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NOTICE

FEDERAL HOME LOAN BANK REVIEW
INDEX

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

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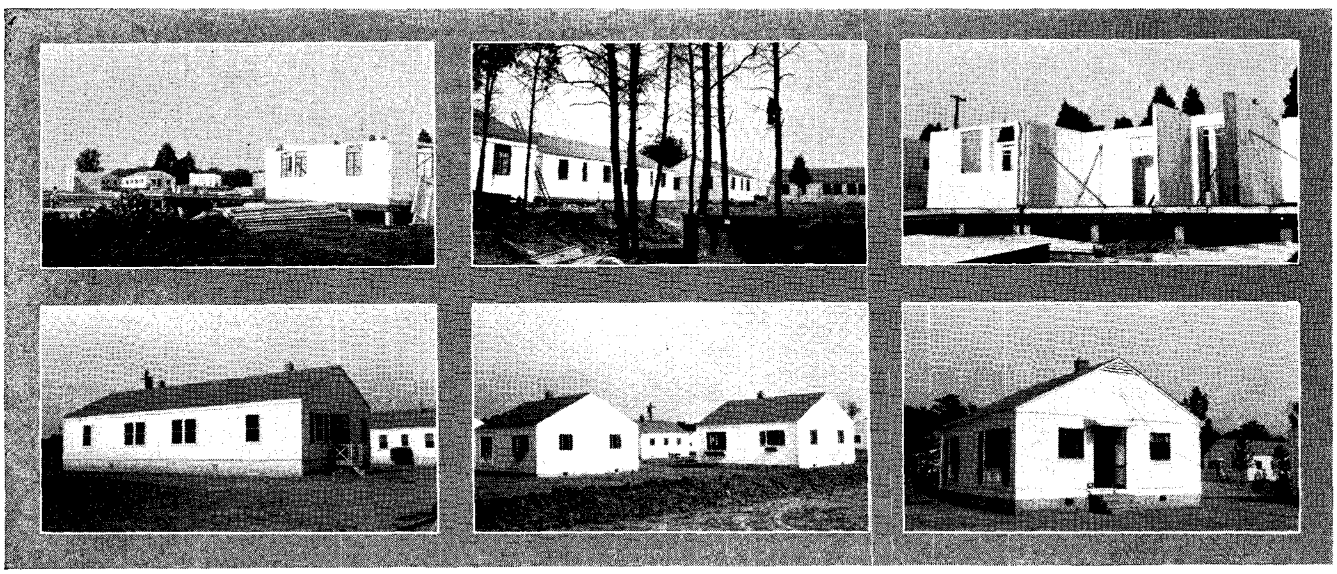
DEFENSE HOUSING: A PROVING GROUND FOR NEW IDEAS IN CONSTRUCTION

An opportunity for the utilization of new types of materials and construction methods is an important by-product of the extensive program now under way to provide adequate shelter for defense workers. The project at Indian Head, Maryland, highlights developments in two new construction elements: demountability and prefabrication.

■ In these days when "timetables" are all-important, construction schedules have usually been measured in terms of weeks or even months; but not so at the Federal Government's new defense housing project at Indian Head, Maryland. In the short span of 8 hours, a crew of workmen tore down a completed home—transported the component parts a distance of 30 miles—and then reassembled the pieces, making the house ready for immediate occupancy! In this manner some of the new techniques in home building such as demountability and prefabrication are being demonstrated currently in the 650-unit defense housing project at Indian Head, sponsored by the Public Buildings Administration of the Federal Works Agency.

Until recently, Indian Head was a small, peaceful village of slightly more than 1,100 persons, most of whom were employed at the Government-owned-and-operated Naval powder factory which is located just outside the corporation limits. The defense program with its emphasis on a two-ocean Navy has hit this town, as it has so many other unprepared communities, with its full force. Capacity of the powder plant is being greatly increased and its working force will be doubled this Fall as operations in the new divisions swing into full production.

General conditions surrounding the area offered little inducement for private capital to enter the market and supply the obvious need for additional housing, so the Defense Housing Coordinator allocated funds out of the first Lanham Act to purchase a 158-acre tract of land just north of the town, 3.7 miles from the plant, and to erect 650 dwelling units for the occupancy of civilian defense workers.



These pictures include general views of the defense housing project at Indian Head, Maryland. The three pictures across the top show some of the various stages of construction from foundation to completely roofed-in dwellings. The lower photographs illustrate some of the detached and semi-detached units which are almost ready for occupancy. The house in the lower left-hand corner is one which can be converted into a 3-bedroom unit and a 1-bedroom unit, instead of the usual 2-bedroom arrangement.

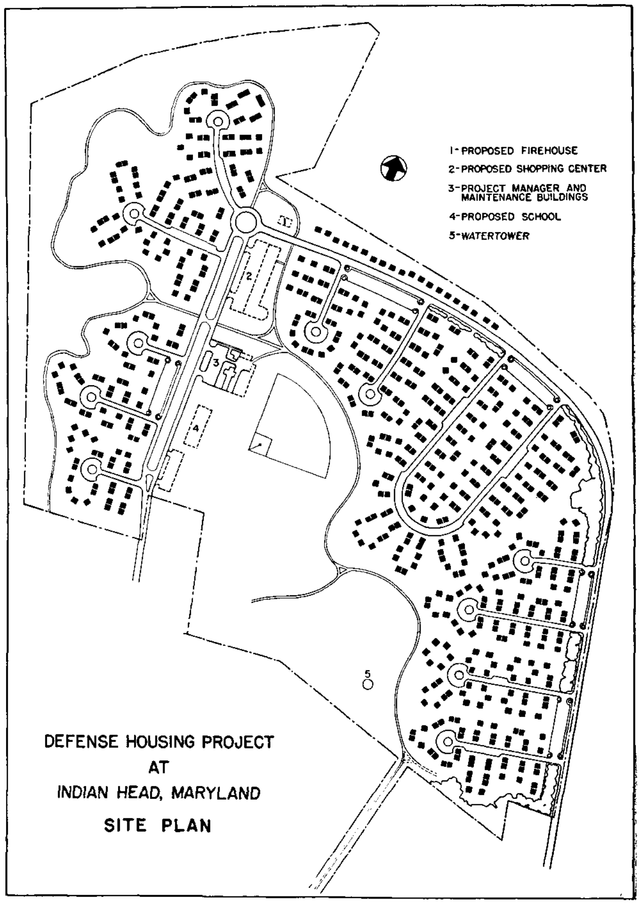
Project Provides a Field Laboratory

The Indian Head project, however, was not destined to be an ordinary construction job. Located on the bank of the Potomac River only 32 miles from Washington, D. C., it provided an excellent opportunity for the operation of a field laboratory testing new materials and new methods of construction. The site was within easy reach of all interested Government housing officials who could check on its progress and observe the performance of experiments at first-hand.

As basic requirements for dwellings to be built on this land, the contracts specified two conditions: First, the houses must be "prefabricated," that is, they must be assembled on the site from prebuilt sections or panels. Second, an entirely new element was added to their construction by requiring that the houses be "demountable," that is, capable of being torn down and reassembled on another location with a minimum loss of materials, equipment, and time.

Prefabrication is by no means a new factor in the construction of houses for even in the last War there were isolated attempts at pre-cast concrete panels and walls. The principal aim of such methods, of course, has always been to reduce costs through mass factory-like assembly lines—to achieve construction economies through product specialization. Progress in this field has been relatively slow, except in recent years, yet the *Architectural Forum* has expressed the hope that current defense housing needs might do for prefabrication what World War I did for the aircraft industry—raised it from infancy to adolescence in no time. In the last year and a half the Navy and Federal Works Agency have contracted for more than 17,000 prefabricated units.

Demountability, on the other hand, is indeed a new phase of construction efforts, yet its impact upon the long-run economic effect of large-scale defense housing is worthy of careful study and consideration. There is no question but that much of the present housing demand will be temporary in nature--a few months perhaps, a few years at most—yet the need is acute and must be met now. If the boom towns of today become the ghost towns of tomorrow, then the economic consequences of a program of permanent houses for which there would be no permanent demand are obvious. If, however, it is possible to secure a type of shelter more adequate than a trailer or tent, yet possessing in degree the identical qualities of mobility and high salvage value, then more practical solutions for our problems of emergency housing today can be administered. This is the goal of demountable housing, and since approximately 70 per cent of the contracts for prefabricated units include this requirement it may be assumed that demountability will be put to the test.

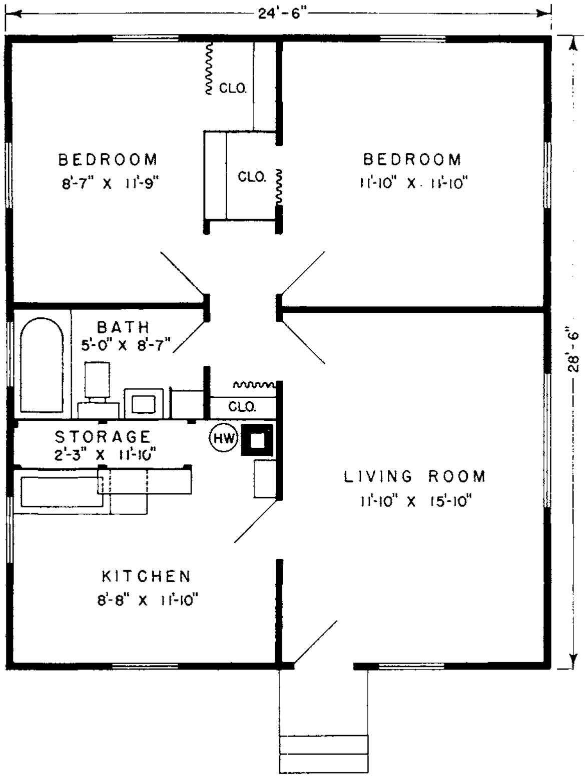


Location of each of the 650 units of the Indian Head defense housing project is shown in the site plan above. Outstanding features of the layout include the extensive use of closed-end streets (*cul de sacs*) and the adequate provision for parking areas. The Potomac River is located just a few feet from the west boundary of the plot.

The Story of Indian Head and its Progress to Date

Unlike most defense housing projects which are usually awarded in the orthodox manner to one contractor, the 650-unit quota established for Indian Head was parceled out to 11 individual builders with orders ranging from 20 to 77 units. This was done, of course, to include as many producers as possible in the demonstration, and with the full realization that the procedure tended to nullify one of prefabrication's principal advantages: the mass production economies of large-scale operations.

TYPICAL FLOOR PLAN OF PREFABRICATED HOUSE AT INDIAN HEAD, MARYLAND



Floor plans of each of the 11 types of houses included in the Indian Head project are similar to the design shown above. When two of these units are placed back-to-back, the bedroom walls may be relocated so that one house contains three bedrooms, and the other, one bedroom.

Initial contracts were let early in the Spring, but final arrangements for all the buildings were not completed before mid-summer. Actual construction of the houses has also proceeded in staggered fashion and while some groups were classified as 90–95 percent complete when REVIEW editors visited the project in mid-August, one or two of the individual constructors had not yet started production. For this reason, it is difficult to generalize on the over-all progress of the project. A considerable portion of the dwellings, however, is expected to be ready for occupancy by the first of October. That this will be achieved is indicated by the accompanying pictures.

The general plan of the Indian Head project is illustrated by the site map at the top of page 403. Actual location of the individual houses varies slightly as every effort was made to preserve trees and other natural advantages of the terrain and the river. *Cul de sacs* have been used frequently in accordance with the most advanced thinking in subdivision layout. The individual lots average approximately 50 x 100 feet, although a few choice sites run much larger than this.

A typical floor plan of the Indian Head houses is shown on this page and variations from this design introduced by the individual contractors are slight. Over-all dimensions for most of the dwellings are approximately 24 x 28 feet. About one-third of the 650 units will be detached homes, and the remaining two-thirds will have common rear walls as is evident from the photographs of those already completed and from the plot plan. The basic design for all homes includes two bedrooms, living-room and kitchen. One-bedroom and three-bedroom units, however, will be available as a result of relocating certain partitions in those houses which are placed back-to-back. Total cost of the houses, excluding land, will average in the neighborhood of $2,800–$3,000.

Various types of materials are included in the interior and exterior finishes of the dwellings. Wood remains the predominating element, although composition products and metals also play important roles. One group of houses with an all-steel frame has been the object of considerable favorable discussion,[1] but defense priorities recently invoked on this strategic material will undoubtedly hamper the use of this design for the duration of the present emergency. Plywoods and composition products, including one manufactured by repulping old newspapers, have also proven extremely adaptable to the prefabrication processes.

About the only conventional building material which is not present in the finished dwellings is plaster. Transportation of the large-size wall and room panels would be complicated by the use of plaster in prefabricated units, and further, the demountability requirement places a substantial barrier in the path of its use in the ordinary manner.

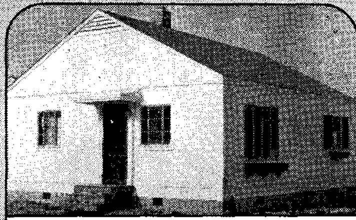
DEMONSTRATING THE DEMOUNTABILITY

The first in the series of tests proving the demountability of each type of house included in the Indian Head project was carried out at the end of July. As the pictures reproduced on page 405 indicate, the experiment consisted of taking down a completed dwelling, loading it on trucks, then driving it over rough roads for 30 or more miles. At the end of this

[1] For a discussion of these all steel homes see, "Factory Built Homes," FEDERAL LOAN BANK REVIEW, September 1939, p. 373.

Houses That Move!

Assembling and demounting demonstration of prefabricated and demountable dwellings on the defense housing project at Indianhead, Maryland.



This is the house as it was before demounting and after reconstruction. It cost $2,950.

7:48 a. m. . . . Exterior decorations come off first. Workmen are here removing portico.

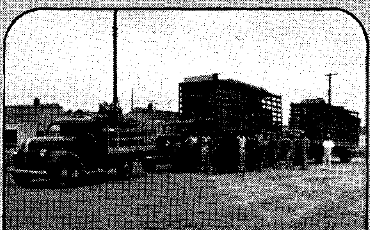
8:00 a. m. . . . While roof is loosened in sections, household equipment is being brought out.

8:25 a. m. . . . Working in units, men remove nails and pry loose end sections of house.

8:45 a. m. . . . Roof sections are easily handled by six workmen, who guide it down.

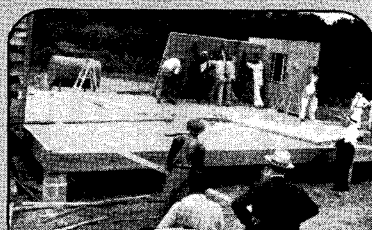
9:20 a. m. . . . All down, roof sections are ready to be loaded into a waiting truck.

10:30 a. m. . . . Last pieces to be placed on truck were the floor sections and steps.

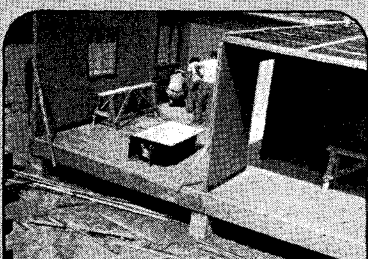


10:45 a. m. . . . Ready to roll, the trucks line up with the demounting crew.

1:15 p. m. . . . With three workmen at either end of a floor section, it is easily lifted.



1:25 p. m. . . . Wall sections are put in place as soon as the flooring is fastened down.



2:10 p. m. . . . Interior partitions and ceiling sections are fitted rapidly into place.

3:30 p. m. . . . The house was "under roof" by this time, stove going in.

4:00 p. m. . . . When workmen quit for the day, this picture was made of the "waste."

Federal Works Agency Photos.

jaunt, the house was reassembled on an entirely new site and a complete record of the extent of damage was made. The crew was composed of 28 men, although many of the workmen were needed only part of the time.

Officials of the Public Buildings Administration and the Federal Works Agency timed the entire process and found that the "demounting" operation (taking the house apart) required approximately three hours. Putting it back together required a somewhat longer period of time.

According to estimates of the construction engineer for the project, salvage value for this particular demonstration was believed to have been between *97* and *98 per cent!* This adds considerable support to the claims made by advocates of this type of housing for more wide-spread use in areas where the present housing demands are of a temporary character.

The Possible Effect of These Experiments on Future Lending Operations

The research director of the Twentieth Century Fund's Housing Survey has recently emphasized the fact that the mortgage lender today is faced with the necessity of knowing a great deal more than ever before about the character and performance of the building materials and the construction techniques behind his mortgage securities. By taking the easy way of refusing to handle loans except where traditional materials are used in conventional ways, he may be loading himself with rapidly depreciating collateral. By indiscriminately grasping at the newer ideas, he may be doing the same thing.

There is no doubt that, if construction costs can be reduced appreciably through more economical use of materials and labor, the market for new homes would be immeasurably widened. This would mean increased opportunities for lending institutions, but at the same time would necessitate a revision of lending standards, construction supervision, appraisals, as well as amortization terms, interest rates, and loan ratios.

Assuming that the physical security behind the mortgage—the house itself—can be attested to, attention on the problem of risk is then centered on the ability of the borrower to repay the loan. In the case of defense workers whose incomes may be unusually high during the period of armament prosperity, the accumulation of a "reserve fund" through an increased loan-payment plan might compensate for the inevitable readjustment to peacetime production.

Even the feature of demountability incorporated in some of these new houses becomes an additional safeguard for both mortgagee and mortgagor. The element of mobility can be useful in maintaining a proper balance between the supply of, and the demand for, living quarters, because if one community faces a shortage while another area is experiencing a surplus, the transfer of sufficient units to relieve the situation could be accomplished. Further, from the standpoint of the borrower, it is conceivable that this same mobility factor would help to remove the hesitancy of many workers in investing in home ownership because of the uncertainties of future labor opportunities in their present "defense" communities.

Whether these theories will be borne out by the experience at Indian Head is yet to be fully determined. What we know already, however, is sufficient to indicate that the future lending operations of mortgage institutions are likely to be affected fundamentally by the new ideas in construction which are receiving practical tests in our defense housing program.

Survey of Recent Rent Increases

■ A survey of housing facilities made after one year of defense effort reveals substantial rent increases in most of the 58 communities studied. Included in the survey made by the Work Projects Administration for the Office of Price Administration and Civilian Supply were many localities directly concerned in defense production as well as a number of areas adjacent to expanding military encampments.

More than half of the communities surveyed exhibited rent increases for more than 30 percent of their rental dwellings. In a number of areas the increases are startling: in Brownwood, Texas, rents on more than three-quarters of the dwellings had been raised and the average increase was 64 percent. Almost three-fourths of the rents in Leesville, Louisiana, were jumped, the average increase amounting to 109 percent.

In a study made by the same agency at the request of the Defense Housing Coordinator to determine vacancy ratios in defense areas, 90 percent of the areas were found to have ratios well below the normal 5 percent level and two out of every five exhibited critical situations with less than 2 percent of the dwelling units vacant.

A SIX-MONTH COMPARISON OF MORTGAGE RECORDINGS—1940 TO 1941

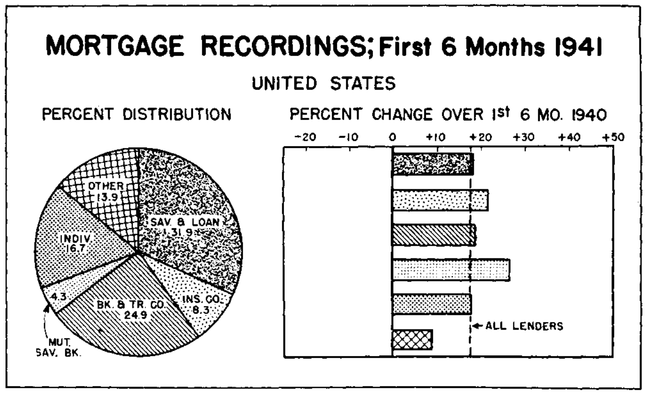
Savings and loan associations continued to hold first place in the volume of nonfarm mortgages of $20,000 and under recorded for the first six months of 1941. The following statistics, which show the trends in mortgage activity for this year, are made possible by the monthly summaries of mortgage recordings prepared by the Division of Research and Statistics.

■ MORTGAGE-financing activity during the first half of this year surpassed all but the peak periods of the "boom Twenties." Reflecting a more active real-estate market and improved economic conditions resulting from the defense program, the volume of nonfarm home mortgages of $20,000 or less recorded during the first six months of 1941 reached a new high in excess of $2,200,000,000—an increase of more than $330,000,000, or 17.5 percent, over data for the corresponding period of 1940.

Savings and loan associations continued to account for the largest single share (31.9 percent) of recording activity as is evident from the "pie" chart on the left in the illustration in the next column. Commercial banks and trust companies were responsible for the second largest portion of the total dollar volume of recordings — almost exactly one-fourth (24.9 percent). Individual lenders, the "other" mortgagee classification, insurance companies, and mutual savings banks followed in that order.

Without exception, every class of mortgage lender recorded a greater volume of mortgages during the first half of this year than during the same period of 1940. Mutual savings banks showed the largest percentage increase in the direct year-to-year comparison, with insurance companies ranking second. This is shown clearly in the right section of the following chart which indicates the gains in business recorded by each type of mortgagee.

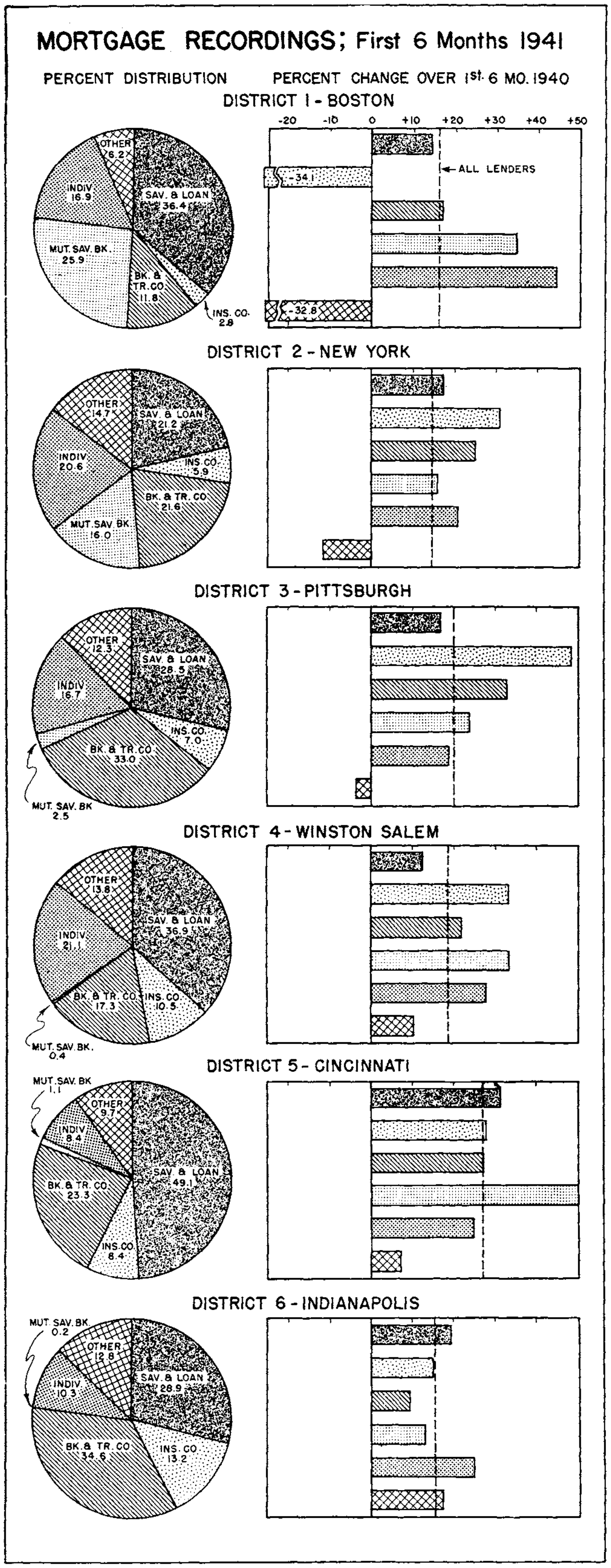
From the standpoint of an operating executive or of an industry, it is not enough merely to know that one's activity has increased. It is more important to know whether one is keeping pace, gaining on, or falling behind the other factors in the home-financing field. These trends may be discovered by studying the relationship of each lender's bar to the vertical dotted line which represents the *average* gain for *all* lenders. From this we can observe that mutual savings banks and insurance companies made the largest gains during the past year. The improvement shown by banks and trust companies, savings and loan associations, and individual lenders was about equal to the average increase for all lenders.



The two sections of this chart indicate trends in nonfarm mortgages of $20,000 and less recorded throughout the United States during the first 6 months of this year in comparison with the corresponding period of 1940. The "pie" chart on the left-hand side indicates the percentage of the total volume of mortgage recordings made by each lender. The bars in the right-hand section show the percentage of gain for each type of mortgagee over last year. The relation of each of these bars to the "all lender" line (vertical dotted line) is an indication of whether a lender has increased, maintained, or decreased his share of the total mortgages recorded.

One highly significant trend in this year's mortgage-lending activity—not evidenced by the charts—is the increase in the average dollar amount of the mortgages. The average instrument recorded during the first half of 1941 was more than $100 larger than in the previous year. This is primarily the result of a higher average loan for commercial banks and savings and loan associations.

Trends in one's own community, county, and State are, of course, of prime importance to an individual lender and many association executives are now including statistics such as these with other essential operating data. To supplement these local studies, the REVIEW presents the following thumbnail summaries of important changes in each Federal Home Loan Bank District:



Boston: Savings and loan associations and cooperative banks continued to record the largest portion (36 percent) of the dollar volume of recordings, although their 1941 gain was not on a par with the increase for the entire District. Mutual savings banks, commercial banks, and individuals added to their share of the total business, while the "other" lender classification and insurance companies registered declines from their 1940 proportions.

New York: Following last year's pattern, the three top lenders were within one percentage point of each other in their shares of the total recordings. Bank and trust companies, however, replaced savings and loan associations as the leading source of mortgage funds in this District during the first half of the year. Insurance companies showed the greatest improvement over the corresponding 1940 period.

Pittsburgh: Banks and trust companies have strengthened their hold on first place in this District as a result of their 33-percent gain over the first 6 months of 1940. Savings and loan associations were again in second position, although their rate of gain was not as fast as for the entire region. The 48-percent rise in insurance company recordings was the largest made by these institutions in any area.

Winston-Salem: The 37-percent share of the total recording activity in this District accounted for by savings and loan associations stamped them as the leading source for home-mortgage funds. Again insurance companies registered substantial gains over their 1940 volume, as did mutual savings banks, individuals, commercial banks and trust companies. The 19-percent increase for the District as a whole ranked fourth among all Districts.

Cincinnati: Savings and loan associations increased their already substantial share of the total mortgage recordings in this District, being responsible for nearly one-half (49 percent) of the dollar volume during the first 6 months of this year. The 27-percent gain for the District as a whole was exceeded by only one other area. Mutual savings bank recordings were well above their 1940 volume, but were small in proportion to the total activity.

Indianapolis: Recordings by individual lenders showed the greatest improvement over the first half of the past year, with those of savings and loan associations ranking second. Commercial banks, however, continued to retain their position as top lenders in the District, although their ratio dropped from 37 percent in 1940 to 35 percent this year. Insurance companies accounted for 13 percent of the total volume in this area.

Chicago: The 37-percent increase in total recordings registered in the Seventh District was the highest in the entire country. Gains by the "other" lender classification, by individuals, and by commercial banks and trust companies were in large part responsible for this significant improvement. Savings and loan recordings were up 31 percent and accounted for the largest single share of the aggregate volume during the first six months of this year.

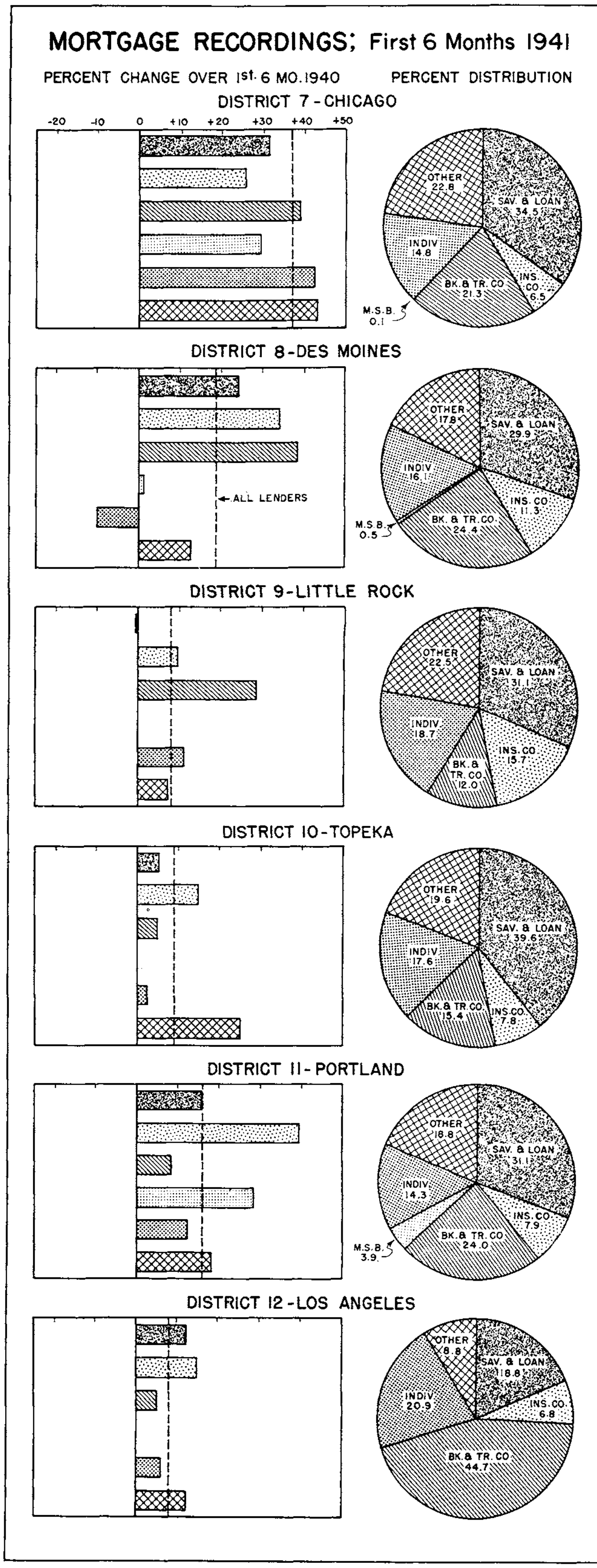
Des Moines: The 10-percent decline in recordings of individual lenders was the most outstanding change in this region, as it dropped this classification from second to fourth place in the share of total recordings. Savings and loan associations continued to hold first place and, together with commercial banks which rose to second position, accounted for more than half of the dollar volume of recordings during the first half of this year.

Little Rock: Banks and trust companies registered their largest year-to-year increase (29 percent), but the gain for the District as a whole was next to the smallest for any of the 12 regions. Savings and loan associations continued to make the greatest single share of all loans, in spite of the fact that their 1941 volume was fractionally below their activity for the same 1940 period.

Topeka: This was another District which experienced a relatively small improvement over the volume of mortgages recorded during the first half of 1940. The 25-percent gain of the "other" mortgagee classification and 15-percent rise in insurance company recordings were substantial, however. Savings and loan recordings were up 5 percent, and their ratio to the District total was the second largest which these institutions registered in any region.

Portland: Generally speaking, all changes in this region may be described as "average," with the exception of insurance companies which recorded their second largest increase here. The 29-percent gain in mutual savings bank recordings was also significant, but in relation to the District's total volume, mutual savings bank recordings remained small. Savings and loan recordings increased 16 percent over the corresponding period of 1940.

Los Angeles: The 8-percent improvement in the dollar volume of mortgages recorded in the Twelfth District was the smallest change indicated in any region. Insurance companies, the "other" mortgagee classification, and savings and loan associations all registered gains of more than 10 percent over 1940 and thereby added slightly to their share of the total mortgage volume.



HOME-MORTGAGE FINANCING REACHES A TEN-YEAR PEAK

Reflecting a substantial volume of new residential construction, large sales of institutionally owned real estate, and further improvements in real-estate conditions, home-mortgage lending activity during 1940 reached a 10-year high. The total nonfarm home-mortgage debt outstanding rose to well over 19 billion dollars.

■ A QUICKENED pace of recovery in the home-mortgage market is reflected in the Bank Board's new estimates of the volume of home-mortgage loans made in 1940 and of the concurrent changes in the home-mortgage debt outstanding. Mortgage loans written on 1- to 4-family nonfarm homes during the past year totaled $3,322,000,000—up almost 16 percent from 1939 and the largest volume reached within a decade. The balance of loans outstanding on this type of property at the close of the year stood $900,000,000 above the 1939 year-end figure, compared with a net gain of less than $600,000,000 during 1939.

Savings and loan associations showed a highly satisfactory performance within this general picture of accelerated activity. They scored the largest gain in lending activity both dollar- and percentage-wise, and their home-mortgage holdings for the first time in seven years passed the 4-billion-dollar-mark. In the midst of keen competition for home-mortgage investments by financial institutions of various types, they were able not only to maintain but to improve their position as the top lender on home mortgages—the financing service in which they have specialized for more than a hundred years.

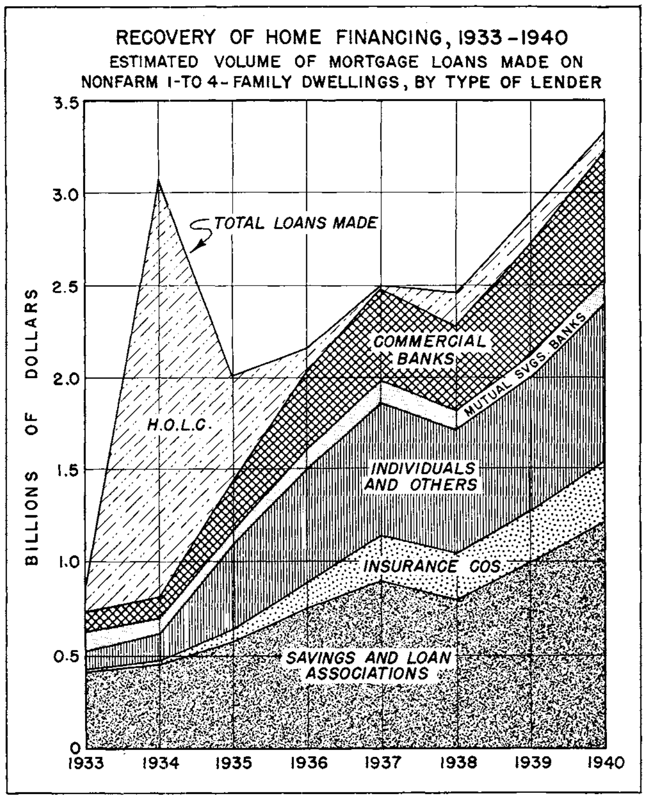
Table 1.—Estimated amounts loaned on 1- to 4-family nonfarm dwellings, 1940

[Amounts are shown in millions of dollars]

Type of lender	Loans made during 1940	Dollar change over 1939	Percentage change over 1939
Savings and loan associations	$1, 200	+$214	+21. 7
Individuals and others	865	+125	+16. 9
Commercial banks and their trust departments	689	+79	+13. 0
Life insurance companies	324	+50	+18. 2
Mutual savings banks	133	+21	+18. 8
Home Owners' Loan Corporation	111	−40	−26. 5
Total	3, 322	+449	+15. 6

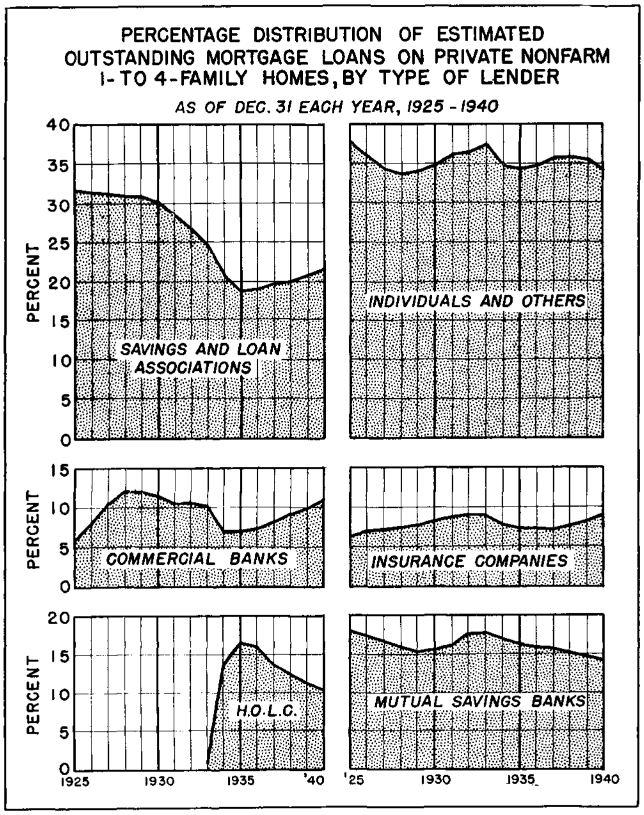
A 3-Billion-Dollar Business

The $3,322,000,000 in new mortgage loans made on 1- to 4-family nonfarm homes during 1940 was the result of various factors conducive to an upswing



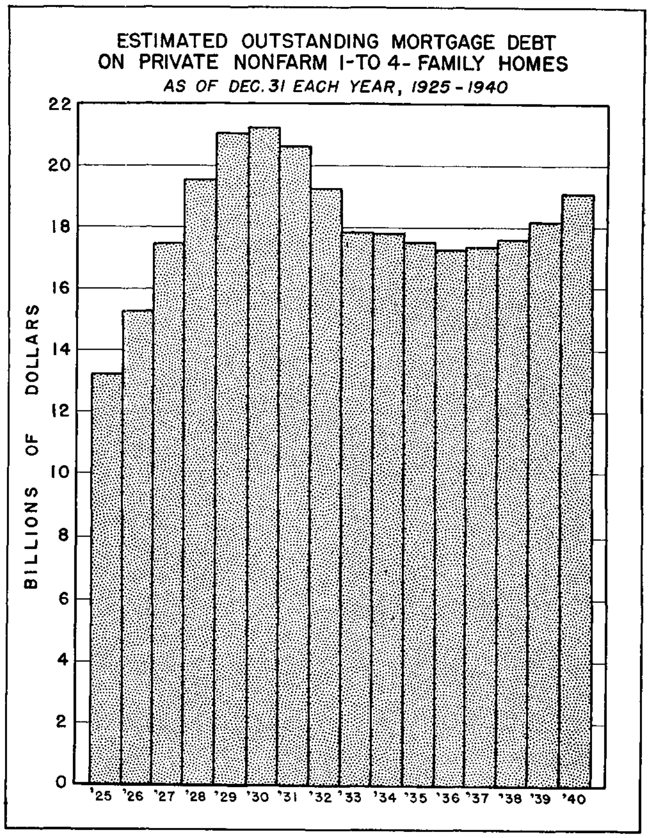
This flow chart shows the revival of home-mortgage lending activity from the low of 1933, when only $865,000,000 in home mortgages was written, through 1940 when the volume of new home mortgages made reached $3,322,000,000. The chart also indicates the relative importance of the various types of lenders in the annual home-mortgage financing activity.

in lending activity. The high volume of new home construction, stimulated by a genuinely increased housing demand, called for large amounts of mortgages as most of today's new building is financed by high-percentage loans. Also, financial institutions during 1940 sold several hundreds of millions of dollars worth of homes previously foreclosed by them, and the majority of these sales likewise were financed by high-percentage purchase-money mortgages. Finally, the year 1940 witnessed a generally increased volume of real-estate transactions in privately owned existing properties, which frequently involve new financing.



The above chart illustrates the changes in the distribution of the total home-mortgage holdings over the different types of mortgagees. From 1939 to 1940 savings and loan associations, commercial banks, and life insurance companies increased their share in the aggregate home-mortgage holdings, while the relative importance of mutual savings banks, the Home Owners' Loan Corporation, and the group "individuals and others" declined during the past year.

While the dollar amount of home mortgages written in 1940 was still below the 5-billion-dollar-mark reached in the late 20's, it must be taken into account that prices for old as well as new properties are now considerably lower than in the boom period from 1927–1929, and that the *small* home is more prevalent in present-day real-estate transactions



At the end of 1940, the private home-mortgage debt had recovered to a level approaching that of 1928 but was still more than $2,000,000,000 below the 1930 peak. The debt liquidation from 1930 through 1936 was followed by a gradual recovery in the past four years.

than it was at that time. This means that every million dollars in mortgage loans made at the present time involves a larger number of homes than did the same amount of mortgage funds loaned during the late 20's.

All types of private lenders expanded their activity during 1940. In the order of percentage increases, savings and loan associations ranked first and were followed by mutual savings banks (whose dollar gain in lending volume, however, was only $21,000,000), life insurance companies, "individuals and others," and commercial banks and their trust departments. The only mortgagee to show any decline in lending activity was the Home Owners' Loan Corporation whose new loans are, of course, restricted to advances to existing borrowers and to the making of purchase-money mortgages in connection with property sales. The 40-million-dollar decrease in HOLC lending was due to the tapering off of loans for tax and insurance purposes and to a somewhat lower volume of sales of properties previously acquired by the Corporation.

Table 1 on page 410 shows the volume of home mortgage loans made during 1940 on nonfarm 1- to 4-family dwellings, by type of lender, as well as the dollar and percentage change over 1939.

Savings and loan associations were responsible for almost one-half of the total gain in lending volume by all mortgagees from 1939 to 1940 and they accounted for 36 percent of the aggregate amount of home-mortgage loans made in 1940, compared with 34 percent the year before.

Home-Mortgage Holdings Increase Nine Hundred Million Dollars

Naturally, the net increase of the home-mortgage debt outstanding—$907,000,000—was considerably less than the gross addition of new mortgage loans made during the year. Offsetting the gross increment are prepayments of outstanding loans as well as the regular repayments of principal through amortization. Another offsetting factor is represented by foreclosures which shift mortgage loan holdings to the "real estate owned" account. Also, refinancing loans enter into the statistics of new mortgage-lending activity without affecting the home-mortgage debt outstanding. As a result, the estimated balance of home mortgages outstanding increased only from $18,216,000,000 to $19,123,000,000—a 5-percent gain over the 1939 figure and the largest annual rise since 1929.

Three types of institutions were responsible for almost all of the $907,000,000 increase in home-mortgage debt during 1940. Savings and loan associations accounted for $346,000,000, commercial banks for $285,000,000, and life insurance companies for $268,000,000. The relative gains were 18 percent for insurance companies, over 15 percent for commercial banks, and more than 9 percent for savings and loan associations.

Mutual savings banks and the classification "individuals and others" showed relatively slight increases of $20,000,000 and $70,000,000, respectively. Holdings of the HOLC declined $82,000,000 during the year—the net result of increased repayments on loans, which were only partially offset by property sales on credit creating new mortgage instruments. The HOLC is, of course, in the process of liquidation, and if it is omitted, the total balance of mortgage holdings by *active* lenders increased a full billion dollars during the past year.

Analyzing the distribution of the aggregate home-mortgage holdings among institutional lenders at

***Table 2.*—Estimated balance of outstanding mortgage loans on 1- to 4-family nonfarm homes** [1]

[Millions of dollars]

Year	Savings and loan associations	Insurance companies	Mutual savings banks	Commercial banks	Home Owners' Loan Corporation	Individuals and others [2]	Total
1925	$4,204	$837	$2,375	$800		$5,000	$13,216
1926	4,810	1,062	2,650	1,250		5,500	15,272
1927	5,488	1,254	2,960	1,850		6,000	17,492
1928	6,060	1,445	3,125	2,375		6,600	19,605
1929	6,507	1,626	3,225	2,500		7,200	21,058
1930	6,402	1,732	3,300	2,425		7,400	21,259
1931	5,890	1,775	3,375	2,145		7,500	20,685
1932	5,148	1,724	3,375	1,995		7,000	19,242
1933	4,437	1,599	3,200	1,810	$132	6,700	17,878
1934	3,710	1,379	3,000	1,189	2,379	6,200	17,857
1935	3,293	1,281	2,850	1,189	2,897	6,000	17,510
1936	3,237	1,245	2,750	1,230	2,763	6,000	17,225
1937	3,420	1,246	2,700	1,400	2,398	6,180	17,344
1938	3,555	1,320	2,670	1,600	2,169	6,332	17,646
1939	3,758	1,490	2,680	1,810	2,038	6,440	18,216
1940	4,104	1,758	2,700	2,095	1,956	6,510	19,123

[1] For a detailed description of the source of these estimates see November 1939 Review, page 51, and September 1940 Review, page 410. The above table reflects a revision of previous estimates for savings and loan associations. The revised figures include only operating institutions and exclude the estimated amount of mortgage loans against which the borrowers had pledged shares that, in reality, are an offsetting item reducing the borrower's indebtedness. This revision was made possible by a recent estimate of the volume of such pledged shares for the period covered in the table. HOLC holdings for 1933 and 1934 were revised to conform with the Corporation's accounting records.

[2] Includes fiduciaries, trust departments of commercial banks, real estate, bond companies, title and mortgage companies, philanthropic and educational institutions, fraternal organizations, construction companies, RFC Mortgage Company, etc.

Table 3.—FHA home mortgages written during 1940

[Title II, premium-paying loans]

Type of lender	Amount	Percent
Commercial banks and their trust departments	$331,000,000	45.0
Life insurance companies	93,000,000	12.6
Savings and loan associations	64,000,000	8.7
Mutual savings banks	29,000,000	3.9
Others	219,000,000	29.8
Total	736,000,000	100.0

NOTE.—These figures do not include $25,590,000 in Title I, Class 3, loans of $2,500 or less (small home construction loans).

the end of 1940, we find that savings and loan associations continued to lead the field, followed by mutual savings banks, commercial banks, the Home Owners' Loan Corporation, and life insurance companies. However, the residual group "individuals and others" accounted for a larger portion of the total than any single type of financial institution. (See the right-hand chart on page 411.)

THE PROPORTION OF INSURED LOANS

FHA-insured home mortgages continued to be a strong factor in the expansion of lending activity. The aggregate volume of premium-paying loans written during 1940 under Title II of the National Housing Act reached $736,000,000 compared with $669,000,000 the year before. However, the proportion of FHA loans in the total amount of home mortgages written declined slightly from 23.3 percent in 1939 to 22.2 percent in 1940. The table above shows the distribution of FHA-insured loans made last year, by type of lender. (Because of the large transfers in the ownership of FHA-insured mortgages, this breakdown of loans made during 1940 does not indicate the present holders of these instruments.)

Of the aggregate outstanding home-mortgage debt at the end of 1940, FHA-insured loans under Title II represented 12 percent. The estimated unpaid balance of FHA mortgages at that date was $2,296,000,000 compared with $1,720,000,000 the year before. Commercial banks accounted for $1,089,000,000; life insurance companies for $517,000,000; savings and loan associations, $213,000,000; mutual savings banks, $142,000,000; and the "other" classification, $335,000,000.

The proportion of FHA-insured loans in the total home-mortgage portfolio of the different types of lenders varies greatly. At the close of last year, 52 percent of the aggregate amount of all home mortgages held by commercial banks was insured by the FHA under Title II. The ratio for life insurance companies was 29.4 percent, for mutual savings banks, 5.3 percent, and for savings and loan associations, 5.2 percent.

Additional Funds for Title VI

■ SECTION 603 of the National Housing Act, providing for funds to insure loans on defense housing, has been amended by increasing the original $100,000,000 authorization to $300,000,000. The enactment was approved by the President on September 2, 1941.

Title VI was originally approved on March 28, and details of the Act appear in the April REVIEW, page 221.

Resolutions of the Board

PROPOSED AMENDMENT

PROPOSED AMENDMENT TO THE RULES AND REGULATIONS FOR INSURANCE OF ACCOUNTS, RELATING TO THE ADJUSTMENT OF INSURANCE PREMIUMS WHEN ASSOCIATIONS PURCHASE BULK ASSETS.

On August 7, 1941, the Board of Trustees of the Federal Savings and Loan Insurance Corporation proposed a resolution amending the last sentence of subsection (c) of Section 301.13 of the Rules and Regulations for Insurance of Accounts. The proposed amendment provides for premium credits in the event of the purchase of bulk assets, as well as in the event of the merger or consolidation of insured institutions, as provided in the present regulation. If this proposed amendment is adopted the last sentence of this subsection will read as follows:

> *Provided, however,* That if the institution which is absorbed by applicant by such merger, consolidation or purchase of bulk assets is an insured institution, the applicant shall receive a credit upon its future premiums of the unearned portion of any premium theretofore paid to the Corporation by such absorbed institution.

This proposed amendment will not be formally approved until at least 30 days after it was mailed to the Advisory Council (August 11).

(See also p. 435)

PROBLEMS: "The national defense program is both solving and creating problems for state and local governments. It is increasing employment, reducing relief expenditures, raising tax receipts, and enhancing real-estate values in many areas. At the same time, it is confronting local officials with acute problems of increasing municipal services—and finding the money to pay for them."

Wall Street Journal, July 14, 1941.

POLICY: "A sound lending policy . . . in boom times will take into consideration, first, how long the boom period during which the borrower will probably make his payments without trouble may be expected to run. Secondly, what then will be, if the boom period has collapsed and his ability to pay ceased, the sound sale value of the property."

Richard P. Dietzman, *Fifth District Quarterly*, July 1941.

LIQUIDITY: "A study of withdrawal problems and an analysis of other cash needs can be made by management from time to time based on current figures and previous experience. This, however, will not give the final volume of cash needs, for to it must be added a further sum to provide a margin, a hedge, or a safety factor against the unexpected and the unpredictable."

Morton Bodfish, *Savings and Loans*, July 1941.

CONFIDENCE: "By Latin derivation, of course, the term 'credit' denotes 'faith' or 'confidence'. In this modern time of international aggression and conflicting ideologies, it should be recognized that this credit—this faith or confidence—is the mortar which binds the structure of business, society and government."

Emil Schram, before the National Retail Credit Association, June 16, 1941.

CURRENT APPRAISALS: "In the matter of rising costs it is always wise not to follow temporary fluctuations but to wait until a cost level is seasoned and established. My advice, if costs advance slowly and in an orderly fashion, would be to lag at least six months behind. If costs increase rapidly, better wait a year and see how the market responds."

Frank D. Hall, *The Review of the Society of Residential Appraisers*, May 1941.

Unnecessary building . . . . .

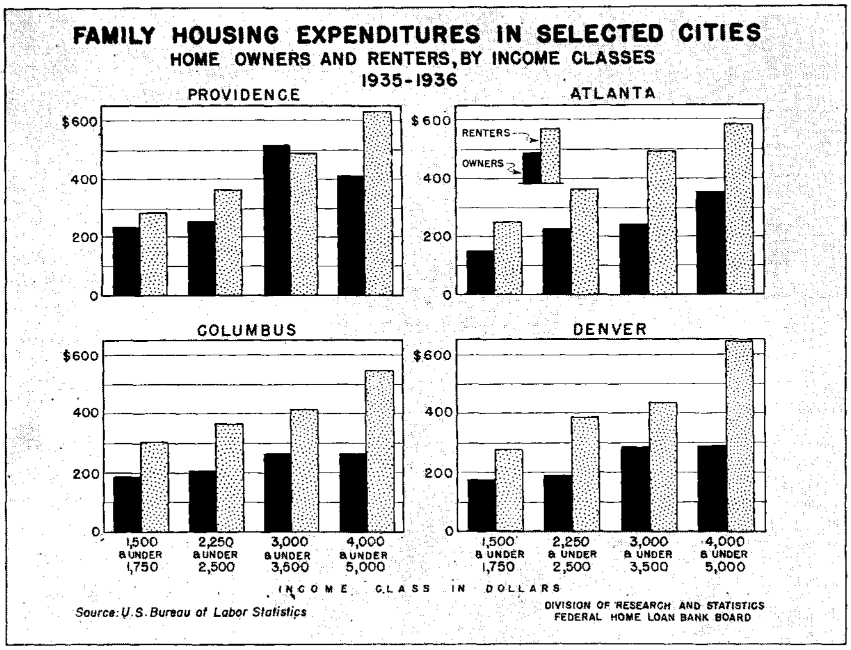
"From now on, until peace comes, there will be as much need for the various housing agencies holding down on the wrong kind of house-building as for stimulating the building of houses where they are most needed. Perhaps new housing of the luxury or higher income type can be curtailed in favor of housing essential for decent living conditions for defense workers and low-income groups."

Honorable Henry A. Wallace, *American Savings and Loan News*, July 1941.

No diversion of present savings . . . . .

"The Treasury Department is not trying to divert present savings into Defense Savings Bonds. It is trying to avoid this. But I suppose we must expect some such syphoning process at first. The defense savings program appeals to swollen pay envelopes. Withdrawal of present reserves and drawing down of savings deposits for the purchase of these securities defeats the purpose of tapping current increases in income. Only by reducing current income can we reach the economic objectives of the campaign."

Robert W. Sparks, *The American Banker*, June 18, 1941.



This chart, prepared from data in a recent publication of the U. S. Department of Labor, provides additional support to the contention that "home-owning pays." With few exceptions, home-owning families spent considerably less for housing during the period under observation than did comparable renting families in their own income class. Additional data from this same source indicates that the accommodations provided in owner-occupied dwellings were substantially above those provided in rented facilities.

Family Expenditures in Selected Cities, 1935-1936, Bulletin No. 648, U. S. Department of Labor.

THREE STATES TACKLE THE URBAN REHABILITATION PROBLEM

New York, Michigan, and Illinois are the first States to pass legislation facilitating the use of private capital for the redevelopment of substandard areas. The enactment of this legislation marks an important step toward solving the problems created by urban blight.

■ IN rapid succession, three States have recently passed legislation allowing and encouraging *private* corporations under *public* supervision to enter into the field of neighborhood redevelopment. On April 29, New York State enacted the "Urban Redevelopment Corporations Law." Michigan followed suit by adopting similar legislation on June 16, and the Illinois "Neighborhood Redevelopment Corporation Law" was signed by the Governor on July 9. With the passage of this legislation the machinery has been created for tackling one of the major problems of American cities: the conservation of residential neighborhoods which are threatened by blight and decay.

Only in recent years have public and private organizations, operating in the fields of real estate, mortgage finance, and city planning, made a concentrated effort to study the causes and costs of urban decay and to devise ways and means by which it can be checked. The new State laws represent the direct results of these efforts which have gradually progressed from the realization of the problem, through the experimental planning stages, to the final enactment of legislation.

Causes and Costs of Urban Decay

Studies preceding these recent actions have demonstrated that decadent and blighted city areas have resulted from a number of causes. Primarily, large-scale migration of residential population from older parts of the city to rural and suburban districts was fostered by cheap transportation by car, bus, and train, by improved roads, cheap land, and lower tax rates in outlying areas. Secondly, business districts have not absorbed those partially abandoned residential districts as had been anticipated because of the vertical construction of multistory buildings, and the tendency of large industry to decentralize and move from the heart of the city to the outskirts. Within these areas much decay has also been due to the neglect of a few pieces of property acting as the nucleus from which corrosion of whole neighborhoods spreads.

The cost of urban decay is of universal interest because of the tremendous portion of the national wealth invested in these problem areas. This wealth consists of the lifetime savings of the families who own homes in such districts, of the mortgage investments of financial institutions which represent the primary reservoirs of thrift, and of the public money invested in schools, fire and police protection, power lines, water systems, streets, and other municipal facilities.

Added to the waste resultant from public utilities not being used to capacity is the factor that the cost of these facilities becomes increasingly higher in the more decadent areas. For instance, the annual cost for fire protection in Cleveland, according to a recent survey, was $17.50 per capita in the slums as compared with $2.50 in other parts of the city; police protection in these districts was $12 per capita as compared with $4 in the balance of the city.

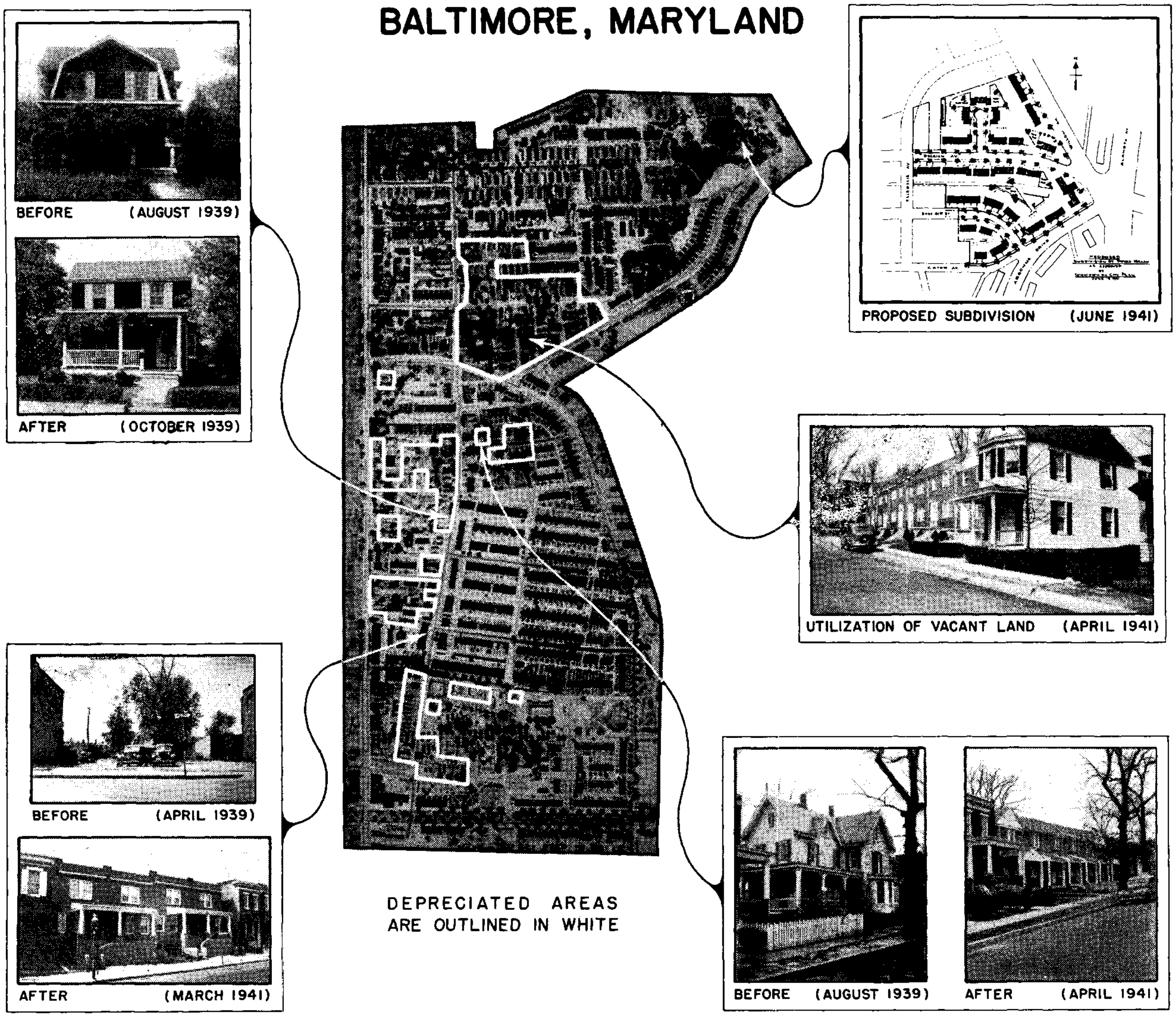
Further than this, cities are facing increasing financial difficulties because of shrinking tax returns—property owners in blighted areas are no longer able to meet their tax obligations because their properties no longer yield sufficient incomes. In order to appreciate the seriousness of the declining tax revenue, it must be kept in mind that the major source of income for most American cities is the real property tax. Naturally a loss in revenue from one city district must result in an increase in tax rates in other districts.

Finally, the inadequacy of the poorly planned and blighted city areas touches every citizen regardless of where he lives, works, or plays. For example, the waste of time and money in the transportation and delivery of commodities due to traffic congestion necessarily tends to raise prices. If the community offers nothing in the way of parks, swimming pools, or playgrounds, the living standard of every city dweller is lowered.

PROGRESS IN WAVERLY

A PRACTICAL EXAMPLE OF NEIGHBORHOOD CONSERVATION

BALTIMORE, MARYLAND



BEFORE (AUGUST 1939)

AFTER (OCTOBER 1939)

PROPOSED SUBDIVISION (JUNE 1941)

UTILIZATION OF VACANT LAND (APRIL 1941)

BEFORE (APRIL 1939)

AFTER (MARCH 1941)

DEPRECIATED AREAS ARE OUTLINED IN WHITE

BEFORE (AUGUST 1939) AFTER (APRIL 1941)

These illustrations show several of the improvements which have been, or are being, made in the Waverly district of Baltimore, Maryland, under the Master Conservation Plan designed to rehabilitate this neighborhood and prevent further decay. White-lined portions are those areas which the Plan cites as depreciated and it is notable that many of the newly-improved properties lie in these sections. The Baltimore City Planning Commission, which from the start has demonstrated a sympathetic attitude toward the objectives, has recognized the slum problem to the south of the area and is contemplating steps necessary to prevent further encroachment of this undesirable element.

Significant results have been reported by the HOLC from the conservation project. During the second year of the program the number of paid-in-full loans in the area nearly doubled while the ratio of HOLC borrowers in default dropped by more than 50 percent.

Probably the most outstanding recent development has been the utilization of vacant land in the northeast section by the development of a project for 118 dwelling units at a cost of approximately $500,000. All this is concrete proof of a new attitude on the part of property owners—a vital necessity if the ultimate objectives of the program are to be accomplished.

Waverly: A Step Toward Solution

Following upon the study of urban decay, the planning aspects of neighborhood conservation programs have likewise been explored. Some time ago, the Federal Home Loan Bank Board cooperated in the undertaking of a survey of Waverly, a neighborhood area in Baltimore in danger of blight infection. Complete plans were made for the redevelopment of this area including major and minor repairs, remodeling, modernizing, and landscaping of all depreciated properties; the formation of interior playgrounds; and the revision of zoning and street patterns. The survey and the general conservation project for Waverly [1] present a practical example on which redevelopment corporations in the three States which now have adopted enabling legislation may draw. Another similar survey in which the Federal Home Loan Bank Board is cooperating is under way for the Woodlawn district in Chicago, and mutual savings banks have developed extensive projects for the redevelopment of certain sections of Manhattan.

Main Provisions of the New York State Law

The new State laws set up definite procedures for carrying out "Waverly" plans in the cities of their States. Since the laws are basically similar in purpose, organization, and content, the important sections of the New York State "Urban Redevelopment Corporations Law" are outlined below as an example:

A redevelopment corporation either may be formed for the specific purposes of the law or may be a corporation already in existence. Before a corporation may begin any activity, a complete and detailed plan of operations must be submitted to, and receive a certificate of approval from, both a planning commission and a supervising agency, appointed by the governing body of the city, if none is already established. Operations under the plan require that city authorities declare the "area" to be substandard or necessarily or advisedly in need of preservation. In New York State the "area" must be not less than 100,000 square feet in size or the equivalent of a New York City block 200 feet by 500 feet. In addition to complete detailed specifications of the plan, there must also be listed: complete financial arrangements, public facilities available in the area, available dwellings at similar rents for persons inconvenienced by the redevelopment, and the certification of the capability of the persons handling the job.

A plan for redevelopment does not necessarily involve complete demolition of all buildings but may be a combination of remodeling and rebuilding together with demolition for parks and playgrounds. There are no restrictions as to types of building to be included in the area, whether residences, stores, or office buildings. This gives ample leeway for planners to take full advantage of the opportunity to build any type of structure which will be best suited to the needs of the neighborhood, and from which will be derived the greatest benefits for the general public.

After the certificate of approval has been issued, the corporation then works hand-in-hand with both of the local agencies, up to and until the project is completed, submitting from time-to-time audited statements of condition and reports of progress. This check, of course, protects the public interests involved.

The corporation may acquire land by purchase, gift, grant, lease or condemnation from private owners or from the city, in exchange for cash, stocks, income debentures, mortgages, or other securities. In order to initiate condemnation proceedings, however, the corporation must own or control 51 percent of the site by area and assessment. Authority is vested in the local legislative body to set up a "tax-freezing" period not to exceed 10 years which would protect the corporation against any increase in taxes above the level at the time of acquisition of the property.

The corporation is limited to a maximum dividend payment for any dividend year during which it is entitled to the "tax freezing" protection. The Act defines the maximum dividend as 5 percent of the total development cost less any amounts payable during the dividend year as interest on any indebtedness of the corporation.

Equities in the corporation secured by a first mortgage on the real property of the corporation are legal investments for all municipal corporations, insurance companies, trustees and fiduciaries, trust companies, savings banks, and savings and loan associations, provided the principal amount does not exceed the maximum limits set by any other law governing these institutions. With regard to investments secured by FHA-insured mortgages of the corporation, these limits are of course waived.

[1] See "Waverly—A Study in Neighborhood Conservation," Federal Home Loan Bank Board, 1940.

The Michigan and Illinois Laws

The Michigan "Urban Redevelopment Corporations Law" is largely patterned along the lines of the New York State Law but it applies only to cities having a population in excess of 500,000 (Detroit is the only city in this classification). There are no restrictions regarding the size of the "area" except that it must be sufficient to allow its redevelopment in an efficient and economically satisfactory manner.

The Illinois "Neighborhood Redevelopment Corporation Law" differs from the other two State laws in several ways. It provides for the governing body of a city to appoint a "redevelopment commission" which authorizes and supervises the work of the operating corporation—in this case authority is vested in one single agency. It is the only law which provides that the predominant primary racial group of the present inhabitants of an area must not be displaced by the redevelopment plan. Dependent upon the control or ownership of a specified proportion of the total property within the area as outlined by the Act, the redevelopment corporation may, with the approval of the redevelopment commission, institute condemnation proceedings. No tax exemptions are provided for redevelopment corporations, nor are they limited as to dividend payments.

A plan for redevelopment must devote 10 percent of the area to parks and must provide funds for their upkeep during the existence of the corporation. No more than 10 percent of the area may be devoted to use for other than residential buildings except by special petition.

In cities having a population of 500,000 or more, an area may be not more than 80 acres nor less than two city blocks: in cities having a population of less than 500,000, an area may be not more than 40 acres nor less than one city block, except by special authorization.

In California a similar measure is before the Legislature and it is reported that plans are under way for future legislation in Massachusetts, Ohio, Minnesota, and Texas.

A Timely Action

Legislation for the encouragement of urban redevelopment is particularly timely because it is related to the present emergency as well as to the economic problems which will arise as an aftermath of the defense program. Its immediate importance lies in the contribution which the redevelopment of urban substandard areas may make in providing adequate housing facilities in defense communities, particularly if large residential dwellings are subdivided into several smaller units. Its long-range significance derives from the fact that the rebuilding of American cities probably will play an important role in any post-defense plans for the adjustment of our present war economy to peace-time pursuits. While we are today preoccupied by the immediate needs of the armament program, the more distant task of readjustment will tax our best abilities, and urban redevelopment may well be one of the major channels into which the man-power and material resources released from the defense effort will be directed.

The Economic Position of Residential Real Estate

■ THE value of all real estate in the United States in 1930 was $314,200,000,000, and nonfarm residential property, valued at $122,600,000,000, constituted the largest single item in the total real estate structure. By 1934, the value of all real property had fallen approximately one-third to $203,600,000,000...The 12 million nonfarm families—slightly more than one-half of all nonfarm families—which did not own their homes paid an aggregate annual gross rent in 1929 of $4,600,000,000. At the beginning of 1934, the estimated annual rent bill had declined to $3,200,000,000.

These are some of the conclusions reached in a standard work on residential real estate, published by the National Bureau of Economic Research,[1] and based on a comprehensive analysis of values and rents in relation to family incomes, mortgage indebtedness, financing, and construction in the residential field. Most of the data presented in this study cover the years 1930, for which Census results were available, and 1934, for which the "Financial Survey of Urban Housing" provided pertinent information for at least a representative number of cities.

The forthcoming findings of the 1940 Housing Census will supply more up-to-date statistics. This, however, does not invalidate the usefulness of the present study as a source and reference book and as a basis for analysis in a field in which scientific exploration of important economic relations has been sorely lacking. The detailed geographical breakdowns of all data should aid local research.

[1] "Residential Real Estate: Its Economic Position as Shown by Values, Rents, Family Incomes, Financing, and Construction, together with Estimates for all Real Estate," by David L. Wickens. National Bureau of Economic Research, New York, 1940.

Repairing Homes for Defense

■ PROPERTY owners who will repair and modernize their houses to provide homes for defense workers and their families are now offered the advice of architects and technicians—without cost.

A new service recently established through the office of the Defense Housing Coordinator and the Home Owners' Loan Corporation is now in operation in key defense areas where the housing shortage is acute. Through its facilities, it is hoped to make 15,000 "extra rooms" and apartments available in the near future.

Home owners can apply to local Homes Registration Offices for the aid of housing experts, who will be furnished through the HOLC. Homes with unused space which can be converted into suitable living quarters will be inspected and estimates of the cost of remodeling will be made without charge. The expenses of remodeling, of course, will have to be borne by property owners. The HOLC technicians will estimate the amount of income which might logically be expected and home owners will be assisted both in obtaining financing of proposed improvements and the services of contractors who will carry out the work at a reasonable fee.

President Roosevelt has authorized the use of $100,000 from his emergency fund to employ fee technicians to assist the HOLC's salaried staff, which in the past few years has directed the reconditioning of more than 550,000 homes.

In announcing the program, the Defense Housing Coordinator pointed out three major reasons for property owners to cooperate in this effort: They will be contributing to the defense effort in a practical and effective way; they will derive new incomes from their properties; and they will improve the underlying value of their properties.

It is believed that many home owners have been willing to utilize extra rooms and floors but their places are not properly equipped at the present time and they have not known how to proceed. Under the new program, they will be furnished with professional advice and direction. It is estimated that during the last war, 185,000 housing units were provided through conversion of existing houses.

The Coordinator said that the conversion and modernization of existing properties will ease the strain on the material market. Far less material in the critical brackets is necessary to provide accommodations through conversion than through new construction.

Members of the Federal Home Loan Bank System can participate in this new program by assisting in the financing arrangements for the necessary reconditioning and by giving added publicity to the campaign wherever possible. Contacts may be made with local Homes Registration Offices to ascertain when such projects will be undertaken.

Erratum

The attention of REVIEW readers is directed to Table 1 on page 368 of the August REVIEW in the article entitled "Year-end reports provide new data on association operations." In the 1940 column of selected operating ratios for Federal associations, two incorrect figures appeared in the section on operating expenses: (1) the ratio of compensation expense to gross operating income should have been listed as "13.10" percent; and (2) the ratio of total operating expense to gross operating income should have read "28.10" percent.

Directory of Member Institutions

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

DISTRICT NO. 3

PENNSYLVANIA:
Pittsburgh:
The Troy Hill Building & Loan Association of Allegheny City.

DISTRICT NO. 4

ALABAMA:
Mobile:
Home Savings & Loan Association, Francis Street.

GEORGIA:
Decatur:
DeKalb County Federal Savings & Loan Association, 117 Clairmont Street.

DISTRICT NO. 8

IOWA:
Boone:
Hawkeye Building & Loan Association, Eighth and Story Streets.

DISTRICT NO. 9

TEXAS:
Cleburne:
Johnson County Building Association.

II. FEDERAL SAVINGS AND LOAN ASSOCIATIONS CHARTERED BETWEEN JULY 16 AND AUGUST 15, 1941

DISTRICT NO. 3

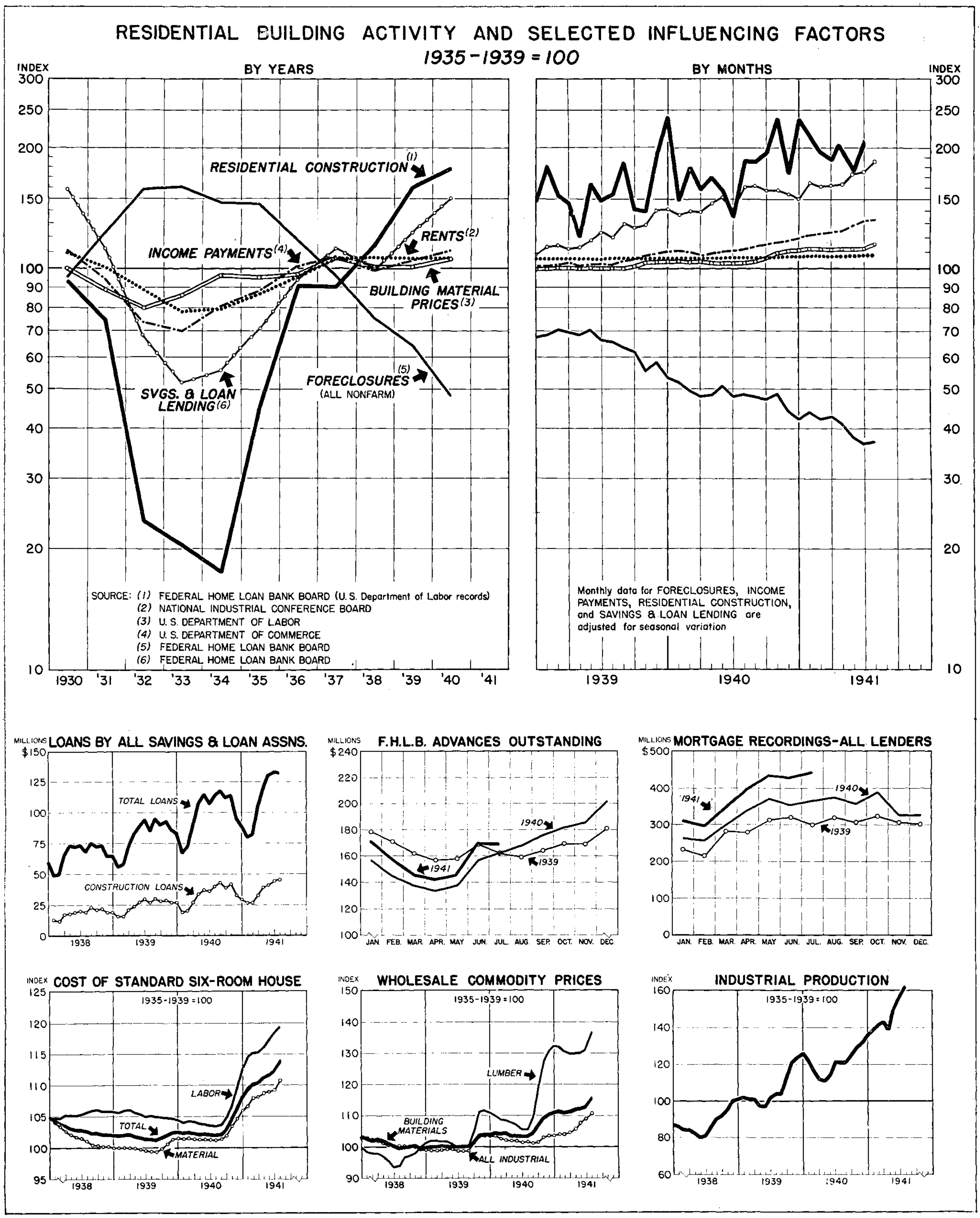
PENNSYLVANIA:
Philadelphia:
Peirce School Federal Savings & Loan Association (converted from Peirce School Building & Loan Association).

DISTRICT NO. 4

MARYLAND:
Annapolis:
Enterprise Federal Savings & Loan Association of Annapolis, 15 School Street (converted from Enterprise Building & Loan Association of Annapolis, Maryland, Inc.).

NORTH CAROLINA:
Greensboro:
Home Federal Savings & Loan Association of Greensboro, 113 North Greene Street (converted from Home Building & Loan Association).

(*Continued on p. 435*)


RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
1935-1939 = 100
INDEX
BY YEARS
BY MONTHS
RESIDENTIAL CONSTRUCTION (1)
RENTS (2)
INCOME PAYMENTS (4)
BUILDING MATERIAL PRICES (3)
SVGS. & LOAN LENDING (6)
FORECLOSURES (5)
(ALL NONFARM)
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
F.H.L.B. ADVANCES OUTSTANDING
MILLIONS
1939
1940
1941
JAN. FEB. MAR. APR. MAY JUN. JUL. AUG. SEP. OCT. NOV. DEC.
MORTGAGE RECORDINGS-ALL LENDERS
MILLIONS
1941
1940
1939
COST OF STANDARD SIX-ROOM HOUSE
INDEX
1935-1939 = 100
LABOR
TOTAL
MATERIAL
WHOLESALE COMMODITY PRICES
INDEX
1935-1939 = 100
LUMBER
BUILDING MATERIALS
ALL INDUSTRIAL
INDUSTRIAL PRODUCTION
INDEX
1935-1939 = 100
1938 1939 1940 1941

« « « MONTHLY SURVEY » » »

Highlights

I. Production indexes registered in July indicate a leveling-off period ahead while adjustments are being made to turn production from civilian goods. Installment credit curbs have been drafted to slow consumer buying and deter inflation.

A. The index of industrial production rose to 162 in July from the June index of 157. The cost-of-living index, reflecting rising prices, increased from 104.6 in June to 105.2 a month later.

B. Installment buyers are required to make down payments ranging from 33 1/3 percent on automobiles to 10 percent on furniture and to complete payments within a maximum period of 18 months on these and other specified articles as well as on materials and services in amounts of less than $1,000 used in real-estate repairs.

II. Residential construction in all urban areas throughout the United States during the first 7 months of 1941 amounted to 273,000 units, 25 percent above the activity in the corresponding period of last year. Divergent trends were evident during July in public and private residential construction. Private dwellings were up 10 percent, while public projects were down 53 percent.

III. Building costs rose still further in July at both wholesale and retail levels.

A. Costs of both labor and materials used in building the standard house have increased 15 and 9 percent, respectively, since July 1940, with total costs up 11 percent.

B. The combined index of wholesale building material prices is at the highest level for any month since 1925 and in July stood at 115.1 percent of its 1935–1939 average.

IV. Mortgage recordings through July amounted to more than $2,600,000,000—an increase of 18 percent over the same 1940 period.

A. A new high for the mortgage recording series was established in July with a total volume of $443,000,000. Every type of lender with the exception of insurance companies reported an increase over June.

B. Loans by all savings and loan associations were down fractionally from the June peak. Construction loans were the largest for any month in the past decade.

Summary

■ BUSINESS activity, continuing at its high level throughout July, was reflected in improved conditions in the home-financing and mortgage lending fields. The largest volume of mortgage recordings yet established in the series was registered in July. Private building activity increased substantially from June and foreclosures fell slightly below the level of the preceding month.

Increasing competition for raw and finished products has brought about an acceleration of commodity price rises during the past 5 months, bringing the July index of wholesale commodities to the highest point reached in more than 10 years.

Lumber prices in particular are displaying a revival of the upward spiral evidenced in the latter half of 1940. After declining during the opening months of this year, a leveling-off period occurred which was followed by a noticeable stimulation in June, and a 4-percent increase in July. The resulting index is 29 percent above the same 1940 month.

That some of the wholesale price increases in building material lines are being passed on to the consumer is evidenced by the rising cost of supplies used in constructing a standard six-room frame house. This element of home construction has risen 9 percent, while labor rates have risen faster to a level 15 percent in excess of July 1940.

Residential construction continued to rise to new high levels as the impetus of emergency conditions appears to be nullifying adequately what might otherwise be the depressing effect of rising building costs. During the first 7 months of this year approximately 273,000 units were built in urban areas.

An increasing share of savings and loan association lending is for the purchase or construction of a substantial number of these dwelling units. Through July of this year almost $570,000,000 had been loaned in this manner, or 26 percent more than in the same 1940 period.

[1935–1939 = 100]

Type of index	July 1941	June 1941	Percent change	July 1940	Percent change
Residential construction [1]	p 218.6	r 207.4	+5.4	185.7	+17.7
Foreclosures (nonfarm) [1]	37.3	36.7	+1.6	48.5	−23.1
Rental index (NICB)	108.3	108.1	+0.2	106.4	+1.8
Building material prices	115.1	112.8	+2.0	103.3	+11.4
Savings and loan lending [1]	186.2	174.7	+6.6	160.1	+16.3
Industrial production [1]	p 162.0	r 157.0	+3.2	121.0	+33.9
Manufacturing employment [1]	p 136.3	r 133.6	+2.0	107.8	+26.4
Manufacturing pay rolls [1]	p 185.0	r 180.8	+2.3	119.1	+55.3
Income payments [1]	p 132.3	r 130.8	+1.1	111.7	+18.4

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

General Business Conditions

■ ALTHOUGH production and distribution indexes stood at all-time peaks during the month of July, there were indications throughout the economic structure of a leveling-off period while adjustments are being made in industrial employment and plant facilities. Ever increasing production of both defense and nondefense commodities has reached a point where, on the one hand, existing defense plants have reached or surpassed "rated" capacities, and on the other, non-defense plant facilities must be tooled to participate in defense activity or face the threat of impeded production as a result of material shortages. Activity can be expected to continue on the present plane, until existing facilities engaged in other production can be utilized in the defense effort and industrial expansion completes its gestation period.

While the Federal Reserve Board adjusted index of industrial production for the month of July (162) represents a gain over the June index (157), the increase is smaller than those of recent months. Offsetting gains in most of the defense industries were the output losses registered in automobile, steel, and anthracite coal production.

Reflecting the increased tempo of activity, reports representing 80 percent of the country's Class 1 railroads showed their gross operating revenues during July approximated $387,086,000 or 30.8 percent above the corresponding figure a year ago. Department store sales, another criterion of business activity, were 24 percent greater in July than they were in July 1940.

After the sharp decline reported in basic commodity prices the last week in June, nearly all products made up their losses early in July and advanced generally until the second week in August when prices weakened for a preponderance of foodstuffs. The trend of all prices is essentially upward, however, and the cost-of-living index (1935–1939=100) developed by the Bureau of Labor Statistics rose to 105.2 in July from 104.6 in the previous month.

Regulation of Installment Credit

■ It is clear that the Federal Government is preparing against too sharp an upward curve into inflation. Although the Emergency Price Control Bill which has been introduced in Congress will face considerable opposition before final enactment, a three-pronged deterrent against inflation is being sponsored by the Government: (1) increased taxation, (2) additional emphasis on the sale of defense bonds to draw off income surpluses, and (3) a more stringent control of installment credit to dampen consumer demand.

The Federal Reserve Board, empowered by the President, ordered installment credit controls put on 24 durable goods items beginning September 1. Curbs are provided by specifying a minimum down payment on each group of items with the stipulation that balances on all goods be fully paid within 18 months.

A one-third down-payment is required in the purchase of vehicles. Among other goods listed are household appliances (20 percent down) and furniture (10 percent). It will be noted that, whereas formerly the allowance for a used article turned in by the purchaser could count as some or all of the down payment, under the new regulations down payments will be based on the balance due *after* such trade-in allowance in all transactions except the purchase of automobiles.

Inasmuch as furniture is not a commodity in which civilian purchases compete directly with military requirements, it is evident that curbs are to be directed not only toward consumer goods which use materials required for military purposes but against installment credit in general. Cash loans and *materials and services used in making repairs or improvements on existing real estate in amounts of less than $1000 must be paid within 18 months* under the Federal Reserve order. There are no down-payment requirements on these latter items.

Residential Construction

[Tables 1 and 2]

■ PRIVATE building activity in urban areas showed an increase from 36,840 dwelling units in June to 40,570 in July, a gain of 10 percent. This is quite favorable in comparison with the usual seasonal decline of 8 percent experienced during this period. All types of private construction increased from June to July with the largest gain in multifamily dwellings. Total public construction in all urban areas was 53 percent lower in July than in the previous month.

During the first 7 months of 1941, nearly 273,000 residential dwelling units were placed under construction in urban areas of the United States, as compared with 219,000 in the corresponding period of last year. This rise of nearly 25 percent was the result of a 56-percent increase in public construction and a 20-percent gain in the number of permits for privately financed dwellings.

As a result of the sharp increase in public construction in conjunction with the defense housing program, Government-financed units accounted for approximately one-sixth of the total amount of urban residential construction during the first 7 months of this year; privately financed homes of the 1- and 2-family type made up more than two-thirds of the total.

Building Costs

[*Tables 3, 4, and 5*]

■ COSTS of building the standard house continued the rise which was begun a year ago, with an increase of more than 11 percent from July 1940. Labor costs have risen 15 percent in this period and are 19 percent above the average month of 1935–1939. Dealers prices for materials are 9 percent higher than a year ago and 11 percent higher than the average month of 1935–1939.

An analysis of individual communities reveals that, during the period from May to August of this year, costs involved in the construction of a standard 6-room frame house rose in almost all of the reporting communities. Of the 25 cities which reported changes from May 1941, 20 indicated a rise of at least $100 in total costs; current figures for all of the 25 cities were well above the August 1940 level. Nine of these cities report an increase of more than $1,000 in the cost of building the standard 6-room frame house during the past year.

The combined index of wholesale prices of building materials, as reported by the U. S. Department of Labor, is at the highest level for any month since 1925 and stood at 115.1 (1935–1939=100) in July. Lumber prices, which rose rapidly in the later months of 1940 and tended to level off during the first 6 months of 1941, are again on the upgrade with an increase of 4 percent from June to July. The net rise from July 1940 to July 1941 amounted to almost 30 percent.

Construction costs for the standard house

[Average month of 1935–1939=100]

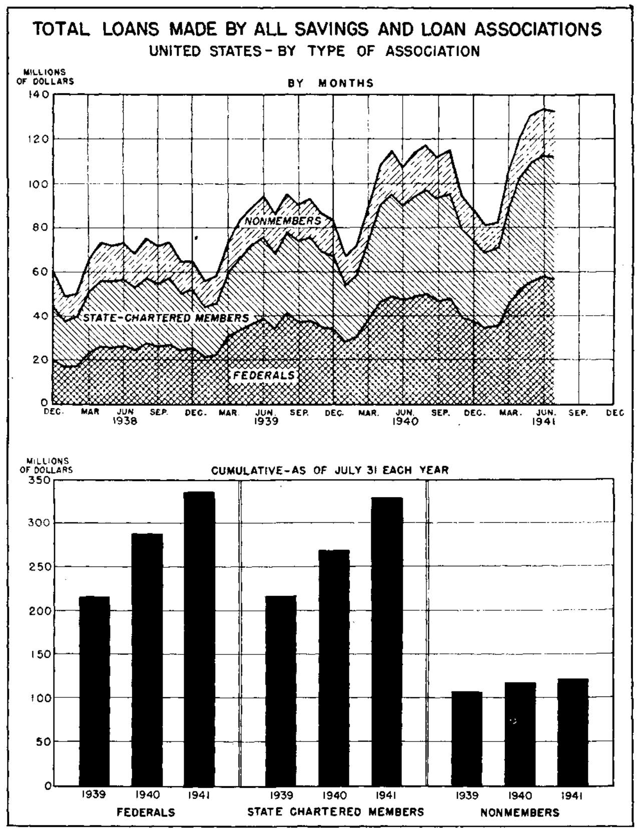
Element of cost	July 1941	June 1941	Percent change	July 1940	Percent change
Material	110.7	109.2	+1.4	101.2	+9.4
Labor	119.3	118.6	+0.6	103.4	+15.4
Total	113.6	112.4	+1.1	102.0	+11.4

New Mortgage-Lending Activity of Savings and Loan Associations

[*Tables 6 and 7*]

■ NEW mortgage loans by all savings and loan associations during July were only fractionally below the record totals reported during the month of June. July loans, amounting to almost $133,000,000, were 16 percent above the corresponding month of 1940, and raised the cumulative total of loans for this year above the three-quarters of a billion-dollar mark.

Loans for new construction were up $700,000 over June and aggregated almost $45,000,000—the largest monthly total reported for any single month in the past decade. Advances for reconditioning were 7 percent higher in July than in the previous month, reflecting the increasing demand for these loans as a



result of improved economic conditions and of the efforts being made to provide additional housing facilities in existing dwellings for defense workers. (See announcement of new program on page 419.)

A comparison of activity during the first 7 months of 1941 with the same period of 1940 reveals a higher volume of lending during the current year in each of the 12 Federal Home Loan Bank Districts. Arranged by size of increase, the Districts fall in the following order: gains of more than 20 percent in the Boston, New York, Portland, and Cincinnati Districts; of 10 to 20 percent in the Los Angeles, Indianapolis, Pittsburgh, and Chicago regions; and of less than 10 percent in the Little Rock, Winston-Salem, Topeka, and Des Moines areas.

New mortgage loans distributed by purpose

[Amounts are shown in thousands of dollars]

Purpose	July 1941	June 1941	Percent change	July 1940	Percent change
Construction	$44, 918	$44, 207	+1. 6	$39, 907	+12. 6
Home purchase	55, 682	55, 993	−0. 6	40, 658	+37. 0
Refinancing	16, 816	17, 891	−6. 0	17, 649	−4. 7
Reconditioning	6, 022	5, 633	+6. 9	6, 115	−1. 5
Other purposes	9, 534	9, 916	−3. 9	9, 972	−4. 4
Total	132, 972	133, 640	−0. 5	114, 301	+16. 3

Mortgage Recordings

[*Tables 8 and 9*]

■ ESTABLISHING the fourth peak made so far this year for the recording series since its inception, lenders throughout the United States recorded mortgages in amount of $443,000,000 during July. All mortgagee classes with the exception of insurance companies participated in the 3-percent rise above June activity. This volume of lending represented a 21-percent improvement in dollar amount over aggregate recordings during the same 1940 month.

Savings and loan associations accounted for $142,695,000 (nearly one-third) of the total recordings during July, a proportion slightly below the share of activity which the institutions experienced in the corresponding month of last year, but above the monthly average during the first 6 months of 1941.

The greatest percentage gain among institutional lenders from June to July was made by mutual savings banks (2.8 percent). This group also attained the largest relative improvement over the share of business they accounted for in July 1940.

Mortgage recordings by type of mortgagee

[Amounts are shown in thousands of dollars]

Type of lender	Percent change from June 1941	Percent of July 1941 amount	Cumulative recordings (7 months)	Percent of total recordings
Savings and loan associations	+2. 2	32. 2	$850, 212	32. 0
Insurance companies	−0. 3	8. 4	221, 831	8. 3
Banks, trust companies	+0. 7	24. 5	661, 290	24. 9
Mutual savings banks	+2. 8	4. 8	116, 785	4. 4
Individuals	+6. 0	16. 1	440, 359	16. 5
Others	+7. 8	14. 0	370, 427	13. 9
Total	+3. 0	100. 0	2, 660, 904	100. 0

Foreclosures

[*Table 10*]

■ NONFARM real estate foreclosures throughout the United States were 4 percent less in July than in June, but inasmuch as this decline was somewhat smaller than is usually experienced during this period, the seasonally adjusted index rose from 36.7 to 37.3 (1935–1939=100).

Contrary to what might be expected there was an increase in foreclosure activity in areas affected by the defense program. However, cumulative totals in these sections for the year-to-date were still 25 percent below the corresponding period of 1940, as compared with a decrease of 15 percent in nondefense areas.

Foreclosure actions during the first 7 months of this year totaled almost 37,000 cases—a 19-percent decline from the same period of 1940 when slightly more than 45,000 cases were reported.

Federal Savings and Loan Insurance Corporation

[*Table 12*]

■ AFTER seven years of continuous growth the Federal Savings and Loan Insurance Corporation had accumulated almost $30,000,000 in reserves by the end of July, principally through interest earned on the Corporation's investment portfolio and the receipt of premiums from insured associations. These reserves, together with the $100,000,000 in capital stock outstanding, serve as a secondary bulwark for the protection of nearly 3,000,000 private shareholders who have invested savings of over $2,500,000,000 in 2,310 insured savings and loan associations.

Aggregate reserves and undivided profits of the individual institutions insured by the Federal Savings and Loan Insurance Corporation totaled approximately $181,600,000 at the end of June, an increase of about 17 percent during the fiscal year 1941. At the same time property holdings of insured associations dropped 20 percent to a new low level of $130,000,000. Hence, the volume of these non-liquid assets which usually bear little or no return now amount to only 4 percent of total assets, or considerably less than the 6-percent ratio of reserves to total assets. At all prior fiscal-year closing dates, real-estate holdings of insured institutions have been greater than reserve balances.

Federal Savings and Loan Associations

[*Table 12*]

■ IN line with the trend from June to July of the past year, total assets of all Federal savings and loan associations again showed a small decline during this period as a result of technical changes in the balance-sheet structure. Although substantial increases were noted for the principal asset and liability items (net first mortgages held and private repurchasable capital), these were more than offset by declines in cash on hand, Federal Home Loan Bank advances, and the repurchase of approximately $3,000,000 of HOLC and Treasury investments in these institutions.

At the end of July, there were 1,456 associations with combined assets of $2,025,000,000 operating under Federal charter throughout the United States.

Progress in number and assets of Federals

[Amounts are shown in thousands of dollars]

Class of association	Number		Approximate assets	
	July 31, 1941	June 30, 1941	July 31, 1941	June 30, 1941
New	639	639	$627, 402	$629, 301
Converted	817	816	1, 397, 618	1, 400, 338
Total	1, 456	1, 455	2, 025, 020	2, 029, 639

Federal Home Loan Bank System

[*Table 13*]

■ AT the end of July the advances outstanding of the Federal Home Loan Banks totaled $168,-145,000, a decrease of $1,752,000 from the amount outstanding in June 1941, but approximately $6,-000,000 greater than at the end of July last year. The relatively small decline from June is significant in comparison with the usual seasonal drop at this time of year. It is particularly notable in the light of the all-time high in new advances made in any one month which was established during June.

New advances for the month aggregated $12,867,-000, a decrease of 56 percent from the record June figure. Repayments received during July totaled $14,619,000; of this amount $8,700,000 was repaid by the same institutions which during June had borrowed $12,300,000.

Repayments exceeded advances in half of the Bank Districts: Winston-Salem, Cincinnati, Indianapolis, Chicago, Portland, and Los Angeles. It is interesting to note the geographical pattern of this distribution, namely that without exception in the Southeast, the middle-eastern Districts, and the far West repayments were greater than new advances made. The East and those Districts between the Mississippi River and the West Coast all showed an excess of advances over repayments, with an accompanying increase in the volume of advances outstanding.

The Boston District, for the second consecutive month, showed a $1,000,000-increase in advances outstanding. The largest monetary and percentage declines were in the Portland Bank which showed a drop of approximately $1,300,000 in outstanding advances, or 16.1 percent; and the Los Angeles region where the decline was $900,000, or 5.8 percent.

During the first seven months of 1941 the volume of new advances was 10 percent higher than that for the similar period last year, while repayments were 24 percent higher.

Five new members were admitted to the Federal Home Loan Bank System during July—one Federal association, three State associations, and one mutual savings bank. This increase was offset by nine withdrawals representing mergers and the elimination of inactive institutions. At the end of July, 3,835 institutions were members of the Bank System. Total assets of all members aggregated $5,295,000,000.

Table 1.—Estimated number and valuation of new family dwelling units provided in all urban areas of the United States, July 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.–July totals		Monthly totals			Jan.–July totals	
	July 1941	June 1941 [3]	July 1940	1941	1940	July 1941	June 1941 [3]	July 1940	1941	1940
Private construction	40, 570	36, 840	31, 580	231, 264	192, 177	$154, 672	$140, 683	$115, 617	$860, 157	$691, 673
1-family dwellings	31, 636	30, 161	25, 774	180, 178	149, 805	129, 283	122, 158	100, 502	718, 167	572, 473
2-family dwellings [1]	2, 221	2, 209	1, 841	14, 083	11, 076	5, 798	5, 926	4, 805	35, 917	27, 662
3-and more-family dwellings [2]	6, 713	4, 470	3, 965	37, 003	31, 296	19, 591	12, 599	10, 310	106, 073	91, 538
Public construction	4, 754	10, 194	5, 051	41, 396	26, 467	17, 372	32, 266	14, 388	132, 537	78, 342
Total urban construction	45, 324	47, 034	36, 631	272, 660	218, 644	172, 044	172, 949	130, 005	992, 694	770, 015

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

Table 2.—Estimated number and valuation of new family dwelling units provided in all urban areas, in July 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	
	July 1941	July 1940	July 1941	July 1940	July 1941	July 1940	July 1941	July 1940
UNITED STATES	45, 324	36, 631	$172, 044	$130, 005	33, 857	27, 615	$135, 081	$105, 307
No. 1—Boston	2, 164	2, 721	9, 338	10, 747	1, 846	1, 733	8, 478	7, 483
Connecticut	828	1, 172	3, 802	4, 719	625	499	3, 198	2, 380
Maine	77	101	235	303	77	98	235	295
Massachusetts	1, 021	1, 131	4, 319	4, 551	906	848	4, 063	3, 666
New Hampshire	87	83	336	292	87	80	336	286
Rhode Island	141	199	600	717	141	173	600	691
Vermont	10	35	46	165	10	35	46	165
No. 2—New York	4, 695	3, 732	19, 858	15, 472	3, 313	2, 680	14, 747	11, 898
New Jersey	1, 460	1, 111	6, 201	4, 462	1, 402	952	6, 081	4, 192
New York	3, 235	2, 621	13, 657	11, 010	1, 911	1, 728	8, 666	7, 706
No. 3—Pittsburgh	4, 766	1, 799	20, 132	7, 434	2, 252	1, 336	9, 755	6, 113
Delaware	29	14	138	66	29	14	138	66
Pennsylvania	4, 497	1, 250	19, 067	5, 516	1, 990	1, 107	8, 715	5, 164
West Virginia	240	535	927	1, 852	233	215	902	883

Table 2.—Estimated number and valuation of new family dwelling units provided in all urban areas, in July 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	
	July 1941	July 1940	July 1941	July 1940	July 1941	July 1940	July 1941	July 1940
No. 4—Winston-Salem	7, 148	6, 935	$21, 482	$20, 369	4, 426	3, 736	$14, 904	$12, 755
Alabama	526	1, 167	1, 130	2, 832	494	448	1, 075	981
District of Columbia	1, 187	905	3, 135	3, 065	260	261	1, 435	1, 853
Florida	993	1, 302	3, 778	4, 250	776	799	3, 258	2, 990
Georgia	1, 036	1, 145	2, 553	2, 803	661	506	1, 555	1, 213
Maryland	810	519	2, 673	1, 551	806	398	2, 664	1, 286
North Carolina	812	708	2, 212	1, 809	502	521	1, 442	1, 361
South Carolina	262	353	616	932	237	196	561	517
Virginia	1, 522	836	5, 385	3, 127	690	607	2, 914	2, 554
No. 5—Cincinnati	2, 886	3, 175	12, 462	12, 141	2, 682	2, 184	11, 855	9, 136
Kentucky	272	288	763	703	272	273	763	674
Ohio	2, 020	2, 007	10, 046	9, 105	1, 838	1, 542	9, 481	7, 587
Tennessee	594	880	1, 653	2, 333	572	369	1, 611	875
No. 6—Indianapolis	3, 885	2, 782	17, 371	11, 567	3, 861	2, 752	17, 318	11, 492
Indiana	1, 020	779	3, 942	2, 807	1, 008	771	3, 913	2, 796
Michigan	2, 865	2, 003	13, 429	8, 760	2, 853	1, 981	13, 405	8, 696
No. 7—Chicago	2, 671	2, 680	13, 849	11, 569	2, 515	2, 013	13, 453	9, 537
Illinois	1, 824	2, 019	10, 481	8, 915	1, 799	1, 381	10, 402	6, 970
Wisconsin	847	661	3, 368	2, 654	716	632	3, 051	2, 567
No. 8—Des Moines	2, 224	1, 943	8, 545	7, 249	1, 787	1, 783	7, 193	6, 786
Iowa	949	491	3, 515	1, 844	562	478	2, 289	1, 807
Minnesota	690	742	2, 974	3, 040	671	709	2, 932	2, 952
Missouri	445	554	1, 576	1, 909	418	454	1, 504	1, 621
North Dakota	50	55	179	174	50	50	179	156
South Dakota	90	101	301	282	86	92	289	250
No. 9—Little Rock	5, 244	3, 180	15, 835	8, 346	3, 093	2, 511	8, 526	6, 709
Arkansas	221	176	573	399	215	176	561	399
Louisiana	2, 106	460	7, 346	1, 375	405	426	1, 216	1, 233
Mississippi	296	201	526	349	296	201	526	349
New Mexico	134	126	343	318	123	118	323	305
Texas	2, 487	2, 217	7, 047	5, 905	2, 054	1, 590	5, 900	4, 423
No. 10—Topeka	1, 466	1, 067	4, 296	3, 168	1, 402	1, 032	4, 176	3, 091
Colorado	252	286	810	868	236	258	780	796
Kansas	457	219	1, 014	562	421	212	958	557
Nebraska	237	166	905	615	225	166	871	615
Oklahoma	520	396	1, 567	1, 123	520	396	1, 567	1, 123
No. 11—Portland	2, 163	1, 311	7, 370	4, 312	1, 737	1, 231	6, 155	4, 175
Idaho	96	150	330	360	92	126	318	348
Montana	170	122	606	379	90	116	296	366
Oregon	376	291	1, 326	912	321	258	1, 178	837
Utah	234	199	796	669	234	199	796	669
Washington	1, 221	497	4, 067	1, 789	934	484	3, 322	1, 762
Wyoming	66	52	245	203	66	48	245	193
No. 12—Los Angeles	6, 012	5, 306	21, 506	17, 631	4, 943	4, 624	18, 521	16, 132
Arizona	85	298	232	642	73	74	217	215
California	5, 882	4, 976	21, 043	16, 900	4, 825	4, 522	18, 073	15, 831
Nevada	45	32	231	89	45	28	231	86

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	1940	1941			1940		1939	1938	1937
	Aug.	Aug.	Aug.	May	Feb.	Nov.	Aug.	Aug.	Aug.	Aug.
No. 3—Pittsburgh:										
Wilmington, Del	$0.276	$0.217	$6,636	[2] $6,189	[2] $6,033	[2] $5,986	$5,217	$5,416	$5,898	$5,811
Harrisburg, Pa	.294	.247	7,050	6,737	6,737	6,554	5,916	5,724	5,682	5,995
Philadelphia, Pa	.275	.242	6,598	6,304	6,304	6,309	5,816	5,485	5,416	5,972
Pittsburgh, Pa	.304	.256	7,301	6,870	6,775	6,434	6,155	6,440	6,487	6,786
Charleston, W. Va	.261	.242	6,274	6,296	6,133	5,963	5,808	5,813	5,905	6,282
Wheeling, W. Va	.279	.253	6,706	6,612	6,428	6,525	6,071	6,314	6,042	6,503
No. 5—Cincinnati:										
Lexington, Ky	.247	.232	5,931	5,673	5,555	5,483	5,574	5,715	5,325	5,702
Louisville, Ky	.279	.226	6,704	6,616	6,285	5,444	5,423	5,230	5,189	5,461
Cincinnati, Ohio	.246	.232	5,906	5,680	5,732	5,743	5,564	5,500	5,836	6,056
Cleveland, Ohio	.302	.287	7,249	7,170	6,877	6,949	6,888	6,492	6,404	6,981
Columbus, Ohio	.265	.240	6,370	6,147	5,965	5,912	5,754	5,618	5,919	6,429
Memphis, Tenn	.257	.223	6,177	[2] 6,008	[2] 6,064	[2] 5,528	5,350	5,269	5,299	5,467
Nashville, Tenn	.244	.203	5,852	5,706	5,537	5,298	4,883	4,956	5,090	5,504
No. 9—Little Rock:										
Little Rock, Ark	.221	.214	5,305	5,194	5,193	5,215	5,137	5,225	5,150	5,208
New Orleans, La	.264	.238	6,339	6,207	6,081	6,021	5,702	5,641	5,865	5,865
Jackson, Miss	.271	.254	6,504	6,232	6,065	5,925	6,084	5,894	6,079	6,086
Albuquerque, N. M	.297	.261	7,123	7,015	6,977	6,762	6,262	6,398	6,648	6,690
Dallas, Tex	.284	.226	6,821	6,713	6,622	6,022	5,417	5,431	5,888	6,068
Houston, Tex	.284	.237	6,809	6,687	6,621	6,501	5,681	5,882	5,993	6,162
San Antonio, Tex	.279	.228	6,692	6,583	6,573	5,835	5,479	5,867	6,055	6,231
No. 12—Los Angeles:										
Phoenix, Ariz	.305	.258	7,330	6,937	6,898	6,774	6,199	6,129	6,489	6,802
Los Angeles, Calif	.242	.219	5,812	5,559	5,514	5,504	5,254	5,231	5,704	6,001
San Diego, Calif	.266	.222	6,383	[2] 6,088	6,071	6,103	5,320	5,605	5,834	6,144
San Francisco, Calif	.296	.260	7,093	6,665	6,363	6,352	6,250	6,314	6,329	6,452
Reno, Nev	.299	.282	7,165	7,155	7,003	6,739	6,777	6,574	6,560	6,666

[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	July 1941	June 1941	May 1941	Apr. 1941	Mar. 1941	Feb. 1941	Jan. 1941	Dec. 1940	Nov. 1940	Oct. 1940	Sept. 1940	Aug. 1940	July 1940
Material	110.7	109.2	108.8	108.7	108.0	107.8	106.6	105.9	104.6	103.4	101.9	101.4	101.2
Labor	119.3	118.6	117.0	116.1	115.3	115.1	114.5	112.5	109.8	106.9	104.8	103.6	103.4
Total cost	113.6	112.4	111.6	111.2	110.4	110.2	109.3	108.1	106.4	104.6	102.9	102.1	102.0

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: July	100. 2	99. 7	100. 4	99. 8	101. 1	104. 2	103. 5	96. 9
1940: July	[1] 103. 3	99. 2	99. 4	105. 6	104. 0	105. 8	103. 5	101. 2
August	[1] 104. 2	99. 2	99. 4	109. 6	103. 5	105. 8	103. 5	101. 0
September	[1] 106. 8	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
June	112. 8	101. 8	100. 9	131. 0	111. 0	109. 2	103. 5	104. 8
July	115. 1	103. 7	101. 1	136. 2	112. 6	109. 3	103. 5	106. 4
Change:								
July 1941–June 1941	+2. 0%	+1. 9%	+0. 2%	+4. 0%	+1. 4%	+0. 1%	0. 0%	+1. 5%
July 1941–July 1940	+11. 4%	+4. 5%	+1. 7%	+29. 0%	+8. 3%	+3. 3%	0. 0%	+5. 1%

[1] Revised on the basis of a previous revision of lumber figures.

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.–July	160, 537	184, 384	102, 718	33, 171	58, 318	539, 128	215, 910	215, 985	107, 233
July	26, 865	29, 638	15, 353	5, 133	8, 183	85, 172	34, 055	34, 146	16, 971
1940	398, 632	426, 151	198, 148	63, 583	113, 065	1, 199, 579	509, 713	483, 499	206, 367
Jan.–July	212, 501	238, 526	119, 047	36, 348	66, 240	672, 662	288, 010	267, 608	117, 044
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.–July	255, 181	314, 643	114, 870	36, 075	65, 359	786, 128	336, 243	329, 179	120, 706
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
June	44, 207	55, 993	17, 891	5, 633	9, 916	133, 640	57, 542	54, 857	21, 241
July	44, 918	55, 682	16, 816	6, 022	9, 534	132, 972	56, 564	55, 676	20, 732

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, June 1941 to July 1941	New loans, July 1940	Percent change, July 1940 to July 1941	Cumulative new loans (7 months)		
	1941 July	1941 June				1941	1940	Percent change
United States: Total	$132, 972	$133, 640	−0. 5	$114, 301	+16. 3	$786, 128	$672, 662	+16. 9
Federal	56, 564	57, 542	−1. 7	48, 676	+16. 2	336, 243	288, 010	+16. 7
State member	55, 676	54, 857	+1. 5	45, 414	+22. 6	329, 179	267, 608	+23. 0
Nonmember	20, 732	21, 241	−2. 4	20, 211	+2. 6	120, 706	117, 044	+3. 1
District No. 1: Total	15, 083	14, 493	+4. 1	11, 191	+34. 8	80, 152	60, 021	+33. 5
Federal	5, 164	4, 974	+3. 8	4, 002	+29. 0	27, 576	20, 967	+31. 5
State member	7, 902	7, 503	+5. 3	5, 332	+48. 2	40, 517	28, 986	+39. 8
Nonmember	2, 017	2, 016	+0. 0	1, 857	+8. 6	12, 059	10, 068	+19. 8
District No. 2: Total	13, 412	14, 076	−4. 7	10, 602	+26. 5	75, 290	58, 735	+28. 2
Federal	4, 032	3, 920	+2. 9	2, 750	+46. 6	21, 208	17, 710	+19. 8
State member	4, 405	3, 978	+10. 7	3, 508	+25. 6	22, 851	17, 026	+34. 2
Nonmember	4, 975	6, 178	−19. 5	4, 344	+14. 5	31, 231	23, 999	+30. 1
District No. 3: Total	10, 569	10, 991	−3. 8	9, 145	+15. 6	61, 829	53, 469	+15. 6
Federal	4, 086	4, 849	−15. 7	3, 600	+13. 5	24, 047	20, 481	+17. 4
State member	2, 548	2, 738	−6. 9	2, 189	+16. 4	16, 338	13, 347	+22. 4
Nonmember	3, 935	3, 404	+15. 6	3, 356	+17. 3	21, 444	19, 641	+9. 2
District No. 4: Total	17, 484	18, 004	−2. 9	16, 146	+8. 3	106, 627	98, 390	+8. 4
Federal	8, 333	8, 845	−5. 8	8, 074	+3. 2	51, 763	47, 123	+9. 8
State member	7, 543	7, 752	−2. 7	6, 431	+17. 3	45, 577	38, 442	+18. 6
Nonmember	1, 608	1, 407	+14. 3	1, 641	−2. 0	9, 287	12, 825	−27. 6
District No. 5: Total	22, 643	23, 015	−1. 6	20, 531	+10. 3	135, 877	111, 898	+21. 4
Federal	8, 448	8, 367	+1. 0	7, 383	+14. 4	50, 550	41, 730	+21. 1
State member	11, 106	11, 322	−1. 9	9, 607	+15. 6	67, 969	53, 280	+27. 6
Nonmember	3, 089	3, 326	−7. 1	3, 541	−12. 8	17, 358	16, 888	+2. 8
District No. 6: Total	6, 530	6, 536	−0. 1	5, 779	+13. 0	39, 914	34, 427	+15. 9
Federal	3, 342	3, 408	−1. 9	2, 982	+12. 1	20, 408	16, 498	+23. 7
State member	2, 954	2, 881	+2. 5	2, 566	+15. 1	17, 934	15, 913	+12. 7
Nonmember	234	247	−5. 3	231	+1. 3	1, 572	2, 016	−22. 0
District No. 7: Total	13, 257	13, 165	+0. 7	11, 472	+15. 6	80, 132	69, 328	+15. 6
Federal	4, 793	5, 204	−7. 9	4, 273	+12. 2	30, 820	27, 666	+11. 4
State member	6, 543	5, 976	+9. 5	5, 334	+22. 7	37, 923	30, 452	+24. 5
Nonmember	1, 921	1, 985	−3. 2	1, 865	+3. 0	11, 389	11, 210	+1. 6
District No. 8: Total	7, 454	7, 450	+0. 1	6, 999	+6. 5	42, 518	41, 803	+1. 7
Federal	3, 831	3, 793	+1. 0	3, 607	+6. 2	21, 427	19, 960	+7. 3
State member	2, 332	2, 286	+2. 0	1, 894	+23. 1	13, 975	12, 701	+10. 0
Nonmember	1, 291	1, 371	−5. 8	1, 498	−13. 8	7, 116	9, 142	−22. 2
District No. 9: Total	6, 700	5, 892	+13. 7	5, 571	+20. 3	38, 581	35, 505	+8. 7
Federal	2, 770	2, 529	+9. 5	2, 149	+28. 9	16, 281	14, 198	+14. 7
State member	3, 577	3, 208	+11. 5	3, 228	+10. 8	21, 284	19, 827	+7. 3
Nonmember	353	155	+127. 7	194	+82. 0	1, 016	1, 480	−31. 4
District No. 10: Total	4, 650	5, 150	−9. 7	4, 920	−5. 5	31, 474	30, 401	+3. 5
Federal	2, 455	2, 835	−13. 4	2, 517	−2. 5	17, 316	16, 108	+7. 5
State member	1, 214	1, 252	−3. 0	1, 061	+14. 4	7, 455	6, 900	+8. 0
Nonmember	981	1, 063	−7. 7	1, 342	−26. 9	6, 703	7, 393	−9. 3
District No. 11: Total	4, 697	4, 796	−2. 1	3, 736	+25. 7	29, 561	24, 133	+22. 5
Federal	3, 050	2, 914	+4. 7	2, 436	+25. 2	19, 410	15, 070	+28. 8
State member	1, 359	1, 829	−25. 7	1, 170	+16. 2	9, 252	8, 112	+14. 1
Nonmember	288	53	+443. 4	130	+121. 5	899	951	−5. 5
District No. 12: Total	10, 493	10, 072	+4. 2	8, 209	+27. 8	64, 173	54, 552	+17. 6
Federal	6, 260	5, 904	+6. 0	4, 903	+27. 7	35, 437	30, 499	+16. 2
State member	4, 193	4, 132	+1. 5	3, 094	+35. 5	28, 104	22, 622	+24. 2
Nonmember	40	36	+11. 1	212	−81. 1	632	1, 431	−55. 8

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

Federal Home Loan Bank District and State	Savings & Loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgagees		Total		Amount per capita (nonfarm)
(Amounts shown are in thousands of dollars)	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
UNITED STATES	51,382	$142,695	7,602	$37,262	32,343	$103,555	5,469	$21,080	35,634	$71,456	18,180	$61,991	151,110	$443,039	$4.80
No. 1--Boston	4,787	16,135	278	1,588	1,315	5,107	2,957	10,372	2,959	6,703	760	2,703	13,056	42,608	
Connecticut	508	1,989	169	1,015	523	2,422	659	2,771	745	1,828	410	1,631	3,014	11,655	7.67
Maine	217	597	29	129	154	477	194	405	210	361	55	135	859	2,104	3.36
Massachusetts	3,474	11,716	64	347	356	1,255	1,516	5,504	1,667	3,902	193	593	7,270	23,327	5.65
New Hampshire	170	417	1	6	86	251	270	722	108	184	14	51	649	1,641	4.08
Rhode Island	314	1,160	14	74	143	522	152	526	163	315	79	262	865	2,859	4.25
Vermont	104	256	1	17	53	160	166	444	66	113	9	31	399	1,021	4.14
No. 2--New York	3,140	10,381	659	3,207	2,609	10,672	1,698	7,848	4,421	10,527	1,996	7,195	14,523	49,830	
New Jersey	1,066	3,255	402	1,897	1,379	5,637	123	625	1,527	3,925	943	3,196	5,440	18,535	4.74
New York	2,074	7,126	257	1,310	1,230	5,035	1,575	7,223	2,894	6,602	1,053	3,999	9,083	31,295	2.64
No. 3--Pittsburgh	3,669	9,190	569	2,266	3,102	10,105	255	877	2,139	4,978	1,135	4,306	10,869	31,722	
Delaware	22	71	28	151	58	249	17	72	64	137	15	40	204	720	3.75
Pennsylvania	3,131	8,156	472	1,761	2,317	8,250	229	800	1,750	4,423	1,001	3,992	8,900	27,382	3.12
West Virginia	516	963	69	354	727	1,606	9	5	325	418	119	274	1,765	3,620	2.83
No. 4--Winston-Salem	6,864	18,588	1,019	4,735	2,920	8,501	62	295	4,979	9,339	2,636	7,903	18,480	49,362	
Alabama	297	529	122	527	340	748	-----	-----	585	810	266	608	1,610	3,222	2.47
District of Columbia	558	3,293	77	571	93	586	-----	-----	430	1,369	242	1,292	1,400	7,114	14.62
Florida	800	2,319	343	1,405	327	1,137	-----	-----	754	1,506	377	1,393	2,601	7,760	6.53
Georgia	869	1,788	143	777	580	1,291	-----	-----	800	981	633	1,255	3,125	6,092	4.09
Maryland	1,414	3,851	36	187	262	831	62	295	379	1,011	221	649	2,374	6,834	4.90
North Carolina	1,452	3,358	99	474	292	936	-----	-----	930	1,187	360	1,097	3,133	7,052	4.49
South Carolina	401	909	54	211	309	851	-----	-----	291	601	253	756	1,308	3,328	4.05
Virginia	1,073	2,528	145	584	617	2,121	-----	-----	810	1,874	284	853	2,929	7,960	5.41
No. 5--Cincinnati	8,639	25,837	918	4,500	3,942	12,582	215	792	3,100	5,318	1,589	4,658	18,403	53,687	
Kentucky	1,152	2,813	151	517	546	1,719	-----	-----	210	258	77	188	2,136	5,495	3.82
Ohio	7,067	21,944	508	3,083	2,562	8,515	215	792	2,288	4,351	841	2,680	13,481	41,366	7.34
Tennessee	420	1,080	259	900	834	2,347	-----	-----	602	709	671	1,790	2,786	6,826	4.87
No. 6--Indianapolis	3,650	7,896	858	4,091	3,781	10,812	23	27	1,566	3,075	1,245	4,698	11,123	30,599	
Indiana	2,484	4,789	392	1,877	1,345	3,808	23	27	553	861	351	1,081	5,148	12,443	5.13
Michigan	1,166	3,107	466	2,214	2,436	7,004	-----	-----	1,013	2,214	894	3,617	5,975	18,156	4.47
No. 7--Chicago	5,019	14,301	457	2,421	2,149	7,948	30	55	2,710	6,266	1,868	8,180	12,233	39,171	
Illinois	3,687	10,732	362	1,329	1,278	5,237	-----	-----	1,454	3,666	1,617	7,298	8,398	28,862	4.35
Wisconsin	1,332	3,569	95	492	871	2,711	30	55	1,256	2,600	251	882	3,835	10,309	5.01
No. 8--Des Moines	3,902	9,149	693	3,296	2,634	7,222	44	127	2,586	4,193	1,826	5,422	11,685	29,409	
Iowa	962	1,877	109	448	697	1,880	-----	-----	399	629	219	688	2,386	5,522	3.70
Minnesota	1,353	3,516	304	1,320	576	1,331	44	127	774	1,437	232	738	3,283	8,469	5.08
Missouri	1,329	3,054	229	1,320	1,162	3,631	-----	-----	1,247	1,864	1,326	3,943	5,293	13,812	5.49
North Dakota	153	407	19	80	68	153	-----	-----	86	120	16	25	342	785	2.77
South Dakota	105	295	32	128	131	227	-----	-----	80	143	33	28	381	821	2.71
No. 9--Little Rock	3,587	9,149	934	4,242	909	2,670	-----	-----	2,444	4,335	1,812	5,500	9,686	25,896	
Arkansas	393	759	53	237	138	322	-----	-----	303	426	65	133	952	1,887	2.57
Louisiana	926	3,032	226	964	110	274	-----	-----	456	877	533	1,528	2,251	6,675	5.25
Mississippi	213	411	55	242	152	339	-----	-----	281	392	105	235	812	1,619	2.50
New Mexico	82	157	3	11	105	357	-----	-----	109	257	24	32	323	814	3.08
Texas	1,967	4,780	597	2,788	404	1,378	-----	-----	1,295	2,383	1,085	3,572	5,348	14,901	4.29
No. 10--Topeka	2,705	5,591	288	1,439	948	2,520	-----	-----	1,557	2,505	976	2,826	6,474	14,881	
Colorado	327	807	40	186	144	327	-----	-----	616	1,242	267	799	1,394	3,361	4.46
Kansas	791	1,514	42	215	369	395	-----	-----	239	297	232	631	1,673	3,652	3.11
Nebraska	735	1,393	142	686	111	331	-----	-----	209	302	96	260	1,293	2,972	3.75
Oklahoma	852	1,877	64	352	324	867	-----	-----	493	664	381	1,136	2,114	4,896	3.57
No. 11--Portland	1,975	4,820	323	1,242	1,350	3,434	185	687	1,374	2,154	1,087	3,704	6,295	16,041	
Idaho	102	267	17	71	58	189	-----	-----	106	155	77	180	360	862	3.36
Montana	160	370	14	49	63	194	-----	-----	158	260	27	71	422	944	2.83
Oregon	493	1,245	144	540	151	279	-----	30	542	818	238	748	1,579	3,660	5.01
Utah	227	631	36	137	340	1,057	-----	-----	109	147	53	107	765	2,079	5.30
Washington	919	2,101	112	445	703	1,636	174	657	389	661	660	2,501	2,957	8,001	6.36
Wyoming	75	206	-----	-----	35	79	-----	-----	70	113	32	97	212	495	3.25
No. 12--Los Angeles	3,944	11,658	606	4,234	6,684	26,982	-----	-----	5,739	12,063	1,250	4,896	18,283	59,833	
Arizona	93	280	4	19	128	478	-----	-----	302	771	26	62	553	1,610	4.78
California	3,830	11,316	601	4,211	6,528	26,398	-----	-----	5,430	11,120	1,218	4,820	17,607	57,865	11.44
Nevada	21	62	1	4	28	106	-----	-----	57	172	6	14	123	358	4.80

[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	Per cent
Number:														
1940: 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
June	50,393	36.0	7,655	5.2	32,769	22.1	5,437	3.7	34,613	23.4	16,970	11.5	147,837	100.0
July	51,882	34.4	7,602	5.0	32,343	21.4	5,469	3.6	35,634	23.6	18,180	12.0	151,110	100.0
Amount:														
1940: 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
June	139,647	32.4	37,372	8.7	107,827	25.1	20,503	4.8	67,380	15.6	57,487	13.4	430,216	100.0
July	142,695	32.2	37,262	8.4	108,555	24.5	21,080	4.8	71,456	16.1	61,991	14.0	443,039	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.–July	45,112	4,695	6,755	9,336	24,326
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.–July	36,775	4,038	5,617	7,843	19,277
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	5,375	630	837	1,236	2,672
June	5,047	630	727	1,149	2,541
July	4,834	437	741	959	2,697

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: 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
June	1,270	2,296	44,922
July	803	1,788	43,933

[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	$259, 943	$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: 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
June	2, 310	3, 158, 251	2, 554, 274	2, 433, 513	206, 301	114, 331	2, 974, 500	61, 448	26, 779	85, 117
July	2, 313	3, 154, 228	2, 595, 114	2, 449, 807	203, 512	142, 870	2, 998, 100	103, 886	90, 728	84, 994
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: 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, 445	1, 945, 949	1, 627, 545	1, 504, 271	169, 047	81, 076	1, 780, 100	45, 058	23, 376	51, 371
May	1, 447	1, 977, 162	1, 656, 899	1, 522, 675	169, 247	83, 674	1, 792, 700	38, 423	20, 582	55, 396
June [1]	1, 450	2, 028, 045	1, 687, 088	1, 554, 374	169, 247	103, 696	1, 806, 200	40, 030	14, 530	57, 542
July [2]	1, 452	2, 022, 886	1, 715, 819	1, 565, 799	166, 464	102, 513	1, 822, 700	70, 290	61, 061	56, 564
STATE										
1939: June	787	898, 353	633, 601	667, 611	42, 917	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: 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
June	860	1, 130, 206	867, 186	879, 139	37, 054	40, 635	1, 168, 300	21, 418	12, 249	27, 575
July	861	1, 131, 342	879, 295	884, 008	37, 048	40, 357	1, 175, 400	33, 596	29, 667	28, 430

[1] In addition, 5 converted Federals with assets of $1,594,000 were not insured as of June 30, 1941.
[2] In addition, 4 converted Federals with assets of $2,134,000 were not insured as of July 31, 1941.

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

[Thousands of dollars]

Federal Home Loan Bank	July 1941		June 1941		Advances outstanding, July 31, 1941
	Advances	Repayments	Advances	Repayments	
Boston	$1,457	$357	$1,593	$586	$8,632
New York	985	946	2,160	664	17,447
Pittsburgh	1,441	945	2,213	424	15,728
Winston-Salem	2,695	2,908	5,081	495	19,862
Cincinnati	679	966	1,572	404	15,606
Indianapolis	314	708	1,042	166	10,621
Chicago	1,420	2,340	5,111	1,011	27,931
Des Moines	1,170	894	2,445	228	14,510
Little Rock	1,213	906	1,367	128	8,241
Topeka	421	384	824	148	7,928
Portland	242	1,508	1,900	98	6,582
Los Angeles	830	1,757	4,009	340	15,057
Total	12,867	14,619	29,317	4,692	168,145
Jan.–July 1941	70,641	103,988			
July 1940	15,543	10,718			162,222
Jan.–July 1940	64,654	83,745			
July 1939	6,823	14,198			161,587
Jan.–July 1939	42,705	79,960			

Table 14.—Government investments in savings and loan associations [1]

[Amounts are shown in thousands of dollars]

Tyye of operation	Treasury	Home Owners' Loan Corporation		
	Federals [2]	Federals	State members	Total
Oct. 1935–July 1941:				
Applications:				
Number	1,862	4,666	993	5,659
Amount	$50,401	$209,096	$65,857	$274,953
Investments:				
Number	1,831	4,219	739	4,958
Amount	$49,300	$176,885	$45,564	$222,449
Repurchases	$26,958	$32,763	$8,293	$41,056
Net outstanding investments	$22,342	$144,122	$37,271	$181,393
July 1941:				
Applications:				
Number	0	4	2	6
Amount	0	$300	$125	$425
Investments:				
Number	0	1	5	6
Amount	0	$50	$291	$341
Repurchases	$1,329	$1,504	$297	$1,801

[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: 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	1,317,102			2,354,239
May	604,162	57,744	57,755	3,758,822	1,310,027			2,379,856
June	594,164	102,517	61,448	3,853,297	1,304,044	10,606,224	13,107,022	2,433,513
July	582,292	145,274	103,886	3,992,095	1,306,807			2,449,807
Change: Last 6 months				+18.42%	−0.50%	−0.11%	+0.34%	+8.27%

[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 two 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.

Directory of Member Institutions

(*Continued from p. 419*)

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN JULY 16 AND AUGUST 15, 1941

NEW JERSEY:
- Camden:
  - Bettle-Ridge Building & Loan Association, Oaklyn National Bank Building (member's request).
- Newark:
  - Casino Building & Loan Association, 18 Belmont Avenue (voluntary liquidation).
- Pitman:
  - Alcyon Building & Loan Association, 51 South Broadway (member's request).

PENNSYLVANIA:
- Pittsburgh:
  - Schenley Building & Loan Association, 501 Greenfield Avenue (liquidation).
  - United Ukranian Building & Loan Association, 619 East Carson Street (member's request).

CANCELATION OF FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTER BETWEEN JULY 16 AND AUGUST 15, 1941

NEW JERSEY:
- Paterson:
  - The Columbiad Federal Savings & Loan Association of Paterson, New Jersey (merger with the First Federal Savings & Loan Association of Paterson, New Jersey).

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

DISTRICT NO. 3

PENNSYLVANIA:
- Philadelphia:
  - East Girard Building & Loan Association, 1500 East Susquehanna Avenue.
- Pittsburgh:
  - Workingmen's Savings & Loan Association, 1114 East Street.
- West View:
  - West View Building Loan Association, 456 Perry Highway.

DISTRICT NO. 4

ALABAMA:
- Mobile:
  - Home Savings & Loan Association, Francis Street.

GEORGIA:
- Decatur:
  - DeKalb County Federal Savings & Loan Association, 117 Clairmont Streets.
- Winder:
  - First Federal Savings & Loan Association of Winder, Broad and Athens Street.

MARYLAND:
- Annapolis:
  - Enterprise Federal Savings & Loan Association of Annapolis, 15 School Street.

DISTRICT NO. 9

MISSISSIPPI:
- Vicksburg:
  - Mississippi Building & Loan Association of Vicksburg, 1500 Washington Street.

Resolutions of the Board

AMENDMENT TO RULES AND REGULATIONS FOR FEDERAL SAVINGS AND LOAN SYSTEM RELATING TO THE ACTIVITIES OF THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION AS RECEIVER FOR FEDERAL ASSOCIATIONS: Adopted August 25, 1941; effective August 25, 1941.

The Federal Home Loan Bank Board has adopted an amendment to the Rules and Regulations for the Federal Savings and Loan System setting forth details of authority and conduct of the Federal Savings and Loan Insurance Corporation when acting as receiver for Federal associations. Inasmuch as the amendment was deemed to be of an emergency character, it became effective upon its adoption and filing with the *Federal Register* on August 25, 1941.

This amendment was effected by repealing the last two sentences of Section 204.5; by renumbering Section 204.6 to make it 204.17; and by inserting the following new Sections 204.6 through 204.16:

204.6 *Take possession, when.* The Federal Savings and Loan Insurance Corporation upon appointment as receiver for a Federal association shall forthwith take possession of the books, records and assets of every description of such association.

204.7 *Procedure upon taking possession.* Upon taking possession, pursuant to Section 204.6 of these rules and regulations, the receiver shall forthwith

(a) post a notice in substantially the following form on the door of the home office of such association:

------------------- Federal Savings and Loan Association ----------------, ------------------, ---------------------, is in the hands of the Federal Savings and Loan Insurance Corporation as receiver under appointment by the Federal Home Loan Bank Board.

-----------------------	Federal Savings and Loan Insurance Corporation
Date	as Receiver
	By ---------------------------------
	(Title)

(*b*) notify, by written notice served personally or by registered mail or telegraph, all banks, trust companies, and all other individuals, partnerships, corporations and associations known to it to be holding or in possession of any assets of such association; and

(c) file with the Secretary of the Board a statement (1) that it has taken possession, pursuant to Section 204.6 of these rules and regulations, of such Federal association, and (2) of the posting and time of posting of the notice pursuant to the provisions of paragraph (a) of this Section, together with a copy of such notice; and such statement shall be conclusive evidence of the posting and time of posting of such notice.

204.8 *Succession.* Immediately upon the posting of the notice on the door of such Federal association as provided in paragraph (a) of Section 204.7 of these rules and regulations, the receiver, by operation of law and without any conveyance or other instrument, act or deed, shall succeed to all the rights, titles, powers, and privileges of the Federal association, its officers, and directors, or any of them. Such officers and directors, or any of them, shall not thereafter have, exercise, or act in connection with, any such rights, titles, powers or privileges, or any asset or property of any nature of the association; provided, however, that nothing herein shall deny to such officers and directors the right from time to time to address such petitions, authorized by the board of directors, as they may have to the Board or its representatives designated to receive such petitions concerning such association, or to represent the association at hearings provided for in these rules and regulations.

204.9 *Disposition.* Unless the Board shall otherwise order, the receiver shall, within 20 days of its appointment, recommend to the Board a plan for the reorganization, consolidation, merger or liquidation or other disposition of the association. Such recommended plan may provide that the receiver as such may (1) take over the assets of and operate the association, (2) take such action as may be necessary to put it in a sound and solvent condition, (3) merge it with another insured institution, (4) organize a new Federal savings and loan association to take over its assets, or (5) proceed to liquidate its assets in an orderly manner. The Board shall thereupon adopt a plan which may provide for the reorganization, consolidation, merger, liquidation, or other disposition of the association, which plan, including any amendments thereto and substitutions therefor ordered at any time by the Board, shall be carried into effect by the receiver. The facilities of the Board and of the Home Owners' Loan Corporation may be availed of in carrying out the plan. The Board may, at any time, order the association returned to its management and may, before returning the association to its management regardless of whether such association is returned to its management, order a meeting of the shareholders for any purpose, including, but not limited to, election of new directors, or of the board of directors for any purpose, including, but not limited to, the filling of vacancies on the board of directors or the election of new officers, or may order meetings of both members and directors. Each such election shall be supervised by a representative of the Board.

204.10 *Powers and duties of receiver.* The receiver, after posting notice pursuant to paragraph (a) of Section 204.7 of these rules and regulations, shall, in its name, in the name of the association, in the name of both, or otherwise, collect all obligations and money due such association, and may, in its name, in the name of the association, in the name of both, or otherwise:

(a) do all things desirable or expedient in its discretion to carry on the business of such association to an extent consistent with its appointment and to preserve and conserve the assets and property of every nature of such association;

(b) exercise all the rights and powers of such association, including, without any limitation on the generality of the foregoing, any rights and powers under any mortgage, deed of trust, chose in action, option, collateral note, contract, judgment or decree, share or certificate of share of stock, or instrument of any nature;

(c) pay off and discharge any taxes, assessments, liens, claims, or charges of any nature against the association or the receiver or any asset or property of any nature of such association;

(d) pay out and expend such sums as it shall deem necessary or advisable for or in connection with the preservation, maintenance, conservation, protection, remodeling, repair, rehabilitation, or improvement of any asset or property of any nature of such association;

(e) pay out and expend such sums as it shall deem necessary or advisable for or in connection with the preservation, maintenance, conservation, or protection of, or pay off and discharge any taxes, assessments, liens, claims, or charges of any nature against, any asset or property of any nature on which association or the receiver has a lien by way of mortgage, deed of trust, pledge or otherwise, or in which the association or receiver has an interest of value of any nature;

(f) institute, prosecute, maintain, defend, intervene, and otherwise participate in any and all actions, suits, or other legal proceedings by and against the receiver or association or in which the receiver, the association, or its creditors or members, or any of them, shall have an interest, and in every way to represent such association, its members and creditors;

(g) employ any attorney or attorneys, in connection with litigation or otherwise to give legal advice and assistance, for the receivership generally or in particular instances, and pay retainers and compensation of such attorney or attorneys, together with all expenses, including, but not limited to, the costs and expenses of any litigation, out of the assets of the association;

(h) execute, acknowledge, and deliver any and all deeds, contracts, leases assignments, bills of sale, releases, extensions, satisfactions, and other instruments necessary or proper for any purposes, including, without any limitation on the generality of the foregoing, the effectuation or termination of any sale, lease or transfer of real, personal or mixed property, or that shall be necessary or proper to liquidate or carry on the business of such association. Any deed or other instrument executed pursuant to the authority hereby given shall be as valid and effectual for all purposes as if the same had been executed, as the act and deed of the association or otherwise, by the officers of such association by authority of its board of directors;

(i) deposit the moneys and funds in any bank or banks insured by the Federal Deposit Insurance Corporation or in any Federal Home Loan Bank, or any other banks or other depositories approved for such purposes by the Board;

(j) sell for cash or on terms, exchange, or otherwise dispose of, in whole or in part, any mortgage, deed of trust, chose in action, bond, note, contract, judgment, or decree, share or certificate of share of stock or debt, owing to such association;

(k) sell for cash or on terms, exchange or otherwise dispose of, in whole or part, any or all of the assets and property of the association, real, personal, and mixed, tangible and intangible, of any nature;

(l) surrender, abandon, and release any choses in action, or other assets or property of any nature, whether the subject of pending litigation or not, and reject or repudiate any lease or contract which it considers burdensome;

(m) settle, compromise, or obtain the release of, for cash or other considerations, claims and demands against such association or the receiver;

(n) settle, compromise, or release, for cash or other considerations, claims and demands in favor of the association or the receiver;

(o) with the approval of the Board and on terms and conditions approved by the Board, borrow money in any amount and from any source and in any manner, and execute, acknowledge and deliver notes, certificates, and other evidence of indebtedness therefor and secure the repayment thereof by the mortgage, pledge, assignment in trust or hypothecation of any or all of the property, whether real, personal, or mixed, of such association, and such borrowing may be for any purpose, including, without any limitation on the generality of the foregoing, facilitating liquidation, carrying on the business of such association, protecting or preserving the assets in its possession, declaring and paying dividends to members and creditors, providing for the expense of administration and liquidation, or aiding in the reopening or reorganization of such association;

(p) pay out of the assets of the receivership all costs and expenses of the receivership and all costs of carrying out or exercising its rights, powers, privileges and duties as receiver, all as determined by it, except as otherwise provided herein; and

(q) do such things, and have such rights, powers, privileges, immunities, and duties, whether or not otherwise granted in these rules and regulations, as shall be authorized, directed, conferred, or imposed from time to time in specific cases by order of the Board, or by amendment of these rules and regulations. For the purpose of this section, asset and property including any mortgage, deed of trust, chose in action, bond, note, contract, judgment or decree, share or certificate of share of stock, or debt of the association, and right and power of the association, shall include any such asset or property, right or power of the receiver.

204.11 *Creditor Claims.*

(a) In the event the Board shall adopt a plan providing for the liquidation of the association, as provided in Section 204.9 of these rules and regulations, the receiver shall promptly publish, in a newspaper printed in the English language and of general circulation in the city or county in which the home office of such Federal association is located, a notice to all creditors of such Federal association to present their claims with proof thereof to such receiver on or before a date specified in such notice. The date specified in such notice shall be at least 90 days after the date of the first publication of such notice (Sundays and holidays included). Such notice shall be similarly published on dates approximately one month and two months respectively after the date of such first publication. Claims not filed within such period shall be disallowed, except as they may thereafter be approved by the Board for payment in whole or in part out of the assets of said Federal association remaining undistributed at the time of such approval. The receiver may, in its discretion, mail a similar notice to any creditor, shown to be such on the books of the association, at the last address of such creditor as the same shall appear on such books.

(b) Any claim proved to the satisfaction of the receiver shall be allowed by the receiver except as hereinbefore provided. The receiver may disallow in whole or in part or reject in whole or in part any creditor claim or claim of security, preference or priority not proved to its satisfaction, and notice of such disallowance or rejection together with the reason therefor shall be served by the receiver upon the claimant. The mailing of notice of such disallowance or rejection to the last known address of any claimant appearing on the books or the proof of claim shall be deemed sufficient for the purposes hereof. Unless such claimant shall within 30 days after the mailing of such notice (Sundays and holidays included) file with the Board written request for payment regardless of such disallowance or rejection by the receiver, such disallowance or rejection shall be final except as the Board may otherwise determine in its discretion.

(c) Upon the expiration of the time fixed for the presentation of creditor claims by the notice provided for in paragraph (a) hereof, the receiver shall cause to be filed with the Board a full and complete list of such claims presented. Such list shall indicate the character of each claim therein listed and whether or not allowed by the receiver. At such other date or dates as may be ordered by the Board or determined by the receiver, a list of claims presented before such date shall be filed with the Board.

(d) Allowed creditor claims, and creditor claims approved for payment by the Board regardless of disallowance or non-allowance by the receiver, shall be paid by the receiver in liquidating dividends declared from time to time by the Board, to the extent that funds are available, in such manner and amount as may be directed by the Board.

204.12 *Share interest claims.*

(a) In the event the Board shall adopt a plan providing for the liquidation of the association, as provided in Section 204.9 of these rules and regulations, the receiver shall, within one year from the date of such appointment, publish, in a newspaper printed in the English language and of general circulation in the city or county in which the home office of such Federal association is located, a notice to all shareholders of such Federal association to present their sworn proofs of claim of ownership thereof to such receiver on or before a date specified in such notice. The date specified in such notice shall be not less than five years after the date of the appointment of the receiver. Such notice shall urge that claims of ownership be presented promptly and shall be similarly published on dates approximately one year and two years respectively after the date of such first publication. Claims of ownership not filed within the period stated in the notice shall be disallowed, except as they may thereafter be approved by the Board for payment in whole or in part out of the assets of said Federal association remaining undistributed at the time of such approval. The receiver shall mail a similar notice to any shareholder, shown to be such on the books of the association in the possession of the receiver, at the last address of such shareholder as the same shall appear on such books, provided, however, that such notice need not be mailed to the holder of a share account that has been surrendered and transferred to the Federal Savings and Loan Insurance Corporation. At the time of the declaration of the first liquidating dividend, the receiver shall credit to a special reserve the proportionate shares of such liquidating dividend otherwise payable to the holders of unclaimed share accounts shown on the books of the association which appear to be outstanding and valid, and similar credits shall from time to time be made for any subsequent liquidating dividends as the same may be declared before the date specified in the notice hereinbefore provided for. The final liquidating dividend to shareholders whose claims of ownership have been allowed may include any sums held in such accounts or any portion thereof, but such dividend shall in no event be paid before the date specified in the notice hereinbefore provided.

(b) Any share ownership proved to the satisfaction of the receiver shall be allowed by the receiver. The receiver may disallow in whole or in part any claim of share interest not proved to its satisfaction, and notice of such disallowance together with reason therefor shall be served by the receiver upon the claimant. The mailing of notice of such disallowance to the last known address of any claimant appearing on the books or proof of claim shall be deemed sufficient for the purposes hereof. Unless such claimant shall file with the Board written request for payment regardless of such disallowance or rejection by the receiver within 30 days after the mailing of such notice (Sundays and holidays included), such disallowance or rejection shall be final except as the Board shall otherwise determine in its discretion.

(c) Upon the expiration of the time fixed for the presentation of claims of share interest by the notice provided for in paragraph (a) hereof, the receiver shall cause to be filed with the Board a full and complete list of such claims presented. Such list shall indicate the character of each claim therein listed and whether or not allowed by the receiver. At such other date or dates as may be ordered by the Board or determined by the receiver, a list of claims presented before such date shall be filed with the Board.

(d) Allowed claims of share interest, and claims of share interest approved for payment by the Board regardless of disallowance or non-allowance by the receiver, shall be paid by the receiver in liquidating dividends declared from time to time by the Board, to the extent that funds are available, in such manner and amount as may be directed by the Board.

(e) Upon the payment of insurance to the holder of a share interest, the surrender and transfer to the Federal Savings and Loan Insurance Corporation of the insured account, and the subrogation of the Federal Savings and Loan Insurance Corporation with respect to such insured account to the extent provided by law, shall be noted on the books of the receivership.

204.13 *Inventories, examinations, and reports.*

(a) *Inventory.* As soon as practicable after taking possession, the receiver shall make an inventory of the assets of such association as of the date of such taking possession, showing the value as carried on the books of the association, and the security therefor, if any, in whatever form the same shall exist, with a brief description of each such asset and such security. Such assets may be listed in such groups or classes as shall, to the satisfaction of the Board, afford full information as to their character and book value, and the receiver shall include a record of the creditor and share liabilities of the association. One copy of such inventory shall promptly be filed with the Secretary to the Board, one copy with the Federal Savings and Loan Insurance Corporation, and one copy shall be retained in the principal office for liquidation of the association, so long as such office is maintained.

(b) *Examinations and audits.* Each Federal association for which a receiver has been appointed shall be examined and audited (with appraisals when deemed advisable by the Board) at least annually by the Examining Division of the Board or as otherwise directed by the Board. The cost, as determined by the Board, of examinations, including office analysis thereof, audits, and any appraisals made in connection therewith, shall be paid from the assets of the association.

(c) *Forms and reports.* The receiver shall follow such accounting practices as may, from time to time, be prescribed by the Board. The receiver shall close its books as of June 30 of each year, and shall make an annual report of its affairs as of June 30 of each year to the Board on forms prescribed by the Board, and such other reports as may be from time to time required by the Board and shall accompany each recommendation for the declaration and payment of a liquidating dividend with a report showing the available assets. One copy of the reports herein required shall be filed with the Secretary to the Board, one copy shall be retained by the Federal Savings and Loan Insurance Corporation, and one copy shall be retained in the principal office for the liquidation of the association, so long as such is maintained.

204.14 *Final discharge and release of receiver.*

(a) *Final report.* At such a time as the receiver shall recommend a final distribution of the assets or at such time as the receiver shall be otherwise relieved of its duties, the receiver shall file with the Board a detailed report in form satisfactory to the Board.

(b) *Final discharge.* Unless otherwise directed by the Board, upon the final liquidation of the receivership, or the completion of the duties of the receiver or at such time as the receiver shall be otherwise relieved of its duties, an examination and audit shall be conducted in connection with the report of the receiver hereinbefore required. The accounts of the receiver shall thereupon be approved or disapproved, and, if approved, the receiver shall thereupon be given a complete and final discharge and release.

204.15 *Inspection of reports.* All inventories, statements and reports of the receiver shall be in at least as many copies as required by these regulations or as shall be otherwise directed by the Board. One copy shall be filed with the Board and a duplicate shall be filed with the Federal Savings and Loan Insurance Corporation, and each of the inventories, statements, and reports shall constitute permanent records of each liquidation open for inspection at such times and on such conditions as may be from time to time directed by the Board or, in the absence of such directions, whenever the office of the Secretary of the Board shall be open for business.

204.16 *Effect of amendments to regulations.* Amendments to these rules and regulations shall not affect the validity of any appointment heretofore made by the Board, or the conduct of any receivership or conservatorship existing at the time of such amendment, or the procedure to be followed under any such appointment, unless the amendment expressly so states, except that, to the extent not otherwise specified in any statute, rule, regulation, order or plan governing such appointment and actions thereunder, the titles, rights, powers, privileges and immunities specified in these rules and regulations, as from time to time amended, shall be deemed interpretative of the statutes, rules, regulations, orders, and plans governing such appointments and actions thereunder. Any temporary conservator in possession of any Federal savings and loan association shall continue as such temporary conservator pursuant to the order of appointment and rules and regulations in effect at the time of such appointment, and shall be succeeded by a receiver or conservator or the affairs of the association shall be otherwise disposed of as provided in such order and rules and regulations, provided, however, that any receiver or conservator who shall replace or succeed such temporary conservator, except another temporary conservator, shall, upon appointment, have and possess all the rights, powers, privileges, and immunities, and shall be subject to the duties and liabilities vested and imposed on a receiver or conservator by these rules and regulations as amended, but the causes for the appointment of a receiver or conservator in place of such temporary conservator shall be those specified by the rules and regulations in effect at the time of the appointment of such temporary conservator.

Proposed Amendment

Proposed amendment to rules and regulations for the Federal Home Loan Bank System, regarding payment of salaries by banks to officers or employees in the service of the United States Government.

A resolution was proposed by the Federal Home Loan Bank Board on August 26 prohibiting the payment of salaries by any bank to an officer or employee who is also employed by the United States Government, except that this provision would not affect the granting of leave with pay during military service or training. The proposed amendment, a final sentence in Section 2.5, follows:

> No compensation shall be paid by any bank to any officer or employee while such officer or employee is receiving compensation as a full-time or part-time salaried employee of the United States, or any department or agency thereof, or any corporate agency or instrumentality of the United States having no capital stock, or all of whose capital stock (except any qualifying shares of directors or similar officers which may be otherwise owned) is beneficially owned, directly or indirectly, by the United States, provided, however, that nothing herein shall affect the granting of any leave with pay to any officer or employee in the military service or training of the United States.

This proposed amendment will not be formally approved until at least 30 days after it was mailed to the Advisory Council and the Bank Presidents (September 2).

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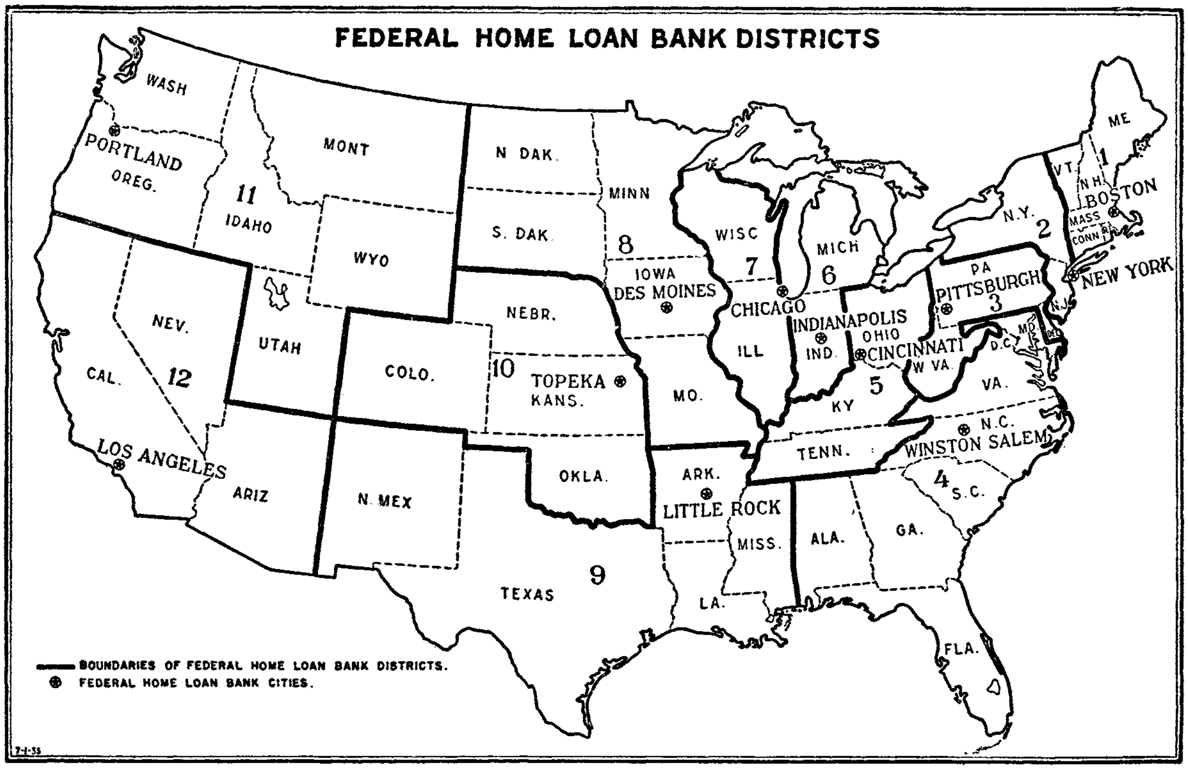

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