FEDERAL HOME LOAN BANK REVIEW

hington, January 1942

FEDERAL HOME LOAN BANK BOARD

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ORGANIZED 1932

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FEDERAL HOME LOAN BANK BOARD

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FEDERAL HOME LOAN BANK SYSTEM

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

HOME OWNERS' LOAN CORPORATION

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FROM DEFENSE TO VICTORY

"I ask that the Congress declare that, since the unprovoked and dastardly attack by Japan on Sunday, December 7, a state of war has existed between the United States and the Japanese Empire."

President's Message to Congress, December 8, 1941

■ The bombs which in the dawn of December 7 fell on Pearl Harbor have set the whole world on fire. From the day when Hitler's armies marched into the plains of Poland—little over two years ago—the theatre of this war has been extended over ever-widening areas. The treacherous attack by Japan has now brought our own country, and indeed the whole Western Hemisphere, into the conflict.

This is total war—not only because it is a life-and-death struggle between two conflicting ways of living, and not only because it embraces all the great world powers, but also because no single group in any nation can escape its consequences. All private interests and every line of business from now on will be subordinate to the exigencies of war, much more so than under the preparatory period of the national defense program drawn up after the collapse of France.

Toward a Full War Economy

With dramatic rapidity we are proceeding from the now outmoded defense program to a victory program which will assure a successful termination of this world struggle. In this transition the adjustments forced upon our economic system by the defense effort of the past year or so will stand us in good stead now that actual war has come. For in many respects the war will simply bring an intensification of our past efforts to make this country the arsenal and larder of the democracies. What will this mean?

We need a larger Army and a bigger Navy which will involve withdrawal of much more manpower from production than we witnessed in the past. We need more tanks and planes, more guns, more ships, more ammunition, more of everything that makes up a modern fighting force. To get these things produced the civilian consumer will have to tighten his belt. Already the output of most of our key industries has been at capacity rates, and while some new plants may be built and others expanded to produce additional war material, the bulk of the new requirements for the implements of war will have to come from a reduction of civilian consumption.

We shall, therefore, see an even greater dislocation of industry than in the past year, to a point where perhaps 40 to 50 percent of current production will be devoted to armaments as against an estimated 15 percent toward the end of 1941. More defense housing will be needed to take care of civilian and enlisted personnel of our expanding military forces and of additional workers drawn into armament centers. If there was any hope for the maintenance of a modicum of nondefense construction, this hope has now been shattered. The list of critical materials will probably be extended as time goes on. The shift from priorities to direct allocation of scarce products and rationing of some consumers' goods, already under way, will be accelerated.

A greater effort must be made to direct the savings of the people into Treasury coffers to finance the gigantic expenditure involved in modern warfare. Coupled with increasing taxes, this will undoubtedly limit the flow of money into private institutional savings channels. Price control, in one way or another, will be strengthened.

Digging in—the New Goal

In the face of this sketchy outline of things to come, adjustment of operating policies, without hysteria but with firm determination, is the greatest challenge to the managerial ability of savings and loan executives. In this total war it would be hazardous to hope that the experience of 1917–18, when savings and loan operations were but little affected by the war, will be repeated. The world has grown smaller in the intervening years. Today what happens on a military front thousands of miles away has a direct bearing on people's actions throughout the country, and business leaders tie in their own day-to-day decisions with the great political, military, and economic strategy which determines the fate of all of us.

At the same time, our whole social and financial structure is better fortified than 25 years ago to stand the shock of a war. In the realm of finance, the Federal Reserve System which was in its infant

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stage when World War I broke out is now the tested bulwark of our banking system. The Federal Home Loan Banks stand ready to strengthen thrift and home-financing institutions in case of need. Federal insurance of bank deposits and of investments in savings and loan associations instills in savers a feeling of security and safety which is a major factor on the home front. In fact, the performance of the stock exchanges, the firmness of Government bonds, and the maintenance of normal operations in all types of financial institutions during the first few weeks of the war are testimonies not only to the calm spirit of the mass of the people but to past achievements which justify this confidence.

Adjustment of Operating Policies

In the past few years, the active institutions in the savings and loan industry have enjoyed a steady and rapid growth. Even the year just ended, although overshadowed by the war, was a period of peak volumes in savings and lending operations as well as in earnings. Now we face the fact that, along with other peace-time pursuits, the financing of homes through the normal processes of private savings must partly yield to the necessities of war. Instead of operating in an expanding market, far-sighted savings and loan executives are now thinking in terms of consolidating, "digging in", and preparing for the aftermath.

Because of this re-orientation, the operating policies outlined in the Ninth Annual Report of the Federal Home Loan Bank Board and summarized in last month's Review are now all the more timely. In brief, these suggested policies are directed toward the strengthening of reserves by realistic adjustments of dividend rates and, if necessary, by reduction of operating expenses; the maintenance of liquidity positions and of credit lines adequate for an emergency period; conservative appraisals in the face of rising building costs; special safeguards in new lending operations to absorb the extraordinary risks which may be assumed; and intelligent collection policies, including the possible encouragement of mortgage-loan prepayments by borrowers—as a hedge against future delinquencies.

In the matter of dividend rates it is interesting to note that an appreciable number of associations are in the process of reducing their rates further although some of them are already at comparatively low levels. In the present emergency, excessive dividend rates are even less justifiable than under normal conditions because the foremost job before the management of thrift and home-financing institutions is to protect these institutions against the exigencies of the future by a rapid building-up of reserves. Moreover, the maintenance of the 1941 level of earnings is in no way assured.

Savings and loan associations will intensify their participation in the defense savings drive, discussed elsewhere in this issue. Not only do they have a vital stake in final victory but they have a direct interest in the control of inflationary tendencies which may become more acute as war expenditures mount at a rapid rate. Furthermore, patriotic motives as well as business considerations will lead them to invest larger amounts in Government securities which offer profitable yet liquid investment outlets for surplus funds resulting from restricted lending opportunities.

Other management problems likely to arise relate to the replacement of employees called into military service and the training of junior personnel who may be called upon to assume broader responsibilities. Associations on the West and East coasts will also give some consideration to safeguarding their records against possible destruction from the air.

Although it is to be hoped that damage to real property from enemy action will never reach disastrous proportions in the continental United States, mortgage-lending institutions are, of course, vitally interested in measures to provide adequate compensation for such losses. In contrast to the delays which marked the passage of the War Damage Act in England, the Administration has lost no time in taking the initial step for such protection by establishing the War Insurance Corporation (see page 104).

A Realistic Approach—the Solution

Operations under actual war conditions will give rise to many new and vexing problems. If these problems are approached realistically and courageously, there is no doubt that savings and loan associations, backed by the resources of the Federal Home Loan Bank System and the safeguards of share insurance for their investors, will meet the test. The British Building Societies have been able, under trying conditions of two years of war and under savage bombing attacks on cities and homes, to maintain an enviable record of stability in all phases of their operations. There is no reason, in the condition of savings and loan associations or in the shape of foreseeable future developments, why thrift and home-financing institutions in this country should not match their performance.

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New Priority Forms for Defense Housing

Beginning January 1 applications for priority assistance for privately financed defense housing are to be made on a new form PD 105 Revised. The new form requires definite statements as to the amounts at which properties will sell or rent. Builders must also agree to erect signs, legible at a distance of 100 feet, on which are lettered the serial number assigned to the project, and sale and rental prices of the family units under construction.

The new form calls for certain additional statements, among them a schedule showing the number of new houses to be started each month, and an agreement by the builder to keep copies of all of his purchase orders to which he applies the rating issued, and to make reports as called for.

* * * * *

Bombing Insurance for All

Acting promptly within the first week of declared war, the Government established a scheme of war damage protection to indemnify property owners for losses resulting from the hazards of war. To this end, the War Insurance Corporation was formed on December 13 and equipped with a capital of $100,000,000 supplied by the Reconstruction Finance Corporation. Originally restricted to the continental United States, the plan was later extended to include Alaska, Hawaii, the Philippine Islands, Puerto Rico, and the Virgin Islands.

This insurance covers "damage to, or destruction of, buildings, structures and personal property." Standard property insurance does not provide this coverage. For the time being no premiums are required of property owners and no declarations are necessary except in the cases of a loss. Not covered by this insurance are paper evidences of wealth such as bills, currency, or securities, and works of art.

Further regulations are expected in the near future and may possibly be patterned in some measure after the War Damage Act in Great Britain which went into effect on March 26, 1941. Under the British system property owners are required to pay premiums which are to be augmented by Government contributions if the premiums paid are insufficient to meet the losses.

* * * * *

Assistance for Completion of Nondefense Housing

A plan to make critical materials available for completion of privately financed nondefense housing for which foundations were in place on October 9 was put into effect on December 23. Under the plan, A-10 preference ratings are made available for materials necessary to complete homes and apartment houses which cannot qualify for priority assistance under the defense housing plan.

Officials of the Division of Civilian Supply estimate that approximately 70,000 dwelling units now under construction are in the classification covered by the new plan.

Although application forms differ from those for defense housing, the procedures are about the same. Application forms must be filed with the proper FHA field office.

At the same time priority assistance has been extended for the completion of USHA-financed slum-clearance projects which are in the process of construction. Altogether 7,042 low-rent dwelling units are affected by this measure.

* * * * *

San Diego Revises Its Building Code

Revision of the City Building Code because of the increasing scarcity of materials for nondefense purposes has received its initial tryout in San Diego, California. Conservation and substitution in both materials and methods, without sacrifice of safety in construction, is the keynote of the Emergency Regulations recently issued in that City.

The Regulations state: "It will be the policy of the Building Department to cooperate to the fullest extent in the matter of substitute methods and material. However, it will be required that all necessary data, computations, etc., be submitted to demonstrate the adequacy of the design or method."

The following excerpt from the technical specifications illustrates definite safeguards that are provided for the use of substitutes, particularly for steel. "All reinforcements may be omitted from walls and foundations of either unit masonry or concrete provided that walls and foundations of brick shall consistently be increased in thickness. . . . Wall and foundations of hollow units, whether of concrete materials, burned clay, etc., shall be consistently increased in thickness and laid up with mortar as described for bricks with full beds. . . ."

At the same time this revised code avoids the danger of becoming a strait jacket to the building industry since it definitely does not rule out the possible use of such adequate substitutes and methods as may subsequently develop. "Any other approved method of producing structually safe walls of unreinforced masonry will be given consideration."

* * * * *

Stabilized Prices for Lumber Products

Pending the establishment of a formal ceiling price schedule, Price Administrator Henderson announced on November 29 that prices have been stabilized for doors, door frames, sash, window frames, and screens made of Western pine. At the same time a schedule of maximum prices on Douglas fir doors, representing a reduction of approximately 15 percent from current levels, was issued.

This action represents the first taken by OPA on *finished* lumber products. The Office previously has placed ceilings on Douglas fir plywood, Douglas fir lumber, and Southern pine lumber.

* * * * *

Progress in Priority Ratings

Construction of 86,743 housing units in defense areas has been provided for through the issuance of 5,962 preference rating orders during the 10-week period ending December 5. These units are to be located in 290 cities, towns, and small communities which have suffered overcrowding because of the influx of war workers.

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INITIAL STEPS IN RENT CONTROL

The approval of the District of Columbia Emergency Rent Act early in December marks the beginning of legislation to regulate and control residential rents. Provisions of the over-all Price Control Bill now before Congress, together with the voluntary efforts of local Fair Rent Committees in more than 140 communities, presage increased restrictions on rental operations in all defense areas.

■ EFFECTIVE measures for regulating and controlling residential rents throughout the duration of the present emergency are rapidly taking shape. On January 1, the Nation's first rent-control law began to operate in the District of Columbia. The Emergency Price Control Act which has already been passed by the House of Representatives contains broad provisions for the regulation of rents in all defense areas. As a result, local Fair Rent Committees which have thus far been forced to operate on a purely cooperative basis will soon be supplemented by statutory authority if the necessary results cannot be achieved by voluntary agreement.

As the scope of restrictions on the normal operations of the real-estate market becomes more widespread, savings and loan managers and boards of directors, together with executives of all other mortgage-financing institutions must of necessity chart the course of their present and future activities in the light of these current developments. Without implying approval or disapproval of any specific measures, the following summarization of rent-control legislation presents a descriptive analysis of the methods which are being used and which are the direct concern of all institutions and individuals who must operate under them.

The Prelude to Rent Control in Washington

Few areas throughout the country face more serious housing shortages than does the metropolitan area of the Nation's Capital. With new Government workers arriving at the rate of more than 1,000 per week, and with the ratio of vacant units already at an unprecedented low level, it could no longer be said that a free market existed. On the demand side, the situation was one of increasingly steady pressure for housing accommodations in the face of an acute shortage. The balancing effect of an additional supply of dwelling units was seriously hampered by restrictions on new construction caused by shortages in certain building materials required by the military needs of the Nation, and by the element of time required to construct additional dwelling units.

The net result of these conditions was evident in many ways. Dissatisfaction of present tenants who were faced with increased rents, without an opportunity for corresponding increases in wages and salaries which in large part were fixed by law, was undermining employee morale and lowering living standards. But equally important from the viewpoint of a successful prosecution of the war was the simple fact that many people actually were refusing to accept positions in Washington because of its reputation for high rents and high cost of living.

The story, in large part, is analogous to World War I, but in that case it was 1919 before any legislative action was taken to provide relief for residents of the District of Columbia. The history of the Ball Rent Act and the legal tests of its constitutionality before the Supreme Court are familiar to students of housing legislation. On the basis of this experience and similar legislation in several States during this period, the Consumer Division of the National Defense Advisory Commission worked out a model bill to control rents during the present emergency.[1] This suggested draft was used by the Office of Price Administration, members of Congress, and representative groups of real estate interests in the District of Columbia in the preparation of the Bill which was adopted on December 2, 1941.

The District of Columbia Emergency Rent Act

Under the terms of the Emergency Rent Act, the maximum rent which a landlord may receive and the minimum service which he may supply, are the rent and services received and supplied on January 1, 1941; or in case the property was not rented on that date, the rent and service last received and supplied during the previous year if the property was rented at any time during that period. In the case of hous-

[1] "An Appraisal of Rent Control," Federal Home Loan Bank Review, April 1941, p. 214.

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ing accommodations which for one reason or another were not rented during the year ending January 1, 1941, *including new construction,* the maximum rent and minimum services will be determined by the Administrator on the basis of comparable housing accommodations in the District of Columbia.

The date of January 1, 1941 was chosen as a base on the theory that rent increases after that date were largely the result of a rental market which was no longer free because vacancies had become negligible. According to the Bureau of Labor Statistics survey for Washington, most of the rent increases of the past 2 years have occurred since that base date.

Adjustment of the Base Rents and Services

Although the Act stabilizes rents at the January 1941 level, it also makes provision for administrative adjustments to reflect increased costs of operation occurring since this date. Whenever a general increase or decrease in taxes or other maintenance or operating costs has occurred or is about to occur, the Administrator is permitted to adjust the rent ceilings to compensate for these changes.

Initiative for adjustments under the Act does not rest entirely with the Administrator, however. Individual landlords or tenants are permitted to petition the Administrator for adjustment of the minimum service standard or maximum rent ceiling applicable in their case. These petitions may be made "on the ground that such maximum-rent ceiling is, due to peculiar circumstances affecting such housing accommodations, substantially higher or lower than the rent generally prevailing for comparable housing accommodations." If this is found to be true, the Administrator may adjust the rent ceilings or the service standards in accordance with the individual case.

In addition to appeal on the basis mentioned above, a tenant is also allowed to petition the Administrator to adjust the maximum-rent ceiling on his accommodations if he believes that the ceiling permits "an unduly high rent." In this case the Administrator may adjust the ceiling so that it will carry out the purposes of the Act and provide "a fair and reasonable rent for such housing accommodations."

This provision presents one of the most complicated administrative problems connected with the entire Act. As originally introduced by Representative Wright Patman, the standards for determining an "unduly high rent" were based on "the investment value of the property and the value of the services rendered"; but this was subsequentl amended as outlined in the preceding paragraph during the legislative action of the House of Representatives and Senate.

As long as a tenant continues to pay the rent to which the landlord is entitled, an owner cannot recover possession of the dwelling regardless of the existence of a lease, except under certain specified conditions: (1) if a tenant is violating an obligation of his contract, other than paying a higher rent, or is committing a nuisance or using the dwelling for immoral or illegal purposes; (2) if the landlord wants the dwelling for his immediate and personal use and occupancy; (3) if the owner has contracted to sell the property to a purchaser who intends to occupy the accommodations for his own immediate and personal use; or (4) if the landlord desires possession for the immediate purpose of substantially altering, remodeling, or demolishing the property and replacing it with new construction.

Opportunities for Court Review

Provision is made for court review by the Municipal Court of the District of Columbia of administrative orders resulting from the petitions of either landlords or tenants. The decisions of this Court are in turn subject to the review of higher courts as provided by law.

Violators of the maximum-rent ceilings or minimum-service standards are liable to civil suit brought by any tenant affected by such unlawful action. The tenant may sue to rescind his lease, or to recover twice the amount of the excess rent charged or twice the value of the services illegally withheld, or for $50, whichever is greater in either case, plus costs, and attorney's fees as determined by the Court.

In contrast to much of the rent legislation passed during World War I, the new District Act contains a definite time limit for its effectiveness. All regulations, orders, and requirements under the Act terminate on December 31, 1945.

Rent Regulation in the Over-All Price-Control Bill

The Emergency Price Control Act as passed by the House of Representatives late in November, which is now under consideration in the Senate, contains several sections governing the regulation of rents designed "to prevent speculative, unwarranted, and abnormal increases in prices and rents."

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Administration of the Price Control Act under the House version is vested in a single Administrator whose acts are subject to the review of a five-man board. Whenever the Administrator feels it necessary to carry out the purposes of the Act, he is empowered to make suggestions regarding the stabilization or reduction of rents for defense-area housing accommodations *within defense-rental areas.* If these recommendations have not been carried out satisfactorily by State or local regulation within 60 days, then the Administrator is authorized to establish such ceilings as in his judgment will accomplish the necessary results.

The Administrator may also regulate or prohibit speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) which are likely to result in price or rent increases. Furthermore, the Patman amendment providing tenants with an opportunity of petitioning because of an "unduly high rent", discussed under the provisions of the District of Columbia Rent Control law, is included verbatum in the over-all price-control bill as passed by the House of Representatives.

The base date to be used for the determination of ceilings is somewhat earlier than in the District of Columbia law. So far as practicable, the Administrator is instructed to give consideration to the rents prevailing on or about April 1, 1940. As defined by the Bill, a defense-rental area includes the District of Columbia and any area designated by the Administrator as an area where defense activities have resulted or threaten to result in an increase in the rents for housing accommodations inconsistent with the purposes of the Act.

All actions of the Administrator may be appealed to the Board of Administrative Review, and the right of petition to the circuit court of appeals is expressly provided. Willful violations of the provisions of the Act may be penalized with a fine, an imprisonment, or both.

Fair Rent Committees—A Stop-gap

Many Review readers are already familiar with the work which has been done in a host of defense communities through voluntary Fair Rent Committees. These local groups have followed in the footsteps of the Rent Readjustment Committees of World War I, and on the basis of the best of this previous experience have operated to stabilize rent levels through moral suasion and the pressure of public opinion. With the passage of adequate State and local regulations or, if this is not forth-coming, the adoption of an over-all price-control measure by Congress, these citizens' committees will be backed by statutory authority to enforce local regulations.

The general plans and policies under which Fair Rent Committees work are well known to the savings and loan industry, and in some instances associations have contributed their active cooperation to these projects. The Rent Section of the Office of Price Administration which has general supervision over the Committees, urges that their first step include the adoption of a generally accepted Fair Rent Date for the area concerned and then the initiation of a program to stabilize rents at that point. The Committees are instructed to consider as reasons for legitimate increases only those items involving significant changes in structure and facilities; rises in cost of maintenance and services; increases in cost of fuel and utilities; increases in taxes; and finally, any extraordinary reasons for which the rent charged on the ceiling date was unusually low.

Directory of Member, Federal, and Insured Institutions

Added during November–December

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

DISTRICT NO. 1

New Hampshire:
Salmon Falls:
Rollinsford Savings Bank.

DISTRICT NO. 2

New Jersey:
Millville:
Millville Savings and Loan Association.
Newark:
Berkeley Savings and Loan Association of Newark, Bergen Street and Lyons Avenue.
Penn Savings and Loan Association of Newark, 14 Ferry Street.

DISTRICT NO. 3

Pennsylvania:
Harrisburg:
The Harris Building and Loan Association, 205 Pine Street.

DISTRICT NO. 4

Virginia:
Newport News:
The Mutual Home and Savings Association of Newport News.

DISTRICT NO. 5

Ohio:
Columbus:
The Standard Savings and Loan Company, 33 North High Street.
Wapakoneta:
The Home Savings and Loan Association.

DISTRICT NO. 8

Iowa:
Charles City:
Charles City Building and Loan Association, 616 Clark Street.
Missouri:
Higginsville:
Higginsville Building and Loan Association.

(Continued on p. 115)

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PROGRESS IN PENSION PLANS

Reader interest in the articles on retirement and pension plans published in 1940 has led to additional research on the use of these programs by the industry as a whole. Although the number of plans in operation is still small, enthusiasm for the general idea remains high. Savings and loan associations which have reached the "consideration" stage should find this material helpful in formulating definite plans for their own employees.

■ THE Social Security Act, since its enactment in 1936, has had the effect of making both employers and employees "pension conscious." Particularly has this been true in the savings and loan business following the inclusion of its employees under the provisions of the Act beginning in January 1940.

From the start, however, the Social Security Legislation has made no allowance for the past service of an employee and its benefits create only a limited foundation for adequate retirement income—a maximum of $85.00 per month, and only a small percentage of all participants in the plan will be eligible for checks of this amount. For example, a 30-year old married employee on the pay roll of an association on January 1, 1940 who earned an average monthly salary of $125 until the time of his retirement at age 65 would be eligible for a benefit check of $55.69. If he were single or a widower, the monthly check would only be $37.13.

It is evident that this reduction in current income will not permit the typical employee to maintain a standard of living comparable to that enjoyed while working. Nevertheless, this initial step in the direction of providing for the future security of personnel has stimulated the thinking of many business executives with a view toward making up the difference between the Government plan and that amount necessary for financial independence.

In a series of two articles published during July and August 1940, the REVIEW analyzed the retirement plans of five of the pioneer institutions providing such protection for their employees; and in addition described the proposed group plans under consideration at that time by savings and loan associations and mutual savings banks in the State of New York. During the past year the number of savings and loan associations known to be operating some form of employee pension or retirement program has risen to 14, and several more associations have such plans under observation at the present time. The group plan offered for members of the New York State Savings and Loan League, however, failed to materialize although a similar proposal has been accepted by the mutual savings banks in the State and is now in effect.

Correspondence received from managing officers and boards of directors of associations that have been contemplating the adoption of some form of retirement or pension plan for their own employees has usually requested information on several specific phases: What type of plan may be used? Approximately how much will it cost to operate? What employees should be eligible and how can we compensate for past service? For the convenience, then, of executives who are studying this problem at the present time, the following sections summarize the answers to these questions as found in the various association plans already in operation.

Deciding on the Type of Plan

Aside from the all-important "yes" or "no" answer to the basic philosophy of providing any form of retirement or pension income for association personnel, the decision on the type of plan ultimately adopted is of vital influence on nearly every other phase of a program of this nature.

Broadly speaking, there are three variations which may be considered: First, a separate account for every employee may be set up on the books of the sponsoring association to which may be credited both employer and employee contributions together with regular dividends as they are declared. Second, an association may undertake to operate a group retirement fund into which employee and employer payments will be lumped and out of which the annuity contracts will be purchased for participating employees as they retire. The third type of plan involves the hiring of an insurance company or

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other outside agency which specializes in the handling of annuity, retirement, or pension contracts. This may be carried out either under a blanket arrangement for all employees or on an individualized basis to fit the particular needs of each member of the staff.

As might be expected, these methods include certain advantages and disadvantages. For example, whereas some executives point out the inconsistency of a thrift institution's going outside of its own organization for a "savings" job, another group feels strongly that the use of an outside agency tends to instill greater confidence on the part of the employees and a more impartial administration by specialists in annuity work. Again, the element of impartiality achieved under the third type of plan also introduces a rigidity which makes it difficult to take care of exigent circumstances

Summary of retirement and pension plans now being operated by savings and loan associations

Association	Approximate size	Plan started	No. of employees	Participation	Type of plan	Contribution
The Gem City Building and Loan Association Dayton, Ohio.	$21,500,000	1926	39	Voluntary; effective at once.	Estate account; funds held in employee's name in special individual account.	Employee may contribute approximately 5% of his salary; Association adds a specified percentage of this amount in relation to service.
Old Colony Co-operative Bank Providence, Rhode Island.	30,700,000	1931	74	Voluntary; effective during 6th month of service.	Annuity contract; operated by life insurance company.	Association contributes approximately one-half cost; employees contribute in proportion to their salaries.
Albert Lea Building and Loan Association Albert Lea, Minnesota.	2,400,000	1935	4	Compulsory.	Funds held in employee's name in special individual account.	Employees contribute from $2.50 to $15.00 per month depending on length of service. Association matches employee contribution.
First Federal Savings and and Loan Association of Portland Portland, Oregon.	3,200,000	1937	13	Voluntary; after 6 mos. service.	Funds held in employee's name in special individual account.	Employees contribute 5% of their salaries each month; when net earnings have been determined, a bonus amounting to 5% of all salaries is distributed to the individual accounts.
Harvey Federal Savings and Loan Association Harvey, Illinois.	3,000,000	1937	17	Voluntary.	Funds held in employee's name in special individual account.	Employees may contribute up to a maximum of 3% of their monthly earnings; Association contributions are intended to match those of employees with allowance for Social Security payment.
Minnesota Federal Savings and Loan Association Saint Paul, Minnesota.	23,300,000	1938	79	Compulsory; after 6 mos. service.	Funds held in employee's name in special individual account.	Employees may contribute up to 5% of their monthly salaries and an equal amount will be contributed by the Association. Payments are limited to $500 per year for any one participant.
Railroadmen's Federal Savings and Loan Association of Indianapolis Indianapolis, Indiana.	30,100,000	1938	79	Voluntary.	Group pension fund administered by the Association.	Employees contribute at a fixed rate in proportion to their salaries; Association contributions are determined by actuarial requirements.
Capitol Savings and Loan Company Lansing, Michigan.	12,800,000	1938	33	Compulsory.	Funds held in employee's name in special individual account.	Employees contribute 3% of their monthly salaries and an equal amount is added to the account by the Association. On salaries of $5,000 and over, contributions are made on basis of 3% of $5,000.
Peoples Federal Savings and Loan Association of Peoria Peoria, Illinois.	9,400,000	1939	23	Compulsory; after 6 mos. service.	Funds held in employee's name in special individual account.	Employees may contribute from 2 to 5% of their monthly salaries; Association contributions are based on 5% of its profits after dividends, reserves, and charge-offs have been taken care of.
First Federal Savings and Loan Association of Detroit Detroit, Michigan.	11,200,000	1940	16	Compulsory; starting on January 1 of each year with at least 3 mos. service by that time.	Funds held in employee's name in special individual account.	Employees may contribute from 2½ to 5% of their monthly salaries; Association agrees to match by an equal contribution. Contributions limited to a maximum of $500 per year for any participant.
First Federal Savings and Loan Association of San Diego San Diego, California.	4,200,000	1940	12	Voluntary; after 1 year. Employee must then decide within 3 mos. to participate in the plan.	Funds held in employee's name in special individual account.	Employees contribute 5% of their monthly salaries and the Association adds an equal amount.
First Federal Savings and Loan Association of New York New York, New York.	11,100,000	1941	22	Voluntary; starting on January 1, following employment.	Annuity contract; operated by life insurance company.	Employees contribute on the basis of a fixed schedule in proportion to their annual salaries; Association contributes whatever additional amount is required to provide the monthly retirement annuity.
Bronx Federal Savings and Loan Association New York, New York	2,600,000	1941	4	Voluntary; starting on January 1, following employment.	Annuity contract; operated by life insurance company.	Employees contribute on the basis of a fixed schedule in proportion to their annual salaries; Association contributes whatever additional amount is required to provide the monthly retirement annuity.
Bronxville Federal Savings and Loan Association Bronxville, New York.	2,000,000	1941	5	Voluntary; starting on January 1, following employment.	Annuity contract; operated by life insurance company.	Employees contribute on the basis of a fixed schedule in proportion to their annual salaries; Association contributes whatever additional amount is required to provide the monthly retirement annuity.

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which may arise in the life of any employee and which may necessitate adjustments which could be made under a more flexible arrangement where management of the funds remains in the association.

Of the 14 plans under observation, nine employ various modifications of the first type of individual accounts, one institution (quite large in size) operates its own fund; and the remaining four depend on insurance companies to handle their plans.

The Cost of an Adequate Retirement Program

The answer to the question of cost will, of course, inevitably depend on the type of program which is adopted and the nature and amount of additional benefits which it provides for participating employees. The United States Savings and Loan League Committee on Compensation of Management and Staff, which has been studying the problem of cost, has made certain observations which throw light on this matter. Their findings indicate that the cost of carrying the Social Security program at the peak rates now provided in the Act (beginning in 1949) will vary from 0.5 of 1 percent of gross income for smaller associations to 0.7 of 1 percent of gross income for associations having eight or more employees and more than $500,000 in assets.

Assuming that an association contributes to an employee retirement plan an amount equal to approximately 4 percent of its annual payroll, the cost of these payments *plus* Social Security taxes would be only about 1 percent of gross income for the small associations and 1.1 to 1.2 percent of gross income for the larger institutions.

It is highly important in setting up any plan that some method be found to predict accurately the ultimate cost of the program to an association. This should prevent a premature abandonment of the plan by an institution which suddenly discovers that its maintenance cost is excessively high. If, for example, the association's contributions are a fixed percentage of the annual payroll, or if payments are in accordance with a predetermined contract, there is no question about this feature; whereas there may be if an institution undertakes to set up its own actuarial requirements or to pay out as needed.

The Question of Eligible Employees and Past Service

Without exception, the question of which employees are eligible turns upon the length of service with the organization. Generally an employee must have been working in the association for at least six months, and more frequently a year is the minimum period required. The plans are usually open to both male and female employees although the retirement age for women is ordinarily 60 instead of 65 as it is for men. Participation is generally on a compulsory basis; however, some institutions have found it desirable to make the program voluntary.

The problem of providing for past service of employees up to the time of inaugurating a plan such as those discussed here is one of the real difficulties for which a satisfactory solution must be found. Inasmuch as the Social Security program of the Federal Government does not make any allowance for employment prior to the effective date of the plan, one of the primary aims of individual programs has been to make up for this deficiency.

In the case of those institutions which have undergone financial reorganization either through merger, consolidation, purchase of assets, or conversion, the problem of past service becomes even more complicated. In spite of the fact that allowance for these back periods involves a higher initial contribution from the association's management, it is interesting to observe that almost all the plans now in operation do give credit for prior service.

Problem of Settlement

Having agreed upon the type of pension plan to be used and having determined who is eligible, the next set of policies to be decided upon is usually concerned with the settlements made in the case of employees who have reached retirement age or whose services are terminated prematurely by death, voluntary resignation, or management action.

Let us consider first the ordinary case of an employee who stops work upon reaching the retirement age. If the plan provides for some form of association account, payment is usually made in lump sum to be used at the discretion of the recipient, or in some cases the regulations may provide for regular monthly payments until the fund is exhausted. If an insurance annuity plan is being used, then a regular benefit check may be expected each month as long as the employee lives. Where retirement is forced at an earlier date because of disability, adjustments are made accordingly and modified payments are generally available under any type of plan.

In the case of voluntary resignation or dismissal, nearly every plan provides for a return of all or almost all of the employee contributions plus accrued

(Continued on p. 119)

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« « « FROM THE MONTH'S NEWS » » »

HOUSING IS HEALTH: "Housing is health and temper and a large part of living. It must be one of a very few greatest of all questions. Our aim should be to develop a fine tradition of living in houses. Whatever the circumstances which may enforce economy on a Nation in the days to come, we may hope for a continuance of the policy of improving housing conditions."

Sir Harold Bellman, *The Building Societies' Gazette*, November 1941.

VIEWPOINT: "I doubt any executive would question the advantages that would accrue to him and to his organization if he could but withdraw from the daily scene and look it over comprehensively from the impersonal point of view of the customer or of the general public."

Edmund P. Livingston, *The Month's Work*, November 1941.

DEFENSE HOUSING: "We must recognize that there are conditions under which private enterprise cannot meet the demand for defense housing and ought not to be expected to do it. So far as defense housing, clearly temporary in character, is concerned, it is the function of Government to furnish it and the Government should be prepared to take any loss."

John H. Fahey, Chairman of the Federal Home Loan Bank Board, before New Jersey Association of Real Estate Boards, Dec. 5, 1941.

CONSTRUCTION COSTS: "Temporary increases in costs cannot be carried over into valuations which, in conjunction with other underwriting analyses, are made for the purpose of determining economic soundness and of patterning insurable long-term mortgage loans. Temporarily increased construction costs reflected in increased prices paid by the real-estate market should be recognized as short-term increases in housing expense."

Curt C. Mack, *The Mortgage Banker*, Dec. 1, 1941.

BASIC: "The desire to build for one's self, and to defend the right to enjoy the thing one has builded, is basic in men. The right so to build, possess, enjoy, and defend, is Democracy's gift to its citizens. That is why home ownership is the foundation of our democracy and the guarantee of its survival."

M. M. Hurford, President, Federal Home Loan Bank of Los Angeles, *Beyond the Figures*, October 1941.

Basic guarantees of democracy . . . . .

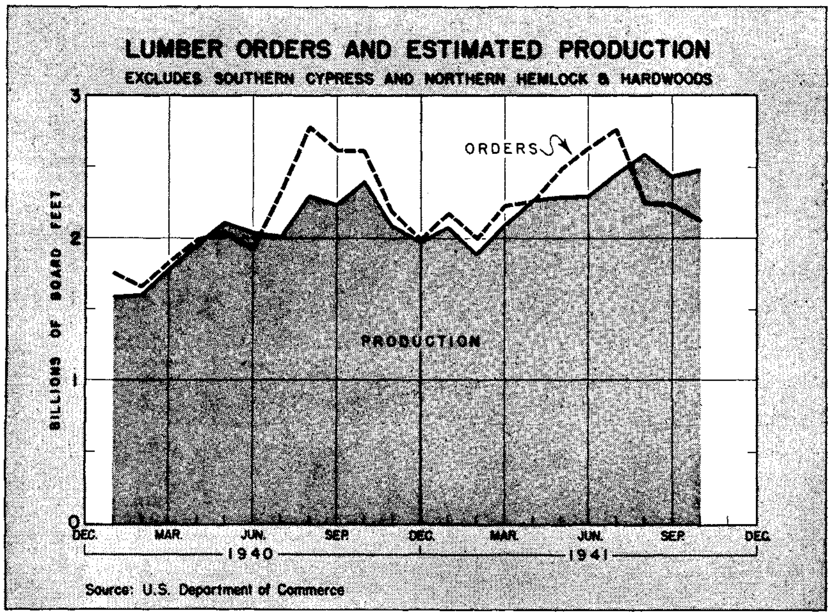
"For more than one hundred years, savings and loan associations and other thrift institutions have been turning savings into homes. Each home has given an American family a 'stake' in its own country and the broad home ownership which extends throughout this land today is one of the basic guarantees of its democratic existence. You have the satisfaction of knowing that your work in past years has helped to make your country incomparably stronger in the face of threats from without and subversive movements from within. Fifth columns simply don't penetrate the ranks of ordinary men and women who own their own homes."

Franklin D. Roosevelt, President of the United States, special message to the annual Convention of the United States Savings and Loan League, December 1941.

Clearing the books . . . . .

"The corporation strongly urges all insured banks in periods of generally good business like the present to eliminate non-banking and substandard assets from their books, either by sale or charge-off. It is particularly important that the management of banks with substantial proportions of such assets take steps to improve their position at every opportunity."

Leo T. Crowley, Semiannual Report, Federal Deposit Insurance Corporation.



During much of the past two years lumber production has failed to attain the volume of new orders resulting from the defense program, as indicated in this chart. Recently the mills have striven to increase their output and during September and October most of the industry was producing in excess of new orders, reducing the huge unfilled-order files.

Shortage of intercoastal shipping space has restricted the movement of lumber from the West Coast to East Coast markets and is contributing to the huge demand on the Southern producers.

Domestic Commerce, Nov. 27, 1941

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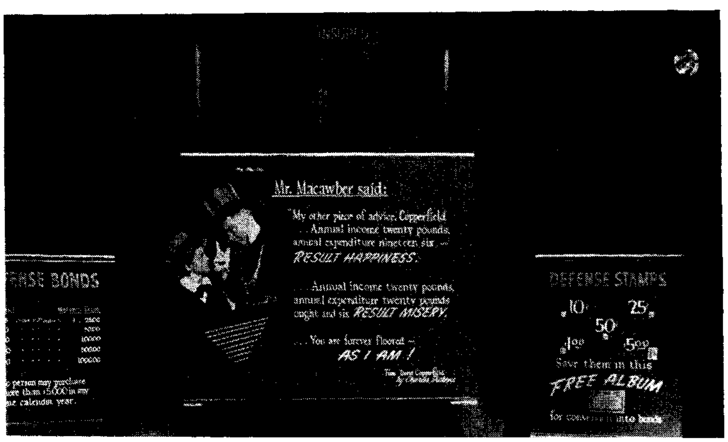
DEFENSE BONDS—A GREATER TASK AHEAD

As we enter into a new phase of war financing, a review of achievements in the first 7 months of the defense savings campaign is appropriate. A 345-percent increase in defense bond sales by representative savings and loan associations in the week following the attack on United States territory indicates a patriotic response which must be transformed into a sustained effort.

■ THE defense savings campaign has assumed new importance since the advent of the "shooting war." Last December the defense program was estimated to add up to a total money outlay of \$74,000,000,000, actually spent or authorized. War operations will multiply the requirements of the Treasury, and it is imperative that a greater volume of savings along with more taxes be placed at the disposal of our country.

The immediate and spontaneous upsurge of defense bond purchases after the attack on Pearl Harbor demonstrates that this necessity is generally understood. Paralleling the experience of other agents for the sale of defense bonds, savings and loan associations throughout the country registered an extraordinary rise in the sales volume of defense savings bonds, Series E. A spot check made by the Federal Home Loan Bank Board, including one representative association in each of 120 cities throughout the United States, disclosed an increase in sales averaging 345 percent for the second week in December compared with the preceding week, with the greatest increase in the Los Angeles District. Total sales of Series E bonds in the United States during December reached \$341,085,000, more than three times November and the average for the previous 7 months.



Seven Months of Defense Bond Sales

Now that a new chapter of war financing begins, it is perhaps not amiss to review the results of the defense savings drive before the start of actual hostilities. During the first 7 months of the campaign the Treasury realized \$2,800,611,000 from sales of special defense bonds. Of this total, \$803,575,000 was received from the distribution of Series E, the security issued primarily to tap the savings of the average citizen, while Series F sales accounted for \$174,410,000, and Series G, \$1,030,625,000. Sales of Series E bonds during the 7-month period compared with \$389,646,000 received by the Treasury in the same interval of 1940 by the issuance of the so-called baby bonds, and the 106-percent increase in this operation is perhaps the best yardstick for measuring the success of the defense savings drive up to date. On a per capita basis, sales of the E bond from May through November totaled \$6.10 for every man, woman, and child in the United States, or an average of 87 cents per person per month.

That much better results must and will be achieved under actual war conditions is indicated by the British experience. War bond sales to small savers in Great Britain over the first 2 years of hostilities aggregated \$4,033,000,000, a total of \$86.50 per person or \$3.76 per capita per month. In other words, the campaign in Britain yielded more than four times as much as our average over the past 7 months for Series E, on a comparable monthly basis.

Evolution of Plans and Methods

As in many other respects, these past months have at least helped to prepare us for the greater tasks that lie ahead. In the defense savings drive these months have served to establish a more or less complete set-up for the much needed promotion of war savings. In addition to the work of the thousands

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of issuing agents—post offices, banks, savings and loan associations, and retail stores—and in addition to the use of general publicity media such as newspapers, radio, and posters, various other methods have been developed to reach as great a number of people as possible.

Payroll deduction plans have been instituted to tap the savings of industrial workers and salaried personnel. Under this plan, the employee voluntarily authorizes the use of a specific portion of his periodic earnings for the purchase of defense stamps and bonds. The method has already been adopted by 8,000 enterprises employing 12,000,000 workers, and the Treasury is now working on a vast extension of this program to include about 60 percent of the Nation's gainfully employed persons in 16,000 business establishments.

City-wide drives for the sale of defense securities are being sponsored by local bond committees in the form of "Victory Day" programs. The demonstrations usually include parades, luncheon meetings, addresses, and other community events focusing attention upon the drive and striving for a 100-percent community participation in the campaign.

A method worthy of note because of the convenience it offers is an automatic draft plan by which a depositor in a bank or a shareholder in a savings and loan association authorizes the institution, on a form specifically designed for the purpose, to purchase and deliver bonds by charging his account. Commercial banks have also had notable success with their "Buy a Bond" clubs.

School stamp drives are gaining momentum. The difficulty in an effective school distribution has been the absence of any fund with which stamps could be initially purchased from the post offices. However, in many localities such funds are now being provided by banks, savings and loan associations, and other interested groups.

Savings and Loan Participation

The phrase "at your savings and loan association" is now heard over the air by hundreds of thousands of people every day when radio announcers enumerate the establishments where defense savings bonds can be obtained. The efforts of many associations have been commensurate with the challenge, and some of these efforts are reflected in the advertisements and window displays reproduced on these pages.

At the end of November, 1,729 savings and loan associations throughout the country had qualified

as issuing agents, and this number has undoubtedly increased since the collateral requirements devised at the conception of the campaign were recently modified. Associations insured by the Federal Savings and Loan Insurance Corporation are no longer required to tie up their securities if they wish to qualify as issuing agents. Without hypothecation an insured association can now obtain a stock of bonds equal to 50 percent of its "capital and surplus or guaranty fund or reserve for capital purposes, or other similar fund or funds, or $50,000, whichever is the smaller amount," according to the Treasury instructions. This regulation should permit any insured institution to acquire a stock sufficient for its purposes without pledging collateral.

Defense savings bonds will also play a greater part in the future investment programs of savings and loan associations. Series F and G bonds, of which an institution can purchase up to $50,000 in any one year, have already been acquired by many associations in substantial amounts. As Government restrictions on home building are likely to curtail the volume of new mortgage loans, home-financing institutions will probably be faced with the problem of seeking other investment outlets and preferably those which can be converted into ready cash in case of need. These bonds, which are redeemable after 6 months, possess this desirable feature of liquidity in addition to being another tangible means by which savings and loan associations can assist in the victory program.

Successful Sales Methods

Supplementing their widespread general publicity for the defense savings program, progressive managers of savings and loan associations have found some of the more recently developed distribution methods well adaptable to their use. In several

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GUARD AGAINST LEAN YEARS AHEAD—

Let's All Save Now!

PRIVATE SAVINGS OF TODAY will be the private purchasing power of tomorrow. Store up purchasing power today for the days ahead in which employment and wages may not be so favorable.

When the defense program ends, people and communities will suffer unless those who are employed now save part of their incomes to be used later on.

You witnessed the mounting relief rolls, the WPA and other effects of the last depression. You can do your part to protect yourself and your community against a repetition by saving now and by preaching saving to your family and your friends.

You can enjoy a good standard of living today and provide financial security for your family tomorrow by saving today.

Your family and friends will credit you with being far-sighted if you have money to tide you over a period of depressed business.

And, if the transition from defense production to peace time conditions comes without any shock, you'll have money to use to travel or to accomplish whatever you wish.

Saving money now, and as long as employment conditions are good, is vitally important. It is so important, in the judgment of this savings association, that we say to you, in all sincerity—

"Save here if you wish. Save at your favorite bank or savings association. Buy your defense bonds and stamps here if you wish. Buy them at any post office, bank or savings and loan association. You can buy defense savings stamps at almost all retail stores. But, no matter what may be your personal choice of savings institution, let's all save now!"

SECOND FEDERAL SAVINGS AND LOAN ASSOCIATION
221 EUCLID AVENUE
CHERRY 4711 CLEVELAND

WHERE YOU SAVE IS NOT SO IMPORTANT . . . SAVING NOW IS MOST IMPORTANT

★ FOR DEFENSE ★

...Since 1885

So. California's oldest . . San Diego's largest Association

Save, invest for defense of your financial independence . . . . 57 years of uninterrupted dividends.

- Insured Safety
- Availability.
- Headquarters for United States Defense Bonds . . and . . Stamps.

SAN DIEGO FEDERAL SAVINGS
1027 S. th Ave. Just north of Broadw.

INSURED SECURED

BUY DEFENSE SAVINGS BONDS HERE

This Federally chartered institution is cooperating fully with our Government in the sale of Defense Bonds.

Thrift is the basis of our business. We welcome the opportunity to serve you.

FIRST FEDERAL
SAVINGS AND LOAN ASSOCIATION
338 ERIE STREET • TOLEDO

FEDERALLY INSURED SAVINGS

Buy UNITED STATES DEFENSE BONDS

★

—Help Your Country
—Help Yourself

★

THESE FEDERALLY INSURED Savings and Loan Associations welcome the opportunity to co-operate with our government in the country's defense program by making these bonds available to the public. You can purchase bonds outright—denominations beginning at $18.75—or you can buy stamps until you have accumulated enough to purchase a bond.

★ ★

INSURED SAVINGS & LOAN ASSOCIATIONS
OF KANSAS CITY, MO.

Baltimore Ave. Federal Savings and Loan Ass'n.	921 Baltimore
Blue Valley Federal Savings and Loan Ass'n.	6612 Independence
Central Federal Savings and Loan Ass'n.	115 East 9th St.
Farm and Home Savings and Loan Ass'n.	Fidelity Building
First Federal Savings and Loan Ass'n.	925 Walnut
Metropolitan Savings and Loan Ass'n.	1017 Baltimore
Rockhill Federal Savings and Loan Ass'n.	4635 Troost
North American Savings and Loan Ass'n.	210 E. 10th St.
Safety Federal Savings and Loan Ass'n.	910 Grand
Sentinel Federal Savings and Loan Ass'n.	111 E. 10th
South Side Federal Savings and Loan Ass'n.	303a W. 75th
Standard Federal Savings and Loan Ass'n.	923 Walnut
Success Federal Savings and Loan Ass'n.	17 E. 10th
Swedish-American Savings and Loan Ass'n.	905 Walnut
United Savings and Loan Ass'n.	827 Walnut

DEFENSE SAVINGS BONDS AND STAMPS

are on sale at our office. You can buy bonds of Series E (the new Baby Bonds) from $18.75 to $750.00. In ten years, these will have a maturity value of $25.00 to $1000.00. Defense Savings Stamps are from 10 cents to $5.00.

More detailed information on above and on Bonds of Series F and G gladly given on request.

WOMEN'S FEDERAL
SAVINGS & LOAN ASSOCIATION
320 Superior Ave. • Opposite Public Library • Telephone CHerry 6080
Miss Clara E. Westropp, *Secretary*

DIXIE

A Friendly Institution

We Are Qualified Issuing Agents for the Sale of

United States Defense Savings Bonds Series E

We Recommend

United States Defense Savings Bonds

Our services and facilities are at your command and we are happy to serve you.

Buy U. S. Defense Bonds

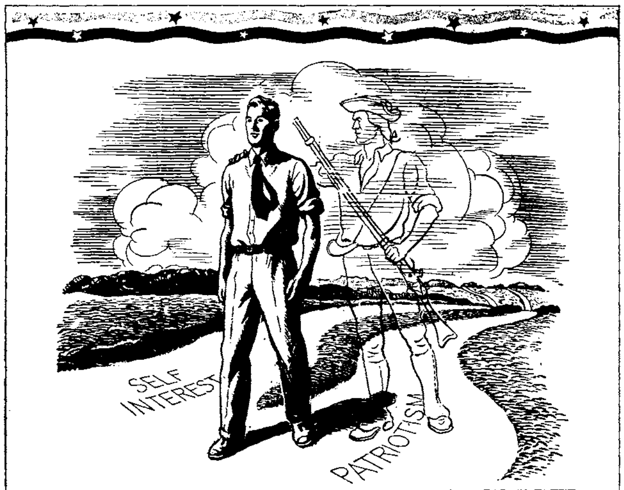
See Dixie Homestead Association

William J. Sonnemann, President

ARE YOU DOING YOUR PART?

This institution has been chosen by the United States Treasury as an issuing agent for the distribution of Defense Bonds. We welcome this appointment to serve both you and our government, contributing our services gladly and without compensation or profit.
Are you doing YOUR share for Defense?

FRIENDLY CITY FEDERAL
Savings and Loan Association
116 MARKET STREET – JOHNSTOWN, PA.



When Patriotism and Self-interest UNITE . . .

IF you are uncertain about your economic future (most of us are) —

IF you want to plan for the security and independence of those you love —

IF you are tired of seeing your country hamstrung by doubt and disunity —

IF you see clearly that it's high time these United States pressed on swiftly with steps to protect our rights as Americans and the system of organized society on which is based our entire life —

IF you really want to DO something about it —

THEN the time to stop wondering and worrying is here! The time to resolve your thinking in a white blaze of definite action, joining high patriotism with intelligent self-interest, is NOW!

The way is clear and simple. Buy United States Defense Bonds—issued to secure funds for the protection of all that we hold dear. They pay an attractive rate of interest and are direct obligations of the safest and soundest government in the world.

Old Colony Cooperative Bank is proud to be privileged to serve without compensation as an issuing agent for the new series E Bonds and to take orders for Series F and G Bonds. Any of our representatives — at either the main office or branches — will be happy to discuss details of the securities with you and to answer any questions you may have concerning them.

We are glad to supply to each purchaser of Defense Bonds a sturdy jacket for same, handsomely lithographed with a patriotic minute-man design in two colors.

OLD COLONY CO-OPERATIVE BANK

MEMBER, FEDERAL HOME LOAN BANK SYSTEM

IF YOU CAN'T STAND BESIDE THEM—

STAND BEHIND THEM!

Buy **DEFENSE BONDS** *Regularly*

If you ask, "What can I do to help in the present emergency?" the government answers, "Make the continued purchase of Defense Savings Bonds a regular part of your budget. Start now to invest in the future safety of your country." In offering bonds, we are cooperating with the Government — without profit or remuneration. For your convenience, you may buy them in small or large denominations.

GRAND RAPIDS MUTUAL
FEDERAL SAVINGS & LOAN ASSOCIATION
MONROE AT LYON • PHONE 9-3374
Serving a City of Homes Since 1888

STARK FEDERAL
SAVINGS AND LOAN ASSOCIATION

JOIN THE RANKS FOR NATIONAL DEFENSE

BUY UNITED STATES DEFENSE BONDS

Invest in your own security, and in liberty's survival! Invest in America, when you buy United States Defense bonds. The money will be used at once to build our defenses: your money will earn approximately 2.9% a year. We make these bonds available without compensation or profit in co-operation with our government.

304 Tusc. St. W. Canton, O.
SW Corner Cleveland & Tusc.

For Defense of Our Country

We Must Have a Two Ocean Navy
Our Armed Forces Must Be Greatly Increased
Army and Navy Needs Must Be Supplied
Billions Must Be Raised By Federal Taxation of Your Income
More billions raised by borrowing, the Cost Means Deferred Taxation
Millions of New Tax Payers will be brought into the recently broadened Federal Tax Income Bill now being considered by The Congress.
Some Individuals and families will find their 1941 tax assessment increased two, three or four times.

BUY NOW

Defense Savings Stamps

U. S. Treasury Tax Notes; Interest Bearing

U. S. Defense Bonds; Series E, F, G priced at $18.75 to $750.00.

We Ourselves Have Bought $50,000 G Bonds

We are authorized by the U. S. Treasury to act as its agent in the sale of the above different classes of securities.

Start AT ONCE A New Savings Account, or increase the amount you are now saving.

These efforts will act as a protection for your Future.

Our Members have never received dividends on their savings at a rate per annum compounded semi-annually of less than **3%**

All Accounts Are Insured Against Loss Up To $5,000.

We Are Members of the Federal Home Loan Bank System

ASSETS September 1, 1941 $4,166,000.00

Burlington Federal Savings and Loan Association
186 Main Street. Burlington, Vermont.
SEE YOUR NATIONAL EMBLEM FLUTTERING IN OUR WINDOW
IT IS BEAUTIFUL

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Federal Reserve Bank of St. Louis

cases they assist in the operation of payroll deduction plans. The institution contacts both employers and employees; the former agree to collect the installments and to transfer them to the association, which maintains a separate account for each employee who has made a pledge under the purchase plan. The institution then purchases bonds for the employee as the account reaches sufficient size. One association in New York State is operating a payroll deduction plan in cooperation with 50 employers and holds an aggregate of 10,000 such accounts.

Labor leaders state that the difficulty of safekeeping defense bonds after purchase has discouraged many wage earners from doing their part and suggest the free use of safety deposit boxes for the bonds. This service, the expense of which is prohibitive to the average wage earner who only desires to keep a small number of bonds, entails little cost to the association and has been offered free of charge by several financial institutions as their contribution to the war program.

Apart from the patriotic motive which prompts many savings and loan associations to assume the expense involved in such cooperation, managers of institutions acting as issuing agents continue to comment upon the "contact" value of the campaign. One association in the Midwest reports that of $56,500 worth of bonds and stamps sold during one month, $22,000 was the result of sales to members of the institution and $34,500 represented purchases by nonmembers who were brought into the association by its participation in the defense savings drive. This is tangible evidence of the importance of this activity for the establishment of contacts with new savers and prospective borrowers.

Educating the mass of the people in the habits of thrift has been one of the principal community functions of savings and loan associations since their inception. The defense savings campaign, which will now be intensified and transformed into a war savings drive, opens up new opportunities for performing this function—opportunities which will be grasped by aggressive management looking ahead to the years after the war.

Directory of Member Institutions

(Continued from p. 107)

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN NOVEMBER 16 AND DECEMBER 15, 1941

ILLINOIS:
Galesburg:
Provident Savings Association, 232 East Simmons Street (merger with Mechanics Homestead and Loan Association).

KENTUCKY:
Covington:
South End Building Association, 26 East Twentieth Street (voluntary liquidation).

MISSOURI:
St. Louis:
Real Estate Building and Loan Association, 311 North Eleventh Street (liquidation).

NEW JERSEY:
Atlantic City:
Pride of Atlantic Building and Loan Association, 301 Central Building (voluntary liquidation).
Avalon:
Security Building and Loan Association (voluntary liquidation).
East Orange:
Civic Centre Building and Loan Association, 25 Halsted Street (segregation and sale of assets to the Triumph Savings and Loan Association).

PENNSYLVANIA:
Conshohocken:
Tradesmen's Security Federal Savings and Loan Association, 109 Fayette Street (merger with Conshohocken Federal Savings and Loan Association).
Philadelphia:
East Allegheny Avenue Federal Savings and Loan Association, 644 East Allegheny Avenue (merger with North East Federal Savings and Loan Association).
West Conshohocken:
Rising Sun Federal Savings and Loan Association, Front and Ford Streets (merger with Conshohocken Federal Savings and Loan Association).

II. FEDERAL SAVINGS AND LOAN ASSOCIATIONS CHARTERED BETWEEN NOVEMBER 16 AND DECEMBER 15, 1941

DISTRICT NO. 8

MINNESOTA:
Brainerd:
First Federal Savings and Loan Association of Brainerd.

DISTRICT NO. 12

CALIFORNIA:
San Luis Obispo:
First Federal Savings and Loan Association of San Luis Obispo (converted from San Luis Building and Loan Association).

CANCELATION OF FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTERS BETWEEN NOVEMBER 16 AND DECEMBER 15, 1941

PENNSYLVANIA:
Conshohocken:
Tradesmen's Security Federal Savings and Loan Association, 109 Fayette Street (merger with Conshohocken Federal Savings and Loan Association).
Philadelphia:
East Allegheny Avenue Federal Savings and Loan Association, 664 East Allegheny Avenue (merger with North East Federal Savings and Loan Association).
West Conshohocken:
Rising Sun Federal Savings and Loan Association, Front and Ford Streets (merger with Conshohocken Federal Savings and Loan Association).

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

DISTRICT NO. 2

NEW YORK:
Hamburg:
Hamburgh Savings and Loan Association, 11 Main Street.

DISTRICT NO. 3

PENNSYLVANIA:
Conshohocken:
Conshohocken Federal Savings and Loan Association, 119 Fayette Street.
Corry:
Corry Building and Loan Association, 10 South Center Street.

DISTRICT NO. 5

OHIO:
Wapakoneta:
The Home Savings and Loan Association, 112 West Anglaize.

DISTRICT NO. 7

ILLINOIS:
Alton:
Home Building and Loan Association of Alton, Broadway and Piasa Street.
East Alton:
The Citizens Building and Loan Association of East Alton, Illinois.

DISTRICT NO. 12

CALIFORNIA:
San Luis Obispo:
First Federal Savings and Loan Association of San Luis Obispo, 1135 Chorro Street.

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TO OWN OR TO RENT—NEW LIGHT ON AN OLD QUESTION

Home owners currently pay less than do renters for comparable accommodations, a survey including 26,000 families in selected cities reveals. The same study confirms evidence that home ownership is widespread among all classes of the population.

■ THE old controversy on the costs of home ownership versus those of renting comparable living quarters received new light recently when the Bureau of Labor Statistics completed a survey [1] comparing these costs among renters and owners in the same income groups in selected cities throughout the United States.

A realistic appraisal of housing costs in terms of ownership expenses and rentals is beset with many difficulties. The home owner incurs certain current money expenses—for loan payments, taxes, insurance, and repairs—and it is relatively easy to compare these expenditures with the rent he would have to pay for equivalent rental accommodations. However, there are other cost elements which enter into the comparative statement and which may be labeled "computed expenses" of home ownership. Among these elements is the interest on the home owner's equity and the cost of property depreciation and obsolescence which can not be accurately ascertained before the home owner disposes of his house. On the other hand, no statistical comparison of housing costs can express the intangible values of home ownership, which cannot be measured in dollars and cents. And yet, the sense of security, protection against excessive rent increases, pride in ownership, and convenience for bringing up a family are real and substantial benefits afforded by home ownership.

Basis of the Survey

The survey presented by the Bureau of Labor Statistics makes it possible to compare the "rental value" of owner-occupied homes with the "out-of-pocket" expenses of home owners. In other words, this study includes the current money outlays of home owners but does not take into account computed expenses such as interest on equity capital and depreciation.

In spite of these limitations, the survey will be of value to all those interested in housing and home ownership because it is the most recent broad comparison of housing costs among owners and renters. As a basis for the study, data on housing costs were gathered for the period 1935–1936 from 26,000 families typical of a specific group from the standpoint of income, occupation, family composition, and home tenure in the cities of Providence, Columbus, Atlanta, Omaha, Denver, and Portland as well as the metropolises of New York and Chicago and several groups of small cities throughout the country.

Rental values reported for owned homes represent an estimate of the amount for which the properties would rent, in the light of rents paid for similar accommodations in the same neighborhood. Before determination of the actual amount, estimates made by the occupants were carefully checked by the investigators with rents of comparable dwellings.

In the computation of ownership costs, three items were included: mortgage interest, taxes and insurance, and repairs and replacements. Payments toward principal reductions of home mortgages were omitted since they were regarded as decreases in the mortgagor's capital liability. Among the families selected for the survey were debt-free home owners as well as owners of mortgaged properties.

Rental Values Versus Money Expenses of Home Ownership

During the year 1935–36, home owners with incomes between $1,000 and $10,000 expended from $107 to $800 less than did renters for *similar* accommodations. On the average this difference ranged from $150 to $217—a margin of $12.50 to $17 a month between the rental value of an owner-occupied home and the out-of-pocket expenses paid by the owner. This margin—the money one would spend to rent a structure less the expense he actually incurs by owning the identical dwelling—tends to become greater with each rise in income and rental level but the ratio between this figure and rental value

[1] *Family Expenditures in Selected Cities, 1935-36;* Bulletin 648, Volume I, Housing; Study of Consumer Purchases, U. S. Department of Labor. Data given in this article refer only to white nonrelief families.

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remains near 50 percent quite constantly along the length of the income scale. In other words, if the average home owner were to rent a house comparable to his own, he would pay twice as much for it as he does at present, in terms of out-of-pocket expenses.

From this, the conclusion may be ventured that owned quarters are superior to rented dwellings occupied by families of the same income level since persons receiving the same income tend to expend about the same proportion of it for housing. In order to do so, the renter must find a dwelling which is available at a cost comparable to the aggregate of an owner's money expenses.

The accompanying table shows the *proportion* of money expense of home owners to rental value in the various income groups.

Variations in Ownership Costs

Regional differences are, of course, notable in the costs of both owning and renting. In the Pacific Northwest housing expenditures generally are lower than in the other regions covered. Within each region, housing expenditures of families living in the middle-sized and small cities tend to be lower than those of families residing in large cities and metropolises.

Disregarding differences in the income distribution of home owners, average expenses on owned homes in large cities ranged from $176 in Omaha to $459 in New York. It appears that costs of ownership are not primarily related to city size, notwithstanding the position of New York City as the most expensive locality in which to own one's home. There is less correlation between size of city and ownership costs than between the age of the specific settlement and the costs of home ownership. In the New England region, for example, home owners in the medium-sized cities had relatively higher expenses than did Providence families, while in some income brackets the ownership costs in small cities exceeded those in Providence, which typifies large cities in this region. At the lowest income levels home owners in the cities surveyed spent as little as $100 on the average for the current expenses of ownership.

Cost Elements in Home Ownership

By relating the various items in current ownership expenses to rental values as a common denominator, the survey makes it possible to gauge their relative weight in the owner's housing budget.

Compared with rental value, *mortgage interest* represents from 25 to 35 percent in New York, between 20 and 30 percent in Chicago, Providence, Columbus, and Atlanta and from 15 to 20 percent in the other cities.

Money expense of home ownership as a percentage of total rental value of owned homes, by income class

Income class	Metropolises		Large cities						East central cities	
	New York	Chicago	Providence	Columbus	Atlanta	Omaha—Council Bluffs	Denver	Portland	Middle-sized [1]	Small [2]
$500–$749	108.0	43.0	------	46.6	58.5	41.4	24.5	43.9	51.5	44.0
$750–$999	35.7	98.3	35.9	39.3	65.0	49.8	47.1	54.4	41.1	59.3
$1,000–$1,249	73.6	66.6	47.7	46.6	56.5	53.0	36.4	46.6	43.5	44.7
$1,250–$1,499	64.9	51.6	53.6	59.1	57.8	37.8	36.3	57.9	45.9	73.5
$1,500–$1,749	79.8	62.3	60.4	51.2	47.6	53.2	49.7	56.6	42.7	56.3
$1,750–$1,999	76.1	64.5	65.9	45.7	52.1	39.1	51.5	51.1	50.3	48.2
$2,000–$2,249	61.1	66.0	67.3	48.7	46.9	43.5	47.3	55.2	49.2	48.6
$2,250–$2,449	73.5	63.7	54.9	49.2	54.4	39.4	46.6	51.6	42.7	50.8
$2,500–$2,999	78.0	63.8	51.2	47.8	44.3	45.2	47.5	46.4	45.8	54.7
$3,000–$3,499	81.8	53.5	67.0	49.2	52.3	40.7	48.5	54.8	48.9	[3] 51.3
$3,500–$3,999	70.7	58.2	52.6	39.7	47.9	46.1	54.5	61.4	45.6	------
$4,000–$4,999	72.9	51.9	45.9	42.1	56.0	38.4	43.5	57.7	36.7	------
$5,000–$7,499	84.7	55.0	52.1	40.2	48.0	49.4	47.9	57.8	[3] 56.2	------
$7,500–$9,999	78.0	46.4	[3] 57.7	[3] 63.5	[3] 44.2	[3] 43.2	[3] 41.4	[3] 46.6	------	------
$10,000 and over	115.9	74.9	------	------	------	------	------	------	------	------

[1] Springfield, Ill., Muncie, Ind., and New Castle, Pa.
[2] Beaver Falls, Pa., Connellsville, Pa., Logansport, Ind., Mattoon, Ind., and Peru, Ill.
[3] There are relatively few families reporting incomes above this figure in the community. For that reason the data have been included in this bracket and the percentage applies both to the stipulated and higher income brackets.

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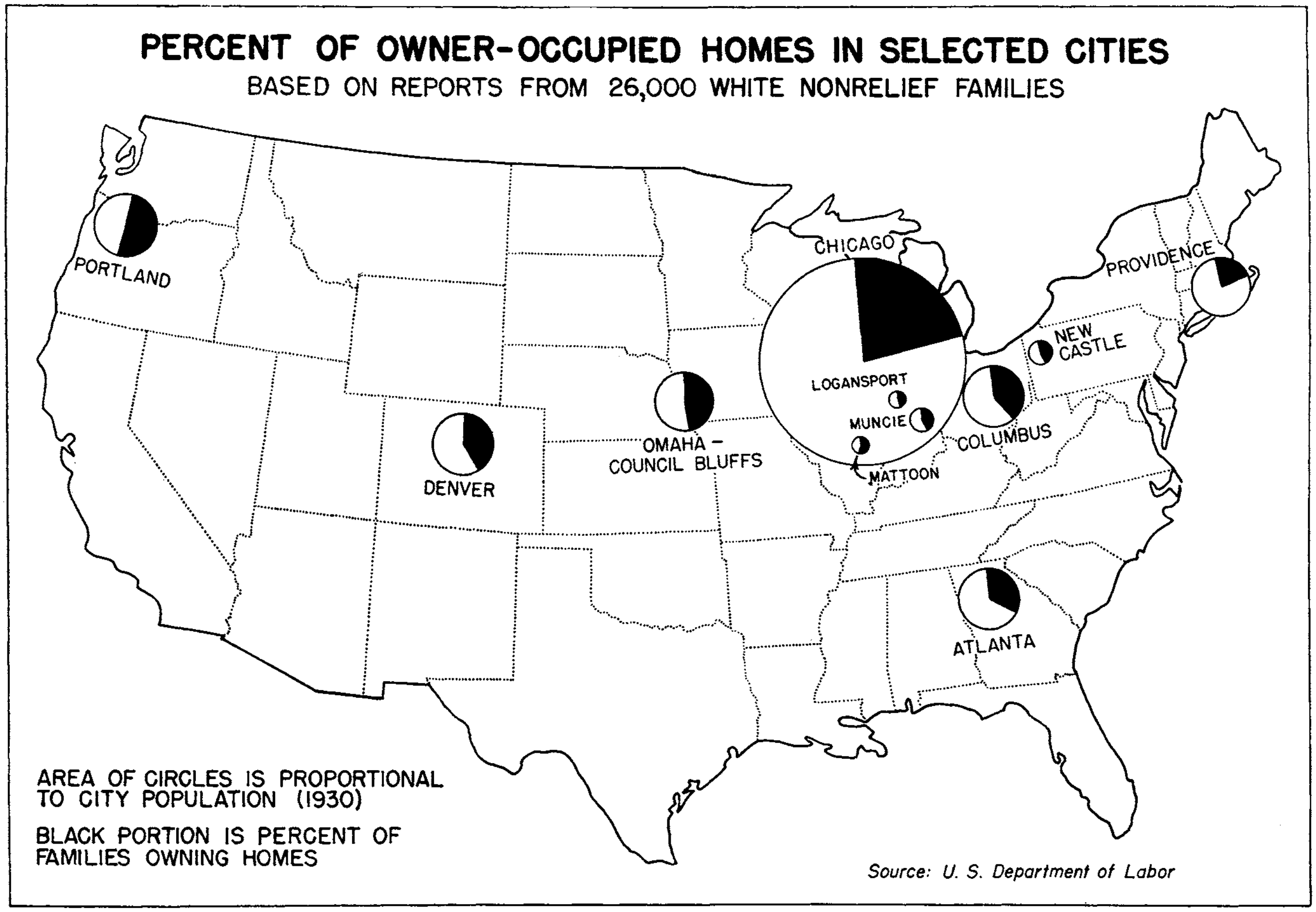

This map shows the extent of home ownership in several cities of the United States in 1935–1936. In general, frequency of ownership is related inversely to city size and the age of the settlement. As a city grows older and larger, high land values place a limitation on home ownership.

Taxes on homes in New York represent between 23 and 33 percent of the rental values. In Chicago, Providence, and Denver, they are equivalent to about 20 percent of the rental value and in Atlanta and Omaha, to 15–20 percent. Taxes constitute slightly less than 15 percent of the rental value for most income levels in Columbus.

Although wide inter-city differences are found in the ratio of taxes to rental values of owned homes, within each city studied the percentage is quite uniform throughout most of the income range. There is little foundation for a conclusion that this ratio varies with city size generally although New York is on the top of the list.

Expenditures for *insurance* comprise from 1 to 4 percent of the rental value of the owned home. As would be expected, the amount of insurance paid bears a definite relationship to rental values and income levels.

Among home owners in the selected cities, the average expense for *repairs* and *replacements* amounted to between \$62 and \$113, representing roughly one-tenth of rental value. As with other expenses of ownership, the cost of repairs tended to rise with income level and the proportion of owners at the \$2,000–\$2,500 level repairing their homes represented from 36 to 61 percent of the total, while from 46 to 77 percent reported expenditures of this kind at the \$5,000–\$7,500 level.

Included as repairs and replacements were those expenditures which renovated or replaced worn parts and which, therefore, maintained rather than added to the value of the home. Structural additions were considered as improvements and not classified as current expenses but as increases in assets. On the basis of a survey covering such a short period and especially the particular year 1935–1936, it is difficult to state categorically that the repairs may be regarded as normal. It is probable, according to the Bureau of Labor Statistics, that major repairs were more frequent than usual following several depression years in which upkeep was neglected.

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Home Ownership is no Class Privilege

In addition to its analysis of housing costs, the study of the Bureau of Labor Statistics demonstrates the wide extent to which home ownership exists among all classes of the population. Although ownership generally is more frequent among the families of high and medium income, even the lower income groups show a surprisingly large proportion of home-owning families. In the income classes ranging from $500 to $1,500, for example, home-owning families represent 24–30 percent of all families in Columbus, 26–44 percent in Omaha, 27–37 percent in Denver, and 35–49 percent in Portland, Oregon. In most of the medium-sized and small cities included in the study, the proportions are even higher.

As to occupational groups, ownership of the family home is relatively more prevalent among families of business and professional persons than among those of wage earners and clerical persons in the lower income levels in most cities. But as wage earners reach the income levels of $1,750 or above, they tend to own their homes more frequently than do the other occupational groups.

Among families living in the cities included in this report, home ownership was most common in Portland, Oregon and least prevalent in New York City. At the same time, rents and rental values in Portland were consistently below those of other cities, and New York maintained a status through all income groups as the most expensive locality in which to own or rent a home. The accompanying map shows the proportion of home-owning families to all nonrelief families in selected cities, for all income classes.

Pension Plans

(Continued from p. 110)

interest at a specified rate. Some of the associations even provide a graduated scale for the return of association contributions on the basis of length of service. For example, one institution releases 20 percent of its share of the fund if an employee has been with the organization 5 years; 60 percent, if 10 years; and after 15 years, the entire account is available to the employee.

It is not uncommon for associations to include a provision whereby in the case of defalcation or shortage the employee's share of such a fund can be used to offset the loss.

In the consideration of something as new as retirement and pension plans for savings and loan associations, it is always helpful to have the personal reactions of other executives who are already carrying out programs of this type successfully in their own institutions.

The Opinion of Management

The president of an institution which inaugurated its system of "Estate Accounts" in 1926 reports that the total amount to the credit of the various accounts now exceeds $90,000 and that, with a few minor exceptions, no withdrawals have been made from the accounts. He emphasizes the fact that such a program definitely encourages the habit and benefits of thrift, upon which the entire association's activities are based.

The executive officer of another association which has operated its plan for more than 10 years says, "In my opinion, the effect of this plan on the employees' morale is good and tends to stabilize employment. A further advantage is that when employees reach retirement age many of them have no means of support, and we would not feel so free to ask them to give up work if it meant putting them on relief to do so. With this plan in effect, we do not hesitate to ask anyone to retire when his years of usefulness seem to have passed."

To illustrate the practicability of these savings plans, the president of a third association describes an experience which his institution had, as follows: "The plan has resulted in accumulation of funds by all of our employees, some of whom would find it difficult to make such progress without a plan of this character. We have tried not to be too 'ironclad' in the application of our withdrawal regulations, but rather to consider the purpose for which the money is used. For instance, our janitor's wife had to have a serious operation and in that case we permitted him to take funds which were needed from his account. Incidentally, here was a case where if the plan had not been in operation there would have been no reserve!"

And so it goes through the correspondence of each of the 14 institutions now sponsoring retirement and pension programs for their employees. These executives feel that concrete benefits which accrue to association personnel in the form of a greater feeling of future security are matched by the benefits for the association itself in terms of added employee loyalty, working efficiency, reduced employee turnover, elimination of the burden of aged employees, and added public prestige and respect in the eyes of the community.

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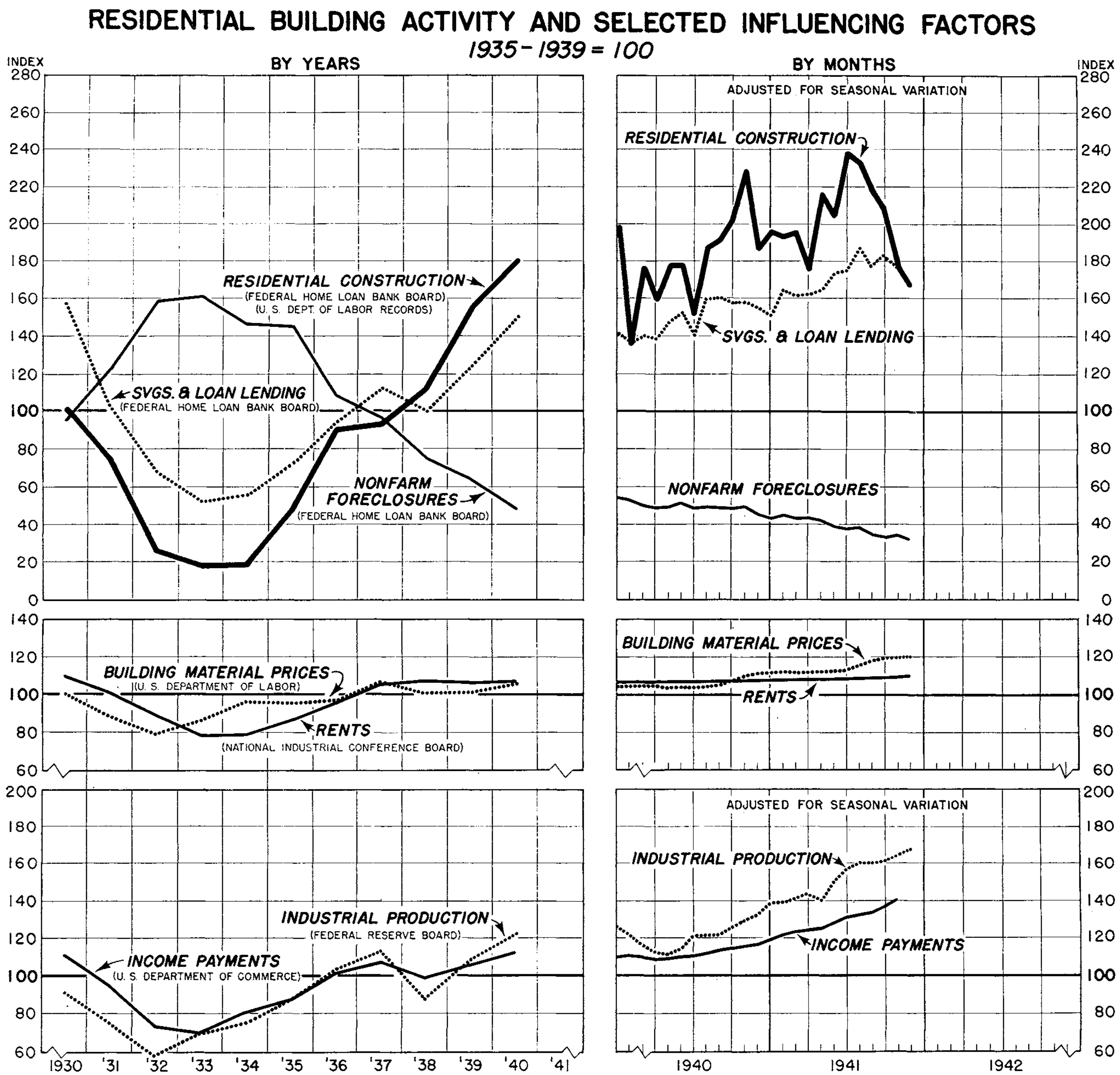

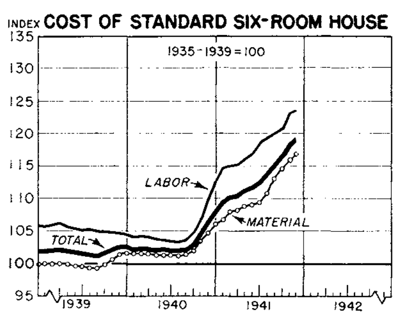

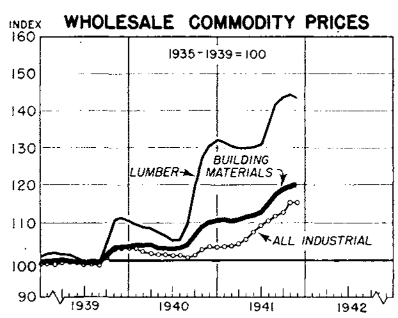

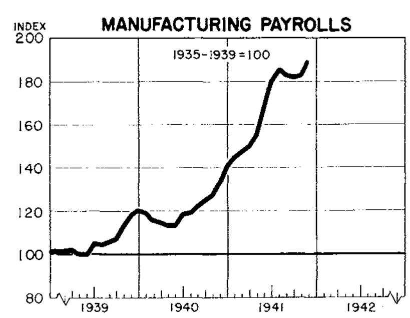

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« « « MONTHLY SURVEY » » »

HIGHLIGHTS

I. The remarkable stability of general business, financial, and economic conditions in the face of open warfare against the Axis nations highlights all recent developments.

A. Financial markets reflected confidence in the final outcome with only slight changes in stock and bond prices on an increased volume of transactions.

B. Retail sales, although declining during the week of December 7–13, rose to new high levels for the month as a whole; industrial production was spurred to a 7-day week, capacity schedule; wholesale prices, with the exception of farm products and foods, showed only fractional increases.

II. Building activity, as measured by the seasonally adjusted index of residential construction in all urban areas, receded to the level of June 1940 after 5 successive months of decline.

A. The October-to-November drop of 16 percent in the total number of permits issued was considerably in excess of the 11-percent decline usually experienced.

B. Preliminary estimates for 1941 as a whole, however, indicate a 14-percent gain over the total dwelling units provided in 1940.

III. Mortgage-financing activity during November reflected normal seasonal characteristics.

A. The total dollar volume of nonfarm mortgages of $20,000 or less recorded during November declined 16 percent from the record month of October.

B. The 10-month total of new loans made by all savings and loan associations in the past year is almost equal to the aggregate loans made during the full 12-month period of 1940.

IV. Building costs—as evidenced by the index for the standard 6-room house—registered their smallest gain in recent months. Wholesale prices for building materials also showed only fractional gains for November.

V. Following the sporadic rise in the index of foreclosures for October, activity in November followed the usual downward trend, and the index for that month is the lowest recorded during the past 12 years.

SUMMARY

Problems created by our sudden shift in December from a defense to a war economy, which are discussed in the lead article of this issue of the REVIEW, will forcefully alter the courses of many thrift and home-financing indicators which have been followed from month to month on these pages. Whither the savings and loan as well as other related industries will now go, lashed as they are by the dynamic forces of war, is subject to almost weekly reappraisal. However, the earlier defense program and its effects upon many phases of our economy has given us small-scale prevues of the difficulties and hardships ahead, which to a great extent will be magnified rather than changed in their essential natures.

Reviewing developments which have occurred in rapid succession since the defense program was launched in late summer and early autumn of 1940, one finds that in many respects the extraordinary factors brought into play merely served to supplement and aggravate situations which are normal to a recovery period such as we were experiencing at that time. Residential construction activity and the inter-relationship with building costs provide an excellent example of this phenomenon.

Both construction volume and prices were on the increase in late 1940 and early 1941 largely as the result of increased income at consumer levels which caused a natural demand for newer and better living accommodations. However, homes were built in larger quantities and costs rose even more rapidly because the abnormal demands for housing defense workers and armed forces were superimposed upon this upswing of the regular business cycle.

[1935–1939=100]

Type of index	Nov. 1941	Oct. 1941	Percent change	Nov. 1940	Percent change
Residential construction [1]	166.6	r176.9	−5.8	185.6	−10.2
Foreclosures (nonfarm) [1]	31.9	34.2	−6.7	44.2	−27.8
Rental index (NICB)	109.7	109.3	+0.4	107.2	+2.3
Building material prices	120.0	119.8	+0.2	110.4	+8.7
Savings and loan lending [1]	p169.0	r176.5	−4.2	153.9	+9.8
Industrial production [1]	p167.0	r163.0	+2.5	134.0	+24.6
Manufacturing employment [1]	p135.6	r133.5	+1.6	115.5	+17.4
Manufacturing pay rolls [1]	p189.0	r182.2	+3.7	133.0	+42.1
Income payments [1]	p142.9	r140.7	+1.6	116.6	+22.6

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

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Gradually, as the months of the past year slipped away, pinches in necessary building materials became evident and the rising trend of construction activity was checked despite constantly increasing demands for homes. Costs, however, continued to increase up to the close of the year. Priority regulations and allocation schedules were adopted to assure defense housing a first lien on available materials, and thus shortages of critical materials must be held responsible in large part for the slowdown of residential construction during the latter part of 1941.

Construction lending activity of savings and loan associations tended to follow the fluctuations shown in building volume throughout the defense emergency period, and can be expected to be further curtailed during the course of the current victory program. The fact that savings and loan associations have tended to finance purchases of homes in ever-greater proportions throughout 1941 indicates that transactions in existing properties are taking place in increasing volume. A similar program of increased repairs and alterations in 1942 might well help to cushion the shock of drastically reduced construction-loan business.

BUSINESS CONDITIONS—Stability in the face of war

Economic and financial repercussions of the entry of the United States into war were remarkably slight. The stock market remained calm although stock prices moved downward on an increased sales volume, and no large-scale intervention was necessary. Prices of Government securities declined slightly. Department store sales dropped sharply in the week following the outbreak of war. Notably absent was any hysteria in regard to private savings or Government monetary policies. The large issue of Government securities which had been offered during the week before the attack on Pearl Harbor was the subject of some temporary speculation as yields rose slightly in the days immediately following. On December 9 the Treasury intervened and was represented as a buyer in the market for two days.

Industrial activity continued at a sustained volume in November, a reversal of the decline usually experienced during the month. As a result, the index of industrial production reached an all-time high for the third consecutive month. During November the index stood at 167 (1935–1939=100) which is 4 points above October and 33 above the corresponding month a year ago.

Wholesale prices fluctuated narrowly throughout November, rising from 113.8 of their 1935–1939 base at the beginning of the month to 114.6 in the week ending November 29. In the second week of December the wholesale markets experienced a general price advance of 0.9 percent led by an increase of 2.2 percent in the prices quoted on farm products.

Governmental authorities revised their program of civilian production early in December in the light of new world conditions. Passenger car output was ordered cut 25 percent from the previous schedule for December and 50 percent for January. This further curtailment will result in an output of only 102,424 units during January, less than one-quarter of the production volume in the corresponding month of 1941. In order to obtain a more efficient distribution of material supplies, the priorities system is gradually being replaced by a plan of allocations as represented by the recent restrictions upon the distribution of tires in order to conserve existing supplies.

Income payments to individuals during October were at an annual rate of $95,000,000,000, the highest on record. For the first ten months of 1941, payments to individuals were 17 percent in excess of aggregate payments in the same period of 1940. Salaries and wages, which have risen 21 percent in the period, accounted for much of the total increase.

During the week ended December 14 the average yield on long-term, partially tax-exempt Government bonds increased from 1.87 to 1.98 percent, reflecting market reaction to our entry into active combat. The average yield during November had been 1.85 percent, a new monthly low return on these securities.

Excess reserves in commercial banks declined $750,000,000 in the week ended December 20 to $3,090,000,000—the lowest level since December of 1938.

BUILDING ACTIVITY—Adjusted index declines for fifth consecutive month

Dropping to the lowest point since June 1940, the seasonally adjusted index of residential construction stood in November at 167 percent of the average month of the 1935–1939 period, or 6 percent below October 1941. In terms of number of units provided, total residential construction for November

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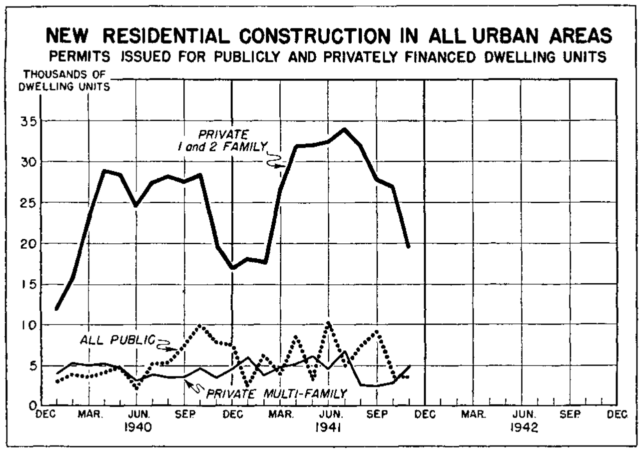
was 16 percent under the October total. This is considerably in excess of the 11-percent decline usually experienced during November, and accounts for the drop in the seasonally adjusted index.

Building permits for privately financed construction were issued for 24,424 dwelling units in November as compared with nearly 30,000 units in October, according to data reported by the United States Department of Labor. The reduction from October was primarily in the 1- and 2-family category. Private construction of multifamily units increased more than 2,108 units.

During the first 11 months of 1941 residential construction in all urban areas of the United States totaled nearly 415,000 dwelling units or an increase of nearly 13 percent over the comparable 1940 period. All types of structures shared in this rise. Privately financed homes of the 1- and 2-family type made up more than 72 percent of the total dwellings built during the year to date. (TABLES 1 and 2.)



FORECLOSURES—A new low

In contrast to the somewhat sporadic increase during October, foreclosure activity in nonfarm areas of the United States declined in November, thus continuing the downward trend which has been evident over a period of nearly 8 years. The index of foreclosures, which has been adjusted for seasonal variations, moved to a new low of 31.9—the equivalent of a drop of nearly 70 percent from the average month of the 1935-39 base period.

In number of cases, foreclosures totaled 4,204 during November, a decline of 204 cases or nearly 5 percent from the previous month. Upward movements were noted in only 4 of the 12 Federal Home Loan Bank Districts: Pittsburgh, Cincinnati, Des Moines, and Little Rock.

Compared with the corresponding month of 1940, foreclosure cases were lower in each Bank District, and only 6 States indicated greater activity during the month of November than for the same month of last year.

Foreclosure cases from January through November were 22 percent below those for the same period of 1940, and totalled 54,044. Over half of these foreclosures took place in communities of 60,000 or more dwellings. During the 11-month interval this group of larger counties and cities showed foreclosures at the rate of 4.8 for each 1,000 existing dwellings; while the next smaller city groups registered rates of 3.4, 2.0, and on down to 1.5 for communities of under 5,000 dwellings. [TABLE 10]

BUILDING COSTS—Fractional increase in November

Costs involved in the construction of the standard six-room house rose only fractionally in November. The increase—0.4 percent—was in fact the smallest month-to-month change for the past 6 months and compares with an average advance of 1 percent a month over the past year.

The index now stands 19 percent above the average month of 1935-39. Labor costs have revealed the greater increase and in November were nearly 24 percent above the average month of the base period. Dealers' prices for materials were about 17 percent higher than this average.

Of the 28 cities reporting costs for the past quarter, 27 indicated increases, with 10 registering rises of from $100 to $250.

Wholesale building material prices as reported by the U. S. Department of Labor moved upward fractionally during the month of November, carrying the composite index (1935-39=100) to 120, a gain of 9 percent from November 1940. (TABLES 3, 4, and 5.)

Construction costs for the standard house

[Average month of 1935-1939=100]

Element of cost	November 1941	October 1941	Percent change	November 1940	Percent change
Material	116.8	116.0	+0.7	104.6	+11.7
Labor	123.5	123.3	+0.2	109.8	+12.5
Total	119.0	118.5	+0.4	106.4	+11.8

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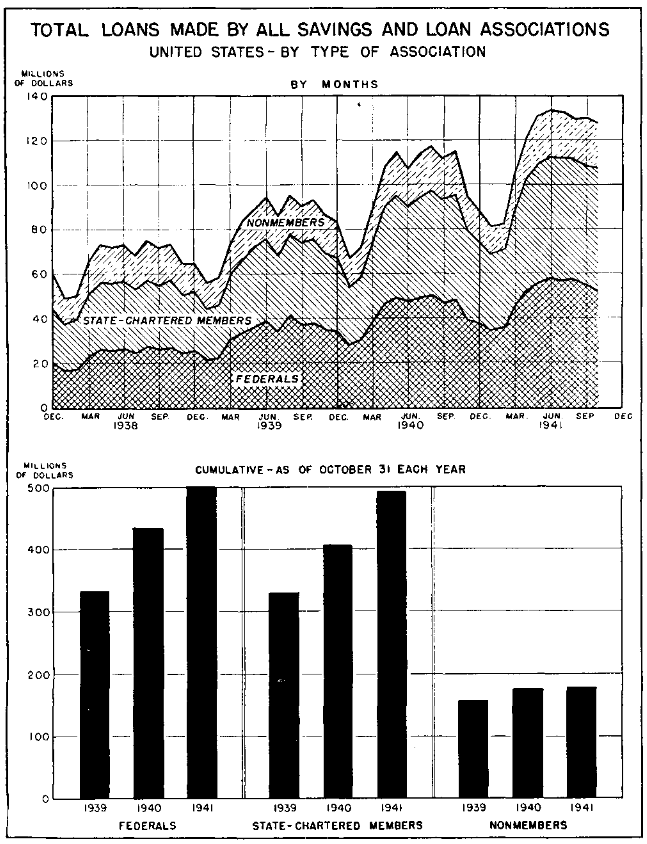
MORTGAGE LENDING—Activity shifts toward home-purchase loans

Contrary to the tendency shown during 1939 and 1940 for home-construction loan business to increase at a more rapid pace than purchase loans, the reversal in emphasis which has been in progress since early 1941 reached a point in October where construction lending dropped nearly 8 percent in volume while purchase loans moved upward by 3 percent from the previous month. Normally, reductions are expected from September in each of these series.

Examining the cumulative effect of retrenchments in construction activity caused by shortages of certain essential building materials, and the consequent increase in emphasis on more intensive use of existing properties, we find that during the first 10 months of 1941 construction loans made by savings and loan associations rose only 12 percent as against a corresponding 35-percent gain in financing the purchase of existing homes. All other loan categories have lower 1941 totals than in the preceding year.

Aggregate loans for all purposes totaled some $1,174,000,000 during the January-October period, as compared with $1,016,000,000 in the comparable 1940 period. The spread between total lending activity for the two years was at its maximum in January when loans amounted to 20 percent more than in the same month of 1940; subsequent experience had narrowed the cumulative gain to 16 percent by the end of October. [TABLES 6 and 7.]



MORTGAGE RECORDINGS—Drop in volume reflects seasonal trend

After rising to a record peak during October, nonfarm mortgage recordings of $20,000 or less fell off sharply during November. All types of mortgage lenders evidenced curtailed activity, with declines ranging from 13 to 19 percent. A study of recordings during the past three years reveals a large seasonal decline in mortgage-financing activity from October to November, a trend illustrated this year by a 16 percent, or $70,000,000, drop in recordings. At the same time, however, November recordings were $50,000,000 above the corresponding volume of 1940.

Although the study of mortgage recordings has covered, statistically speaking, a relatively short and particularly active period, it has shown some definite seasonal tendencies in the activities of some types of mortgagees. Monthly recordings by each of the several types of lenders follow generally the same seasonal trends as residential construction and new mortgage lending of savings and loan associations—rising sharply in the early spring and declining in the late fall, although banks, as well as individuals, displayed some variations from this pattern.

During the January–November period of this year $4,340,000,000 in nonfarm mortgages within the $20,000 limitation were recorded throughout the

Mortgage recordings by type of mortgagee

[Amounts are shown in thousands of dollars]

Type of lender	Percent change from Oct. 1941	Percent of Nov. 1941 amount	Cumulative recordings (11 months)	Percent of total recordings
Savings and loan associations	−18. 3	30. 0	$1, 377, 145	31. 7
Insurance companies	−18. 5	8. 6	366, 499	8. 4
Banks, trust companies	−13. 0	24. 4	1, 065, 580	24. 6
Mutual savings banks	−13. 8	5. 2	199, 241	4. 6
Individuals	−14. 5	17. 0	718, 653	16. 6
Others	−15. 0	14. 8	612, 487	14. 1
Total	−15. 7	100. 0	$4, 339, 605	100. 0

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country, or 17 percent more than during the same interval of 1940. Among the types of mortgage lenders, relative gains have ranged from 12 percent for the miscellaneous group of mortgagees to 29 percent for mutual savings banks. Mutual savings banks, however, concentrated as they are in the Boston and New York Federal Home Loan Bank Districts, accounted for only about 5 percent of all recordings in the United States as a whole during the period. Savings and loan associations and banks and trust companies, leading lenders in the home-financing field, evidenced smaller percentage gains than did the total for all lenders. [TABLES 8 and 9.]

BANK SYSTEM—New debentures strengthen liquidity position

Advances outstanding from the Federal Home Loan Banks increased more than 1 percent in November to aggregate $187,100,000. This is $2,773,000 greater than the corresponding volume at the end of October and $1,600,000 larger than the outstanding balance on November 30, 1940.

At the same time, current advances reflected the trend usually exhibited during the month, declining $3,200,000 from the volume registered in October. Total advances made in November approximated $9,930,000, which is greater than the corresponding figures in any of the past three years. Repayments during November were slightly higher than in October and as a result there is a marked contrast in the balance between new advances and repayments on outstanding loans. In November, advances exceeded repayments by $2,773,000 while in October their net excess amounted to more than $6,000,000.

Collateralized advances at the end of November totaled $130,400,000—70 percent of total advances outstanding. Long-term advances held at the close of the month's operations comprised 58 percent of total outstanding advances, a decline of 13 percent in this ratio during the past year. The increased proportion of short-term advances indicates a significant shift in the pattern of member borrowing.

During November there was a net decrease of one institution in Bank System membership which totaled 3,826 at the end of the month. Aggregate assets of members reached $5,405,000,000.

NEW ISSUE OF FHLB DEBENTURES

On December 24 the Federal Home Loan Banks issued a new series of consolidated debentures in the amount of $15,000,000. The securities, Series H ½-percent debentures, are due Feburary 24, 1942.

With funds received from this short-term security issue, liquid assets of the banks at the end of 1941 consisted of approximately $24,300,000 in cash and $62,800,000 in Government securities. Short-term advances and other advanced funds to be received within a year amounted to $118,500,000.

Debentures have now been issued by the Banks in the amount of $224,700,000. At present, bonds outstanding total $90,500,000. [TABLE 13.]

INSURED ASSOCIATIONS—Offer a new element of security under war conditions

At the outbreak of war, insurance of share and deposit accounts provided by the Federal Savings and Loan Insurance Corporation and the Federal Deposit Insurance Corporation added a new element of stability and security to the savings funds of the entire Nation. Almost three-fifths of the assets of all operating savings and loan associations were insured when hostilities began—in all, 2,339 institutions with assets totaling more than $3,300,000,000. Private savings invested in these associations amounted to approximately $2,550,000,000.

At the present time, all insured savings and loan associations have reserves and undivided profits of $200,000,000, or 6 percent of their total resources. Their liquidity position is favorable. Cash and government obligations now are above the $200,000,000-mark, and real estate holdings have been reduced to about $100,000,000. [TABLE 12.]

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

At the end of November, 1,461 savings and loan associations with approximately $2,130,000,000 in resources were operating under Federal charter—about two-thirds of the total assets of all insured associations.

Progress in number and assets of Federals

[Amounts are shown in thousands of dollars]

Class of association	Number		Approximate assets	
	Nov. 30, 1941	Oct. 31, 1941	Nov. 30, 1941 p	Oct. 31, 1941
New	640	640	$665, 025	$655, 847
Converted	821	823	1, 463, 236	1, 449, 697
Total	1, 461	1, 463	$2, 128, 261	$2, 105, 544

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Table 1.—BUILDING ACTIVITY—Estimated number and valuation of new family dwelling units provided in all urban areas of the United States, November 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.–Nov. totals		Monthly totals			Jan.–Nov. totals	
	Nov. 1941	Oct. 1941	Nov. 1940	1941	1940	Nov. 1941	Oct. 1941	Nov. 1940	1941	1940
Private construction	24, 424	29, 871	23, 471	348, 873	311, 515	$89, 091	$113, 212	$85, 936	$1, 303, 800	$1, 126, 044
1-family dwellings	17, 941	24, 931	18, 490	277, 454	246, 230	69, 910	99, 650	72, 474	1, 105, 645	944, 642
2-family dwellings [1]	1, 445	2, 010	1, 449	21, 580	18, 747	4, 068	5, 486	3, 616	56, 512	47, 043
3- and more-family dwellings [2]	5, 038	2, 930	3, 532	49, 839	46, 538	15, 113	8, 076	9, 846	141, 643	134, 359
Public construction	3, 506	r 3, 548	7, 651	65, 693	56, 747	12, 147	r 12, 951	23, 422	219, 952	174, 242
Total urban construction	27, 930	r 33, 419	31, 122	414, 566	368, 262	101, 238	r 126, 163	109, 358	1, 523, 752	1, 300, 286

[1] Includes 1- and 2-family dwellings combined with stores.
[2] Includes multifamily dwellings combined with stores.
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Table 2.—BUILDING ACTIVITY—Estimated number and valuation of new family units provided in all urban areas, in November 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	
	Nov. 1941	Nov. 1940	Nov. 1941	Nov. 1940	Nov. 1941	Nov. 1940	Nov. 1941	Nov. 1940
UNITED STATES	27, 930	31, 122	$101, 238	$109, 358	19, 386	19, 939	$73, 978	$76, 090
No. 1—Boston	1, 189	2, 019	5, 079	8, 412	1, 172	1, 274	5, 008	5, 951
Connecticut	487	749	2, 140	3, 363	478	401	2, 104	2, 153
Maine	79	36	271	121	71	36	236	121
Massachusetts	453	791	1, 980	3, 234	453	659	1, 980	2, 927
New Hampshire	36	43	124	147	36	43	124	147
Rhode Island	118	383	492	1, 469	118	118	492	525
Vermont	16	17	72	78	16	17	72	78
No. 2—New York	2, 125	5, 207	8, 852	18, 938	1, 590	1, 815	6, 793	8, 064
New Jersey	906	739	3, 945	3, 132	750	722	3, 378	3, 097
New York	1, 219	4, 468	4, 907	15, 806	840	1, 093	3, 415	4, 967
No. 3—Pittsburgh	1, 372	1, 472	5, 983	5, 997	1, 107	881	4, 936	4, 083
Delaware	10	6	48	31	10	6	48	31
Pennsylvania	1, 207	875	5, 370	3, 848	950	738	4, 338	3, 469
West Virginia	155	591	565	2, 118	147	137	550	583

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Table 2.—BUILDING ACTIVITY—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	
	Nov. 1941	Nov. 1940	Nov. 1941	Nov. 1940	Nov. 1941	Nov. 1940	Nov. 1941	Nov. 1940
No. 4—Winston-Salem	3, 793	4, 732	$11, 858	$14, 494	2, 466	2, 917	$8, 320	$9, 581
Alabama	315	268	595	506	308	268	582	506
District of Columbia	357	1, 143	1, 136	3, 666	149	260	731	1, 293
Florida	930	1, 194	3, 134	4, 061	541	845	2, 074	3, 133
Georgia	367	341	768	743	335	333	742	725
Maryland	249	268	852	950	245	268	840	950
North Carolina	355	635	918	1, 682	341	367	896	1, 003
South Carolina	151	281	745	739	147	157	744	387
Virginia	1, 069	602	3, 710	2, 147	400	419	1, 711	1, 584
No. 5—Cincinnati	1, 928	1, 566	7, 902	6, 318	1, 643	1, 478	6, 927	6, 055
Kentucky	178	199	445	457	160	195	399	449
Ohio	1, 479	1, 050	6, 714	5, 109	1, 226	966	5, 793	4, 854
Tennessee	271	317	743	752	257	317	735	752
No. 6—Indianapolis	1, 796	2, 030	7, 456	8, 457	1, 492	1, 722	6, 315	7, 403
Indiana	883	430	3, 368	1, 653	583	430	2, 241	1, 653
Michigan	913	1, 600	4, 088	6, 804	909	1, 292	4, 074	5, 750
No. 7—Chicago	2, 078	1, 259	9, 838	6, 588	1, 272	1, 249	6, 572	6, 570
Illinois	1, 693	857	8, 188	4, 924	901	857	4, 948	4, 924
Wisconsin	385	402	1, 650	1, 664	371	392	1, 624	1, 646
No. 8—Des Moines	1, 081	1, 113	4, 390	4, 072	1, 043	1, 018	4, 326	3, 834
Iowa	275	335	1, 165	1, 248	272	335	1, 153	1, 248
Minnesota	416	375	1, 841	1, 505	412	371	1, 828	1, 493
Missouri	309	296	1, 124	997	281	252	1, 092	908
North Dakota	30	67	93	207	30	20	93	70
South Dakota	51	40	167	115	48	40	160	115
No. 9—Little Rock	2, 417	4, 064	6, 782	11, 135	2, 199	1, 967	6, 237	5, 218
Arkansas	155	167	383	445	155	135	383	395
Louisiana	273	259	839	824	273	259	839	824
Mississippi	241	1, 134	631	2, 897	137	178	221	245
New Mexico	118	96	322	236	118	92	322	230
Texas	1, 630	2, 408	4, 607	6, 733	1, 516	1, 303	4, 472	3, 524
No. 10—Topeka	960	825	2, 870	2, 509	860	797	2, 608	2, 417
Colorado	269	277	822	799	182	277	585	799
Kansas	181	149	444	414	175	142	432	406
Nebraska	165	112	559	396	165	91	559	312
Oklahoma	345	287	1, 045	900	338	287	1, 032	900
No. 11—Portland	1, 598	1, 685	5, 657	5, 273	852	864	3, 021	2, 862
Idaho	43	91	121	247	43	87	121	240
Montana	43	89	138	212	39	70	132	182
Oregon	183	200	622	689	157	175	566	612
Utah	99	184	332	536	93	161	322	516
Washington	1, 172	1, 081	4, 210	3, 439	467	331	1, 661	1, 162
Wyoming	58	40	234	150	53	40	219	150
No. 12—Los Angeles	7, 593	5, 150	24, 571	17, 165	3, 690	3, 957	12, 915	14, 052
Arizona	78	58	272	176	70	53	256	163
California	7, 425	5, 058	24, 035	16, 837	3, 555	3, 874	12, 426	13, 740
Nevada	90	34	264	152	65	30	233	149

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Table 3.—BUILDING COSTS—Cost of building the same standard house in representative cities[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
	Dec.	Dec.	Dec.	Sept.	June	Mar.	Dec.	Dec.	Dec.	Dec.
No. 1—Boston:										
Hartford, Conn	$0. 300	$0. 258	$7, 204	$7, 166	$6, 615	$6, 424	$6, 201	$5, 903	$5, 877	$6, 076
New Haven, Conn	. 299	. 255	7, 171	7, 131	6, 650	6, 288	6, 118	5, 793	5, 617	5, 832
Portland, Me	. 229	. 220	5, 493	5, 424	5, 424	5, 369	5, 274	5, 242	5, 259	5, 708
Boston, Mass	. 306	. 278	7, 353	7, 122	6, 986	6, 760	6, 667	6, 428	6, 384	6, 601
Manchester, N. H	. 249	. 240	5, 969	5, 884	5, 882	5, 801	5, 749	5, 381	5, 554	5, 601
Providence, R. I	. 279	. 259	6, 701	6, 554	6, 355	6, 281	6, 226	6, 007	5, 893	6, 000
Rutland, Vt	. 265	. 227	6, 361	6, 316	5, 917	5, 880	5, 443	5, 272	5, 472	5, 846
No. 4—Winston Salem:										
Birmingham, Ala	. 292	. 254	7, 011	6, 927	6, 494	6, 392	6, 087	5, 190	5, 668	6, 068
Washington, D. C	. 267	. 267	6, 396	6, 170	6, 173	6, 236	6, 416	5, 738	5, 854	6, 019
Tampa, Fla	. 260	. 251	6, 229	[2] 6, 186	6, 152	6, 155	6, 027	5, 709	5, 513	5, 578
W. Palm Beach, Fla	. 283	. 280	6, 781	[2] 6, 682	6, 373	6, 550	6, 731	5, 740	5, 834	6, 393
Atlanta, Ga	. 258	. 229	6, 194	6, 138	[2] 5, 939	[2] 5, 801	[2] 5, 492	4, 926	5, 006	5, 267
Baltimore, Md	. 262	. 236	6, 280	6, 180	6, 157	6, 088	5, 659	4, 810	4, 676	4, 919
Cumberland, Md	. 262	. 243	6, 287	6, 264	6, 006	6, 058	5, 832	5, 477	5, 443	5, 643
Asheville, N. C	. 247	. 222	5, 939	5, 779	5, 708	5, 752	5, 320	5, 115	5, 074	5, 410
Raleigh, N. C	. 256	. 223	6, 155	6, 088	5, 502	5, 478	[2] 5, 360	5, 176	5, 273	5, 515
Salisbury, N. C	. 211	. 187	5, 072	5, 013	5, 168	4, 716	4, 493	4, 881	4, 741	4, 714
Columbia, S. C	. 252	. 227	6, 052	[2] 5, 890	[2] 5, 734	5, 540	5, 453	4, 673	4, 888	4, 860
Richmond, Va	. 247	. 226	5, 940	5, 944	5, 600	5, 570	5, 420	4, 953	5, 081	5, 370
Roanoke, Va	. 257	. 238	6, 157	6, 034	5, 936	6, 021	5, 714	5, 191	5, 094	5, 103
No. 7—Chicago:										
Chicago, Ill	. 328	. 288	7, 863	7, 783	7, 371	7, 093	6, 900	6, 789	6, 838	7, 226
Peoria, Ill	. 321	. 298	7, 707	7, 686	7, 288	7, 267	7, 158	6, 909	6, 441	6, 705
Springfield, Ill	. 328	. 309	7, 881	7, 838	7, 463	7, 463	7, 415	7, 073	6, 811	--------
Milwaukee, Wisc	. 276	. 245	6, 632	6, 500	6, 117	5, 988	5, 875	5, 342	5, 071	5, 294
Oshkosh, Wisc	. 273	. 242	6, 544	6, 431	6, 029	5, 975	5, 814	5, 393	5, 478	5, 597
No. 10—Topeka:										
Denver, Col	. 284	. 264	6, 826	[2] 6, 754	6, 456	6, 500	6, 327	6, 221	6, 431	6, 625
Wichita, Kan	. 266	. 238	6, 376	[2] 6, 126	6, 058	5, 790	5, 716	5, 794	5, 964	--------
Omaha, Neb	. 262	. 249	6, 288	[2] 6, 275	6, 287	6, 148	5, 968	6, 079	5, 717	5, 975

[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.—BUILDING COSTS—Index of building costs for the standard house

[Average month of 1935–1939=100]

Element of cost	Nov. 1941	Oct. 1941	Sept. 1941	Aug. 1941	July 1941	June 1941	May 1941	Apr. 1941	Mar. 1941	Feb. 1941	Jan. 1941	Dec. 1940	Nov. 1940
Material	116. 8	116. 0	114. 4	112. 6	110. 7	109. 2	108. 8	108. 7	108. 0	107. 8	106. 6	105. 9	104. 6
Labor	123. 5	123. 3	120. 7	120. 0	119. 3	118. 6	117. 0	116. 1	115. 3	115. 1	114. 5	112. 5	109. 8
Total cost	119. 0	118. 5	116. 5	115. 1	113. 6	112. 4	111. 6	111. 2	110. 4	110. 2	109. 3	108. 1	106. 4

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

[1935–1939=100; converted from 1926 base]
[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: November	103. 8	100. 8	100. 2	111. 5	104. 4	104. 2	103. 5	100. 5
1940: 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
August	117. 8	104. 7	101. 1	142. 0	114. 7	114. 0	103. 5	108. 0
September	118. 8	105. 3	101. 2	143. 8	116. 4	114. 4	103. 5	108. 4
October	119. 8	106. 3	101. 7	144. 2	118. 0	115. 3	103. 5	109. 8
November	120. 0	106. 3	102. 2	143. 3	117. 2	115. 5	103. 5	111. 6
Change:								
Nov. 1941–Oct. 1941	+0. 2	0. 0	+0. 5	−0. 6	−0. 7	+0. 2	0. 0	+1. 6
Nov. 1941–Nov. 1940	+8. 7	+7. 0	+2. 5	+9. 6	+11. 2	+9. 2	0. 0	+9. 5

Table 6.—MORTGAGE LENDING—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.–Nov	274, 116	311, 850	167, 024	55, 128	95, 153	903, 271	366, 284	362, 832	174, 155
November	26, 607	30, 434	15, 445	4, 720	8, 870	86, 076	34, 785	34, 671	16, 620
1940	398, 632	426, 151	198, 148	63, 583	113, 065	1, 199, 579	509, 713	483, 499	206, 367
Jan.–Nov	368, 600	394, 686	183, 573	59, 335	104, 832	1, 111, 026	471, 998	446, 770	192, 258
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.–Nov	----------	----------	----------	----------	----------	p 1,277,627	p 543, 028	p 539, 454	p 195, 145
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
August	42, 987	55, 973	15, 785	5, 571	9, 411	129, 727	57, 592	54, 542	17, 593
September	40, 782	58, 052	15, 871	5, 884	9, 345	129, 934	54, 786	54, 303	20, 845
October	37, 722	59, 874	16, 283	5, 361	8, 698	r 127, 938	r 52, 507	r 54, 930	r 20, 501
November	----------	----------	----------	----------	----------	p 103, 900	p 41, 900	p 46, 500	p 15, 500

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Table 7.—MORTGAGE LENDING—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, September 1941 to October 1941	New loans, October 1940	Percent change, October 1940 to October 1941	Cumulative new loans (10 months)		
		October 1941	September 1941				1941	1940	Percent change
United States:	Total	$127, 938	$129, 934	−1. 5	$114, 400	+11. 8	$1, 173, 727	$1,016,459	+15. 5
	Federal	52, 507	54, 786	−4. 2	48, 307	+8. 7	501, 128	433, 102	+15. 7
	State member	54, 930	54, 303	+1. 2	46, 224	+18. 8	492, 954	406, 627	+21. 2
	Nonmember	20, 501	20, 845	−1. 7	19, 869	+3. 2	179, 645	176, 730	+1. 6
Boston:	Total	14, 615	15, 019	−2. 7	11, 513	+26. 9	124, 345	95, 147	+30. 7
	Federal	4, 728	5, 415	−12. 7	4, 175	+13. 2	42, 922	32, 933	+30. 3
	State member	7, 284	7, 734	−5. 8	5, 546	+31. 3	63, 110	46, 461	+35. 8
	Nonmember	2, 603	1, 870	+39. 2	1, 792	+45. 3	18, 313	15, 753	+16. 3
New York:	Total	13, 729	14, 288	−3. 9	13, 478	+1. 9	115, 541	96, 833	+19. 3
	Federal	3, 801	4, 866	−21. 9	3, 381	+12. 4	34, 166	28, 212	+21. 1
	State member	4, 648	4, 329	+7. 4	3, 412	+36. 2	35, 905	26, 802	+34. 0
	Nonmember	5, 280	5, 093	+3. 7	6, 685	−21. 0	45, 470	41, 819	+8. 7
Pittsburgh:	Total	11, 285	10, 925	+3. 3	8, 484	+33. 0	93, 827	78, 905	+18. 9
	Federal	3, 860	3, 999	−3. 5	3, 543	+8. 9	35, 908	30, 650	+17. 2
	State member	3, 036	2, 351	+29. 1	2, 221	+36. 7	24, 184	20, 021	+20. 8
	Nonmember	4, 389	4, 575	−4. 1	2, 720	+61. 4	33, 735	28, 234	+19. 5
Winston-Salem:	Total	17, 247	17, 788	−3. 0	15, 574	+10. 7	160, 545	146, 713	+9. 4
	Federal	8, 463	8, 525	−0. 7	7, 930	+6. 7	78, 262	71, 920	+8. 8
	State member	7, 204	7, 402	−2. 7	6, 249	+15. 3	68, 035	57, 217	+18. 9
	Nonmember	1, 580	1, 861	−15. 1	1, 395	+13. 3	14, 248	17, 576	−18. 9
Cincinnati:	Total	21, 277	21, 702	−2. 0	19, 705	+8. 0	200, 098	170, 369	+17. 4
	Federal	8, 045	7, 996	+0. 6	7, 230	+11. 3	74, 634	62, 968	+18. 5
	State member	10, 804	10, 550	+2. 4	9, 553	+13. 1	99, 787	81, 935	+21. 8
	Nonmember	2, 428	3, 156	−23. 1	2, 922	−16. 9	25, 677	25, 466	+0. 8
Indianapolis:	Total	6, 535	6, 693	−2. 4	6, 503	+0. 5	60, 095	53, 354	+12. 6
	Federal	3, 111	3, 383	−8. 0	3, 525	−11. 7	30, 394	26, 267	+15. 7
	State member	3, 155	3, 041	+3. 7	2, 675	+17. 9	27, 391	24, 042	+13. 9
	Nonmember	269	269	0. 0	303	−11. 2	2, 310	3, 045	−24. 1
Chicago:	Total	12, 555	12, 160	+3. 2	11, 051	+13. 6	117, 140	103, 347	+13. 3
	Federal	4, 977	4, 720	+5. 4	4, 374	+13. 8	45, 444	41, 015	+10. 8
	State member	6, 219	5, 981	+4. 0	5, 258	+18. 3	56, 139	46, 647	+20. 3
	Nonmember	1, 359	1, 459	−6. 9	1, 419	−4. 2	15, 557	15, 685	−0. 8
Des Moines:	Total	6, 558	7, 266	−9. 7	6, 377	+2. 8	64, 285	62, 170	+3. 4
	Federal	3, 252	3, 459	−6. 0	3, 041	+6. 9	32, 043	30, 248	+5. 9
	State member	2, 229	2, 570	−13. 5	2, 202	+1. 2	21, 330	19, 126	+11. 5
	Nonmember	1, 077	1, 237	−12. 7	1, 134	−5. 0	10, 912	12, 796	−14. 7
Little Rock:	Total	6, 260	6, 329	−1. 1	5, 209	+20. 2	57, 508	51, 128	+12. 5
	Federal	2, 682	2, 576	+4. 1	2, 036	+31. 7	24, 277	20, 372	+19. 2
	State member	3, 471	3, 614	−4. 0	3, 056	+13. 6	31, 874	28, 866	+10. 4
	Nonmember	107	139	−23. 0	117	−8. 5	1, 357	1, 890	−28. 2
Topeka:	Total	4, 822	5, 131	−6. 0	4, 565	+5. 6	46, 990	44, 187	+6. 3
	Federal	2, 671	2, 837	−5. 9	2, 437	+9. 6	25, 949	23, 184	+11. 9
	State member	1, 098	1, 351	−18. 7	1, 149	−4. 4	11, 303	10, 219	+10. 6
	Nonmember	1, 053	943	+11. 7	979	+7. 6	9, 738	10, 784	−9. 7
Portland:	Total	4, 191	4, 021	+4. 2	3, 523	+19. 0	42, 130	35, 284	+19. 4
	Federal	2, 592	2, 518	+2. 9	2, 261	+14. 6	27, 303	21, 947	+24. 4
	State member	1, 315	1, 335	−1. 5	1, 113	+18. 1	13, 314	11, 844	+12. 4
	Nonmember	284	168	+69. 0	149	+90. 6	1, 513	1, 493	+1. 3
Los Angeles:	Total	8, 864	8, 612	+2. 9	8, 418	+5. 3	91, 223	79, 022	+15. 4
	Federal	4, 325	4, 492	−3. 7	4, 374	−1. 1	49, 826	43, 386	+14. 8
	State member	4, 467	4, 045	+10. 4	3, 790	+17. 9	40, 582	33, 447	+21. 3
	Nonmember	72	75	−4. 0	254	−71. 7	815	2, 189	−62. 8

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

(Amounts shown are in thousands of dollars)

Federal Home Loan Bank District and State	Savings & Loan associations Number	Savings & Loan associations Amount	Insurance companies Number	Insurance companies Amount	Banks and trust companies Number	Banks and trust companies Amount	Mutual savings banks Number	Mutual savings banks Amount	Individuals Number	Individuals Amount	Other mortgagees Number	Other mortgagees Amount	Total Number	Total Amount	Amount per capita (nonfarm)
UNITED STATES	40,423	$113,353	6,519	$32,527	27,225	$92,316	4,769	$19,653	31,504	$64,024	16,035	$55,810	126,475	$377,683	$4.09
No. 1--Boston	3,732	12,477	269	1,558	1,033	4,162	2,613	10,117	2,593	6,310	589	2,075	10,829	36,699	
Connecticut	394	1,584	189	1,052	411	1,938	563	2369	596	1,415	366	1,289	2,519	9,647	6.35
Maine	158	415	15	80	106	312	145	327	116	162	29	83	569	1,379	2.20
Massachusetts	2,768	9,132	51	345	398	1,471	1,443	5,605	1,588	4,002	128	423	6,376	20,978	5.08
New Hampshire	143	389	3	14	29	101	204	832	79	221	6	34	464	1,591	3.95
Rhode Island	182	717	9	57	71	278	133	473	165	374	57	225	617	2,124	3.17
Vermont	87	240	2	10	18	62	125	511	49	136	3	21	284	980	3.97
No. 2--New York	2,596	9,593	508	2,939	2,288	9,656	1,463	6,970	3,559	8,987	1,840	7,222	12,254	45,367	
New Jersey	1,100	4,117	273	1,515	1,342	5,957	84	345	1,417	3,737	1,012	3,743	5,228	19,414	4.96
New York	1,496	5,476	235	1,424	946	3,699	1,379	6,625	2,142	5,250	828	3,479	7,026	25,953	2.19
No. 3--Pittsburgh	3,118	8,021	401	1,850	2,558	8,525	258	963	2,047	4,779	1,150	4,619	9,532	28,757	
Delaware	21	67	26	139	54	229	16	67	59	126	14	37	190	665	3.47
Pennsylvania	2,728	7,240	264	1,236	1,859	6,751	236	888	1,598	3,791	1,007	4,267	7,692	24,173	2.75
West Virginia	369	714	111	475	645	1,545	6	8	390	862	129	315	1,650	3,919	3.06
No. 4--Winston-Salem	5,671	15,371	1,023	4,718	2,421	7,199	70	268	4,431	8,437	2,029	5,821	15,645	41,814	
Alabama	194	352	153	642	231	579	-	-	496	723	175	401	1,249	2,697	2.07
District of Columbia	411	2,213	100	649	96	661	-	-	385	1,163	150	718	1,142	5,404	11.12
Florida	598	1,858	324	1,407	235	815	-	-	711	1,527	379	1,310	2,247	6,917	5.82
Georgia	755	1,671	109	580	649	1,480	-	-	813	1,182	345	735	2,671	5,648	3.79
Maryland	1,426	3,884	53	277	288	1,034	70	268	462	1,238	172	587	2,471	7,288	5.23
North Carolina	1,341	3,157	146	581	317	1,038	-	-	764	932	309	809	2,877	6,517	4.15
South Carolina	226	498	42	230	204	476	-	-	171	376	89	280	732	1,860	2.26
Virginia	720	1,738	96	352	401	1,116	-	-	629	1,296	410	981	2,256	5,483	3.73
No. 5--Cincinnati	6,833	21,010	658	3,293	3,183	10,448	140	634	2,274	4,298	1,627	5,440	14,715	45,123	
Kentucky	1,030	2,549	126	578	534	1,359	-	-	232	279	89	334	2,011	5,099	3.55
Ohio	5,595	17,981	372	2,053	2,053	6,795	140	634	1,687	3,394	745	2,762	10,592	33,619	5.97
Tennessee	208	480	160	662	596	2,294	-	-	355	625	793	2,344	2,112	6,405	4.57
No. 6--Indianapolis	2,786	6,026	740	3,450	3,156	9,123	10	21	1,312	2,828	1,002	3,732	9,006	25,180	
Indiana	1,996	3,967	297	1,225	1,126	3,342	10	21	449	772	326	932	4,204	10,259	4.23
Michigan	790	2,059	443	2,225	2,030	5,781	-	-	863	2,056	676	2,800	4,802	14,921	3.68
No. 7--Chicago	3,557	10,534	404	2,109	1,769	6,652	8	14	2,058	4,867	1,671	7,212	9,467	31,388	
Illinois	2,712	8,055	296	1,632	1,068	4,418	-	-	1,175	2,923	1,471	6,572	6,722	23,600	3.56
Wisconsin	845	2,479	108	477	701	2,234	8	14	883	1,944	200	640	2,745	7,788	3.78
No. 8--Des Moines	2,886	6,745	569	2,842	2,044	5,176	29	79	2,252	3,451	1,466	4,494	9,246	22,787	
Iowa	777	1,665	116	544	540	1,210	-	-	385	497	220	597	2,038	4,513	3.02
Minnesota	941	2,308	218	998	467	1,069	29	79	696	1,141	196	624	2,547	6,219	3.73
Missouri	1,028	2,444	185	1,110	872	2,639	-	-	993	1,554	1,037	3,252	4,115	10,999	4.37
North Dakota	87	201	25	77	59	83	-	-	73	124	9	19	253	504	1.78
South Dakota	53	127	25	113	106	175	-	-	105	135	4	2	293	552	1.82
No. 9--Little Rock	3,091	7,659	914	4,170	802	2,507	-	-	2,399	4,036	1,665	4,794	8,871	23,166	
Arkansas	237	503	62	337	150	325	-	-	239	280	82	167	770	1,612	2.19
Louisiana	759	2,406	130	606	66	239	-	-	392	690	394	1,030	1,741	4,971	3.91
Mississippi	137	271	68	310	121	287	-	-	233	318	81	180	640	1,366	2.11
New Mexico	73	175	5	35	114	428	-	-	95	175	8	27	295	840	3.17
Texas	1,885	4,304	649	2,882	351	1,228	-	-	1,440	2,573	1,100	3,390	5,425	14,377	4.14
No. 10--Topeka	2,070	4,590	228	1,066	854	2,086	-	-	1,505	2,305	822	2,442	5,479	12,489	
Colorado	315	804	30	139	141	345	-	-	615	1,083	273	877	1,374	3,248	4.31
Kansas	536	1,054	39	155	365	829	-	-	214	243	170	503	1,324	2,784	2.37
Nebraska	505	1,070	79	392	63	219	-	-	214	257	109	213	970	2,151	2.72
Oklahoma	714	1,662	80	380	285	693	-	-	462	722	270	849	1,811	4,306	3.14
No. 11--Portland	1,474	3,650	291	1,119	1,317	3,628	178	587	1,403	2,096	835	2,996	5,498	14,076	
Idaho	67	148	25	94	39	194	-	-	170	202	64	167	365	805	3.14
Montana	105	258	17	103	72	275	-	-	142	300	25	68	361	1,004	3.01
Oregon	351	890	78	328	241	567	11	32	495	698	215	800	1,391	3,315	4.54
Utah	154	470	39	134	334	1,083	-	-	106	133	47	124	680	1,944	4.96
Washington	737	1,735	129	445	595	1,342	167	555	420	631	457	1,756	2,505	6,464	5.14
Wyoming	60	149	3	15	36	167	-	-	70	132	27	81	196	544	3.57
No. 12--Los Angeles	2,609	7,677	514	3,413	5,800	23,154	-	-	5,671	11,630	1,339	4,963	15,933	50,837	
Arizona	120	325	7	14	123	438	-	-	300	616	41	129	591	1,522	4.52
California	2,462	7,280	505	3,396	5,650	22,618	-	-	5,304	10,877	1,289	4,805	15,210	48,976	9.69
Nevada	27	72	2	3	27	98	-	-	67	137	9	29	132	339	4.54

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

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Table 9.—MORTGAGE RECORDINGS—Estimated volume of nonfarm mortgages recorded, by type of mortgagee

[Amounts are shown in thousands of dollars]

Period	Savings and loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgagees		All mortgagees	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Combined total	Percent
Number:														
1940: 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
August	50, 057	34. 6	7, 298	5. 0	30, 731	21. 2	4, 990	3. 5	34, 161	23. 6	17, 510	12. 1	144, 747	100. 0
September	49, 262	33. 7	7, 433	5. 1	31, 001	21. 2	5, 197	3. 6	34, 982	23. 9	18, 295	12. 5	146, 170	100. 0
October	49, 574	32. 6	8, 271	5. 4	32, 386	21. 3	5, 633	3. 7	37, 167	24. 4	19, 125	12. 6	152, 156	100. 0
November	40, 423	32. 0	6, 519	5. 1	27, 225	21. 5	4, 769	3. 8	31, 504	24. 9	16, 035	12. 7	126, 475	100. 0
Amount:														
1940: 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
August	139, 156	32. 5	35, 995	8. 4	105, 153	24. 6	19, 213	4. 5	69, 002	16. 1	59, 580	13. 9	428, 099	100. 0
September	135, 754	31. 9	36, 250	8. 5	100, 712	23. 7	20, 802	4. 9	70, 377	16. 6	61, 034	14. 4	424, 929	100. 0
October	138, 670	31. 0	39, 896	8. 9	106, 109	23. 7	22, 788	5. 1	74, 891	16. 7	65, 636	14. 6	447, 990	100. 0
November	113, 353	30. 0	32, 527	8. 6	92, 316	24. 4	19, 653	5. 2	64, 024	17. 0	55, 810	14. 8	377, 683	100. 0

Table 10.—FORECLOSURES—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.–Nov	69, 671	7, 050	10, 337	14, 691	37, 593
November	5, 832	603	832	1, 343	3, 054
December	5, 639	635	819	1, 103	3, 082
1941: Jan.–Nov	54, 044	5, 944	8, 341	11, 633	28, 126
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
August	4, 251	399	668	948	2, 236
September	4, 374	515	654	975	2, 230
October	4, 408	544	697	945	2, 222
November	4, 204	448	705	890	2, 161

Table 11.—HOLC—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: 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
August	665	1, 793	42, 807
September	681	1, 790	41, 698
October	642	1, 721	40, 614
November	576	1, 446	39, 743

[1] Includes reacquisitions of properties previously sold.

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Table 12.—INSURED ASSOCIATIONS—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: 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
August	2, 319	3, 185, 814	2, 636, 536	2, 465, 223	195, 572	147, 044	3, 019, 600	62, 374	48, 010	84, 794
September	2, 326	3, 222, 299	2, 672, 985	2, 486, 992	195, 584	153, 897	3, 037, 800	61, 495	42, 800	82, 993
October	2, 330	3, 261, 689	2, 711, 854	2, 518, 006	195, 787	159, 298	3, 065, 800	67, 132	40, 142	80, 676
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: 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, 450	2, 028, 045	1, 687, 088	1, 554, 374	169, 247	103, 696	1, 806, 200	40, 030	14, 530	57, 542
July	1, 452	2, 022, 886	1, 715, 819	1, 565, 799	166, 464	102, 513	1, 822, 700	70, 290	61, 061	56, 564
August	1, 454	2, 049, 184	1, 749, 214	1, 579, 671	159, 622	106, 624	1, 841, 600	40, 730	30, 443	57, 592
September[1]	1, 456	2, 075, 513	1, 774, 371	1, 595, 119	159, 614	112, 033	1, 856, 400	40, 254	26, 765	54, 786
October[2]	1, 457	2, 103, 664	1, 801, 237	1, 616, 605	159, 775	116, 723	1, 873, 500	44, 341	23, 799	52, 507
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: 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
August	865	1, 136, 630	887, 322	885, 552	35, 950	40, 420	1, 178, 000	21, 644	17, 567	27, 202
September	870	1, 146. 786	898, 614	891, 873	35, 970	41, 864	1, 181, 400	21, 241	16, 035	28, 207
October	873	1, 158, 025	910, 617	901, 401	36, 012	42, 575	1, 192, 300	22, 791	16, 343	28, 260

[1] In addition, 3 converted Federals with assets of $1,211,000 were not insured as of September 30, 1941.
[2] In addition, 6 converted Federals with assets of $1,880,000 were not insured as of October 31, 1941.

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Table 13.—BANK ADVANCES—Lending operations of the Federal Home Loan banks

[Thousands of dollars]

Federal Home Loan Bank	November 1941		October 1941		Advances outstanding Nov. 30, 1941
	Advances	Repayments	Advances	Repayments	
Boston	$480	$277	$3, 072	$517	$12, 708
New York	1, 352	742	1, 812	753	21, 778
Pittsburgh	1, 081	633	792	610	16, 933
Winston-Salem	1, 382	1, 124	2, 027	1, 391	22, 894
Cincinnati	1, 012	813	340	748	14, 843
Indianapolis	391	74	506	295	11, 434
Chicago	1, 746	1, 073	1, 941	1, 066	30, 041
Des Moines	561	244	711	163	16, 216
Little Rock	229	156	320	163	8, 852
Topeka	246	1, 106	130	454	7, 366
Portland	555	559	295	315	6, 621
Los Angeles	895	356	1, 193	544	17, 398
Total	9, 930	7, 157	13, 139	7, 019	187, 084
Jan.-Nov. 1941	117, 433	131, 841			
November 1940	8, 953	4, 932			185, 547
Jan.-Nov. 1940	110, 779	106, 545			
November 1939	5, 827	5, 659			168, 822
Jan.-Nov. 1939	76, 057	106, 077			

Table 14.—GOVERNMENT SHARES—Investments in member associations [1]

[Amounts are shown in thousands of dollars]

Type of operation	Treasury	Home Owners' Loan Corporation		
	Federals [2]	Federals	State members	Total
Oct. 1935–Nov. 1941:				
Applications:				
Number	1, 862	4, 689	991	5, 680
Amount	$50, 401	$211, 098	$66, 000	$277, 098
Investments:				
Number	1, 831	4, 229	740	4, 969
Amount	$49, 300	$177, 318	$45, 756	$223, 074
Repurchases	$28, 016	$38, 677	$9, 411	$48, 088
Net outstanding investments	$21, 284	$138, 641	$36, 345	$174, 986
November 1941:				
Applications:				
Number	0	3	2	5
Amount	0	$185	$125	$310
Investments:				
Number	0	3	2	5
Amount	0	$150	$125	$275
Repurchases	0	0	$7	$7

[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.—SAVINGS—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: 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	100, 581	57, 755	3, 758, 822	1, 310, 027			2, 379, 856
June	594, 164	102, 517	61, 448	3, 853, 297	1, 304, 041	10, 606, 224	13, 107, 022	2, 433, 513
July	582, 292	145, 274	103, 886	3, 992, 095	1, 306, 928			2, 449, 807
August	581, 171	117, 603	62, 374	4, 102, 528	1, 308, 839			2, 465, 223
September	581, 998	105, 241	61, 495	4, 199, 539	1, 311, 060			2, 486, 992
October	658, 339	122, 884	67, 132	4, 313, 973	1, 317, 293			2, 518, 006
November	581, 692	109, 475		4, 416, 244	1, 323, 258			
Change: Last 6 months				+17. 49%	+1. 01%	−0. 11%	+0. 34%	+6. 96%

[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.

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Election and Appointment of Directors and Designation of Chairmen and Vice Chairmen of the Federal Home Loan Banks

ANNOUNCEMENT has been made recently by the Federal Home Loan Bank Board of: (1) the election of Classes A, B, and C directors and directors-at-large to serve 2-year terms beginning January 1, 1942 unless otherwise noted; (2) the appointment of public interest directors to serve 4-year terms beginning January 1, 1942; and (3) the designation of chairmen and vice chairmen to serve during the calendar year 1942 or until their successors are designated and qualified.

DISTRICT NO. 1—FEDERAL HOME LOAN BANK OF BOSTON

Chairman: Bernard J. Rothwell, Bay State Milling Company, Boston, Massachusetts (reappointed).

Vice Chairman: Edward H. Weeks, Old Colony Cooperative Bank, Providence, Rhode Island (reappointed).

Public Interest Director: Bernard J. Rothwell (reappointed).

Class A Director: Edward H. Weeks (reelected).

Class B Director: Reuben A. Cooke, Burlington Federal Savings and Loan Association, Burlington, Vermont (reelected).

Class C Director: Sumner W. Johnson, Homestead Loan and Building Association, Portland, Maine (reelected).

Director-at-Large: Philip A. Damon, The Pittsfield Co-operative Bank, Pittsfield, Massachusetts (reelected).

DISTRICT NO. 2—FEDERAL HOME LOAN BANK OF NEW YORK

Chairman: George MacDonald, Manufacturers' Trust Company, New York, New York (reappointed).

Vice Chairman: Francis V. D. Lloyd, Park Building and Loan Association, Ridgefield Park, New Jersey (reappointed).

Public Interest Director: George MacDonald (reappointed).

Class A Director: E. Clinton Wolcott, First Federal Savings and Loan Association, Rochester, New York.

Class B Director: Francis V. D. Lloyd, Garden State Building and Loan Association, Ridgefield Park, New Jersey (formerly Class C Director).

Class C Director: Harry J. Stevens, Trustworthy Building and Loan Association, Newark, New Jersey (formerly Class B Director).

Director-at-Large: LeGrand W. Pellett, The Building and Loan Association of Newburgh, Newburgh, New York (reelected).

DISTRICT NO. 3—FEDERAL HOME LOAN BANK OF PITTSBURGH

Chairman: Ernest T. Trigg, National Paint, Varnish and Lacquer Association, Philadelphia, Pennsylvania (reappointed).

Vice Chairman: Charles S. Tippets, The Mercersburg Academy, Mercersburg, Pennsylvania (reappointed).

Public Interest Director: Ernest T. Trigg (reappointed).

Class A Director: Harry R. Smith, Ellwood City Federal Savings and Loan Association, Ellwood City, Pennsylvania (reelected).

Class B Director: Charles Warner, Brandywine Building and Loan Association, Wilmington, Delaware (reelected).

Class C Director: Francis E. McGill, Manayunk Savings and Loan Association, Philadelphia, Pennsylvania.

Director-at-Large: James J. O'Malley, First Federal Savings and Loan Association of Wilkes-Barre, Wilkes-Barre, Pennsylvania (reelected).

DISTRICT NO. 4—FEDERAL HOME LOAN BANK OF WINSTON-SALEM

Chairman: Horace S. Haworth, Roberson, Haworth, and Reese (law firm), High Point, North Carolina (reappointed).

Vice Chairman: Edward C. Baltz, Perpetual Building Association, Washington, D. C. (reappointed).

Public Interest Director: W. Waverly Taylor, Waverly Taylor, Inc., (builders) Washington, D. C. (reappointed).

Class A Director: William H. Walker, First Federal Savings and Loan Association of Miami, Miami, Florida (reelected).

Class B Director: J. Newton Gordon, The Cooperative Building and Loan Association of Lynchburg, Lynchburg, Virginia (reelected).

Class C Director: George E. Rutledge, First Federal Savings and Loan Association of Bessemer, Bessemer, Alabama (reelected).

Director-at-Large: P. W. Spencer, Mechanics Federal Savings and Loan Association, Rock Hill, South Carolina (reelected).

DISTRICT NO. 5—FEDERAL HOME LOAN BANK OF CINCINNATI

Chairman: Richard Dietzman, Attorney, Louisville, Kentucky (reappointed).

Vice Chairman: Wm. Megrue Brock, The Gem City Building and Loan Association, Dayton, Ohio (reappointed).

Class A Director: James M. McKay, The Home Savings and Loan Company of Youngstown, Youngstown, Ohio (reelected).

Class B Director: Fred B. Bassmann, Monmouth Street Federal Savings and Loan Association of Newport, Newport, Kentucky (reelected).

Class C Directors: Herman F. Cellarius, The San Marco Building and Loan Association, Cincinnati, Ohio (reelected).

R. A. Stevens, Dyer County Federal Savings and Loan Association, Dyersburg, Tennessee—elected to serve for the unexpired portion of 2-year term ending December 31, 1942 (previously appointed to this position).

Director-at-Large: Wm. Megrue Brock (reelected).

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DISTRICT NO. 6—FEDERAL HOME LOAN BANK OF INDIANAPOLIS

Chairman: Herman B. Wells, Indiana University, Bloomington, Indiana (reappointed).

Vice Chairman: Fermor S. Cannon, Railroadmen's Federal Savings and Loan Association, Indianapolis, Indiana (reappointed).

Public Interest Director: Dr. S. Rudolph Light, Physician, American National Bank Building, Kalamazoo, Michigan (reappointed).

Class A Director: James H. Jerome, Peoples' Building and Loan Association, Saginaw, Michigan.

Class B Director: Robert H. Wertenberger, Peoples Savings and Loan Association of DeKalb County, Auburn, Indiana (reelected).

Class C Director: Earl C. Bucher, People's Savings and Loan Association, Huntington, Indiana (reelected).

Director-at-Large: Myron H. Gray, Muncie Federal Savings and Loan Association, Muncie, Indiana (reelected).

DISTRICT NO. 7—FEDERAL HOME LOAN BANK OF CHICAGO

Chairman: Charles E. Broughton, The Sheboygan Press, Sheboygan, Wisconsin (reappointed).

Vice Chairman: Henry G. Zander, Jr., Henry G. Zander and Company (realtors), Chicago, Illinois (reappointed).

Public Interest Director: Clarence W. Reuling, Massachusetts Mutual Life Insurance Company, Peoria, Illinois (reappointed).

Class A Director: Earl S. Straight, North Shore Building and Loan Association, Shorewood (Milwaukee), Wisconsin.

Class B Director: George Dick, Modern Federal Savings and Loan Association, Milwaukee, Wisconsin (previously appointed for unexpired term).

Class C Director: Nic W. Heintskill, Community Building and Loan Association, Milwaukee, Wisconsin.

Director-at-Large: Arthur G. Erdmann, Bell Savings and Loan Association, Chicago, Illinois.

DISTRICT NO. 8—FEDERAL HOME LOAN BANK OF DES MOINES

Chairman: Charles B. Robbins, Cedar Rapids Life Insurance Company, Cedar Rapids, Iowa (reappointed).

Vice Chairman: E. J. Russell, Mauran, Russell, and Crowell (architects), St. Louis, Missouri (reappointed).

Public Interest Director: E. J. Russell (reappointed).

Class A Director: John C. Shenk, First Federal Savings and Loan Association of Davenport, Davenport, Iowa.

Class B Director: Kenneth S. Kerfoot, Ben Franklin Federal Savings and Loan Association, St. Paul, Minnesota.

Class C Director: W. M. Breau, The State Building Loan and Savings Association, Des Moines, Iowa.

Director-at-Large: Louis A. Boyles, Yankton Building and Loan Association, Yankton, South Dakota (reelected).

DISTRICT NO. 9—FEDERAL HOME LOAN BANK OF LITTLE ROCK

Chairman: Will C. Jones, Jr., Mercantile National Bank at Dallas, Dallas, Texas (reappointed).

Vice Chairman: Wilbur P. Gulley, Pulaski Federal Savings and Loan Association, Little Rock, Arkansas (reappointed).

Public Interest Director: Will C. Jones, Jr. (reappointed).

Class A Director: O. M. Thompson, Capital Building and Loan Association, Baton Rouge, Louisiana.

Class B Director: O. W. Boswell, First Federal Savings and Loan Association of Paris, Paris, Texas (reelected).

Class C Director: Louis D. Ross, St. Tammany Homestead Association, Covington, Louisiana (reelected).

Director-at-Large: Wilbur P. Gulley (reelected).

DISTRICT NO. 10—FEDERAL HOME LOAN BANK OF TOPEKA

Chairman: Paul F. Good, Good, Good, and Kirkpatrick (attorneys), Lincoln, Nebraska (reappointed).

Vice Chairman: Ross E. Thompson, United Federal Savings and Loan Association, Tulsa, Oklahoma (reappointed).

Class A Director: Arthur R. Brasted, Mid-Kansas Federal Savings and Loan Association of Wichita, Wichita, Kansas (reelected).

Class B Director: L. W. Bauerle, Southwest Federal Savings and Loan Association, Wichita, Kansas (reelected).

Class C Director: C. L. Thomas, First Federal Savings and Loan Association of Topeka, Topeka, Kansas.

Director-at-Large: George W. Greenwood, The Topeka Building and Loan Association, Topeka, Kansas.

DISTRICT NO. 11—FEDERAL HOME LOAN BANK OF PORTLAND

Chairman: Ben A. Perham, Perham Fruit Company, Yakima, Washington (reappointed).

Vice Chairman: E. E. Cushing, Citizens Federal Savings and Loan Association of Seattle, Seattle, Washington.

Class A Director: S. G. Dye, Ogden First Federal Savings and Loan Association, Ogden, Utah.

Class B Director: T. M. Donahoe, Puget Sound Savings and Loan Association, Seattle, Washington.

Class C Director: I. W. Dinsmore, Rawlins Federal Savings and Loan Association, Rawlins, Wyoming.

Director-at-large: A. C. Boucher, Great Falls Building and Loan Association, Great Falls, Montana.

DISTRICT NO. 12—FEDERAL HOME LOAN BANK OF LOS ANGELES

Chairman: David G. Davis, Raphael Weill and Company, San Francisco, California (reappointed).

Vice Chairman: Paul Endicott, Home Builders' Loan Association, Pomona, California.

Public Interest Director: David G. Davis (reappointed).

Class A Director: Horace S. Wilson, Southern California Building and Loan Association, Los Angeles, California (reelected.)

Class B Director: Roy W. Bagby, Santa Cruz County Building and Loan Association, Santa Cruz, California.

Class C Director: Frank McNamee, Jr., Mutual Building and Loan Association, Las Vegas, Nevada.

Director-at-large: George B. Campbell, Independent Building-Loan Association, San Jose, California.

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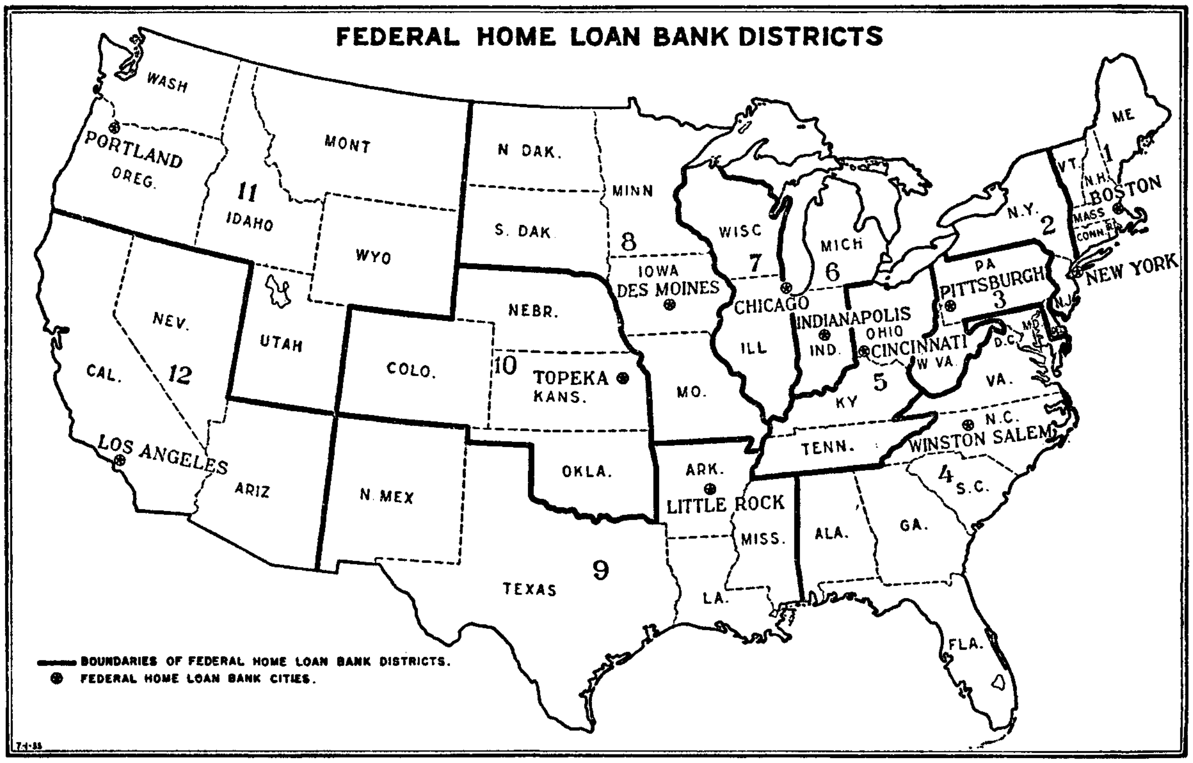

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