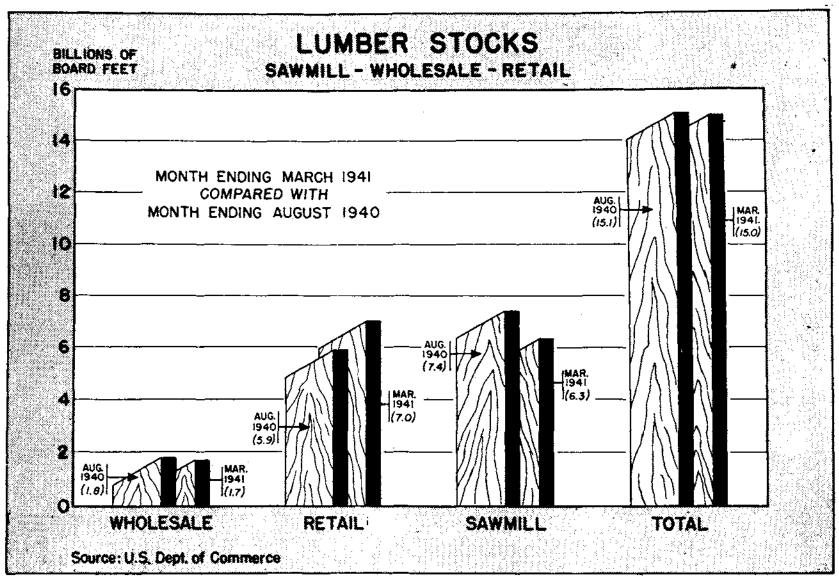
"Issuance of understandable reports to stockholders has been gaining in recent years. Companies in nearly every field of endeavor are recognizing the importance of transmitting to their stockholders a more graphic description of 12 months' operations. But only a small percentage of American corporations so far has actually departed from the old tradition of stating the bare facts in such a way that stockholders are left wondering what it's all about."

Wall Street Journal, Apr. 28, 1941.

Post-war home building . . . . .

"Another aspect of the matter is that, if an expansion of home building is prevented during the next few years by inadequate supplies of materials and labor, and if large amounts of savings are invested in savings bonds during the war period, the people who accumulate such savings will be able to redeem their bonds after the war, if they so desire, and use the money toward the purchase of homes in subsequent years, when the maintenance or expansion of building activity may be highly desirable to sustain business activity and employment. A temporary diversion of savings to defense bonds may, therefore, have considerable advantages, not only in the current situation, but also in later years."

Harold V. Roelse, *The American Banker*, June 12, 1941.



Defense housing, Army and Navy construction, and railroad demands are important factors in the market for all types of lumber today. Lumber consumption during the first half of this year is believed to have exceeded total production by approximately one and one-half billion board feet.

Total stock, however, was about the same at the end of March 1941 as it was at the end of August last year. Sawmill stock decreased by approximately one billion board feet during this period, and retail stock increased by the same amount.

Lumber Survey, *Domestic Commerce*, June 5, 1941.

CLOSING THE BOOKS FOR 1940—A PROGRESS REPORT FOR MEMBER ASSOCIATIONS

Combined year-end financial statements of all member savings and loan associations reveal continued progress in practically all phases of their thrift and home-financing operations. The 9-percent increase in total assets exceeded the 1939 rate of gain.

■ THE net effect of 1940 operations on the balance sheet of the average savings and loan member of the Federal Home Loan Bank System was decidedly favorable: On the asset side of the balance sheet there was a sizable increase in mortgage loans outstanding, a healthy decline in real estate owned, and —in view of the uncertainties of present world conditions—a significant rise in the amount of liquid funds represented by cash on hand and in banks. Outstanding changes on the liability side of the ledger included a substantial gain in private repurchasable capital and a $30,000,000-reduction in Government investments in member institutions. On the other hand, the general reserves of the associations showed only a fractional dollar increase and actually declined as a proportion of their total assets.

These observations are based on the combined statement of condition which has recently been prepared from the individual balance sheets of the 3,818 savings and loan associations which were members of the Federal Home Loan Bank System on December 31, 1940. The assets of these institutions totaled almost $4,411,000,000—a gain of $363,000,000, or 9 percent, over the previous year-end report.

This increase—substantially above the $295,000,000 improvement shown in 1939—maintained the steady upward trend of total membership assets which has prevailed since the inception of the Bank System in 1932. In contrast, the *number* of associations has been declining gradually during the past two years primarily as a result of mergers and consolidations in the welding together of stronger and larger individual units. During 1940, there was a net loss of 50 associations, and in view of this the asset growth becomes even more impressive.

The average size of member savings and loan associations increased more than $100,000 per institution from $1,046,000 at the end of 1939 to slightly more than $1,155,000 on the past year-end closing date. These figures may be compared with $963,600 at the end of 1938 and $843,000 in 1936.

Trends of selected balance-sheet items in relation to total assets

Item	1940	1939	1938	1937
	Pct.	*Pct.*	*Pct.*	*Pct.*
First mortgage loans	79. 25	76. 76	74. 41	72. 82
Real estate owned	6. 80	9. 30	11. 99	13. 77
Real-estate contracts	3. 79	3. 84	3. 78	3. 61
Cash and other investments	7. 05	6. 81	6. 32	6. 15

Individual Asset Accounts

First mortgage loans: The new recovery peak of savings and loan lending established during the past year produced a correlative new high in the net first mortgage investments of member associations. The net rise of $388,000,000 in the first mortgage loans outstanding far exceeded the gains of the two previous years and sent the mortgage-investment portfolio of member savings and loan associations to the high level of $3,496,000,000.

Mortgage holdings continued to rise in relation to the total assets of these institutions and accounted for almost four-fifths (79.3 percent) of their aggregate resources at the end of 1940. This was a considerable advance over the previous year's ratio of 76.8 percent. In the past four years from 1936–1940, this account has risen nearly 10 percentage points in its relationship to total assets. Since mortgage loans are the principal earning asset of savings and loan associations, this upward trend may be expected to have had a favorable effect on operating incomes.

Geographically, every Federal Home Loan Bank District contributed to this nationwide rise in the proportion of first mortgage loan holdings, the Winston-Salem region maintaining the highest ratio of mortgage loans to total assets.

Further progress was also made in the gradual elimination of all junior mortgage liens held by member associations. At the end of the year, only $3,800,000, or less than 0.1 percent of their total assets, were tied up in investments of this character.

Real estate owned: Improved conditions in the real-estate market and concerted sales efforts on the part of individual associations during 1940 were reflected in a considerably smaller real-estate-owned account at the end of the year. Total holdings of real estate were below $300,000,000—a net decline of almost $77,000,000, or 20 percent, during the year.

The ratio of real estate owned to the total assets of all member associations is now below 7 percent, dropping from 9.3 percent at the end of 1939 to 6.8 percent in the current report.

Real-estate contracts: Indications of the continued use of land contracts as a method of selling institutionally owned real estate are found in the $12,000,000-increase in the holdings of these instruments. Total real estate sold on contract at the end of 1940 amounted to $167,000,000, or 3.79 percent of total assets—a slightly lower ratio than at the previous year-end. (The combined real-estate account—owned plus contracts—was equal to 10.6 percent of total assets in contrast to a 13.1-percent ratio a year ago.)

Cash: In view of the continued unrest in world conditions, the $36,000,000-increase in the amount of cash on hand and in banks appears to be a desirable movement toward a greater degree of liquidity. At the end of 1940, the aggregate amount of these liquid funds totaled almost one-quarter of a billion dollars, or 5.5 percent of the combined resources of all member savings and loan associations. The liquidity of member associations as measured by this account has been increasing steadily now since 1937.

Other changes among the asset accounts include: small increases in the office building and furniture and fixture accounts; declines in the "other" assets and "other" investments accounts; and a $3,500,000-rise in holdings of Federal Home Loan Bank stock—about in proportion to the 9-percent gain in total assets.

On the Credit Side of the Ledger

Private repurchasable capital: Aggregate funds invested by the general public in member savings and loan associations passed the $3,000,000,000-mark during 1940, with a 12-percent gain for the year as a whole and a net increase of almost $340,000,000. The average member association had private repurchasable capital of more than $803,000 at the close of the past year in contrast to an average private investment of $706,000 in the previous year-end statement.

Trends of selected balance-sheet items in relation to total liabilities and capital

Item	1940	1939	1938	1937
	Pct.	*Pct.*	*Pct.*	*Pct.*
Private repurchasable capital	69. 57	67. 43	65. 13	63. 59
Government share investments	5. 00	6. 17	6. 90	7. 13
Pledged shares	3. 31	4. 11	4. 80	5. 77
FHLB advances and other borrowed money	4. 92	4. 93	5. 77	6. 09
General reserves and undivided profits	6. 89	7. 04	7. 15	6. 76

Adding funds represented by deposits and investment certificates to the private share capital accounts, total private investments in member associations were then equal to 76.5 percent of their total resources as compared with 74.6 percent at the close of 1939. As in the case of mortgage holdings of member associations, the ratio of total private investments to total assets increased in every Federal Home Loan Bank District.

In sharp contrast to the trend of private investments, substantial repurchases by the associations of Government investments resulted in a lower ratio of these funds to total resources. Government accounts in member associations were reduced from $250,000,000 at the close of 1939 to slightly more than $220,000,000 on December 31, 1940—down 12 percent. The net decline was more than three times as great as in the previous year and reflects primarily voluntary repurchases made possible by the increased inflow of private savings. At the end of 1940 there was more than $15 of private funds for every $1 of Government funds in member associations; one year previous the ratio was only $12 to $1.

Borrowed money: Under the pressure of large demands for mortgage loans and the program for repurchasing Government investments, borrowed money—almost exclusively Federal Home Loan Bank advances—showed a net increase of approximately 10 percent from one year-end to the other. In spite of this gain, the ratio of total borrowings to total assets remained unchanged at 4.9 percent.

Federal Home Loan Bank advances outstanding at the end of the year ($200,105,000) were at an all-time record high, but have dropped considerably

(*Continued on p. 332*)

Table 1.—Percentage distribution of balance sheet items for all savings and loan members of the Federal Home Loan Bank System, 1937–1940 [1]

Balance sheet item	All savings and loan members				Federal				Insured State				Uninsured State			
	1940	1939	1938	1937	1940	1939	1938	1937	1940	1939	1938	1937	1940	1939	1938	1937
Number of member institutions	3,818	3,868	3,895	3,890	1,433	1,400	1,362	1,319	835	795	735	560	1,550	1,673	1,798	2,011
ASSETS																
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
First mortgage loans (including interest and advances)	79.25	76.76	74.41	72.82	83.21	81.52	79.80	79.39	76.99	74.67	73.42	72.03	75.90	73.16	70.57	69.07
Junior mortgage liens (including interest and advances)	0.09	0.12	0.15	0.17	0.04	0.05	0.06	0.06	0.10	0.12	0.17	0.16	0.14	0.18	0.21	0.24
Other loans (including share loans)	0.68	0.71	0.79	0.88	0.38	0.41	0.40	0.42	0.53	0.53	0.53	0.58	1.15	1.12	1.24	1.26
Real estate sold on contract	3.79	3.84	3.78	3.61	3.23	3.46	3.43	3.33	4.87	4.88	4.83	4.55	3.73	3.59	3.54	3.45
Real estate owned	6.80	9.30	11.99	13.77	4.14	5.70	7.46	8.41	7.19	9.61	11.15	12.61	9.85	12.81	16.06	17.48
Federal Home Loan Bank stock	0.99	0.99	0.99	0.96	1.07	1.09	1.13	1.15	0.99	1.00	0.98	0.91	0.87	0.87	0.87	0.87
Other investments (including accrued interest)	1.55	1.72	2.12	2.61	0.69	0.83	1.26	1.68	1.96	1.96	2.38	2.90	2.35	2.49	2.67	3.07
Cash on hand and in Banks	5.50	5.09	4.20	3.54	5.99	5.58	4.94	4.05	5.79	5.48	4.70	4.21	4.67	4.37	3.36	2.99
Office building (net)	1.05	1.10	1.16	1.18	1.02	1.10	1.20	1.16	1.22	1.32	1.33	1.53	0.97	0.97	1.05	1.08
Furniture, fixtures, and equipment (net)	0.10	0.10	0.10	0.10	0.13	0.13	0.14	0.13	0.12	0.12	0.12	0.10	0.06	0.06	0.07	0.07
Other assets	0.20	0.27	0.31	0.36	0.10	0.13	0.18	0.22	0.24	0.31	0.39	0.42	0.31	0.38	0.36	0.42
Total assets	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
LIABILITIES AND CAPITAL																
U.S. Government investment (shares and deposits)	5.00	6.17	6.90	7.13	9.69	13.21	16.58	19.65	3.73	4.43	5.01	5.42	0.01	0.02	0.05	0.07
Private repurchasable shares	69.57	67.43	65.13	63.59	74.45	70.81	65.88	61.27	60.28	58.12	55.09	53.91	70.04	69.58	69.53	68.56
Mortgage pledged shares	3.31	4.11	4.80	5.77	0.52	0.88	1.17	1.62	1.83	2.41	2.89	2.82	7.84	8.42	8.67	9.40
Deposits and investment certificates	6.96	7.20	7.27	7.44	0.02	0.02	0.09	0.18	16.82	17.52	18.19	19.49	8.67	8.32	7.61	7.47
Advances from Federal Home Loan Banks	4.54	4.49	5.28	5.59	6.79	6.72	8.13	9.31	4.19	4.23	5.36	5.21	1.96	2.36	2.94	3.45
Other borrowed money	0.38	0.44	0.49	0.50	0.26	0.31	0.24	0.21	0.40	0.42	0.51	0.41	0.52	0.58	0.68	0.69
Loans in process	1.42	1.12	0.80	0.63	2.06	1.78	1.37	1.18	1.50	1.19	0.90	0.64	0.58	0.40	0.29	0.29
Other liabilities	1.13	1.09	1.12	1.19	1.13	1.15	1.21	1.22	1.38	1.34	1.43	1.28	0.94	0.89	0.90	1.15
Capital, permanent reserve or guaranty stock	0.58	0.63	0.71	0.71	0.00	0.00	0.00	0.01	2.00	2.20	2.51	2.58	0.32	0.34	0.38	0.48
Specific reserves	0.22	0.28	0.35	0.69	0.21	0.26	0.36	0.48	0.26	0.33	0.40	0.72	0.20	0.26	0.32	0.80
General reserves	4.49	4.89	4.95	4.87	3.15	3.27	3.45	3.47	5.41	5.63	5.78	5.69	5.52	6.11	5.75	5.43
Undivided profits	2.40	2.15	2.20	1.89	1.72	1.59	1.52	1.40	2.20	2.18	1.93	1.83	3.40	2.72	2.88	2.21
Total liabilities and capital	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

[1] All figures are taken as of December 31, or nearest available date.

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Table 2.—Combined statement of condition for all savings and loan

Note—Percentage figures show the

[Amounts are shown in

Balance sheet item	Combined	Boston	New York	Pittsburgh	Winston-Salem
Number of members	3,818	212	401	512	400
ASSETS					
First mortgage loans (including interest and advances)	$3,495,884	$410,753	$342,564	$205,811	$441,621
	79.25%	80.42%	73.85%	80.36%	90.37%
Junior mortgage liens (including interest and advances)	3,840	10	505	2,478	102
	0.09%	0.00%	0.11%	0.97%	0.02%
Other loans (including share loans)	29,884	5,372	3,961	2,073	3,643
	0.68%	1.05%	0.85%	0.81%	0.75%
Real estate sold on contract	167,169	646	11,710	6,480	4,416
	3.79%	0.13%	2.52%	2.53%	0.90%
Real estate owned	299,838	39,696	62,625	23,985	6,904
	6.80%	7.77%	13.50%	9.37%	1.41%
Federal Home Loan Bank Stock	43,547	4,022	4,941	2,905	4,711
	0.99%	0.79%	1.07%	1.13%	0.96%
Other investments (including accrued interest)	68,542	15,877	8,916	335	1,789
	1.55%	3.11%	1.92%	0.13%	0.37%
Cash on hand and in Banks	242,391	28,532	22,517	9,963	20,577
	5.50%	5.59%	4.85%	3.89%	4.21%
Office building (net)	46,414	3,238	4,831	1,098	3,730
	1.05%	0.63%	1.04%	0.43%	0.76%
Furniture, fixtures and equipment (net)	4,530	252	585	246	476
	0.10%	0.05%	0.13%	0.10%	0.10%
Other assets[2]	8,964	2,336	739	724	739
	0.20%	0.46%	0.16%	0.28%	0.15%
Total assets	$4,410,963	$510,734	$463,894	$256,098	$488,708
	100.00%	100.00%	100.00%	100.00%	100.00%
LIABILITIES AND CAPITAL					
U. S. Government investment (shares and deposits)	$220,477	$6,520	$26,306	$9,225	$26,243
	5.00%	1.28%	5.67%	3.60%	5.37%
Private repurchasable shares	3,068,951	407,481	342,165	175,979	368,417
	69.57%	79.78%	73.76%	68.72%	75.38%
Mortgage pledged shares	145,971	45,203	23,078	25,618	16,843
	3.31%	8.85%	4.97%	10.00%	3.45%
Deposits and investment certificates	306,799	0	0	0	78
	6.96%	0.00%	0.00%	0.00%	0.02%
Advances from Federal Home Loan Banks	200,105	10,634	21,095	17,248	30,041
	4.54%	2.08%	4.55%	6.74%	6.15%
Other borrowed money	16,755	1,851	3,935	1,413	2,840
	0.38%	0.36%	0.85%	0.55%	0.58%
Loans in process	62,833	4,984	3,731	2,482	8,432
	1.42%	0.98%	0.80%	0.97%	1.72%
Advance payments by borrowers	13,707	1,352	1,011	750	1,352
	0.31%	0.27%	0.22%	0.29%	0.28%
Other liabilities	19,319	1,846	1,057	1,047	1,747
	0.44%	0.36%	0.23%	0.41%	0.36%
Permanent, reserve, or guaranty stock	25,799	0	0	0	17
	0.58%	0.00%	0.00%	0.00%	0.00%
Deferred credits to future operations	16,604	67	809	417	934
	0.38%	0.01%	0.18%	0.16%	0.19%
Specific reserves	9,613	212	1,165	802	1,049
	0.22%	0.04%	0.25%	0.31%	0.21%
General reserves	198,169	18,235	26,587	18,771	9,616
	4.49%	3.57%	5.73%	7.33%	1.97%
Bonus on shares	559	44	269	14	40
	0.01%	0.01%	0.06%	0.01%	0.01%
Undivided profits	105,302	12,305	12,686	2,332	21,059
	2.39%	2.41%	2.73%	0.91%	4.31%
Total liabilities and capital	$4,410,963	$510,734	$463,894	$256,098	$488,708
	100.00%	100.00%	100.00%	100.00%	100.00%

[1]This information has been supplied by the 12 Federal Home Loan Banks who advise that in a few instances reports for member institutions could not be obtained as of December 31, 1940, and that either estimates or reports of some other date were used.

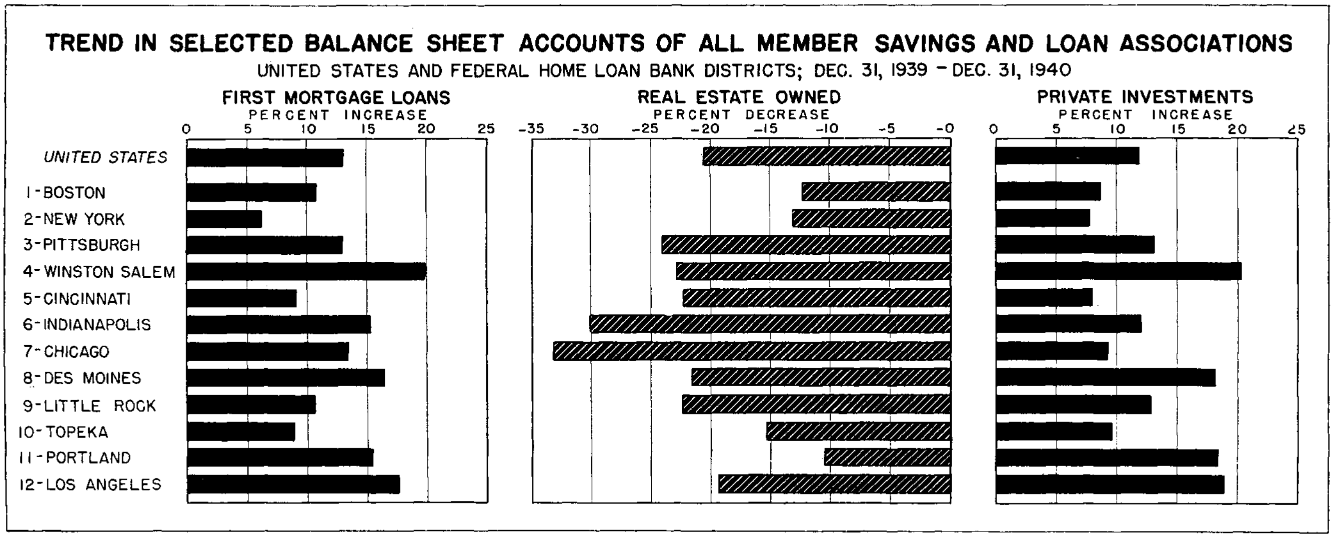
members of the Federal Home Loan Bank System as of Dec. 31, 1940[1]

ratio of the item listed to total assets.

thousands of dollars]

Cincinnati	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	Portland	Los Angeles
585	215	456	241	271	224	132	169
$668,351 76.43%	$197,750 69.47%	$321,507 73.98%	$193,310 83.79%	$198,334 86.29%	$131,021 75.18%	$119,710 77.65%	$265,152 85.85%
192 0.02%	138 0.05%	29 0.01%	39 0.01%	60 0.02%	88 0.05%	31 0.02%	168 0.06%
5,042 0.58%	778 0.27%	4,411 1.01%	1,145 0.50%	1,164 0.51%	616 0.35%	873 0.57%	766 0.25%
26,569 3.04%	37,327 13.11%	34,554 7.95%	8,636 3.74%	4,080 1.78%	12,484 7.16%	11,686 7.58%	8,581 2.78%
62,935 7.20%	15,222 5.35%	41,883 9.64%	10,888 4.72%	8,253 3.59%	14,773 8.48%	3,806 2.47%	8,868 2.87%
7,860 0.90%	3,126 1.10%	4,995 1.15%	2,695 1.17%	2,083 0.91%	1,752 1.01%	1,327 0.86%	3,130 1.01%
23,723 2.71%	6,604 2.32%	1,286 0.29%	1,087 0.47%	2,325 1.01%	1,639 0.94%	3,496 2.27%	1,465 0.47%
61,104 6.99%	18,780 6.60%	22,340 5.14%	10,794 4.68%	11,437 4.97%	8,431 4.84%	11,039 7.16%	16,877 5.46%
16,275 1.86%	4,383 1.54%	2,417 0.56%	1,101 0.48%	1,521 0.66%	2,987 1.71%	1,643 1.06%	3,190 1.03%
673 0.08%	320 0.11%	458 0.11%	253 0.11%	296 0.13%	248 0.14%	265 0.17%	458 0.15%
1,684 0.19%	219 0.08%	711 0.16%	763 0.33%	295 0.13%	246 0.14%	289 0.19%	219 0.07%
874,408 100.00%	284,647 100.00%	434,591 100.00%	230,711 100.00%	229,848 100.00%	174,285 100.00%	154,165 100.00%	308,874 100.00%
$27,541 3.15%	$11,111 3.90%	$26,926 6.20%	$18,717 8.11%	$15,235 6.63%	$11,364 6.52%	$19,773 12.83%	$21,516 6.97%
527,106 60.28%	230,213 80.88%	312,397 71.88%	172,068 74.58%	177,550 77.25%	132,546 76.05%	98,145 63.66%	124,884 40.43%
8,116 0.93%	1,906 0.67%	13,800 3.18%	4,536 1.97%	2,733 1.19%	2,639 1.51%	502 0.33%	997 0.32%
188,857 21.60%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	13,564 8.80%	104,300 33.77%
18,691 2.14%	11,796 4.14%	29,647 6.82%	19,014 8.24%	7,934 3.45%	9,640 5.53%	7,474 4.85%	16,891 5.47%
1,492 0.17%	248 0.09%	2,669 0.61%	168 0.07%	1,318 0.57%	293 0.17%	247 0.16%	281 0.09%
10,234 1.17%	3,883 1.36%	8,159 1.88%	3,156 1.37%	1,858 0.81%	2,058 1.18%	3,349 2.17%	10,507 3.40%
2,145 0.24%	665 0.23%	2,771 0.64%	450 0.20%	1,460 0.63%	861 0.49%	594 0.38%	296 0.09%
3,879 0.44%	841 0.30%	3,541 0.81%	912 0.39%	2,460 1.07%	918 0.53%	383 0.25%	688 0.22%
14,868 1.70%	60 0.02%	0 0.00%	1 0.00%	772 0.34%	727 0.42%	1,174 0.76%	8,180 2.65%
5,397 0.62%	2,998 1.05%	2,829 0.65%	354 0.15%	192 0.08%	656 0.38%	571 0.37%	1,380 0.45%
1,559 0.18%	727 0.26%	1,101 0.25%	388 0.17%	505 0.22%	447 0.26%	206 0.13%	1,452 0.47%
41,720 4.77%	12,883 4.53%	24,742 5.70%	7,681 3.33%	13,125 5.71%	9,171 5.26%	4,776 3.10%	10,862 3.52%
5 0.00%	9 0.00%	41 0.01%	42 0.02%	22 0.01%	25 0.01%	44 0.03%	4 0.00%
22,798 2.61%	7,307 2.57%	5,968 1.37%	3,224 1.40%	4,684 2.04%	2,940 1.69%	3,363 2.18%	6,636 2.15%
874,408 100.00%	284,647 100.00%	434,591 100.00%	230,711 100.00%	229,848 100.00%	174,285 100.00%	154,165 100.00%	308,874 100.00%

[2]Includes deferred charges, "other assets" accounts on individual statements, and various miscellaneous asset items peculiar to only a few institutions.



This chart presents graphically, by Federal Home Loan Bank Districts, changes in the most significant items in the combined member savings and loan balance sheet at the close of 1940. The Winston-Salem region showed the largest gains in both first mortgage loans outstanding and private investments. Associations in the Chicago Bank District registered the most substantial decline in their real-estate-owned account.

during the first few months of 1941 in line with normal seasonal trends. There was a continued repayment of funds borrowed from sources other than the Federal Home Loan Banks, with a net decline for the period of more than $1,000,000.

In addition to the changes in the reserve position discussed below, one other movement in the liability accounts is significant for its general influence of borrowers' performances: advance payments by borrowers. This account has shown large increases during recent years as more and more associations are making it possible for borrowers to accumulate funds for their taxes and insurance premiums in regular monthly installments along with principal and interest payments. Almost $14,000,000 in advance payments was held by member associations at the end of 1940, most of which was for these purposes.

Reserve Position Shows Little Change

Although the dollar volume of general reserves and undivided profits was increased by almost $19,000,000 during 1940, this 7-percent rise did not keep pace with the growth of total association resources. As a result, the ratio of reserves to total assets showed another fractional decline from 7.0 to 6.9 percent. (The ratio at the end of 1938 was 7.1 percent.)

This trend may be explained largely through the absorption of losses incurred during the year in the liquidation of a substantial volume of real estate owned. These operations, together with the rapid rate of growth experienced by many institutions, have made it difficult even to maintain the present relationship of reserves to assets. The fact that member associations have been able to do at least this much is commendable.

Nevertheless, it is not possible to place too much emphasis on the necessity for a constant improvement in reserve positions and a reversal of the present downward trend. Associations are now operating under favorable conditions of full employment, record national income payments, and an active market for new and existing residential properties. This is the period during which reserve accumulations should be set aside to cope with the economic consequences which may follow the present boom.[1]

It is significant to note that the total amount of reserves and undivided profits of member savings and loan associations now exceeds the aggregate book value of all real estate still owned by these institutions. At the end of 1940, there was $1.01 in the reserve accounts for every $1 of real estate owned. This compares quite favorably with the two previous year-ends: in 1939 there were 76 cents of reserves per $1 of real estate and in 1938 only 60 cents.

Balance Sheets by Size of Association

This year, for the first time, the balance sheets and operating statements of all member savings and loan associations have been combined in nine different

[1] For a more complete discussion of present-day reserve policies, see "Adequate Loss Reserves—A Policy Problem," p. 210, April 1941 Review.

asset-size groups. This detailed breakdown, made possible through the cooperation of each Federal Home Loan Bank, will make these statistical data even more useful for individual associations. Especially will this be true when year-to-year comparisons are available and the changes in each size group may be studied.

The table below presents the percentage distribution of the balance-sheet items for each size classification. Marked differences because of the size of association are apparent in only a few instances: There is a tendency for the ratio of general reserves and undivided profits to total assets to decrease as the associations are larger in size. Holdings of Federal Home Loan Bank stock are also proportionately smaller as the institutions increase in size. The proportion of total assets invested in office buildings follows the opposite pattern—the smaller the association, the smaller the ratio of the office building account to total resources.

Distribution of balance-sheet items for 3,818 savings and loan members by size of association

[As of December 31, 1940]

Balance-sheet item	Asset-size group								
	Under $50,000	$50,000 to $99,000	$100,000 to $249,000	$250,000 to $499,000	$500,000 to $999,000	$1,000,000 to $2,499,000	$2,500,000 to $4,999,000	$5,000,000 to $9,999,000	$10,000,000 and over
Number of associations	43	208	823	829	816	700	261	96	42
ASSETS									
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
First mortgage loans (including interest and advances)	75. 83	78. 76	81. 02	80. 47	78. 98	80. 37	79. 75	77. 19	78. 23
Junior mortgage liens (interest and advances)	0. 24	0. 85	0. 37	0. 26	0. 16	0. 06	0. 04	0. 02	0. 06
Other loans (including share loans)	0. 48	1. 14	0. 90	0. 83	0. 70	0. 56	0. 91	0. 46	0. 62
Real estate sold on contract	4. 64	3. 11	3. 51	3. 53	4. 56	3. 94	3. 39	4. 31	3. 13
Real estate owned	6. 85	7. 89	6. 87	7. 52	7. 90	6. 39	5. 91	7. 21	6. 91
FHLB stock	2. 32	1. 54	1. 22	1. 11	1. 07	1. 01	0. 96	0. 88	0. 90
Other investments (including accrued interest)	0. 65	0. 40	0. 36	0. 75	0. 68	1. 12	1. 98	2. 53	2. 08
Cash on hand and in Banks	8. 57	5. 60	4. 97	4. 64	4. 86	5. 33	5. 76	5. 69	6. 20
Office building (net)	0. 06	0. 24	0. 44	0. 59	0. 79	0. 93	0. 98	1. 43	1. 53
Furniture, fixtures, and equipment (net)	0. 18	0. 07	0. 10	0. 11	0. 11	0. 12	0. 11	0. 09	0. 07
Other assets	0. 18	0. 40	0. 24	0. 19	0. 19	0. 17	0. 21	0. 19	0. 27
Total assets	100. 00	100. 00	100. 00	100. 00	100. 00	100. 00	100. 00	100. 00	100. 00
LIABILITIES AND CAPITAL									
U. S. Government investment (shares and deposits)	5. 47	4. 73	4. 72	4. 58	6. 11	6. 50	5. 32	3. 54	2. 97
Private repurchasable shares	70. 12	64. 68	68. 02	69. 56	69. 05	69. 23	67. 91	71. 07	71. 68
Mortgage-pledged shares	8. 45	10. 79	8. 12	6. 54	4. 80	2. 99	2. 99	2. 24	1. 50
Deposits and investment certificates	0. 06	0. 00	0. 92	2. 19	3. 84	5. 54	8. 65	9. 21	10. 79
Advances from FHLB	4. 11	5. 61	5. 97	5. 84	5. 64	5. 35	4. 23	3. 04	3. 33
Other borrowed money	0. 12	0. 78	0. 84	0. 65	0. 48	0. 44	0. 23	0. 41	0. 15
Loans in process	0. 06	0. 49	0. 71	0. 79	1. 08	1. 39	1. 65	1. 77	1. 58
Advance payments by borrowers	0. 42	0. 18	0. 24	0. 25	0. 30	0. 34	0. 32	0. 37	0. 25
Other liabilities	0. 24	0. 76	0. 53	0. 39	0. 36	0. 44	0. 48	0. 45	0. 42
Permanent, reserve, or guaranty stock	2. 62	0. 24	0. 38	0. 44	0. 50	0. 59	0. 84	0. 48	0. 53
Deferred credit to future operations	0. 48	0. 32	0. 35	0. 32	0. 38	0. 36	0. 37	0. 49	0. 33
Specific reserves	0. 53	0. 48	0. 27	0. 23	0. 22	0. 20	0. 22	0. 23	0. 21
General reserves	5. 12	7. 81	6. 26	5. 84	5. 11	4. 39	4. 57	4. 18	3. 34
Bonus on shares	0. 06	0. 03	0. 02	0. 01	0. 01	0. 01	0. 01	0. 01	0. 02
Undivided profits	2. 14	3. 10	2. 65	2. 37	2. 12	2. 23	2. 21	2. 51	2. 90
Total liabilities and capital	100. 00	100. 00	100. 00	100. 00	100. 00	100. 00	100. 00	100. 00	100. 00

REAL-ESTATE TAXES IN THE HOME OWNERS BUDGET

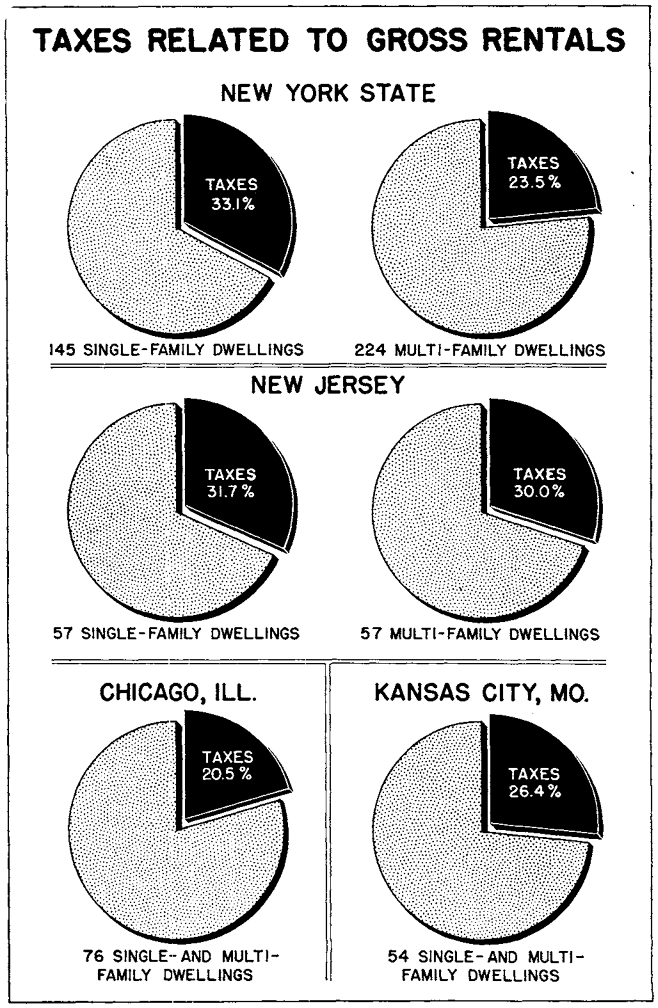
A recent survey undertaken by the Home Owners' Loan Corporation has for the first time uncovered broad data on the incidence of real-estate taxation on home owners in the various States. The results of this survey are of particular interest in view of present attempts to bring about a reform of real-estate taxation.

REDUCING the cost of housing has held the center of discussion during the past few years whenever housing problems have been touched. Much emphasis has been placed on the fact that too few American families can afford the type of homes currently produced and that adequate housing as well as full recovery of the construction industry will fail to materialize as long as this condition exists. This is a forceful and accurate statement as far as it goes, but it may be questioned whether the concept of low-cost housing has not been limited too long to the initial outlays for construction, revolving around the two elements of labor and materials costs and the prospect of substantial technical improvements.

To meet the need for low-priced homes it is not sufficient to cut the initial cost down to a level corresponding to the average American's capacity to pay. It is equally important to make certain that the home for the average family can be *operated* and *maintained* from the owner's income. Any cut in original building costs will, of course, presumably reduce the current charges to the owner because they will be based, for example, on a lower mortgage loan and on a lower tax assessment (while in the case of repairs, cheap construction may well result in higher maintenance costs). However, to produce maximum effects the problem of housing costs will have to be attacked both from the point of view of initial outlays and from the standpoint of monthly carrying charges.

An HOLC Survey

Among the current costs of home ownership, financial charges have been largely reduced in recent years by the keen competition in the mortgage market and by improvements in financing arrangements through various agencies of the Federal Government. Monthly loan payments have been lowered to a point where they conform more fully with the average borrower's ability to pay. Of the other component parts of operating costs, real estate taxes have remained one of the most rigid items in the home owner's budget and, in contrast to financing charges, they have been raised considerably over the past decade irrespective of property values.



This chart illustrates the proportion of gross rentals absorbed by real-estate taxes for a representative number of properties managed by the HOLC and located in two States and two cities. Each pie represents annual gross rentals. "Multifamily dwellings" denote houses with 2- to 4-family units.

What is the incidence of real-estate taxation on home owners in the different States? The local character of real-estate operation and taxation thus far has precluded the collection of factual material on a scale broad enough to permit a general picture. A nation-wide survey by the Home Owners' Loan Corporation (one of the largest real-estate taxpayers in the country) has now thrown some light on this question. This Corporation is in the unique position of operating over the whole Nation, and its loan and property volume is so large that its experience may be regarded as typical, at least as far as older 1- to 4-family houses are concerned. The HOLC has therefore become a veritable laboratory where the problems of individual home owners can be seen and analyzed in the light of mass experience.

Taxes Related to Financial Charges

As one measure of the importance of real estate taxation in the home owner's budget, the HOLC through its regional offices has established the ratio of the real estate tax on borrowers' properties to the total financial charges including interest and repayment of principal. Some time ago the Corporation made arrangements by which its borrowers might make monthly installment payments on taxes and insurance to avoid the hazards of lump sum annual payments. More than 400,000 accounts have been set up on this basis. An analysis of these accounts covering a period corresponding roughly to the calendar year 1940 shows the results summarized in Table 1.[1]

For the United States as a whole, the average monthly tax installment represents about 33 percent of the average monthly loan payment. However, in four States real estate taxes are equivalent to 50 percent or more, and in an additional 12 States they constitute between two-fifths and one-half, of the loan payment. If the tax bill is related to interest alone, the average tax is equal to about 80 percent of the interest portion of the regular loan payment, and there are 10 States where it actually exceeds the total interest charges to the borrower.

These findings have an important bearing not only on the cost of home ownership as such but also on the financial structure supporting home ownership. A heavy tax load is, of course, a serious handicap to the borrower's ability to meet his loan obligations, and the home owner may feel less incentive to liquidate his indebtedness if he knows that he will still be left with an excessive tax burden when the mortgage loan is paid off.

[1] The proportion of insurance in the monthly tax and insurance payments normally is not more than one-tenth to one-fifth. Hence the figures in this section and in Table 1 reflect primarily the tax burden.

Table 1.—Ratio of tax and insurance monthly installments to monthly loan payments (interest and principal), by States

State	Percent						
	0–10	10–20	20–30	30–40	40–50	50–60[1]	70–80
Alabama			x				
Arizona				x			
Arkansas		x					
California			x				
Colorado						x	
Connecticut					x		
District of Columbia			x				
Delaware			x				
Florida				x			
Georgia				x			
Idaho				x			
Illinois				x			
Indiana		x					
Iowa				x			
Kansas					x		
Kentucky		x					
Louisiana	x						
Maine					x		
Maryland			x				
Massachusetts						x	
Michigan				x			
Minnesota					x		
Mississippi		x					
Missouri		x					
Montana					x		
Nebraska					x		
Nevada				x			
New Hampshire						x	
New Jersey					x		
New Mexico			x				
New York							x
North Carolina					x		
North Dakota					x		
Ohio			x				
Oklahoma		x					
Oregon			x				
Pennsylvania					x		
Rhode Island				x			
South Carolina				x			
South Dakota					x		
Tennessee		x					
Texas			x				
Utah			x				
Vermont				x			
Virginia		x					
Washington			x				
West Virginia		x					
Wisconsin					x		
Wyoming				x			

[1] No State reported ratios from 60–70 percent.

Tax Load Compared With Original Mortgage Loan

As another measure of the incidence of real estate taxation, the average annual tax bill on HOLC borrowers' properties was related to the average original mortgage loan made by the Corporation. A direct comparison of the tax payments in the various States is of course irrelevant unless consideration is given to differences in the value of properties in the individual States. As market values were difficult to ascertain, the average annual tax was compared with the average original loan amount as the best common denominator of "value" available.

In an evaluation of the results of this comparison it will be well to keep in mind that HOLC loans were made in the emergency period from 1933 to 1936 and were permitted to be equal to 80 percent of liberal appraisals. They were intended to be generous and may have frequently approached or sometimes exceeded market values at that time. Meanwhile market prices for old properties generally have been on the decline. The figures presented in Table 2, therefore, *under*state rather than overstate the annual tax in relation to present property values.

Table 2.—Ratio of average annual tax to average original loan amount, by States

State	Percent					
	0–1	1–2	2–3	3–4	4–5	5–6
Alabama		x				
Arizona				x		
Arkansas		x				
California				x		
Colorado					x	
Connecticut				x		
District of Columbia		x				
Delaware		x				
Florida		x				
Georgia		x				
Idaho				x		
Illinois			x			
Indiana		x				
Iowa			x			
Kansas			x			
Kentucky		x				
Louisiana	x					
Maine					x	
Maryland				x		
Massachusetts					x	
Michigan			x			
Minnesota				x		
Mississippi		x				
Missouri		x				
Montana					x	
Nebraska			x			
Nevada				x		
New Hampshire					x	
New Jersey						x
New Mexico			x			
New York					x	
North Carolina			x			
North Dakota				x		
Ohio			x			
Oklahoma		x				
Oregon			x			
Pennsylvania				x		
Rhode Island				x		
South Carolina			x			
South Dakota				x		
Tennessee		x				
Texas			x			
Utah			x			
Vermont					x	
Virginia		x				
Washington		x				
West Virginia		x				
Wisconsin				x		
Wyoming			x			

Table 3.—Actual tax rates and HOLC property sales in selected cities

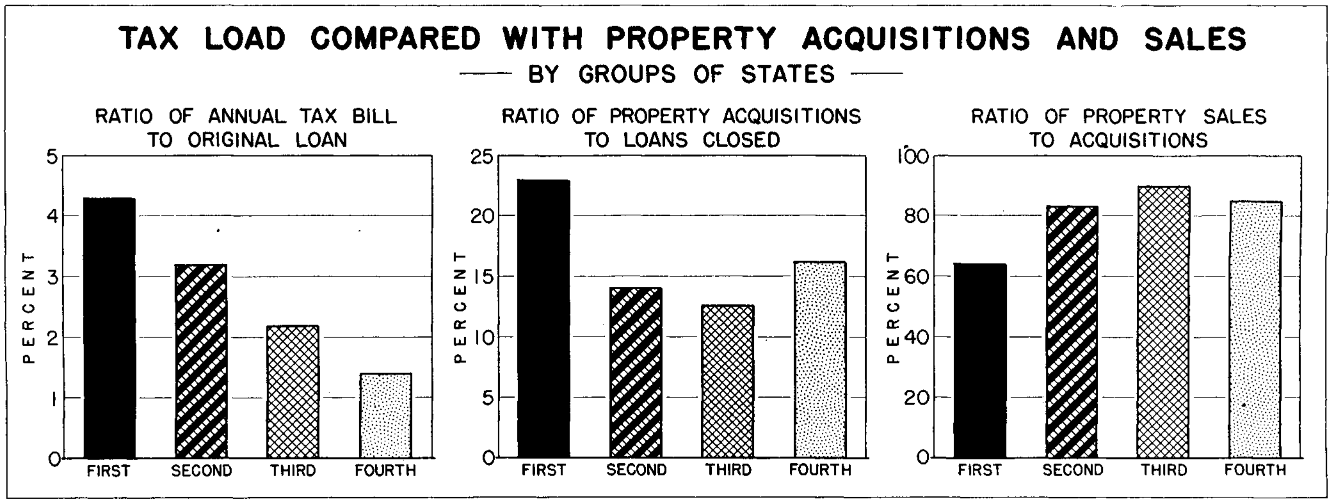
[Based on sales during the first six months of 1940]

City	Taxes as a percent of sales prices	Percentage of HOLC sales to properties acquired
	Percent	*Percent*
Jersey City	7. 41	26. 6
Newark	5. 80	27. 9
Rochester	5. 70	39. 1
Buffalo	5. 32	32. 1
Boston	5. 17	45. 6
Brooklyn (N. Y.)	4. 72	36. 7
Bronx (N. Y.)	4. 32	55. 1
Queens (N. Y.)	3. 81	33. 3
New Orleans	3. 78	86. 0
Milwaukee	3. 70	74. 1
Pittsburgh	3. 69	74. 8
St. Paul	3. 63	91. 0
Minneapolis	3. 59	88. 0
Fort Worth	2. 97	89. 4
Indianapolis	2. 53	82. 5
Dallas	2. 23	92. 6
Atlanta	2. 21	96. 3
Tulsa	2. 19	86. 0
Salt Lake City	2. 04	98. 3
Oklahoma City	2. 03	94. 5
Cleveland	2. 00	87. 0
San Francisco	1. 89	97. 4

For the country as a whole, the average annual taxes of Home Owners' Loan Corporation borrowers represent about 2.7 percent of the average amount of original loans. Again the various States show substantial differences in the relative tax burden. In not less than eight States the ratio of the annual tax bill to the original mortgage loan is 4 percent or more, and in 12 additional States the ratio ranges from 3 to 4 percent. Only in 16 States is the average annual tax less than 2 percent of the average original loan made by the HOLC.

Taxation, Foreclosures, and Property Sales

A third result of the HOLC survey gives some insight into the relationship between property acquisitions and sales, on the one hand, and the tax burden on the other. There are, of course, many elements influencing the soundness of home-mortgage loans and of the real estate market, and it is impossible to single out taxes as the determining factor in HOLC property operations. However, it is probably more than a coincidence that the HOLC from the beginning of operation to date has had a smaller percentage of foreclosures and a better sales experience in those areas where the average real-estate taxes are on a reasonable level. If the States are classified in four equal groups according to the average tax burden, the following picture is obtained.



In the above chart, the 48 States are divided into four equal groups according to the relative tax load, which is expressed as the ratio of annual taxes to the original mortgage loan (left-hand box). This ratio is compared, for the same groups of States, with the ratio of HOLC property acquisitions to loans closed (center box) and with the ratio of property sales to acquisitions (right-hand box).

While these results are not entirely consistent they show by and large that in States in which home owners are heavily taxed comparatively more loans had to be foreclosed than in States having a lighter tax load. On the other hand, the volume of sales in relation to the number of properties acquired was higher in the States where reasonable tax levels prevailed. This is confirmed by a study of 24 individual cities as shown in Table 3.

Other findings which are based on HOLC material relate the annual tax burden to the gross income from properties managed by the Corporation. The examples illustrated in the chart on page 334 are taken from areas where the HOLC has sufficient concentration of property holdings to warrant reasonable general observation. They demonstrate that in the States of New York and New Jersey approximately one-third of the annual gross income from single-family houses is absorbed by the annual real-estate tax bill, while the tax load on other types of residential properties appears to be somewhat lower. In Chicago and Kansas City, Missouri, one-fifth and one-fourth, respectively, of the gross rentals go to pay for the tax bill.

Method of Payment

In addition to the statistical material on the incidence of real-estate taxation, the HOLC survey sought to obtain facts as to the methods of payment prescribed and used in the various States. From the returns it appears that tax authorities make little effort to accommodate the taxpayer by spreading the annual taxes over a number of installments. The annual lump sum payment is still the most common and prevails in 27 States. Quarterly payments are made in only a few States. However, in many jurisdictions the tax collector will accept part payments at any time regardless of the legal provisions as to the time and period of payment.

Likewise, the taxpayer is rarely given the opportunity to make deposits in order to accumulate funds for taxes. During the depression several jurisdictions designed "tax-book" plans mainly for payment of delinquent taxes; under these plans, the taxpayer was permitted to deposit any sums to be applied to his tax bill, and when the pass book evidenced that the full amount of the tax had been accumulated, the book was surrendered for a tax receipt. However, such plans have largely been abandoned. It seems that Baltimore City is one of the few places where the tax book has had continued use.

To bridge the gap between the annual tax payment in a lump sum, as required in most jurisdictions, and the monthly or weekly income payment received by the overwhelming majority of home owners, an increasing number of financial institutions is arranging for the monthly collection of tax accruals together with the periodical collection of loan payments. Under this procedure, the borrower is paying his loan installments as well as the pro-rata tax and insurance charges in one amount each month. In this fashion, the perils of tax delinquency are being removed at least in part.

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SAVINGS AND HOME-FINANCING OPERATIONS OF BANKS DURING 1940

Insured commercial banks during 1940 added close to $300,000,000 to their residential mortgage-loan portfolio. This was accompanied by a 25-percent reduction in their residential real-estate overhang. Their savings deposits showed an appreciable growth. In contrast, the mortgage, real-estate, and deposit accounts of mutual savings banks revealed little change during the past year.

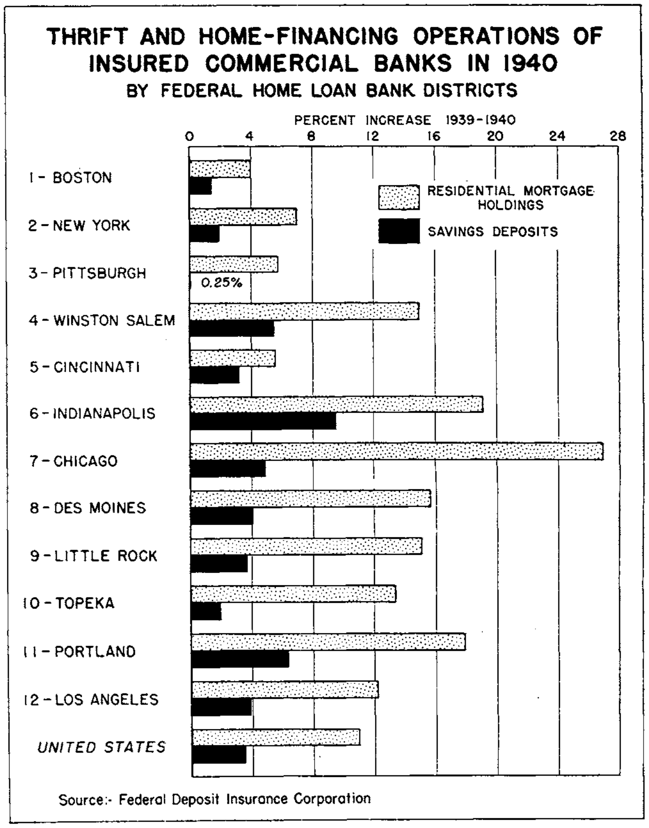
■ COMMERCIAL banks, insurance companies, and mutual savings banks represent the most important institutional lenders on home mortgages next to savings and loan associations. At the same time, these types of financial institutions are among the great reservoirs of thrift to which the overwhelming proportion of the savings of the people is entrusted. Observation of current mortgage-lending and savings operations of banks and insurance companies helps, therefore, to obtain a broad picture of trends in these fields which are of such paramount interest to savings and loan executives.

Following the analysis of 1940 operations of life insurance companies in the May issue, this article takes up significant trends in the mortgage loan, real-estate, and savings-deposit accounts of commercial banks and mutual savings banks. The changes revealed in these accounts may be brought into sharper relief by reference to the 1940 trends in the combined balance sheet of savings and loan members of the Bank System, likewise analyzed in this issue (page 327).

Growth in the Mortgage Portfolio of Commercial Banks

Closely paralleling developments in the savings and loan membership, operations of commercial banks last year reflected a continued ample flow of long-term savings, a highly active mortgage market, and a considerably improved real estate situation. This is evident from the consolidated statement of condition for all insured commercial banks for 1940, which has recently been released by the Federal Deposit Insurance Corporation; and since the 13,438 insured banks represent 94 percent of all commercial banks in the United States, their activities may be regarded as indicative of commercial bank operations in these fields.

Insured commercial banks enlarged their residential mortgage-loan portfolio by $285,842,000, or 11 percent, during 1940—a much greater gain than in 1939 when the increase was only 7.5 percent. Mortgage loans on residential properties held by these institutions at the end of 1940 reached an aggregate of $2,883,000,000. On a "per bank" basis, the



There were marked regional differences in trends of thrift and home-financing operations of insured commercial banks during 1940. Percent increases in residential-mortgage holdings varied between almost 27 percent in the Chicago District and 4 percent in the Boston area. Gains in savings deposits ranged from almost 10 percent in the Indianapolis region to one-fourth of 1 percent in the Pittsburgh District.

increment during last year was $22,600, and the average bank portfolio at the year-end contained residential mortgages in the amount of $214,530.

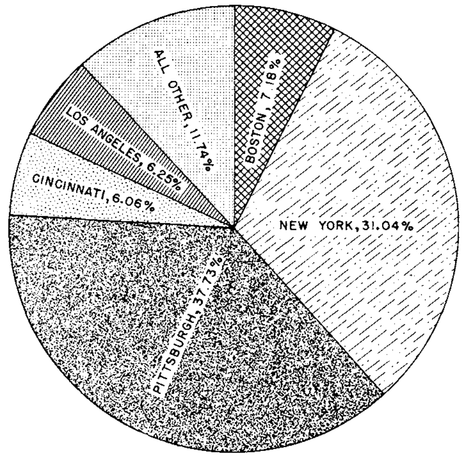
An analysis by Federal Home Loan Bank Districts reveals considerable regional differences. The largest percentage growth in the residential mortgage portfolio was exhibited by insured commercial banks in the Chicago and Indianapolis regions (27 and 19 percent, respectively), while the Los Angeles area showed the largest dollar gain—$78,622,000. On the other hand, banks in the Boston region added less than 4 percent to their residential mortgage holdings, the smallest relative increase in any Bank District.

Basic differences in bank policies as well as differences in local economic conditions and in the rate of residential construction are indicated by the ratio the amount of mortgage loans bears to the institutions' total assets and total loans. Compared with the national averages in which residential mortgages comprise 16 percent of total loans and little over 4 percent of total assets, the Los Angeles District showed the greatest variance. Residential-mortgage holdings were over 36 percent of total loans and almost 14 percent of total bank assets in this region where commercial banks have long held an unusually important position in the mortgage-financing field. At the end of 1940, as much as one-fourth of the total residential mortgage portfolio of all insured commercial banks was concentrated in this District.

The smallest ratios of residential mortgages to total loans and aggregate assets were found in the Topeka, Little Rock, and New York Districts. In these regions, insured commercial banks held less than 2 percent of their combined resources, and only 6 to 9 percent of their total loans, in the form of mortgages on residential property.

Reduction of the Real-Estate Overhang by 25 Percent

Again in consonance with similar trends in the savings and loan industry, insured commercial banks liquidated a good portion of their total residential real-estate holdings during 1940. The residential property owned by them at the end of the year aggregated $139,318,000, as a result of a net decline of $43,374,000, or nearly one-fourth, during the 12-month period. On a "per institution" basis, the average volume of residential real estate owned dropped from $16,400 at the end of 1939 to $10,400 at the close of 1940. The downward trend was almost universal throughout the country; Iowa and Nevada, both with small holdings, were the only States which registered increases.



Residential real-estate holdings of insured commercial banks, like those of other financial institutions, are heavily concentrated along the Eastern Seaboard. The Federal Home Loan Bank Districts of Boston, New York and Pittsburgh account for over three-fourths of the residential property owned by insured banks.

Despite this general decline of the real-estate overhang, holdings of residential properties by insured banks remained heavily concentrated in the Boston, New York, and Pittsburgh Districts. These three regions accounted for not less than three-fourths of the total real estate owned by all insured banks. In the remaining areas the overhang has now reached more normal proportions.

Savings Deposits in Relation to Total Deposits

Insured commercial banks added almost $440,000,000 to their savings deposits [1] during 1940—about the same *amount* as in the preceding year but somewhat less on a *percentage* basis—(3.5 percent compared with 4.4 percent). All in all the public had invested $13,062,315,000 in savings accounts with these banks at the end of 1940, or almost one million dollars per institution. The largest dollar and percentage growth was registered by insured commercial banks in the Indianapolis District, with the Los Angeles area holding second place in terms

[1] The savings deposit figures used in this article refer to the time deposits of individuals, partnerships, and corporations as evidenced by savings passbooks. They exclude certificates of deposit, Christmas savings and similar accounts, and open accounts.

of dollar gains. The smallest increase, both dollar- and percentage-wise, was in the Pittsburgh region.

Of course, savings deposits constitute only one portion of the vast amounts held by commercial banks in the form of deposits. Although the demarcation line between time deposits and demand deposits may not be all-too-significant, it is still worth noting that at the end of 1940 savings deposits comprised only little over 20 percent of the total deposits in insured commercial banks. Again there are some considerable regional differences in the ratio of savings deposits to total deposits. The highest ratios were reported in the Los Angeles and Indianapolis Districts (40 and 33 percent, respectively), and it is probably more than a coincidence that the same areas showed the highest ratios of long-term mortgage loans to the total loan portfolio and to aggregate assets. These high ratios are in sharp contrast to the situation found in the New York and Little Rock Districts where savings deposits represented only 11 and 13 percent, respectively, of the aggregate deposits held by insured commercial banks.

Stability in Mutual Savings Bank Operations

Compared with commercial banks, mutual savings banks during 1940 showed a more static picture in their mortgage and real-estate accounts. This may be explained in part by the geographic concentration of these institutions in New York, New Jersey, and the New England States—in brief, in a region where the rate of residential construction and the recovery of the real-estate market have until recently been lagging behind the rest of the country.

Available consolidated reports for mutual savings banks do not distinguish between residential and other property in mortgage-loan and real-estate accounts. The following data refer, therefore, to total mortgage and real-estate holdings and are not directly comparable with the commercial bank figures.

The mortgage portfolio of mutual savings banks increased only negligibly—less than one-half of one percent—during 1940. At the end of the year, these institutions held $4,836,322,000 in mortgage loans on real estate, 95 percent of which was on the books of mutual savings banks in the Boston and New York Districts.

Although many mutual savings banks have made vigorous efforts to dispose of their real estate, the liquidation of their property holdings continued at a relatively slow pace which again may reflect in part the real-estate situation along the Eastern Seaboard in which the greater portion of mutual savings

Residential mortgage holdings and savings deposits of insured commercial banks, 1940

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and State	Residential mortgage loans		Savings deposits	
	December 31, 1940	Increase during 1940	December 31, 1940	Increase during 1940
UNITED STATES	$2,882,841	$285,842	$13,062,315	$439,990
No. 1—Boston	220,072	8,387	845,929	11,895
Connecticut	56,414	4,287	169,048	7,955
Maine	14,700	442	106,518	599
Massachusetts	95,988	1,652	365,073	1,472
New Hampshire	7,523	372	29,166	190
Rhode Island	22,504	1,505	97,017	456
Vermont	22,943	3,139	79,107	1,223
No. 2—New York	429,838	28,044	2,460,354	44,917
New Jersey	191,724	19,798	881,378	23,702
New York	238,114	8,246	1,578,976	21,215
No. 3—Pittsburgh	337,763	18,581	1,594,004	3,927
Delaware	11,251	281	38,021	1,134
Pennsylvania	292,643	15,974	1,446,105	1,124
West Virginia	33,869	2,326	109,878	3,917
No. 4—Winston-Salem	198,823	25,888	942,849	49,472
Alabama	12,221	1,852	93,256	5,883
District of Columbia	37,900	5,241	110,637	5,844
Florida	14,915	1,959	79,904	6,075
Georgia	23,110	2,387	104,395	6,172
Maryland	38,067	4,776	191,522	5,468
North Carolina	13,951	1,611	90,305	6,200
South Carolina	5,480	1,127	30,285	2,255
Virginia	53,179	6,935	242,545	11,575
No. 5—Cincinnati	287,749	15,166	1,133,264	35,186
Kentucky	27,070	3,236	99,453	439
Ohio	242,617	16,806	902,964	31,307
Tennessee	18,062	1,596	130,847	4,318
No. 6—Indianapolis	220,074	35,322	963,009	83,750
Indiana	85,576	15,036	257,701	16,158
Michigan	134,498	20,286	705,308	67,592
No. 7—Chicago	164,738	34,872	1,372,402	64,046
Illinois	104,572	22,078	972,643	45,479
Wisconsin	60,166	12,794	399,759	18,567
No. 8—Des Moines	146,245	19,808	652,364	25,769
Iowa	37,593	6,850	147,028	9,843
Minnesota	36,427	7,025	230,187	3,949
Missouri	65,280	4,874	241,760	9,948
North Dakota	2,449	491	16,571	863
South Dakota	4,496	568	16,818	1,166
No. 9—Little Rock	58,764	7,729	364,830	13,032
Arkansas	6,622	880	36,725	2,014
Louisiana	17,033	4,220	96,387	4,518
Mississippi	7,747	1,104	50,767	3,077
New Mexico	3,133	449	11,285	1,170
Texas	24,229	1,076	169,666	2,253
No. 10—Topeka	32,518	3,853	209,234	3,829
Colorado	10,616	1,281	87,609	2,417
Kansas	10,464	1,276	38,886	1,925
Nebraska	3,995	403	33,577	1,348
Oklahoma	7,443	893	49,162	1,861
No. 11—Portland	63,051	9,587	413,049	24,845
Idaho	6,620	2,163	26,687	2,536
Montana	3,437	781	32,422	492
Oregon	9,906	194	112,840	7,314
Utah	15,543	1,835	60,819	2,606
Washington	24,679	4,184	160,826	10,506
Wyoming	2,866	430	19,455	1,391
No. 12—Los Angeles	721,505	78,622	2,106,516	78,779
Arizona	9,412	2,148	28,520	1,211
California	707,063	75,466	2,061,450	75,900
Nevada	5,030	1,008	16,546	1,668
Possessions	1,701	17	4,511	543

bank holdings is concentrated. A net reduction of 7 percent during 1940 brought the real-estate account of all mutual savings banks down to $562,169,000 at the end of the 12-month period.

Deposits in mutual savings banks increased $137,000,000, or over 1 percent, to a total of $10,617,759,000 at the end of the year. A geographic breakdown shows that in none of the nine Federal Home Loan Bank Districts in which mutual savings banks operate did the growth of deposits exceed 6 percent, with the smallest gain in the Boston area.

The concentration of mutual savings banks is reflected in the fact that almost 90 percent of the total deposits is held by institutions in the Boston and New York Districts, another 6 percent by mutual savings banks in the Pittsburgh area, and the remainder scattered over several States of which only Maryland, Ohio, Minnesota, and Washington show any appreciable deposits in this type of institution.

Savings and Loan Associations Aid Defense Housing

(*Continued from p. 324*)

and in excess of the number of publicly financed housing units under construction contract.

If a like estimate is made for *all* communities which have received defense contracts, we find 120,000 new units were permanently financed by savings and loan members from July 1940 through April 1941.

With the usual upswing of lending activity in the spring, with the transition of numerous projects from the blueprint stage to actual construction, and with the liberalizing measures recently taken by the Bank Board[1] coming into full play, the loan volume of member associations in defense communities will undoubtedly reach record levels during the current building season.

[1] See June REVIEW, page 287.

EDITOR'S NOTE: The estimate of new family units financed by member savings and loan institutions was derived from association reports which include statistics on the number of loans made. Each loan usually is equivalent to one dwelling. To obtain the number of family units, these figures had to be adjusted since savings and loan associations are financing 2-, 3-, and multi-family dwellings in addition to single-family houses. A factor of 1.25, based on HOLC experience, was used in computing the number of dwelling units. To this was added one-fifth of home-purchase loans, since many associations report the first permanent financing of a new dwelling as a "home-purchase" mortgage, if the loan is made to an individual purchaser immediately after construction.

Savings and Loan Accounts Affected by Executive Order Freezing Foreign Accounts

■ ON June 14, the President of the United States, by Executive Order, froze all German and Italian assets in this country as well as the assets of all invaded or occupied European countries not previously frozen. Included in this order are "all payments by or to any banking institution within the United States."

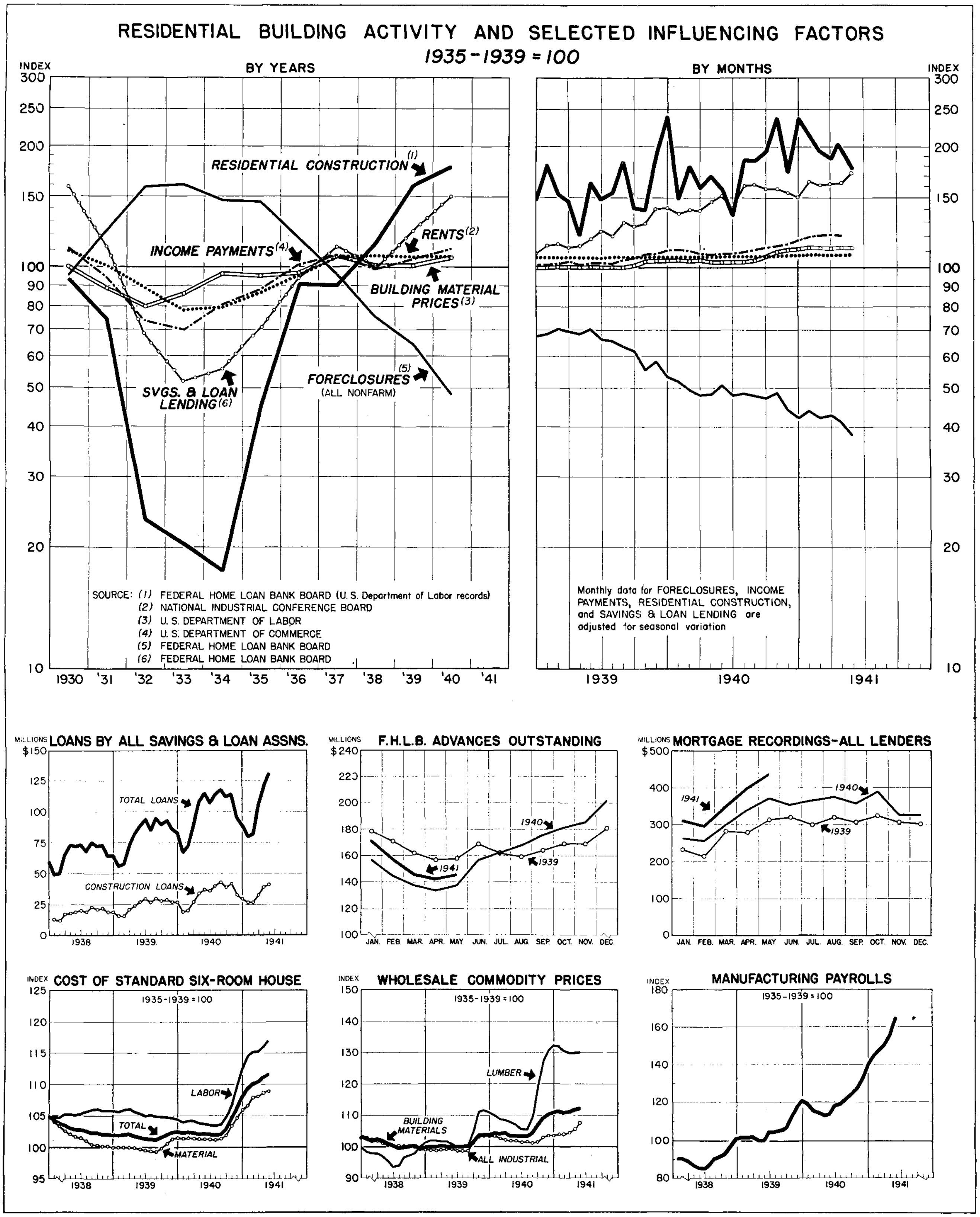
Word has been received from the Treasury Department that savings and loan associations are "banking institutions" within the Executive Order definition. Under this interpretation, transactions in the accounts of members who are "nationals" of any of the countries specified are restricted.

The foreign countries and their "nationals" covered by the provisions of the Order of June 14 and previous Orders include: Albania, Andorra, Austria, Belgium, Bulgaria, Czechoslovakia, Danzig, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, The Netherlands, Norway, Poland, Portugal, Rumania, Russia, San Marino, Spain, Sweden, Switzerland, and Yugoslavia. Exceptions have been made in the application of this Order to certain of these countries and to certain "nationals" through the medium of general licenses issued under the authority of the Secretary of the Treasury.

Associations may direct specific inquiries for details either to the Treasury Department, to the nearest Federal Reserve Bank, or to their own Federal Home Loan Bank.

Appointment of Federal Home Loan Bank Director

■ THE Federal Home Loan Bank of Chicago recently announced the appointment of Mr. Philip Kinzer as a Public-Interest Director for the unexpired portion of a 4-year term ending December 31, 1942. Mr. Kinzer is a resident of Milwaukee, Wisconsin, and is a Vice President and director of the Carnation Milk Company.


RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
1935-1939 = 100
BY YEARS
BY MONTHS
INDEX
RESIDENTIAL CONSTRUCTION (1)
RENTS (2)
INCOME PAYMENTS (4)
BUILDING MATERIAL PRICES (3)
FORECLOSURES (5)
(ALL NONFARM)
SVGS. & LOAN LENDING (6)
SOURCE: (1) FEDERAL HOME LOAN BANK BOARD (U. S. Department of Labor records)
(2) NATIONAL INDUSTRIAL CONFERENCE BOARD
(3) U. S. DEPARTMENT OF LABOR
(4) U. S. DEPARTMENT OF COMMERCE
(5) FEDERAL HOME LOAN BANK BOARD
(6) FEDERAL HOME LOAN BANK BOARD
Monthly data for FORECLOSURES, INCOME PAYMENTS, RESIDENTIAL CONSTRUCTION, and SAVINGS & LOAN LENDING are adjusted for seasonal variation
1930 '31 '32 '33 '34 '35 '36 '37 '38 '39 '40 '41
1939 1940 1941
LOANS BY ALL SAVINGS & LOAN ASSNS.
MILLIONS
TOTAL LOANS
CONSTRUCTION LOANS
1938 1939 1940 1941
F.H.L.B. ADVANCES OUTSTANDING
MILLIONS
1940
1941
1939
JAN. FEB. MAR. APR. MAY JUN. JUL. AUG. SEP. OCT. NOV. DEC.
MORTGAGE RECORDINGS-ALL LENDERS
MILLIONS
1941
1940
1939
JAN. FEB. MAR. APR. MAY JUN. JUL. AUG. SEP. OCT. NOV. DEC.
COST OF STANDARD SIX-ROOM HOUSE
INDEX
1935-1939 = 100
LABOR
TOTAL
MATERIAL
1938 1939 1940 1941
WHOLESALE COMMODITY PRICES
INDEX
1935-1939 = 100
LUMBER
BUILDING MATERIALS
ALL INDUSTRIAL
1938 1939 1940 1941
MANUFACTURING PAYROLLS
INDEX
1935-1939 = 100
1938 1939 1940 1941

« « « MONTHLY SURVEY » » »

Highlights

I. New peaks in almost every line of business activity were reached in May.

A. Approaching boom conditions were indicated by a record-breaking volume of industrial output, an 11-year high of freight carloadings, and a further expansion of consumer purchases.

B. Prices climbed steadily upward and reached in June a level 16 percent above August 1939, just prior to the outbreak of war.

II. The 9-percent decline in total permits for new urban dwelling units issued during May was in sharp contrast to the usual 4-percent rise from April to May.

A. The drop was due entirely to the smaller number of permits for public projects: 3,600 in May as against 8,500 in April.

B. Private construction, on the other hand, showed small gains primarily in the multifamily classification.

III. A highly active mortgage market was reflected in May data on lending operations.

A. The volume of new mortgage loans made by all operating savings and loan associations jumped 9 percent from April to almost $131,000,000.

B. Mortgage recordings of $20,000 or less during May totaled nearly $436,000,000—up 9 percent from April. Three-fifths of this increase was registered in the Boston, New York, and Pittsburgh Districts—all highly important defense areas.

IV. Building costs moved but slowly upward in May. However, the cumulative increase during the past year has been substantial enough to cause concern.

A. The June index of wholesale building material prices as well as the cost of building the standard house stood about 9 percent above the level of a year ago.

B. Of the 29 communities currently reporting the costs involved in the construction of the 6-room standard house, 14 reported price increases of more than $500 since June of last year.

Summary

■ SUCCESSIVE peaks in business activity have been reached during 1941 as a result of feverish efforts in supplying armaments and other implements of national defense. Recovering from a temporary set-back that occurred as a result of the extensive series of strikes in April, the Federal Reserve Board's index of industrial production climbed in May to 149—by far the greatest volume of business recorded for any one month in American business history.

The need for additional employees in defense industries has been aggravated beyond all previous expectations by the intensity of the industrial expansion which has occurred since last autumn, and a widespread migration of workers and their families to areas of concentrated activity has inevitably developed. The social and economic implications of this population shift are numerous. Adequate housing of a reasonable standard and cost must be provided in order to obtain maximum efficiency from employees in these industries; public utilities and commercial establishments must be expanded; and additional educational and recreational facilities become necessary.

The combined effect of the general recovery in the housing market and the pressing need of accommodations for defense workers is indicated by the fact that during the January-May period of this year 152,000 dwelling units have been provided in urban areas through private financing channels, or 15 percent more than during the same 1940 period. Another 24,000 units were placed under construction under the auspices of Government housing agencies during the 5-month period.

The part that savings and loan associations are playing in relieving the shortage of housing facilities in defense areas and in supplying normal demands for new homes is discussed in the article appearing on page 322 of this issue. Although a segregation of loans made during the month of May between defense housing and other areas is not yet available, the extremely rapid increase over April in lending activity of all savings and loan associations indicates that the effect of emergency needs on financing

[1935-1939=100]

Type of index	May 1941	Apr. 1941	Percent change	May 1940	Percent change
Residential construction [1]	176.2	r 203.3	−13.3	156.7	+12.4
Foreclosures (nonfarm)[1]	38.3	41.1	−6.8	50.9	−24.8
Rental index (NICB)	107.9	107.6	+0.3	106.3	+1.5
Building material prices	112.1	111.8	+0.3	103.3	+8.5
Savings and loan lending [1]	173.2	163.6	+5.9	151.5	+14.3
Industrial production [1]	p 149.0	r 140.0	+6.4	114.0	+30.7
Manufacturing employment [1]	128.6	r 125.7	+2.3	105.8	+21.6
Manufacturing pay rolls [1]	164.2	r 155.4	+5.7	113.1	+45.2

p preliminary. r revised.
[1] Adjusted for normal seasonal variation.

operations of these institutions is cumulative in nature. Construction, home-purchase, and refinancing loans each contributed substantially to the rise of 9 percent in total lending activity.

The month of May marked a new post-depression peak of $436,000,000 in nonfarm mortgage recordings, and each of the types of lending institutions as well as individual lenders showed the highest levels attained since detailed recording statistics were first collected in January 1939.

General Business Conditions

THROWING off the shackles of management-labor conflicts which brought about during April the first pause in industrial expansion in more than a year, the American economy jumped back into high gear in May and established several new activity peaks. The Federal Reserve index of industrial production soared nine points to a new all-time high of 149 (1935–1939=100), as compared with 140 in April and 143 in March.

Freight carloadings which reflect the combined activity of industry, commerce, and agriculture, reached an 11-year high during the week of May 24 when 866,000 car shipments were handled. Economists point to the fact that this volume is not far below the capacity of railroads on the basis of the facilities now available and the most efficient operations heretofore achieved. The problem of transportation will become more acute with the approach of the autumn season of peak traffic demands.

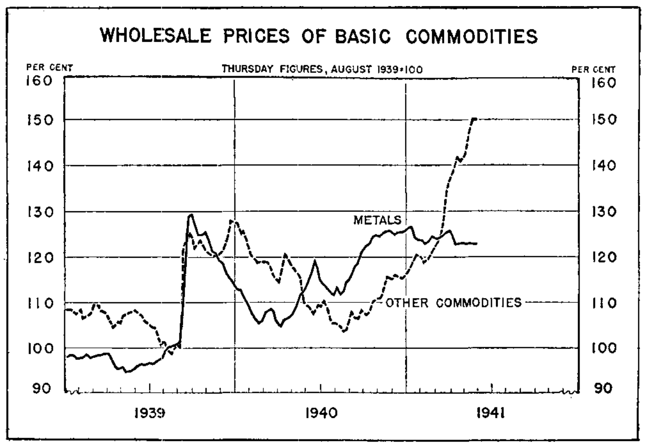
The stimulus of basic industrial expansion on the volume of consumer purchases is clearly shown in recent movements of retail sales. In spite of the highest monthly production of automobiles since 1930, May sales to customers exceeded this volume and cut further into dealers' stocks. The Department of Commerce reports that among household goods, such electrical appliances as refrigerators, ironers, ranges, and washers have been in heavier demand than ever before.

Information on imports and exports has been somewhat restricted, but April data recently released show that the in- and out-flow of goods during that month were at the highest rate since the war began. The $376,000,000 of exports consisted primarily of manufactured products useful in waging war; the increase in imports, which reached a total of $275,000,000, was mainly the result of larger quantities of wool, copper, and several foodstuffs, notably sugar and coffee.

Loans to business by commercial banks as a result of the defense program continued to expand. The total gain during the first five months of 1941 amounted to approximately $650,000,000. This activity, and other factors such as a smaller inflow of gold and increased Treasury borrowing, has helped to reduce excess reserves by more than $800,000,000. However, as it has been pointed out, excess reserves still exceed $5,800,000,000—an amount so large that any practicable reduction over future months can have little or no influence on interest rates.

Prices Continue to Move Higher

Prices, both retail and wholesale, have increased considerably since the beginning of this year in nearly all lines of goods not affected by Federal regulatory actions. By the end of June, the all-commodity index of the Department of Labor indicated a 9-percent rise during the past six months in wholesale prices, and these movements are now being reflected in higher retail prices paid by consumers. Comparison with the period of August 1939, just prior to the outbreak of war, reveals a net rise of 16 percent in the combined wholesale price index during the 22 months.



The establishment of the Office of Price Administration and Civilian Supply (OPACS) has centralized Federal attempts to regulate and control price movements. The stabilizing effect of maximum prices is clearly illustrated in the chart in this column prepared by Federal Reserve economists from the Department of Labor data on basic commodities. Through Federal action, ceilings were set sometime ago for several metals. The contrast, then, between quotations for metals and other commodities shown in this chart is self-evident. During May and June, action to limit price advances was extended to several additional types of commodities, but the full effect of these regulations has not yet been reflected in the current statistics.

The wholesale prices of building materials, as computed by the Department of Labor, are now at the highest level in more than 15 years and have increased almost 13 percent since the outbreak of the war.

Residential Construction

[Tables 1 and 2]

■ PRIVATELY financed building activity in urban areas of the United States showed a slight gain in May to a total of over 38,000 units. This was due principally to an increase in the number of multifamily dwellings placed under construction while only a small rise was noted in the single-family classification.

Contrary to the trend toward expanded activity on the part of public housing agencies, which has been apparent since the defense program got under way last autumn, the number of permits for publicly financed dwelling units in urban areas dropped from 8,500 in April to only 3,600 in the month of May. So far this year, however, over 24,000 units have been supplied by Government funds, or an average of nearly 5,000 per month.

The net effect of the divergent movements of building provided through private and public financing channels from April to May brought about a reduction in the total residential construction volume of 9 percent. This drop is especially unfavorable in light of the 4-percent rise that normally occurs during the month of May.

Building Costs

[Tables 3, 4, and 5]

■ FOR the tenth consecutive month increases have been shown in both material and labor costs involved in building a standard 6-room frame house. The index now stands 12 percent above the average month of 1935–1939. The cost of material used in this dwelling, while rising but slightly in May, is now 9 percent above the average month of 1935–1939 and more than 7 percent higher than in the same month of last year. Labor costs in connection with building the standard house rose nearly 1 percent in May, which places the labor cost index 17 percent above the 1935–1939 level.

Construction costs for the standard house

[Average month of 1935–1939=100]

Element of cost	May 1941	Apr. 1941	Percent change	May 1940	Percent change
Material	108. 8	108. 7	+0. 1	101. 3	+7. 4
Labor	117. 0	116. 1	+0. 8	103. 7	+12. 8
Total	111. 6	111. 2	+0. 4	102. 2	+9. 2

A majority of the 29 communities currently reporting costs involved in the construction of a 6-room frame house show increases, which in 11 cases were at least $100 during the period from March to June. Total costs for June in all of the 29 cities were well above the June 1940 level. Since June 1940, costs have risen more than $500 in 14 of these cities. Birmingham, Alabama, Baltimore, Maryland, Atlanta, Georgia, and Columbia, South Carolina, each reported increases of over $1,000 for this period.

Wholesale building-material prices, as shown by the U. S. Department of Labor index, moved fractionally upward and in May stood at 112.1 (1935–1939=100), the highest level for any month since 1926.

New Mortgage-Lending Activity of Savings and Loan Associations

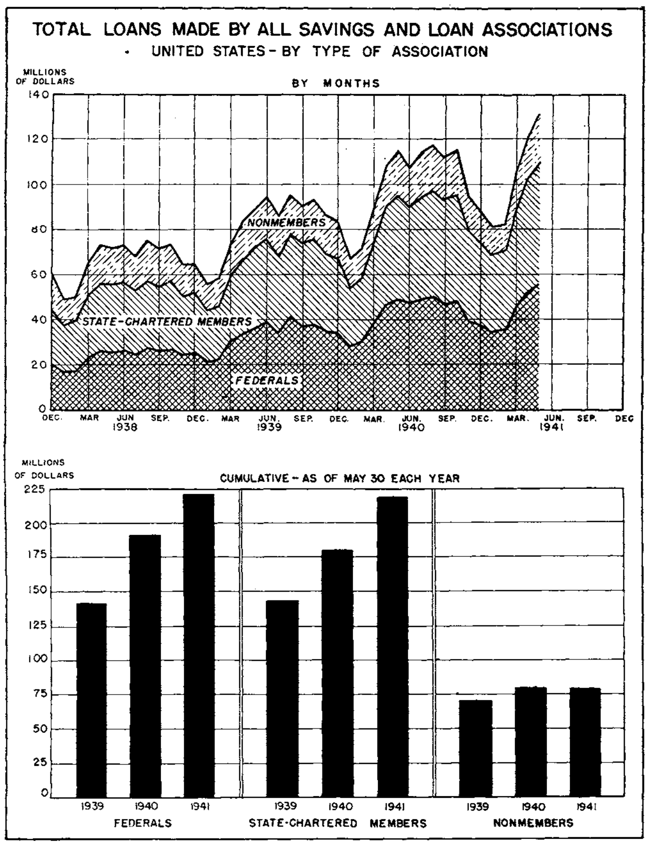
[Tables 6 and 7]

■ NEW mortgage loans made by operating savings and loan associations in May soared well above the previous peak established in April, which in turn surpassed any month since 1930. New mortgages originated by these institutions amounted to almost $131,000,000—an increase of $10,000,000, or 9 percent, from April. The seasonally adjusted index rose 6 percent to 173.2 (average month 1935–1939=100).

New mortgage loans distributed by purpose

[Amounts are shown in thousands of dollars]

Purpose	May 1941	Apr. 1941	Percent change	May 1940	Percent change
Construction	$40, 975	$38, 686	+5. 9	$36, 956	+10. 9
Home purchase	54, 781	48, 311	+13. 4	42, 049	+30. 3
Refinancing	18, 506	16, 905	+9. 5	18, 034	+2. 6
Reconditioning	5, 930	6, 368	−6. 9	6, 896	−14. 0
Other purposes	10, 761	10, 361	+3. 9	10, 607	+1. 5
Total	130, 953	120, 631	+8. 6	114, 542	+14. 3



Mortgage loans for new construction and the purchase of existing dwellings continue to account for a larger and larger proportion of total new mortgage investments of savings and loan associations. These two loan groups accounted for 85 percent of the April–May increase in new lending and for 73 percent of the aggregate loan volume in May.

Mortgage Recordings

[Tables 8 and 9]

■ INCREASED mortgage-financing activity from April was evident in 11 of the 12 Federal Home Loan Bank Districts. Percentage changes ranged from a decline of 2 percent in the Los Angeles District to a gain of 28 percent in the New York District. Of further significance is the fact that almost three-fifths of the April-May increase in recording activity occurred in the Boston, New York, and Pittsburgh Bank Districts. This sharp increase in real-estate financing activity in the three northeastern Bank Districts is largely the outgrowth of greatly accelerated industrial activity—approximately two-fifths of total defense contracts awarded being concentrated in this area.

Recordings of nonfarm mortgages of $20,000 or less totaled almost $436,000,000 in May—the largest monthly volume since the series was inaugurated.

Although the total volume of mortgages recorded by mutual savings banks is relatively low for the United States as a whole, it is of interest to note that during the first five months of this year the dollar volume of such financing was 27 percent above the same period of 1940—the greatest percentage increase shown by any of the six major lender-classes for which recording data are compiled. The savings and loan industry, which continues to predominate in the mortgage-financing field, showed a gain of 18 percent, while the remaining classes of lenders indicated rises that either approximated or were less than the national average increase of 17 percent for the same interval.

Mortgage recordings by type of mortgagee

[Amounts are shown in thousands of dollars]

Type of lender	Percent change from Apr. 1941	Percent of May 1941 amount	Cumulative recordings (5 months)	Percent of total recordings
Savings and loan associations	+11. 1	33. 0	$567, 870	31. 8
Insurance companies	+10. 3	8. 2	147, 197	8. 2
Banks, trust companies	+9. 3	24. 6	444, 908	24. 9
Mutual savings banks	+16. 7	4. 5	75, 202	4. 2
Individuals	+6. 3	16. 0	301, 523	16. 9
Others	+7. 0	13. 7	250, 949	14. 0
Total	+9. 5	100. 0	1, 787, 649	100. 0

Foreclosures

[Table 10]

■ NONFARM foreclosures in the United States again moved to a lower level bringing the seasonally adjusted index to 38.3 (average 1935–1939=100). With the exception of March, when the drop in foreclosures was temporarily halted, each month so far in 1941 has displayed reduced foreclosure activity. The May index stood 13 percent below January of this year, while during the past 12-month period the volume of foreclosures has declined 25 percent.

Foreclosure cases for the first five months of this year numbered approximately 27,000 or about 17 percent less than during the same period of 1940. All four groups by size of community contributed to this decrease, with the percentage decline being greater than the national average for the largest communities, and somewhat less for all other groups. Geographically, 10 of the Federal Home Loan Bank Districts showed declines in this January-May comparison, ranging from 32 percent for the Boston District to 13 percent for the Pittsburgh District.

Federal Savings and Loan Associations

[*Table 12*]

■ THE May increase of 8 percent in new lending activity of Federal savings and loan associations brought the loan volume up to a record peak of $55,000,000 for the month, while the mortgage holdings climbed $29,000,000 over the April balance.

At the close of May, 1,451 savings and loan associations were operating under Federal charter in the United States. These institutions had combined assets of some $1,980,000,000.

Progress in number and assets of Federals

[Amounts are shown in thousands of dollars]

Class of association	Number		Approximate assets	
	May 31, 1941	Apr. 30, 1941	May 31, 1941	Apr. 30, 1941
New	638	637	$608, 032	$595, 475
Converted	813	810	1, 370, 198	1, 351, 568
Total	1, 451	1, 447	1, 978, 230	1, 947, 043

Federal Savings and Loan Insurance Corporation

[*Table 12*]

■ NEARLY $2,400,000,000 in private savings was invested in insured savings and loan associations at the end of May. The extent to which accumulations of private capital have been supplementing or obviating the need for Government investments is indicated by the 12-to-1 relationship that now exists between the investments of these respective groups. In May 1940, private repurchasable capital was eight times the combined Treasury and HOLC investments.

On May 31, a total of 2,302 associations were insured by the Federal Savings and Loan Insurance Corporation. These institutionsre presented some $3,100,000,000 in assets, of which $2,500,000,000 was in the form of first mortgage holdings.

Federal Home Loan Bank System

[*Table 13*]

■ THE usual seasonal upswing in Federal Home Loan Bank advances which was evident during the last few days of April was continued during May. Advances during the month totaled $9,100,000—slightly less than for the same month of 1940 but nearly 50 percent above the level of May 1939. With repayments during the month amounting to $5,700,000, the resulting balance of advances outstanding reached $145,300,000 at the end of May—for the third successive month $8,000,000 greater than at the end of the comparable month last year.

All of the Federal Home Loan Banks with the exception of New York, Winston-Salem, and Little Rock, reflected increases in their advances outstanding. Advances outstanding in the New York Bank were practically unchanged; they decreased very slightly in the Little Rock Bank; and dropped $558,000 in the Winston-Salem Bank, which brought the balance of advances outstanding in this District at the end of May down to 50 percent of the balance at the beginning of the year.

The admission to membership during the month of five State-chartered associations, one Federal association and one savings bank was not sufficient to offset the withdrawal of nine associations, with the result that the month-end total of 3,839 reflects a net decrease of two members. However, assets of member institutions continued to increase, reaching a total of $5,260,365,000 at the end of the month.

Interest Rates

Effective May 15, 1941, the Indianapolis Bank raised its limitation on short-term advances bearing a 2½-percent rate from 10 to 15 percent of the borrowing member's share capital. The Los Angeles Bank adopted a new rate of 2½ percent on advances collateralized by FHA mortgages, insured subsequent to December 31, 1940, provided the proceeds of such advances are used solely for the making of FHA Titles II and VI loans.

Resolutions of the Board

Amendment to Rules and Regulations for Federal Savings and Loan System Concerning Notice of Annual and Special Meetings: Adopted June 2, 1941; effective June 4, 1941.

The Federal Home Loan Bank Board on June 2 adopted a resolution amending Sections 1 and 3 of the 1936 prescribed bylaws as set forth in Section 202.9 (b) of the Rules and Regulations for the Federal Savings and Loan System to read as follows:

> 1. *Annual meetings of members.* The annual meeting of the members of the association for the election of directors and for the transaction of any other business of the association shall be held at its home office at 2 o'clock in the afternoon on the third Wednesday in January of each year, if not a legal holiday, or if a legal holiday then on the next succeeding day not a legal holiday. The annual meeting may be held at such other time on such day or at such other place in the same community as the board of directors may determine. At each annual meeting, the officers shall make a full report of the financial condition of the association and of its progress for the preceding year, and shall outline a program for the succeeding year.
>
> 3. *Notice of meetings of members.*
>
> (a) Notice of each annual meeting shall be either published once a week for the two successive calendar weeks (in each instance on any day of the week) prior to the date on which such annual meeting shall convene, in a newspaper printed in the English language and of general circulation in the city or county in which the home office of the association is located, or mailed postage prepaid at least 15 days and not more than 30 days prior to the date on which such annual meeting shall convene to each of its members of record at his last address appearing on the books of the association. Such notice shall state the name of the association, the place of the annual meeting and the time when it shall convene. A similar notice shall be posted in a conspicuous place in each of the offices of the association during the 14 days immediately preceding the date on which such annual meeting shall convene. If any member, in person or by attorney thereunto authorized, shall waive in writing notice of any annual meeting of members, notice thereof need not be given to such member.
>
> (b) Notice of each special meeting shall be either published once a week for the two consecutive calendar weeks (in each instance on any day of the week) prior to the date on which such special meeting shall convene, in a newspaper printed in the English language and of general circulation in the city or county in which the home office of the association is located, or mailed postage prepaid at least 15 days and not more than 30 days prior to the date on which such special meeting shall convene to each of its members of record at his last address appearing on the books of the association. Such notice shall state the name of the association, the purpose or purposes for which the meeting is called, the place of the special meeting and the time when it shall convene. A similar notice shall be posted in a conspicuous place in each of the offices of the association during the 14 days immediately preceding the date on which such special meeting shall convene. If any member, in person or by attorney thereunto authorized, shall waive in writing notice of any special meeting of members, notice thereof need not be given to such member.

On the same date the Board also adopted a resolution permitting Federal savings and loan associations operating under such prescribed 1936 bylaws to amend Sections 1 and 3 of their bylaws in the same manner. In this connection, the Governor or Deputy Governor of the Federal Home Loan Bank System has been authorized to approve for the Federal Home Loan Bank Board any request for approval of amendments in the above form to the bylaws of any Federal savings and loan association. Any such Federal savings and loan association so desiring to amend its bylaws must mail a copy of the amendment postage prepaid to each member of the association at his last known address appearing on the books of the association within 30 days after approval by the Board and an affidavit of such mailing must be furnished to the Governor of the Federal Home Loan Bank System within 10 days.

A form of resolution for association use to accomplish this amendment was also adopted. The resolution uses the language of the amendment quoted above with this introduction:

> *Resolved,* That the President and Secretary of the association request the Federal Home Loan Bank Board for permission to amend sections 1 and 3 of the Bylaws of this association to read as follows:

and the following closing:

> *Resolved,* That upon written approval by the Federal Home Loan Bank Board of the proposed amendments to the Bylaws of this association, such amendments shall thereupon become effective.

Directory of Member Institutions

Added during May–June

I. INSTITUTIONS ADMITTED TO MEMBERSHIP IN THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN MAY 16 AND JUNE 15, 1941

DISTRICT NO. 1

New Hampshire:
Manchester:
Amoskeag Savings Bank, Amoskeag Bank Building.

DISTRICT NO. 3

Pennsylvania:
Philadelphia:
Corona Savings & Loan Association, 413 West Susquehanna Avenue.
Sewickley:
Sewickley Building & Loan Association, 508 Broad Street.

DISTRICT NO. 7

ILLINOIS:
Bloomington:
Bloomington Federal Savings & Loan Association, 113 North Center Street.
Milford:
The Milford Building & Loan Association.

DISTRICT NO. 8

MINNESOTA:
Slayton:
Slayton Building & Loan Association.

DISTRICT NO. 12

CALIFORNIA:
Carmel:
Carmel Building & Loan Association, Ocean Avenue.

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN MAY 16 AND JUNE 15, 1941

NEW JERSEY:
Camden:
Broadway Building & Loan Association, 513 Cooper Street (segregation and sale of assets).
Jersey City:
The Union Building & Loan Association of Jersey City, 746 Grand Street (voluntary liquidation).
PENNSYLVANIA:
Braddock:
Community Home Savings & Loan Association, 805 Fourth Street (voluntary liquidation).
Philadelphia:
Banater Building & Loan Association, 1621 North Fifth Street (voluntary liquidation).
Corona Building & Loan Association, 413 West Susquehanna Avenue (consolidation with the Compass and Unison Building & Loan Association, resulting in a new association and new member, the Corona Savings & Loan Association).
Pittsburgh:
The Brighton Building & Loan Association of Allegheny City, 1700 Brighton Road, North Side (member's request).

II. FEDERAL SAVINGS AND LOAN ASSOCIATIONS CHARTERED BETWEEN MAY 16 AND JUNE 15, 1941

DISTRICT NO. 2

NEW JERSEY:
Roseland:
Roseland Federal Savings & Loan Association, 154 Eagle Rock Avenue (converted from Roseland Building & Loan Association).

DISTRICT NO. 4

GEORGIA:
Winder:
First Federal Savings & Loan Association of Winder (new association).

DISTRICT NO. 8

MISSOURI:
St. Louis:
Columbia Federal Savings & Loan Association of St. Louis, 1003 Pine Street (converted from Columbia Savings & Loan Association of St. Louis).

CANCELATION OF FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTER BETWEEN MAY 16 AND JUNE 15, 1941

MARYLAND:
Baltimore:
Sycamora Federal Savings & Loan Association, 1706 East Pratt Street (merger with Wyman Park Federal Savings & Loan Association, Baltimore, Maryland).

III. INSTITUTIONS INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION BETWEEN MAY 16 AND JUNE 15, 1941

DISTRICT NO. 3

PENNSYLVANIA:
Philadelphia:
The Berean Savings & Loan Association, 52 North 52nd Street.
Corona Savings & Loan Association, 413 West Susquehanna Avenue.

DISTRICT NO. 5

OHIO:
Cleveland:
The West Side Savings & Loan Association, 2025 West 25th Street.

DISTRICT NO. 7

ILLINOIS:
Bloomington:
Bloomington Federal Savings & Loan Association, 113 North Center Street.

DISTRICT NO. 8

IOWA:
Waterloo:
Home Building & Loan Association, 525 Commercial Street.
MISSOURI:
St. Louis:
Columbia Federal Savings & Loan Association of St. Louis, 1003 Pine Street.

New Housing Funds Requested

■ ON June 26, the President sent a message to Congress requesting another $300,000,000 to be authorized for public housing construction needed in connection with the defense program. This would double the amount previously appropriated under the Lanham Act, as amended.

In his message the President said that data presented to him indicate the possibility that the Government should be prepared to undertake the construction of at least 125,000 additional defense homes between now and July 1, 1942. "It is thought best, however, to limit the additional program to $300,000,000 at this time."

Renewal of FHA Insurance Authority

■ BY an amendment to the National Housing Act, the authority of the Federal Housing Administration under Titles I and II of that Act has again been broadened and extended.

The new amendment, signed by the President on June 28 (Public Law 138) extends the FHA authority to grant Title I insurance to July 1, 1943, and raises the maximum insurance liability under Title I from $100,000,000 to $165,000,000. At the same time, the maximum amounts for Title I loans have been changed from $2,500 to $3,000 for new construction and from $2,500 to $5,000 for modernization if the loan is made for the alteration, repair, or improvement of an existing dwelling designed or to be designed for more than one family. This latter provision is intended to promote the conversion of existing single-family dwellings into several units. Furthermore, the maximum maturity of Title I modernization loans has been extended to five years and 32 days where the amount exceeds $2,500.

In regard to Title II, the amendment authorizes the President to increase the maximum principal amount of Title II loans from the present $4,000,000,000 to $5,000,000,000 and extends the FHA authority to insure loans on existing construction to July 1, 1944. Furthermore, the present 25-percent limitation on the insurance of existing construction under Title II has been changed to 35 percent. Finally, the present provisions for partial insurance of foreclosure costs in the case of mortgages insured under the 90-percent insurance provision of this Title have been extended to July 1, 1944.

Table 1.—Estimated number and valuation of new family dwelling units provided in all urban areas of the United States, May 1941

[Source: U. S. Department of Labor]

[Amounts are shown in thousands of dollars]

Type of construction	Number of family dwelling units					Permit valuation				
	Monthly totals			Jan.–May totals		Monthly totals			Jan.–May totals	
	May 1941	April 1941	May 1940	1941	1940	May 1941	April 1941	May 1940	1941	1940
Private construction	38, 072	37, 135	33, 240	152, 304	132, 903	$140, 135	$139, 910	$119, 408	$560, 209	$474, 754
1-family dwellings	29, 613	29, 559	26, 809	116, 697	100, 929	118, 427	118, 653	102, 809	461, 610	382, 472
2-family dwellings [1]	2, 354	2, 355	1, 770	9, 719	7, 722	5, 977	6, 023	4, 480	24, 460	18, 936
3- and more-family dwellings [2]	6, 105	5, 221	4, 661	25, 888	24, 252	15, 731	15, 234	12, 119	74, 139	73, 346
Public construction	3, 604	8, 505	4, 704	24, 446	19, 249	11, 324	26, 291	15, 332	76, 474	58, 003
Total urban construction	41, 676	45, 640	37, 944	176, 750	152, 152	151, 459	166, 201	134, 740	636, 683	532, 757

[1] Includes 1- and 2-family dwellings combined with stores.
[2] Includes multifamily dwellings combined with stores.

Table 2.—Estimated number and valuation of new family dwelling units provided in all urban areas, in May 1941, by Federal Home Loan Bank District and by State

[Source: U. S. Department of Labor]

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and State	All residential dwellings				All private 1- and 2-family dwellings			
	Number of family dwelling units		Permit valuation		Number of family dwelling units		Permit valuation	
	May 1941	May 1940	May 1941	May 1940	May 1941	May 1940	May 1941	May 1940
UNITED STATES	41, 676	37, 944	$151, 459	$134, 740	31, 967	28, 579	$124, 404	$107, 289
No. 1—Boston	2, 843	2, 053	11, 277	8, 551	1, 750	1, 666	7, 870	7, 376
Connecticut	1, 168	544	4, 474	2, 664	565	537	2, 649	2, 649
Maine	72	106	244	320	72	92	244	283
Massachusetts	1, 290	1, 102	5, 293	4, 349	809	745	3, 726	3, 244
New Hampshire	117	87	383	298	108	87	368	298
Rhode Island	159	185	721	773	159	176	721	755
Vermont	37	29	162	147	37	29	162	147
No. 2—New York	5, 373	4, 800	21, 301	18, 468	3, 069	2, 519	13, 815	11, 489
New Jersey	2, 099	1, 393	8, 418	5, 773	1, 340	820	5, 778	3, 662
New York	3, 274	3, 407	12, 883	12, 695	1, 729	1, 699	8, 037	7, 827
No. 3—Pittsburgh	2, 732	1, 946	11, 309	7, 994	2, 238	1, 492	9, 752	6, 644
Delaware	34	24	205	121	34	24	205	121
Pennsylvania	2, 461	1, 674	10, 216	6, 886	1, 984	1, 237	8, 700	5, 590
West Virginia	237	248	888	987	220	231	847	933

Table 2.—Estimated number and valuation of new family dwelling units provided in all urban areas in May 1941, by Federal Home Loan Bank District and by State—Continued

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and State	All residential dwellings				All private 1- and 2-family dwellings			
	Number of family dwelling units		Permit valuation		Number of family dwelling units		Permit valuation	
	May 1941	May 1940	May 1941	May 1940	May 1941	May 1940	May 1941	May 1940
No. 4—Winston-Salem	7, 672	6, 496	$21, 971	$19, 735	4, 323	3, 908	$14, 004	$12, 879
Alabama	932	1, 806	2, 397	4, 990	420	399	911	877
District of Columbia	1, 324	343	4, 287	1, 632	241	231	1, 527	1, 389
Florida	1, 037	1, 118	3, 703	3, 803	845	858	3, 275	3, 183
Georgia	682	643	1, 353	1, 485	652	615	1, 321	1, 453
Maryland	2, 033	754	4, 862	2, 160	666	406	1, 953	1, 305
North Carolina	580	657	1, 496	1, 815	554	566	1, 441	1, 629
South Carolina	279	363	666	924	263	226	635	538
Virginia	805	812	3, 207	2, 926	682	607	2, 941	2, 505
No. 5—Cincinnati	2, 660	3, 132	11, 116	12, 033	2, 407	1, 934	10, 374	8, 187
Kentucky	319	208	817	568	315	200	808	544
Ohio	1, 816	2, 551	8, 969	10, 532	1, 579	1, 373	8, 258	6, 728
Tennessee	525	373	1, 330	933	513	361	1, 308	915
No. 6—Indianapolis	3, 291	3, 564	14, 594	14, 673	3, 246	2, 777	14, 371	11, 500
Indiana	809	716	3, 140	2, 459	770	698	2, 925	2, 406
Michigan	2, 482	2, 848	11, 454	12, 214	2, 476	2, 079	11, 446	9, 094
No. 7—Chicago	2, 203	1, 952	11, 176	9, 166	2, 127	1, 931	10, 903	9, 127
Illinois	1, 525	1, 315	8, 349	6, 565	1, 487	1, 298	8, 202	6, 536
Wisconsin	678	637	2, 827	2, 601	640	633	2, 701	2, 591
No. 8—Des Moines	1, 802	2, 139	7, 086	7, 963	1, 670	2, 047	6, 738	7, 715
Iowa	460	546	1, 805	2, 041	446	531	1, 754	1, 999
Minnesota	703	919	3, 030	3, 530	671	878	2, 925	3, 403
Missouri	504	535	1, 823	1, 961	432	507	1, 658	1, 900
North Dakota	66	68	198	222	52	64	171	212
South Dakota	69	71	230	209	69	67	230	201
No. 9—Little Rock	3, 031	3, 177	7, 850	8, 049	2, 925	2, 955	7, 647	7, 646
Arkansas	237	244	611	632	221	228	578	598
Louisiana	403	428	1, 160	1, 125	398	418	1, 152	1, 106
Mississippi	239	425	317	726	239	337	317	513
New Mexico	130	133	343	309	121	129	326	307
Texas	2, 022	1, 947	5, 419	5, 257	1, 946	1, 843	5, 274	5, 122
No. 10—Topeka	1, 633	1, 487	4, 728	4, 572	1, 389	1, 085	4, 100	3, 307
Colorado	577	693	1, 802	2, 166	376	319	1, 231	974
Kansas	326	218	787	628	283	214	730	618
Nebraska	143	149	563	511	143	143	563	498
Oklahoma	587	427	1, 576	1, 267	587	409	1, 576	1, 217
No. 11—Portland	1, 648	1, 688	5, 699	5, 454	1, 571	1, 529	5, 540	5, 034
Idaho	118	145	386	389	118	141	386	377
Montana	116	226	329	626	112	136	323	362
Oregon	387	341	1, 254	1, 074	329	330	1, 127	1, 044
Utah	298	285	1, 020	959	295	277	1, 011	951
Washington	673	630	2, 487	2, 182	661	584	2, 470	2, 076
Wyoming	56	61	223	224	56	61	223	224
No. 12—Los Angeles	6, 788	5, 510	23, 352	18, 082	5, 252	4, 736	19, 290	16, 385
Arizona	92	100	269	273	87	97	259	271
California	6, 629	5, 346	22, 813	17, 612	5, 105	4, 599	18, 775	15, 953
Nevada	67	64	270	197	60	40	256	161

Table 2a.—Revised estimates of the number of new family dwelling units provided in all urban areas during the first three months of 1940 and 1941, by Federal Home Loan Bank District and by State [1]

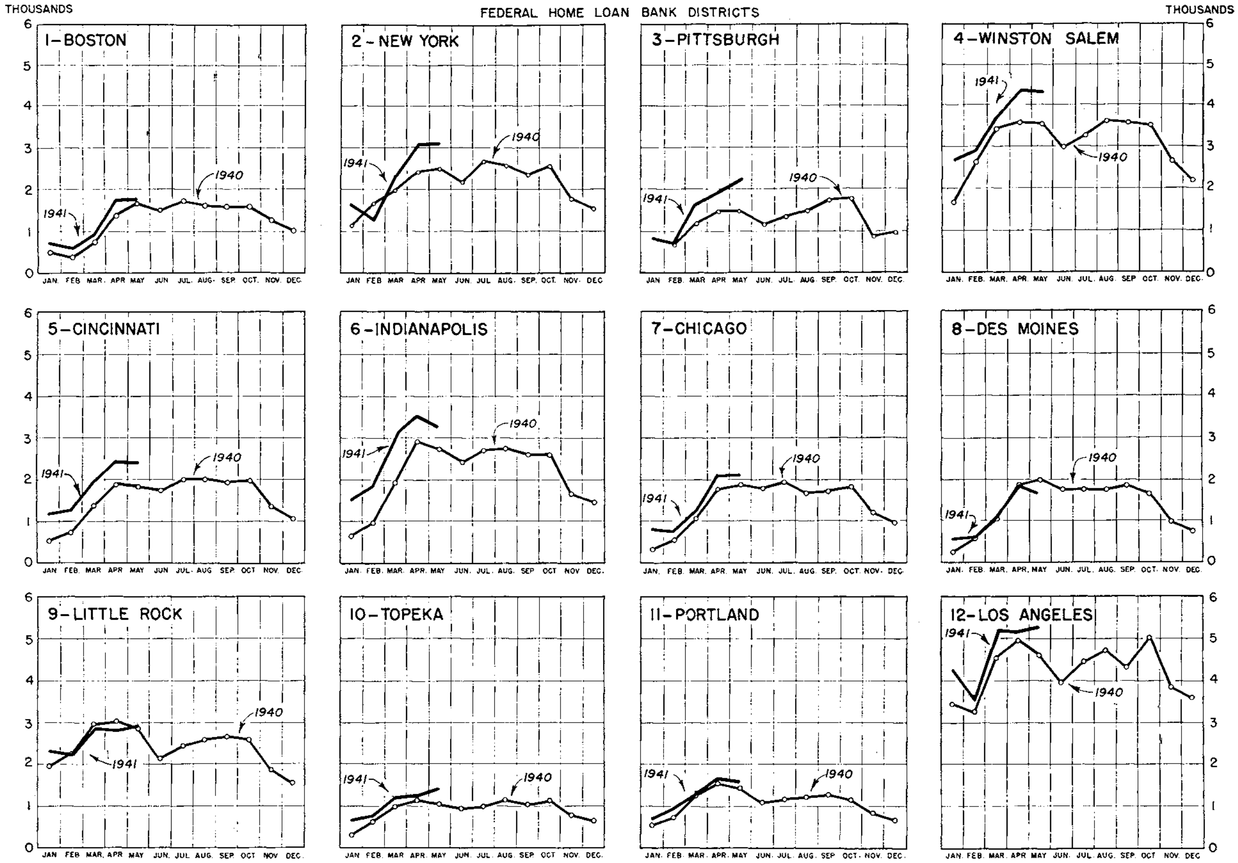
Federal Home Loan Bank District and State	All Residential Dwellings						All Private 1- and 2-Family Dwellings					
	1941			1940			1941			1940		
	January	February	March	January	February	March	January	February	March	January	February	March
UNITED STATES	26,727	27,480	35,227	18,920	24,891	32,073	18,191	17,687	26,657	12,015	15,681	23,450
No. 1--Boston	1,112	1,757	2,124	981	814	1,081	755	581	931	513	384	744
Connecticut	214	1,271	945	611	273	501	211	234	279	163	137	276
Maine	27	15	179	2	10	14	27	15	29	2	10	14
Massachusetts	810	389	530	296	469	436	456	250	465	276	175	324
New Hampshire	2	16	39	27	19	8	2	16	39	27	19	8
Rhode Island	56	58	414	40	39	114	56	58	102	40	39	114
Vermont	3	8	17	5	4	8	3	8	17	5	4	8
No. 2--New York	5,273	3,633	3,715	4,890	5,191	4,688	1,685	1,350	2,289	1,177	1,698	2,040
New Jersey	712	950	1,051	472	502	813	689	432	930	290	302	735
New York	4,561	2,683	2,664	4,418	4,689	3,875	996	918	1,359	887	1,396	1,305
No. 3--Pittsburgh	857	740	2,045	352	1,252	1,394	805	730	1,657	292	680	1,200
Delaware	23	15	33	2	16	7	19	15	33	2	16	7
Pennsylvania	689	623	1,815	309	1,117	1,212	661	617	1,442	253	566	1,022
West Virginia	145	102	197	41	119	175	125	98	182	37	98	171
No. 4--Winston-Salem	4,721	6,126	6,168	2,610	4,362	5,339	2,682	2,904	3,690	1,801	2,948	3,762
Alabama	287	285	375	155	223	342	287	282	333	135	209	317
District of Columbia	789	653	1,449	300	628	523	171	117	233	62	227	232
Florida	1,329	1,596	1,341	1,200	1,237	1,021	850	730	818	773	892	920
Georgia	583	559	483	226	624	914	303	334	476	210	331	586
Maryland	266	577	956	160	304	1,168	266	452	674	89	304	459
North Carolina	813	567	457	208	389	572	297	391	433	197	370	499
South Carolina	135	201	481	150	204	296	125	197	285	150	196	292
Virginia	519	1,688	626	211	753	503	383	401	438	185	419	457
No. 5--Cincinnati	1,695	1,392	2,760	578	1,248	1,876	1,197	1,263	1,943	554	764	1,462
Kentucky	128	170	326	43	85	217	128	170	231	43	77	181
Ohio	1,087	886	1,950	407	646	1,324	773	783	1,245	387	502	967
Tennessee	480	336	484	128	517	335	296	310	467	124	185	314
No. 6--Indianapolis	1,561	1,924	3,173	663	1,049	2,283	1,554	1,912	3,133	659	990	1,957
Indiana	287	355	666	98	166	708	284	351	626	94	166	403
Michigan	1,274	1,569	2,507	565	883	1,575	1,270	1,561	2,507	565	824	1,554
No. 7--Chicago	1,555	983	1,942	344	608	1,158	847	763	1,323	340	596	1,109
Illinois	1,316	810	1,592	271	518	911	627	620	985	271	506	883
Wisconsin	239	173	350	73	90	247	220	143	338	69	90	226
No. 8--Des Moines	673	1,339	1,307	283	726	1,195	558	614	1,110	272	579	1,075
Iowa	110	114	294	50	202	297	110	114	273	50	66	258
Minnesota	274	225	444	157	218	304	250	197	398	150	214	293
Missouri	232	983	504	54	295	551	176	286	374	54	288	481
North Dakota	9	5	30	10	3	20	9	5	30	10	3	20
South Dakota	48	12	35	12	8	23	13	12	35	8	8	23
No. 9--Little Rock	2,581	2,334	3,288	3,007	4,092	3,939	2,322	2,211	2,838	1,984	2,294	3,096
Arkansas	82	164	209	83	115	150	82	152	201	83	115	144
Louisiana	413	278	324	1,092	1,137	1,141	365	275	312	234	241	393
Mississippi	213	275	264	224	384	411	209	272	258	127	257	407
New Mexico	99	95	111	99	142	161	86	85	104	96	139	161
Texas	1,774	1,522	2,380	1,509	2,314	2,076	1,580	1,427	1,963	1,444	1,542	1,991
No. 10--Topeka	690	912	1,270	550	685	1,353	666	727	1,168	311	659	1,019
Colorado	198	404	396	265	167	277	180	233	305	70	151	254
Kansas	105	142	246	40	112	250	99	128	242	40	112	230
Nebraska	40	60	124	36	43	437	40	60	121	28	43	146
Oklahoma	347	306	504	209	363	389	347	306	500	173	353	389
No. 11--Portland	821	1,897	1,409	638	836	1,629	733	976	1,363	598	744	1,299
Idaho	62	47	119	45	80	160	51	47	119	39	74	156
Montana	28	57	90	20	42	334	28	49	87	20	42	98
Oregon	240	281	359	162	244	355	199	253	343	154	203	328
Utah	83	127	231	55	107	189	67	127	210	52	68	175
Washington	381	1,342	558	341	345	524	361	461	552	318	339	478
Wyoming	27	43	52	15	18	67	27	39	52	15	18	64
No. 12--Los Angeles	5,188	4,443	6,026	4,024	4,028	6,138	4,387	3,656	5,212	3,514	3,345	4,687
Arizona	77	76	83	69	80	123	68	48	83	69	77	111
California	5,069	4,328	5,890	3,932	3,902	5,967	4,283	3,569	5,080	3,422	3,233	4,528
Nevada	42	39	53	23	46	48	36	39	49	23	35	48

[1] These figures may be substituted for Table 6 of the March *Statistical Supplement*. (See June 1941 REVIEW, p. 305.)

NEW RESIDENTIAL CONSTRUCTION IN ALL URBAN AREAS

ALL PRIVATELY FINANCED 1 AND 2 FAMILY DWELLINGS

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



EIGHT STATES WITH GREATEST VOLUME DURING MAY

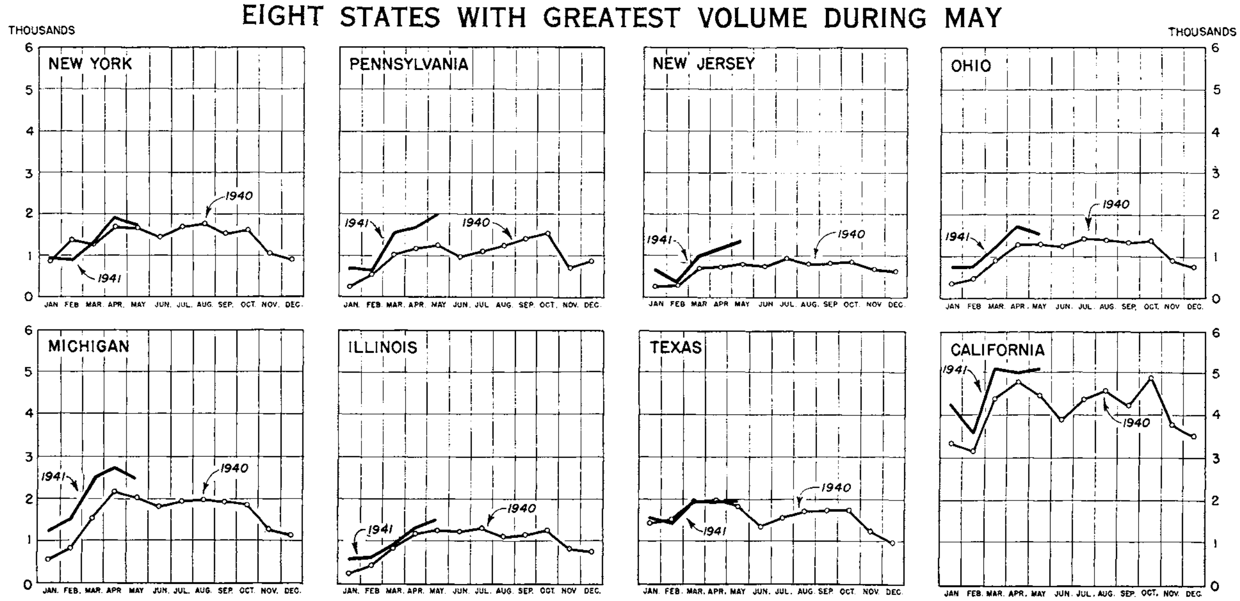


Table 3.—Cost of building the same standard house in representative cities in specific months [1]

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							
	1941 June	1940 June	1941		1940			1939 June	1938 June	1937 June
			June	Mar.	Dec.	Sept.	June			
No. 1—Boston:										
Hartford, Conn	$0. 276	$0. 251	$6, 615	$6, 424	$6, 262	$5, 881	$6, 019	$5, 842	$5, 659	$6, 332
New Haven, Conn	. 277	. 245	6, 650	6, 288	6, 177	5, 869	5, 868	5, 597	5, 616	5, 903
Portland, Me	. 226	. 219	5, 424	5, 369	5, 274	5, 277	5, 256	5, 294	5, 526	5, 711
Boston, Mass	. 291	. 270	6, 986	6, 760	6, 667	6, 489	6, 484	6, 286	6, 079	6, 653
Manchester, N. H	. 245	. 225	5, 882	5, 801	5, 749	5, 421	5, 390	5, 427	5, 392	5, 796
Providence, R. I	. 265	. 253	6, 355	6, 281	6, 226	6, 122	6, 066	5, 996	5, 933	5, 927
Rutland, Vt	. 248	. 222	5, 940	5, 880	5, 443	5, 428	5, 327	5, 427	5, 676	5, 795
No. 4—Winston-Salem:										
Birmingham, Ala	. 271	. 211	6, 494	6, 392	6, 087	5, 332	5, 071	5, 310	6, 068	6, 056
Washington, D. C	. 257	. 239	6, 173	6, 236	6, 416	5, 894	5, 735	5, 655	5, 989	5, 968
Tampa, Fla	. 256	. 236	6, 152	[2] 6, 155	[2] 6, 027	5, 717	5, 673	5, 576	5, 608	5, 716
W. Palm Beach, Fla	. 266	. 252	6, 373	6, 550	6, 731	6, 156	6, 050	5, 795	6, 166	6, 456
Atlanta, Ga	. 249	. 203	5, 984	5, 846	5, 537	4, 882	4, 873	4, 822	5, 207	5, 311
Baltimore, Md	. 257	. 198	6, 157	6, 088	5, 659	4, 914	4, 750	4, 746	4, 739	5, 109
Cumberland, Md	. 250	-------	6, 006	6, 058	5, 832	-------	-------	5, 539	5, 535	5, 743
Asheville, N. C	. 238	. 207	5, 708	5, 752	5, 320	4, 941	4, 979	4, 872	5, 194	5, 240
Raleigh, N. C	. 229	. 209	5, 502	5, 478	5, 246	5, 197	5, 010	4, 952	5, 430	5, 627
Salisbury, N. C	. 214	. 203	5, 131	4, 716	4, 493	4, 536	4, 872	4, 670	-------	4, 652
Columbia, S. C	. 238	. 194	5, 719	5, 540	5, 453	4, 679	4, 660	4, 783	4, 776	4, 873
Richmond, Va	. 233	. 201	5, 600	5, 570	5, 420	4, 949	4, 819	4, 936	5, 249	5, 242
Roanoke, Va	. 247	. 217	5, 936	6, 021	5, 714	-------	5, 205	5, 150	5, 056	5, 135
No. 7—Chicago:										
Chicago, Ill	. 307	. 282	7, 371	7, 093	6, 900	6, 841	6, 773	6, 846	6, 904	7, 215
Peoria, Ill	. 304	. 295	7, 288	7, 267	7, 158	7, 110	7, 082	6, 556	6, 695	6, 808
Springfield, Ill	. 311	. 298	7, 463	7, 463	7, 415	7, 168	7, 145	6, 789	6, 965	6, 978
Milwaukee, Wis	. 255	[2] . 224	6, 117	[2] 5, 988	[2] 5, 875	[2] 5, 527	[2] 5, 369	[2] 5, 300	[2] 5, 072	[2] 5, 255
Oshkosh, Wis	. 251	[2] . 226	6, 029	[2] 5, 975	[2] 5, 814	[2] 5, 431	[2] 5, 416	[2] 5, 498	[2] 5, 609	[2] 5, 651
No. 10—Topeka:										
Denver, Colo	. 270	. 254	6, 469	6, 500	6, 327	6, 131	6, 092	6, 376	6, 464	6, 714
Wichita, Kan	. 253	. 243	6, 072	5, 790	5, 716	-------	5, 838	6, 021	5, 866	5, 711
Omaha, Nebr	. 263	. 256	6, 301	6, 148	5, 968	5, 914	6, 132	5, 778	5, 814	5, 964
Oklahoma City, Okla	. 273	. 255	6, 552	6, 590	6, 388	6, 097	6, 117	5, 860	5, 840	5, 823

[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.

[2] Revised.

Table 4.—Index of building costs for the standard house

[Average month of 1935–1939=100]

Element of cost	May 1941	Apr. 1941	Mar. 1941	Feb. 1941	Jan. 1941	Dec. 1940	Nov. 1940	Oct. 1940	Sept. 1940	Aug. 1940	July 1940	June 1940	May 1940
Material	108. 8	108. 7	108. 0	107. 8	106. 6	105. 9	104. 6	103. 4	101. 9	101. 4	101. 2	101. 3	101. 3
Labor	117. 0	116. 1	115. 3	115. 1	114. 5	112. 5	109. 8	106. 9	104. 8	103. 6	103. 4	103. 5	103. 7
Total cost	111. 6	111. 2	110. 4	110. 2	109. 3	108. 1	106. 4	104. 6	102. 9	102. 1	102. 0	102. 1	102. 2

Table 5.—Index of wholesale price of building materials in the United States

[1935–1939=100]

[Source: U. S. Department of Labor]

Period	All building materials	Brick and tile	Cement	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
1939: May	99.9	100.9	100.4	100.8	100.3	104.2	103.5	96.9
1940: May	103.3	99.3	99.3	106.9	105.7	105.9	103.5	99.7
June	103.2	99.3	99.4	105.6	104.7	105.8	103.5	100.6
July	103.5	99.2	99.4	105.6	104.0	105.8	103.5	101.2
August	104.4	99.2	99.4	109.6	103.5	105.8	103.5	101.0
September	105.6	99.3	99.4	119.3	103.4	105.8	103.5	101.1
October	109.2	99.3	99.5	127.4	104.3	105.8	103.5	101.4
November	110.4	99.3	99.7	130.8	105.4	105.8	103.5	101.9
December	110.9	100.3	99.8	132.3	105.0	105.8	103.5	102.2
1941: January	111.2	100.5	99.7	131.9	106.6	105.8	103.5	102.6
February	110.9	100.6	99.7	130.5	106.5	108.0	103.5	102.6
March	111.1	100.7	99.7	130.0	107.5	108.8	103.5	103.0
April	111.8	100.9	99.9	130.0	109.1	109.0	103.5	103.7
May	112.1	101.1	100.4	130.1	109.8	109.0	103.5	104.1
Change:								
May 1941–Apr. 1941	+0.3%	+0.2%	+0.5%	+0.1%	+0.6%	0.0%	0.0%	+0.4%
May 1941–May 1940	+8.5%	+1.8%	+1.1%	+21.7%	+3.9%	+2.9%	0.0%	+4.4%

Table 6.—Estimated volume of new home-mortgage loans by all savings and loan associations, by purpose and class of association

[Thousands of dollars]

Period	Purpose of loans					Total loans	Class of association		
	Construction	Home purchase	Refinancing	Reconditioning	Loans for all other purposes		Federals	State members	Nonmembers
1939	$301,039	$339,629	$182,025	$59,463	$104,227	$986,383	$400,337	$396,041	$190,005
Jan.–May	103,753	122,518	70,242	22,236	41,053	359,802	142,761	145,374	71,667
May	26,646	31,289	15,687	6,069	9,432	89,123	36,358	35,426	17,339
1940	398,632	426,151	198,148	63,583	113,065	1,199,579	509,713	483,499	206,367
Jan.–May	137,071	159,466	84,251	24,542	46,047	451,377	191,899	179,980	79,498
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
August	42,488	40,567	17,762	6,079	10,726	117,622	50,305	46,807	20,510
September	39,417	40,947	15,483	6,283	9,645	111,775	46,480	45,988	19,307
October	41,610	40,771	16,840	5,756	9,423	114,400	48,307	46,224	19,869
November	32,584	33,875	14,441	4,869	8,798	94,567	38,896	40,143	15,528
December	30,032	31,465	14,575	4,248	8,233	88,553	37,715	36,729	14,109
1941									
Jan.–May	166,056	202,968	80,163	24,420	45,909	519,516	222,137	218,646	78,733
January	26,662	27,809	13,645	3,784	8,540	80,440	34,360	33,947	12,133
February	26,483	30,283	14,204	3,573	7,787	82,330	35,645	35,301	11,384
March	33,250	41,784	16,903	4,765	8,460	105,162	45,365	43,947	15,850
April	38,686	48,311	16,905	6,368	10,361	120,631	51,371	50,956	18,304
May	40,975	54,781	18,506	5,930	10,761	130,953	55,396	54,495	21,062

Table 7.—Estimated volume of new home-mortgage loans by all savings and loan associations, by Federal Home Loan Bank District and class of association

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and class of association		New loans		Percent change, Apr. 1941 to May 1941	New loans, May 1940	Percent change, May 1940 to May 1941	Cumulative new loans (5 months)		
		May 1941	April 1941				1941	1940	Percent change
United States:	Total	$130, 953	$120, 631	+8. 6	$114, 542	+14. 3	$519, 516	$451, 377	+15. 1
	Federal	55, 396	51, 371	+7. 8	49, 287	+12. 4	222, 137	191, 899	+15. 8
	State member	54, 495	50, 956	+6. 9	45, 803	+19. 0	218, 646	179, 980	+21. 5
	Nonmember	21, 062	18, 304	+15. 1	19, 452	+8. 3	78, 733	79, 498	−1. 0
District No. 1:	Total	13, 834	11, 517	+20. 1	10, 966	+26. 2	50, 576	37, 520	+34. 8
	Federal	4, 618	4, 133	+11. 7	3, 906	+18. 2	17, 438	13, 065	+33. 5
	State member	6, 980	5, 535	+26. 1	5, 604	+24. 6	25, 112	17, 916	+40. 2
	Nonmember	2, 236	1, 849	+20. 9	1, 456	+53. 6	8, 026	6, 539	+22. 7
District No. 2:	Total	13, 579	11, 378	+19. 3	10, 332	+31. 4	47, 802	38, 164	+25. 3
	Federal	3, 746	3, 057	+22. 5	3, 153	+18. 8	13, 256	12, 130	+9. 3
	State member	4, 010	3, 339	+20. 1	2, 733	+46. 7	14, 468	10, 669	+35. 6
	Nonmember	5, 823	4, 982	+16. 9	4, 446	+31. 0	20, 078	15, 365	+30. 7
District No. 3:	Total	10, 949	9, 142	+19. 8	9, 010	+21. 5	40, 269	35, 962	+12. 0
	Federal	3, 847	3, 418	+12. 6	3, 663	+5. 0	15, 112	13, 050	+15. 8
	State member	2, 979	2, 601	+14. 5	2, 265	+31. 5	11, 052	9, 045	+22. 2
	Nonmember	4, 123	3, 123	+32. 0	3, 082	+33. 8	14, 105	13, 867	+1. 7
District No. 4:	Total	17, 186	16, 625	+3. 4	17, 636	−2. 6	71, 139	66, 758	+6. 6
	Federal	8, 214	7, 870	+4. 4	8, 323	−1. 3	34, 585	31, 196	+10. 9
	State member	7, 406	7, 216	+2. 6	6, 496	+14. 0	30, 282	25, 883	+17. 0
	Nonmember	1, 566	1, 539	+1. 8	2, 817	−44. 4	6, 272	9, 679	−35. 2
District No. 5:	Total	22, 684	21, 521	+5. 4	18, 994	+19. 4	90, 219	73, 977	+22. 0
	Federal	8, 709	8, 116	+7. 3	7, 055	+23. 4	33, 735	27, 571	+22. 4
	State member	11, 305	10, 934	+3. 4	9, 409	+20. 2	45, 541	35, 978	+26. 6
	Nonmember	2, 670	2, 471	+8. 1	2, 530	+5. 5	10, 943	10, 428	+4. 9
District No. 6:	Total	6, 367	6, 080	+4. 7	5, 782	+10. 1	26, 848	22, 632	+18. 6
	Federal	3, 201	3, 167	+1. 1	2, 713	+18. 0	13, 658	10, 438	+30. 8
	State member	2, 913	2, 733	+6. 6	2, 701	+7. 8	12, 099	10, 676	+13. 3
	Nonmember	253	180	+40. 6	368	−31. 3	1, 091	1, 518	−28. 1
District No. 7:	Total	13, 210	13, 346	−1. 0	11, 358	+16. 3	53, 710	47, 329	+13. 5
	Federal	5, 349	5, 224	+2. 4	4, 570	+17. 0	20, 823	18, 619	+11. 8
	State member	6, 163	6, 450	−4. 4	5, 279	+16. 7	25, 404	20, 448	+24. 2
	Nonmember	1, 698	1, 672	+1. 6	1, 509	+12. 5	7, 483	8, 262	−9. 4
District No. 8:	Total	7, 281	6, 856	+6. 2	7, 048	+3. 3	27, 614	27, 609	+0. 0
	Federal	3, 739	3, 435	+8. 9	3, 679	+1. 6	13, 803	12, 751	+8. 3
	State member	2, 410	2, 312	+4. 2	1, 926	+25. 1	9, 357	8, 679	+7. 8
	Nonmember	1, 132	1, 109	+2. 1	1, 443	−21. 6	4, 454	6, 179	−27. 9
District No. 9:	Total	6, 053	5, 452	+11. 0	5, 744	+5. 4	25, 989	24, 812	+4. 7
	Federal	2, 538	2, 349	+8. 0	2, 236	+13. 5	10, 982	10, 107	+8. 7
	State member	3, 378	3, 000	+12. 6	3, 284	+2. 9	14, 499	13, 667	+6. 1
	Nonmember	137	103	+33. 0	224	−38. 8	508	1, 038	−51. 1
District No. 10:	Total	5, 657	4, 776	+18. 4	4, 815	+17. 5	21, 674	20, 607	+5. 2
	Federal	3, 325	2, 680	+24. 1	2, 568	+29. 5	12, 026	11, 022	+9. 1
	State member	1, 135	1, 061	+7. 0	1, 118	+1. 5	4, 989	4, 690	+6. 4
	Nonmember	1, 197	1, 035	+15. 7	1, 129	+6. 0	4, 659	4, 895	−4. 8
District No. 11:	Total	4, 862	4, 506	+7. 9	4, 199	+15. 8	20, 068	16, 805	+19. 4
	Federal	3, 219	2, 888	+11. 5	2, 551	+26. 2	13, 446	10, 373	+29. 6
	State member	1, 490	1, 477	+0. 9	1, 489	+0. 1	6, 064	5, 725	+5. 9
	Nonmember	153	141	+8. 5	159	−3. 8	558	707	−21. 1
District No. 12:	Total	9, 291	9, 432	−1. 5	8, 658	+7. 3	43, 608	39, 202	+11. 2
	Federal	4, 891	5, 034	−2. 8	4, 870	+0. 4	23, 273	21, 577	+7. 9
	State member	4, 326	4, 298	+0. 7	3, 499	+23. 6	19, 779	16, 604	+19. 1
	Nonmember	74	100	−26. 0	289	−74. 4	556	1, 021	−45. 5

Table 8.—Summary of estimated nonfarm mortgage recordings,[1] $20,000 and under, during May 1941

Federal Home Loan Bank District and State	(Amounts shown are in thousands of dollars) 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	52,802	$143,770	7,190	$35,635	32,148	$107,151	5,258	$19,705	35,175	$69,836	17,769	$59,864	150,342	$435,961	$4.72
No. 1--Boston	4,328	14,344	181	1,008	1,289	4,606	2,824	9,695	2,809	6,364	707	2,359	12,138	38,376	
Connecticut	386	1,537	122	692	394	1,764	632	2,484	639	1,623	388	1,388	2,561	9,488	6.24
Maine	174	355	24	101	179	427	224	408	263	292	35	73	899	1,656	2.64
Massachusetts	3,359	11,308	30	196	420	1,593	1,575	5,569	1,601	3,888	215	669	7,200	23,229	5.63
New Hampshire	129	248	------	------	123	266	174	539	99	148	13	50	538	1,251	3.11
Rhode Island	201	744	5	19	97	387	112	364	146	322	48	148	609	1,984	2.96
Vermont	79	152	------	------	76	163	107	331	61	91	8	31	331	768	3.11
No. 2--New York	3,285	11,108	491	2,631	2,471	10,266	1,667	7,445	4,132	10,033	1,562	6,345	13,608	47,828	
New Jersey	1,163	3,864	247	1,279	1,419	5,955	92	567	1,510	3,769	693	2,458	5,124	17,892	4.58
New York	2,122	7,244	244	1,352	1,052	4,311	1,575	6,878	2,622	6,264	869	3,887	8,484	29,936	2.52
No. 3--Pittsburgh	3,922	10,128	449	2,167	3,172	10,712	250	823	2,347	5,429	1,024	3,727	11,164	32,986	
Delaware	23	74	28	156	60	258	18	75	67	142	16	41	212	746	3.89
Pennsylvania	3,383	8,913	346	1,646	2,487	9,118	219	741	1,911	4,600	871	3,374	9,217	28,392	3.24
West Virginia	516	1,141	75	365	625	1,336	13	7	369	687	137	312	1,735	3,848	3.01
No. 4--Winston-Salem	7,303	19,314	1,183	5,489	3,072	8,386	51	196	5,595	9,935	3,160	7,054	20,364	50,374	
Alabama	353	627	119	470	358	765	------	------	625	927	388	795	1,843	3,584	2.74
District of Columbia	681	4,079	119	827	105	730	------	------	448	1,383	162	852	1,515	7,871	16.18
Florida	702	1,987	434	1,786	443	1,003	------	------	1,049	2,476	509	1,437	3,137	8,689	7.31
Georgia	1,125	1,802	120	596	550	1,155	------	------	763	977	380	1,009	2,938	5,539	3.72
Maryland	1,426	3,716	34	187	306	1,011	51	196	523	1,170	220	758	2,560	7,038	5.05
North Carolina	1,416	3,582	140	694	220	977	------	------	677	789	397	558	2,850	6,600	4.20
South Carolina	557	1,186	85	358	396	510	------	------	702	712	315	413	2,055	3,179	3.87
Virginia	1,043	2,335	132	571	694	2,235	------	------	808	1,501	789	1,232	3,466	7,874	5.35
No. 5--Cincinnati	8,841	25,809	855	4,315	3,749	12,093	162	609	2,442	4,361	1,750	5,540	17,799	52,727	
Kentucky	1,299	3,009	168	667	506	1,271	------	------	214	332	138	480	2,325	5,759	4.00
Ohio	7,164	21,920	488	2,918	2,604	9,020	162	609	1,931	3,644	806	3,030	13,155	41,141	4.30
Tennessee	378	880	199	730	639	1,802	------	------	297	385	806	2,030	2,319	5,827	4.16
No. 6--Indianapolis	3,856	8,068	742	3,577	3,603	9,738	32	56	1,381	2,619	862	3,171	10,476	27,229	
Indiana	2,642	5,020	340	1,568	1,205	3,309	32	56	518	908	268	821	5,005	11,682	4.82
Michigan	1,214	3,048	402	2,009	2,398	6,429	------	------	863	1,711	594	2,350	5,471	15,547	3.83
No. 7--Chicago	5,047	14,925	560	2,870	2,152	8,529	13	23	2,545	5,777	2,013	9,183	12,330	41,307	
Illinois	3,850	11,468	428	2,257	1,375	6,061	------	------	1,510	3,687	1,720	8,052	8,883	31,525	4.75
Wisconsin	1,197	3,457	132	613	777	2,468	13	23	1,035	2,090	293	1,131	3,447	9,782	4.75
No. 8--Des Moines	4,042	9,542	705	3,310	2,894	7,810	43	142	2,783	4,627	1,779	5,477	12,246	30,908	
Iowa	929	1,938	134	583	821	1,923	------	------	467	644	214	590	2,565	5,678	3.80
Minnesota	1,581	4,056	278	1,282	735	1,814	43	142	986	1,933	296	888	3,919	10,115	6.06
Missouri	1,268	2,930	234	1,239	1,122	3,547	------	------	1,157	1,794	1,219	3,941	5,000	13,451	5.35
North Dakota	191	481	13	61	85	159	------	------	63	141	27	33	379	875	3.09
South Dakota	73	137	46	145	131	367	------	------	110	115	23	25	383	789	2.61
No. 9--Little Rock	3,094	7,850	781	3,750	887	2,638	------	------	2,354	4,351	1,707	5,637	8,823	24,226	
Arkansas	295	507	61	244	112	216	------	------	290	454	62	104	820	1,525	2.07
Louisiana	832	2,703	136	672	145	440	------	------	430	730	474	1,363	2,017	5,908	4.65
Mississippi	205	359	57	226	149	311	------	------	290	438	143	285	844	1,619	2.50
New Mexico	63	200	4	10	73	260	------	------	47	122	14	20	201	612	2.31
Texas	1,699	4,081	523	2,598	408	1,411	------	------	1,297	2,607	1,014	3,865	4,941	14,562	4.19
No. 10--Topeka	3,252	7,035	278	1,285	967	2,427	------	------	1,640	2,533	927	2,978	7,064	16,258	
Colorado	389	1,007	34	185	151	367	------	------	654	1,159	311	1,091	1,539	3,809	5.06
Kansas	1,039	2,246	71	248	327	857	------	------	242	373	180	567	1,859	4,291	3.66
Nebraska	772	1,528	111	515	135	335	------	------	215	344	116	392	1,349	3,114	39.3
Oklahoma	1,052	2,254	62	337	354	868	------	------	529	657	320	928	2,317	5,044	3.68
No. 11--Portland	2,230	5,298	315	1,276	1,577	4,303	216	716	1,417	2,291	910	3,214	6,665	17,098	
Idaho	154	332	8	52	126	463	------	------	230	276	58	146	576	1,269	4.94
Montana	162	356	13	75	76	174	------	------	136	288	44	116	431	1,009	3.03
Oregon	552	1,416	123	562	208	531	18	61	483	688	210	754	1,594	4,012	5.49
Utah	241	638	36	131	397	1,175	------	------	124	194	61	139	859	2,277	5.81
Washington	1,029	2,301	135	456	721	1,837	198	655	329	607	507	1,959	2,919	7,815	6.21
Wyoming	92	255	------	------	49	123	------	------	115	238	30	100	286	716	4.70
No. 12--Los Angeles	3,602	10,349	650	3,957	6,315	25,643	------	------	5,730	11,516	1,368	5,179	17,665	56,644	
Arizona	94	261	10	30	150	528	------	------	306	576	23	43	583	1,438	4.27
California	3,487	10,030	638	3,920	6,131	24,998	------	------	5,356	10,812	1,340	5,126	16,952	54,886	10.85
Nevada	21	58	2	7	34	117	------	------	68	128	5	10	130	320	4.29

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

Table 9.—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:														
1940: 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	46, 667	35. 3	6, 228	4. 7	28, 511	21. 6	4, 328	3. 3	29, 689	22. 4	16, 837	12. 7	132, 260	100. 0
August	46, 706	34. 7	6, 525	4. 8	29, 137	21. 6	4, 298	3. 2	30, 858	22. 9	17, 178	12. 8	134, 702	100. 0
September	45, 595	35. 5	6, 091	4. 7	27, 924	21. 7	4, 257	3. 4	28, 164	21. 9	16, 391	12. 8	128, 422	100. 0
October	48, 145	34. 8	6, 977	5. 0	31, 202	22. 5	4, 548	3. 3	30, 635	22. 1	16, 975	12. 3	138, 482	100. 0
November	39, 180	33. 5	5, 816	5. 0	25, 988	22. 3	4, 024	3. 4	27, 507	23. 6	14, 239	12. 2	116, 754	100. 0
December	37, 984	32. 8	5, 736	4. 9	25, 837	22. 3	3, 847	3. 3	27, 823	24. 0	14, 680	12. 7	115, 907	100. 0
1941: January	34, 459	31. 4	5, 523	5. 0	24, 204	22. 1	3, 392	3. 1	28, 494	26. 0	13, 617	12. 4	109, 689	100. 0
February	34, 909	32. 6	4, 753	4. 4	23, 711	22. 1	2, 985	2. 8	27, 483	25. 7	13, 303	12. 4	107, 144	100. 0
March	42, 496	34. 2	5, 651	4. 5	26, 820	21. 6	3, 571	2. 9	30, 990	25. 0	14, 666	11. 8	124, 194	100. 0
April	48, 266	34. 6	6, 583	4. 7	30, 065	21. 6	4, 512	3. 2	33, 794	24. 2	16, 305	11. 7	139, 525	100. 0
May	52, 802	35. 1	7, 190	4. 8	32, 148	21. 4	5, 258	3. 5	35, 175	23. 4	17, 769	11. 8	150, 342	100. 0
Amount:														
1940: 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	118, 914	32. 4	30, 602	8. 3	92, 658	25. 3	16, 067	4. 4	55, 191	15. 0	53, 622	14. 6	367, 054	100. 0
August	121, 979	32. 4	31, 839	8. 4	93, 931	24. 9	15, 903	4. 2	56, 770	15. 1	56, 394	15. 0	376, 816	100. 0
September	117, 928	33. 0	29, 401	8. 2	89, 051	24. 9	15, 566	4. 4	52, 936	14. 8	52, 636	14. 7	357, 518	100. 0
October	125, 009	32. 2	33, 818	8. 7	98, 462	25. 3	16, 826	4. 3	59, 124	15. 2	55, 734	14. 3	388, 973	100. 0
November	102, 267	31. 2	27, 900	8. 5	82, 971	25. 4	15, 122	4. 6	51, 504	15. 7	47, 621	14. 6	327, 385	100. 0
December	98, 765	30. 2	28, 666	8. 8	83, 426	25. 5	14, 918	4. 6	51, 964	15. 9	48, 885	15. 0	326, 624	100. 0
1941: January	89, 996	29. 3	27, 691	9. 0	78, 977	25. 7	12, 931	4. 2	53, 891	17. 5	44, 154	14. 3	307, 640	100. 0
February	91, 182	30. 7	23, 716	8. 0	74, 526	25. 1	11, 662	3. 9	52, 442	17. 7	43, 335	14. 6	296, 863	100. 0
March	113, 574	32. 6	27, 842	8. 0	86, 178	24. 7	14, 016	4. 0	59, 646	17. 1	47, 624	13. 6	348, 880	100. 0
April	129, 348	32. 5	32, 313	8. 1	98, 076	24. 6	16, 888	4. 2	65, 708	16. 5	55, 972	14. 1	398, 305	100. 0
May	143, 770	33. 0	35, 635	8. 2	107, 151	24. 6	19, 705	4. 5	69, 836	16. 0	59, 864	13. 7	435, 961	100. 0

Table 10.—Estimated nonfarm real estate foreclosures, by size of county

Period	U. S. total	County size (dwellings)			
		Less than 5,000	5,000–19,999	20,000–59,999	60,000 and over
1940: Jan.–May	32, 222	3, 319	4, 803	6, 766	17, 334
May	7, 138	712	1, 088	1, 539	3, 799
June	6, 597	709	1, 043	1, 301	3, 544
July	6, 293	667	909	1, 269	3, 448
August	6, 128	595	835	1, 338	3, 360
September	6, 294	539	1, 018	1, 355	3, 382
October	6, 305	618	897	1, 319	3, 471
November	5, 832	603	832	1, 343	3, 054
December	5, 639	635	819	1, 103	3, 082
1941: Jan.–May	26, 893	2, 971	4, 149	5, 735	14, 038
January	5, 474	607	800	1, 180	2, 887
February	4, 950	526	789	1, 009	2, 626
March	5, 650	621	870	1, 191	2, 968
April	5, 445	587	853	1, 119	2, 886
May	5, 374	630	837	1, 236	2. 671

Table 11.—Property operations of the Home Owners' Loan Corporation

Period	Number of properties acquired [1]	Number of properties sold	Number of properties on hand at end of month
1940: May	1, 531	4, 720	65, 326
June	1, 611	4, 801	62, 127
July	1, 694	3, 355	60, 470
August	1, 758	3, 691	58, 524
September	1, 701	3, 619	56, 598
October	1, 719	3, 886	54, 433
November	1, 728	3, 253	52, 878
December	1, 580	2, 706	51, 722
1941: January	1, 638	2, 425	50, 865
February	1, 340	2, 223	49, 940
March	1, 327	2, 369	48, 856
April	1, 226	2, 464	47, 588
May	1, 080	2, 458	46, 170

[1] Includes reacquisitions of properties previously sold.

Table 12.—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										
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
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: 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
August	2,248	2,742,287	2,208,016	2,059,097	220,081	136,244	2,634,300	51,025	36,060	72,214
September	2,259	2,789,391	2,250,905	2,085,410	220,569	144,997	2,664,200	46,203	30,928	68,665
October	2,264	2,832,083	2,291,477	2,114,831	220,629	150,700	2,695,800	53,982	30,286	71,380
November	2,269	2,867,817	2,317,292	2,143,360	220,689	154,802	2,706,300	49,990	25,278	57,686
December	2,276	2,931,781	2,342,804	2,202,135	220,789	171,347	2,772,400	65,586	22,865	56,363
1941: January	2,282	2,929,247	2,359,057	2,262,692	216,485	141,450	2,802,700	127,490	75,228	52,270
February	2,289	2,959,330	2,384,160	2,296,225	206,015	129,437	2,869,500	65,384	37,081	53,765
March	2,292	2,991,565	2,416,680	2,323,041	206,094	119,461	2,896,100	64,633	39,605	69,313
April	2,297	3,034,528	2,457,438	2,354,239	206,078	115,372	2,924,000	65,947	39,194	77,735
May	2,302	3,079,396	2,501,582	2,379,856	206,304	119,242	2,943,300	57,755	35,122	82,443
FEDERAL										
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
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: 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	1,421	1,727,337	1,403,933	1,267,156	197,268	90,489	1,560,900	29,404	11,022	47,435
July	1,422	1,724,821	1,430,982	1,282,590	181,724	95,175	1,574,000	60,489	49,244	48,676
August	1,427	1,750,870	1,461,440	1,297,572	181,256	99,985	1,591,100	34,871	22,643	50,305
September	1,430	1,775,555	1,487,489	1,309,421	181,261	106,674	1,602,400	31,184	19,414	46,480
October	1,433	1,804,397	1,514,872	1,329,364	181,371	110,583	1,624,800	37,309	18,583	48,307
November	1,435	1,829,939	1,532,745	1,349,761	181,381	114,070	1,627,600	34,092	14,867	38,896
December	1,438	1,872,691	1,545,838	1,387,839	181,431	127,255	1,665,200	44,531	12,135	37,715
1941: January	1,439	1,872,744	1,563,038	1,436,443	177,265	102,973	1,709,800	87,950	49,852	34,360
February	1,441	1,890,266	1,577,498	1,458,840	168,873	92,558	1,736,900	45,587	23,131	35,645
March	1,442	1,915,054	1,599,592	1,480,866	168,922	84,810	1,758,400	44,390	23,618	45,365
April [1]	1,445	1,945,949	1,627,545	1,504,271	169,047	81,076	1,780,100	45,058	23,376	51,371
May [2]	1,447	1,977,162	1,656,899	1,522,675	169,247	83,674	1,792,700	38,423	20,582	55,396
STATE										
1939: June	787	898,353	633,601	667,611	43,425	38,764	936,900	13,700	7,700	16,754
December	798	932,630	674,980	702,700	41,948	36,859	973,800	16,400	8,214	15,463
1940: 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
August	821	991,417	746,576	761,525	38,825	36,259	1,043,200	16,154	13,417	21,909
September	829	1,013,836	763,416	775,989	39,308	38,323	1,061,800	15,019	11,514	22,185
October	831	1,027,686	776,605	785,467	39,258	40,117	1,071,000	16,673	11,703	23,073
November	834	1,037,878	784,547	793,599	39,308	40,732	1,078,700	15,898	10,411	18,790
December	838	1,059,090	796,966	814,296	39,358	44,092	1,107,200	21,055	10,730	18,648
1941: January	843	1,056,503	796,019	826,249	39,220	38,477	1,092,900	39,540	25,376	17,910
February	848	1,069,064	806,662	837,385	37,142	36,879	1,132,600	19,797	13,950	18,120
March	850	1,076,511	817,088	842,175	37,172	34,651	1,137,700	20,243	15,987	23,948
April	852	1,088,579	829,893	849,968	37,031	34,296	1,143,900	20,889	15,818	26,364
May	855	1,102,234	844,683	857,181	37,057	35,568	1,150,600	19,332	14,540	27,047

[1] In addition, 3 converted Federals with assets of $1,110,000 were not insured as of Apr. 30, 1941. However, included in the 1,445 Federals is 1 Federal with assets of $16,000 whose insurance certificate was outstanding but whose membership had been canceled.
[2] In addition, 4 converted Federals with assets of $1,068,000 were not insured as of May 31, 1941.

Table 13.—Lending operations of the Federal Home Loan Banks

[Thousands of dollars]

Federal Home Loan Bank	May 1941		April 1941		Advances outstanding, May 31, 1941
	Advances	Repayments	Advances	Repayments	
Boston	$568	$470	$362	$795	$6, 525
New York	644	644	508	1, 217	15, 912
Pittsburgh	825	709	556	1, 011	13, 443
Winston-Salem	789	1, 347	527	2, 262	15, 490
Cincinnati	1, 062	590	554	603	14, 725
Indianapolis	511	95	328	218	10, 139
Chicago	1, 845	736	1, 026	720	24, 752
Des Moines	592	438	93	1, 755	12, 018
Little Rock	126	213	202	529	6, 695
Topeka	353	112	104	212	7, 214
Portland	612	181	318	256	6, 045
Los Angeles	1, 206	153	1, 221	351	12, 315
Total	9, 133	5, 688	5, 799	9, 929	145, 273
Jan.–May 1941	28, 458	84, 677			
May 1940	9, 884	6, 186			137, 509
Jan.–May 1940	25, 630	69, 434			
May 1939	6, 307	5, 572			157, 911
Jan.–May 1939	19, 043	59, 974			

Table 14.—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–May 1941:				
Applications:				
Number	1, 862	4, 658	987	5, 645
Amount	$50, 401	$208, 571	$65, 506	$274, 077
Investments:				
Number	1, 831	4, 218	733	$4, 951
Amount	$49, 300	$176, 835	$45, 249	$222, 084
Repurchases	$25, 629	$31, 259	$7, 969	$39, 228
Net outstanding investments	$23, 671	$145, 576	$37, 280	$182, 856
May 1941:				
Applications:				
Number	0	5	4	9
Amount	0	$3, 600	$189	$3, 789
Investments:				
Number	0	2	1	3
Amount	0	$200	$26	$226
Repurchases	0	0	0	0

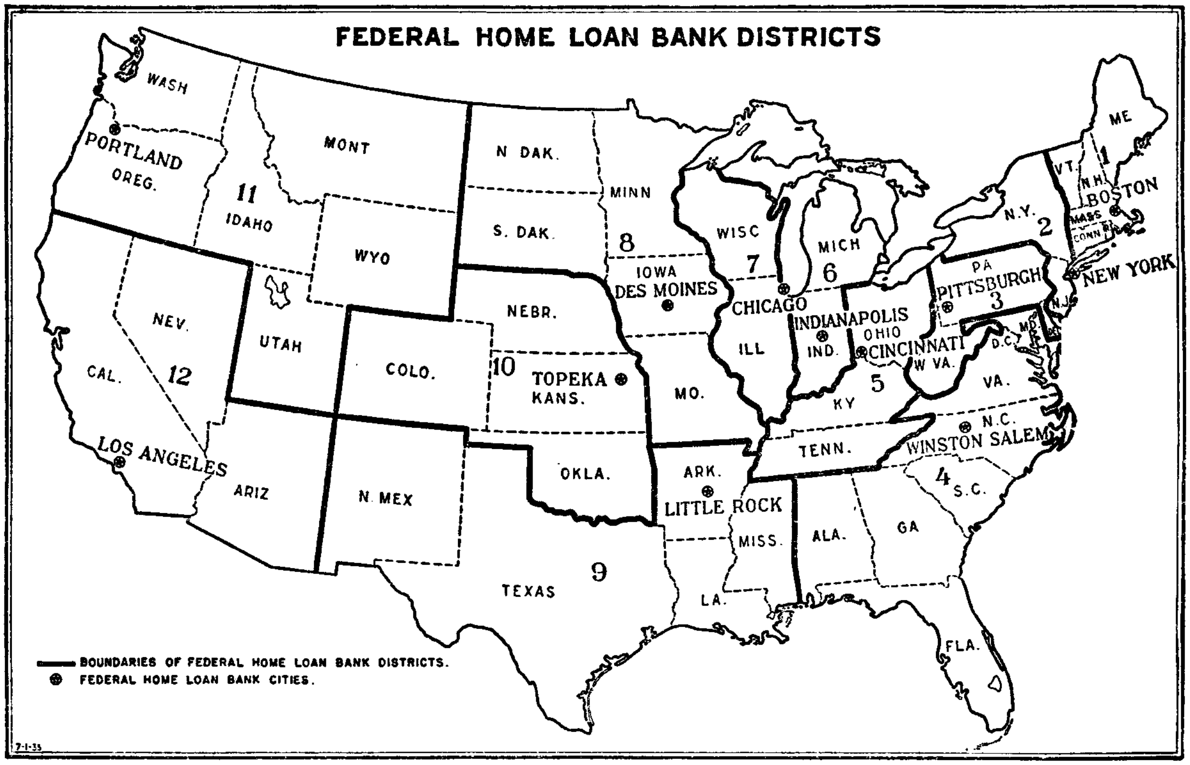
[1] Refers to number of separate investments, not to number of associations in which investments are made.
[2] Investments in Federals by the Treasury were made between December 1933 and November 1935.

Table 15.—Changes in selected types of private long-term savings

[Amounts are shown in thousands of dollars]

Period	Amounts sold during month			Amounts outstanding at end of month				
	Life insurance [1]	U. S. savings bonds [2]	Insured savings and loans [3]	U. S. savings bonds [4]	Postal savings [5]	Mutual savings banks [6]	Insured commercial banks [7]	Insured savings and loans [8]
1940: May	$571, 625	$64, 267	$46, 655	$2, 868, 936	$1, 298, 508			$1, 981, 445
June	533, 086	49, 600	43, 626	2, 904, 699	1, 293, 293	$10, 589, 838	$12, 754, 750	2, 019, 809
July	566, 061	72, 997	86, 496	2, 965, 940	1, 296, 722			2, 039, 739
August	528, 330	53, 359	51, 025	3, 008, 137	1, 297, 476			2, 059, 097
September	503, 427	47, 122	46, 203	3, 043, 626	1, 295, 432			2, 085, 410
October	573, 504	52, 221	53, 982	3, 084, 021	1, 295, 859			2, 114, 831
November	505, 474	50, 080	49, 990	3, 123, 036	1, 298, 429			2, 143, 360
December	596, 534	82, 207	65, 586	3, 194, 793	1, 304, 382	10, 617, 759	13, 062, 315	2, 202, 135
1941: January	522, 762	189, 276	127, 490	3, 371, 135	1, 313, 954			2, 262, 692
February	537, 557	120, 680	65, 384	3, 480, 040	1, 317, 794			2, 296, 225
March	598, 217	131, 961	64, 633	3, 598, 546	1, 319, 959			2, 323, 041
April	597, 203	61, 968	65, 947	3, 647, 249	1, 316, 820			2, 354, 239
May	604, 162	57, 744	57, 755	3, 758, 822	1, 309, 819			2, 379, 856
Change: Last 6 months				+28. 34%	+0. 88%	+0. 26%	+2. 41%	+11. 03%

[1] Life Insurance Sales Research Bureau. Face amount of policies sold, excluding group insurance.
[2] *U. S. Treasury Daily Statement.* Cash sales, including unclassified sales. From May 1941: Defense Savings Bonds, Series E.
[3] New private investments; amounts paid in as reported to the FHLBB.
[4] *U. S. Treasury Daily Statement.* Current redemption value. From May 1941: Defense Savings Bonds, Series E.
[5] U. S. Post Office Department. Outstanding principal, represented by certificates of deposit, excluding accrued interest, outstanding savings stamps, and unclaimed deposits. Figures for the last three months are preliminary.
[6] *Month's Work.* All deposits.
[7] FDIC. Time deposits evidenced by savings passbooks.
[8] Private repurchasable capital as reported to the FHLBB.



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