FEDERAL HOME LOAN BANK

REVIEW

Washington, August 1942

TENTH ANNIVERSARY
FEDERAL HOME LOAN BANK SYSTEM

July 22, 1932 July 22, 1942

FEDERAL HOME LOAN BANK ADMINISTRATION

Foreword

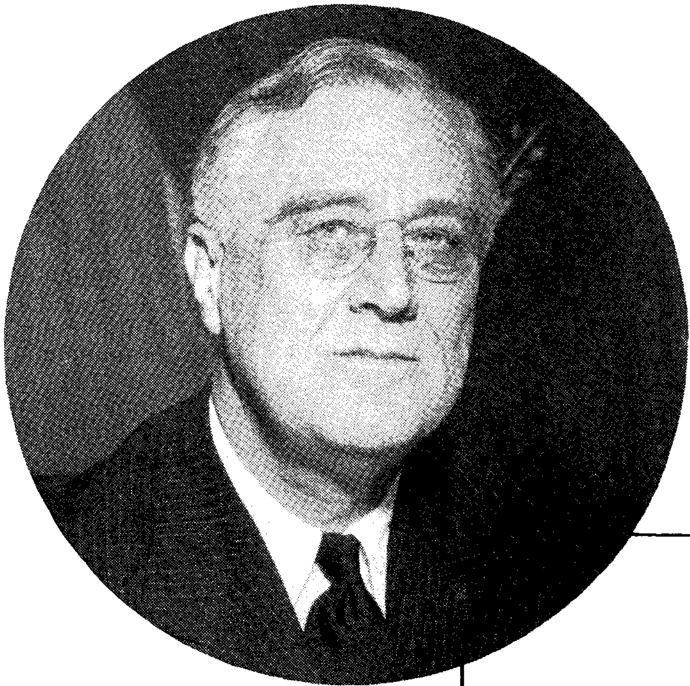
I am happy to introduce this special issue of the REVIEW, commemorating the tenth anniversary of the Federal Home Loan Bank System.

In more normal times this important anniversary would warrant a very different celebration than the necessity of these stern times permits. Even now, however, we may well pause to resurvey the road we have traveled. Such a study can be made of great value to our National system of thrift and home-financing institutions. It will define more clearly our present war-time responsibilities, and it will help us also to discover new opportunities of service to our country in the great constructive peace which will follow the War.

Even though restricted as to form and content, this issue of the REVIEW presents most stimulating reading for all those concerned with thrift and home ownership in our country. In presenting it, I extend my greetings to the 12 Federal Home Loan Banks and to the member institutions which form the System now closing the record of its first 10 years of existence.

James Twohy

JAMES TWOHY, *Governor.*
FEDERAL HOME LOAN
BANK SYSTEM



THE WHITE HOUSE
WASHINGTON

July 24, 1942

My dear Mr. Fahey:

On this tenth anniversary of the Federal Home Loan Bank System, I wish to extend my congratulations on a record of significant accomplishments.

One needs only to recall the conditions which prevailed in the early days of the Bank System to realize the great progress which has been made. Struggling to establish itself as an essential source of credit in the distressed home mortgage field, the System at the start of 1933 had a membership of less than 120 institutions and faced a seemingly impossible task. Today the System has a membership of more than 3,800 Savings and Loan Associations, Savings Banks, and Insurance Companies, with assets of nearly $5,500,000,000. The activities of these institutions are conducive to the safe ownership and maintenance of a great share of the Nation's homes. Moreover, this home mortgage reserve system exercises a growing and constructive influence in the encouragement of thrift and better methods of financing home ownership.

The steady development of the System during even trying years provides an outstanding example of the useful productive strength which can be turned to the benefit of society through intelligent cooperation between government and private industry.

Very sincerely yours,

Honorable John H. Fahey,
Commissioner,
Federal Home Loan Bank Administration
Washington, D. C.

NATIONAL HOUSING AGENCY
WASHINGTON, D. C.

OFFICE OF THE ADMINISTRATOR

July 28, 1942

Dear Mr. Fahey:

The Federal Home Loan Bank System's ten-year record of successful operation has demonstrated the importance of a stabilized and vigorous thrift and home financing industry in our national economy.

I am particularly aware of the value of such a System in the kind of tasks we have assumed in recent months and which confront us in the years ahead. And I wish to acknowledge again the contributions of the private institutions of the Bank System to the War housing program and the load they lifted off the Government's shoulders in financing the construction of homes in war industry areas.

The legislation under which the Bank System was created was the first recognition that urban home-mortgage financing is not a purely local affair but is a major business of nation-wide significance.

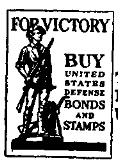
The Bank System has fully justified its existence by the order and reform it has brought to its field. Its decentralized organization enables member institutions to retain their local autonomy, with regulatory powers exercised largely through the 12 Regional Banks, in which the members themselves have a voice in determining policy. Such a system can help immeasurably to secure maximum benefits for the American people in the great housing program which certainly lies ahead.

I wish to extend my personal congratulations to the officials of the Bank System, as well as to its member institutions, on this tenth anniversary.

Sincerely yours,

John B. Blandford, Jr.

John B. Blandford, Jr.
Administrator



The Honorable John H. Fahey, Commissioner
Federal Home Loan Bank Administration
Washington, D. C.

THE FEDERAL HOME LOAN BANK ADMINISTRATION

WASHINGTON

JOHN H. FAHEY
COMMISSIONER

FEDERAL HOME LOAN BANK SYSTEM
FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION
HOME OWNERS' LOAN CORPORATION
UNITED STATES HOUSING CORPORATION

A MESSAGE FROM THE COMMISSIONER

It is with great personal pleasure that I extend my greetings to the members of the Federal Home Loan Bank System at the beginning of the second decade of the System's operation.

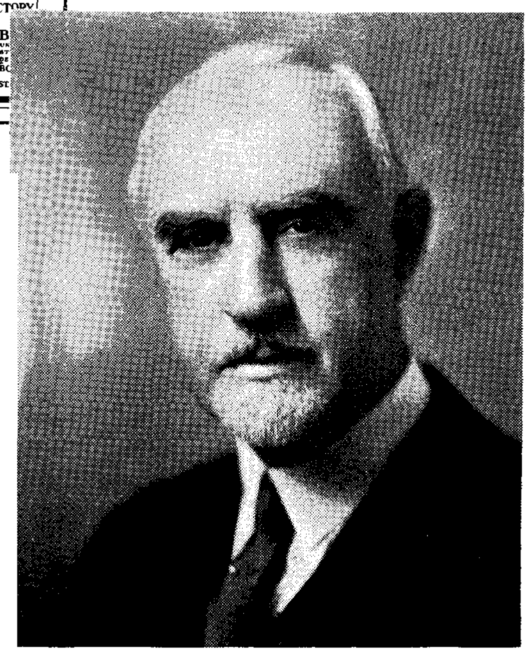
It has been my privilege to be associated with this bulwark of thrift and home finance during most of these 10 years and I share the deep sense of satisfaction felt on this anniversary by all the constituent elements of the System: the member institutions, the 12 Regional Banks, and the Governor's Office as well as the other central services in Washington.

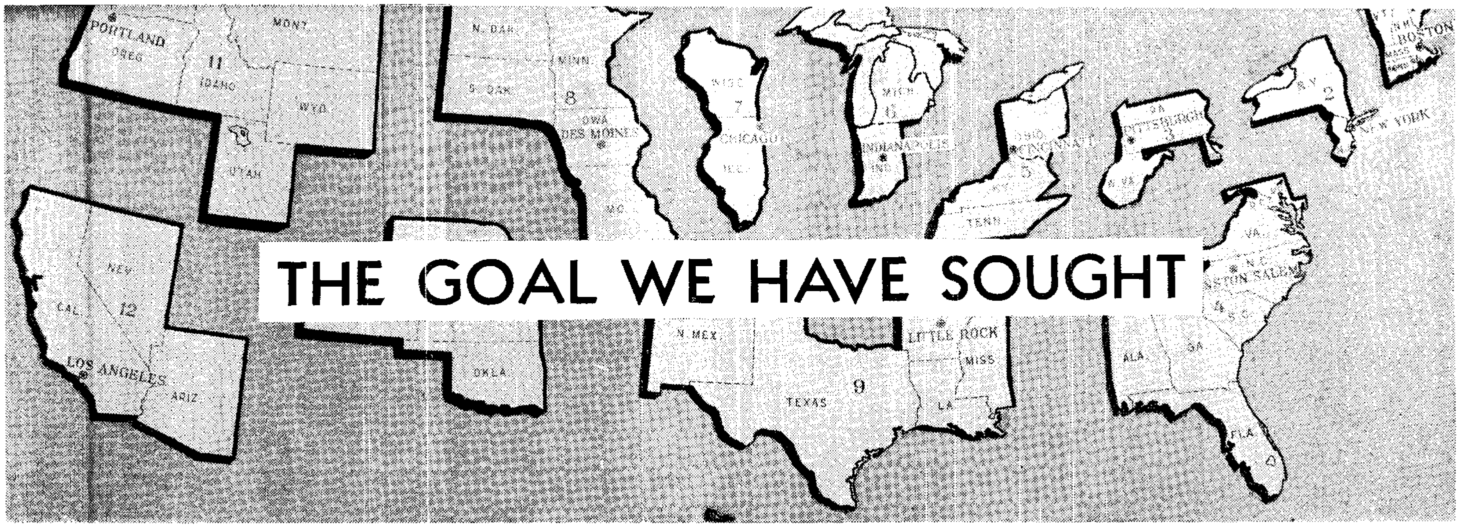
Inaugurated during the worst depression experienced by this country, the Federal Home Loan Bank System during its first decade of existence has made a record of which we may all be proud. By protecting and encouraging savings and home ownership, which are mainstays of a sound political and economic structure, the Bank System has made a conspicuous contribution to the welfare of the Nation. While preserving local management and decentralized operation, it has molded previously isolated local institutions into a nation-wide organization of great strength. Its value has been reaffirmed in recent months when war confronted us with new and difficult problems.

Ten years represent but a brief period in the life of a national credit system, and it is obvious that we have still a long way to go toward reaching our maximum usefulness. While our present efforts center around the promotion of war savings and the financing of war housing, we are looking confidently toward the future when we shall be called upon to furnish increasingly important services in a world at peace.

John H. Fahey
John H. Fahey
Commissioner

July 22, 1942





THE GOAL WE HAVE SOUGHT

Functions and Accomplishments of the Federal Home Loan Bank System

■ ON this tenth anniversary of the Federal Home Loan Bank System it is well to recall the underlying factors responsible for the establishment of the youngest of the reserve credit systems in this country. The bitter experiences of the depression of the early thirties brought our national credit reservoir for thrift and home-financing institutions into being, just as every other reform in the Nation's financial structure has been occasioned by crises which brought to light long existing deficiencies. But the atmosphere in which the Federal Home Loan Bank Act was framed and passed does not alter the fact that the basic purpose of the new system was to bring permanent improvement to the organization of home finance, rather than to stem the tide of an emergency. The nature of this development cannot be fully understood without reviewing the evolution of the American home-financing system and its slow and painful process of integration.

The Need for a Credit Reservoir in Home Finance

Home-mortgage lending in this country has always been a predominantly local enterprise based largely on local resources. While powerful national centers developed to serve the ever-growing financing needs of industry, railroads, public utilities, and the Federal and local governments, the thousands of home-financing institutions operating all over the country remained isolated units with no access to the broad capital market. Behind the local mortgage lender there stood no organized credit reservoir to back him in case of need and to provide for an interlocal and interregional exchange of resources. Savers who had entrusted their funds to home-financing institutions, and home owners who had borrowed money on the security of mortgages were equally threatened by the absence of a "second line of defense" on which these institutions could fall back. Mortgage funds for home building and home purchase were almost entirely dependent on the uneven and often inadequate local supply of money. This situation persisted even though mortgage lending, in aggregate volume, had become one of the largest sectors of the capital market.

When the Federal Home Loan Bank System was created to remedy this defect in our home-financing structure, a mechanism was designed which was in keeping with what may be called the American solution to problems of financial organization. In the Federal Reserve Act of 1913 and the Federal Farm Loan Act of 1916, a standard pattern of decentralized regional credit systems had been developed for banking and farm finance, supervised and coordinated by a central authority in Washington. It was but natural that these Acts served in some measure as models in the drafting of the Federal Home Loan Bank bill.

How the System Operates

At the same time, the purpose of the new system required modifications to meet the particular needs of the thrift and home-financing institutions which it was designed to serve. Thus, short-term as well as long-term credit was to be furnished by the regional Banks to balance seasonal fluctuations in money supply and demand, to supplement the local long-term resources of these institutions when they became insufficient to meet the demand for funds, and to act as a cushion in emergencies. Although the first version of the bill spoke of "home loan discount banks", the proposed regional Banks were to extend credit based primarily on the security of mortgages held by the local institutions, rather than to perform discount services.

The capital stock of the Federal Home Loan Banks, purchased by the Treasury as well as member institutions, was to be one primary source of funds for this operation. In addition, the Banks were authorized to issue debentures as a medium through which the capital market could be tapped for the benefit of local members. Deposits by member institutions in the Federal Home Loan Banks were to serve as an outlet for their idle funds although, in contrast to the Federal Reserve Bank set-up, members were not *required* to hold cash reserves in the Banks. This, plus interbank deposits within the System, was to provide one of the means for equalizing the distribution of mortgage credit, by shifting funds to those localities and areas where they were most needed.

Facts and Figures

Operating within this general framework, the Federal Home Loan Bank System during the first 10 years of existence has made its contribution to the stability of an important, though long neglected, field of finance. A membership comprising 3,815 thrift and home-financing institutions with aggregate assets of $5,680,000,000, gross advances approaching the one billion-dollar mark, and the successful flotation of $292,700,000 of debentures testify to the significant position of the Bank System in the American home-mortgage structure. The fact that this large volume of advances was made with no single loss throughout the 10-year period attests to the soundness of the Banks' operations.

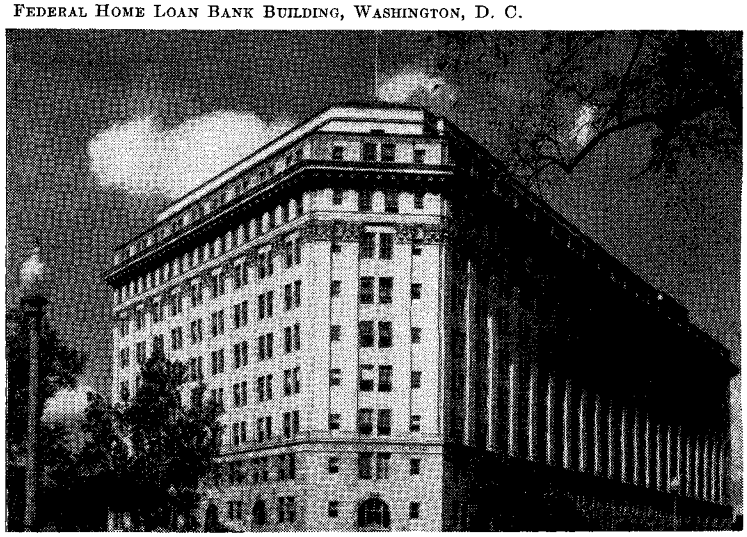
The usefulness of a credit reservoir cannot be measured in statistical terms alone. The Federal Home Loan Bank System, created too late to bring relief to the distressed home-mortgage market of 1932–1933, has not as yet been called upon to act in an emergency when the maximum of its services would be required. During most of these 10 years it has operated in an atmosphere of normal growth in home construction, home finance, and long-term savings. However, its mere existence has helped to remove the threat of mortgage illiquidity and, by reassuring the management of lending institutions as well as their borrowers and investors, has been a factor in the return of confidence. Also, the Federal Home Loan Bank System has served as a focal point for the evolution of better savings and mortgage-lending plans and of higher standards of local management. In conjunction with the provision of Federal charters for savings and loan associations and insurance of savings accounts—measures which were to follow the passage of the Federal Home Loan Bank Act—the Bank System has helped to reactivate thrift and home-financing operations.

Significance in the War and Post-War Era

The problems created by the War once more affirmed the importance of coordination of local mortgage-lending institutions through the Federal Home Loan Bank System. The existence of a decentralized but closely knit organization has been of assistance in gearing the local operations of thousands of member institutions to nation-wide programs in the stimulation of war-bond sales as well as in the financing of essential war housing—the two principal contributions which thrift and home-financing institutions are called upon to make. At the same time, the uncertainties inherent in the operation of mortgage lenders during the War have placed additional value in membership in a nation-wide credit reservoir.

Meeting the test of war as the System rounds out its first decade of existence, the Federal Home Loan Banks and their member institutions are facing even greater tasks ahead when the day of victory comes. Housing will undoubtedly be one of the great industries on which economic progress after the War will be based, and sound thrift institutions will be essential in the vast readjustments to a peace economy. In this era of reconstruction, the services of the Federal Home Loan Bank System will assume a new significance—little foreseen when our legislators passed the Federal Home Loan Bank Act in 1932.

Federal Home Loan Bank Building, Washington, D. C.



THE PATH WE CAME BY

A Glimpse of the History of the Federal Home Loan Bank Act

■ WHEN the Seventy-second Congress, in the sweltering heat of a Washington July and in the very last hours of its first session, passed the Federal Home Loan Bank bill, a turning point in the history of American home finance had been reached. Here was the first Federal legislation ever undertaken in this field—a measure which was to be the spearhead in a series of Government actions related to housing, home ownership, and mortgage lending.

Enacted on July 22, 1932, in the harassing days of an unprecedented depression, the Federal home loan bank legislation was yet no product of hasty action. Many months of Congressional hearings and floor debate had preceded its passage. Introduction in Congress had followed extended discussions, dating back to the President's Conference on Home Building and Home Ownership in 1930–1931.

More than that, the plan for a credit reservoir to serve home-financing institutions had a forerunner in Federal legislation proposed in 1919, and had lingered on in the form of efforts to create central credit facilities for savings and loan associations[1] in various States. In fact, one such institution had been established in the State of New York as early as 1914, only 1 year after the organization of the Federal Reserve System and 2 years before the passage of the Federal Farm Loan Act.

A Forerunner in 1919

In these days when vast post-war adjustments loom on the horizon, the Federal legislation proposed in 1919 serves as a reminder of the post-war problems of a generation ago. At that time, prime motive for the creation of organized credit facilities for home-financing institutions was the acute housing shortage after the War. A mechanism designed to make more capital available to home building was believed to be the remedy, and in its attempt to expand the flow of mortgage money, the Administration turned to savings and loan associations as the most effective channel through which to work.

Conferences held under the auspices of the Department of Labor led to the drafting of a bill introduced by Senator Calder and Representative Nolan in 1919. In brief, these bills provided for regional Federal building loan banks to include in their membership institutions of the savings and loan type. The banks were to issue tax-exempt bonds within prescribed limits for the purpose of making credit available to their members, primarily on the security of mortgage collateral. The banks' capital was to be furnished by the members. A Superintendent of Federal building loan banks was to be the chief officer of a special bureau in the Treasury, which was to supervise the operation of this credit system.

The fundamental points of similarity between this project and the Federal Home Loan Bank System, as it was brought to existence in 1932, are obvious. In fact, an early draft of the plan spoke of "a system of banks to be known as the Federal home loan banks."

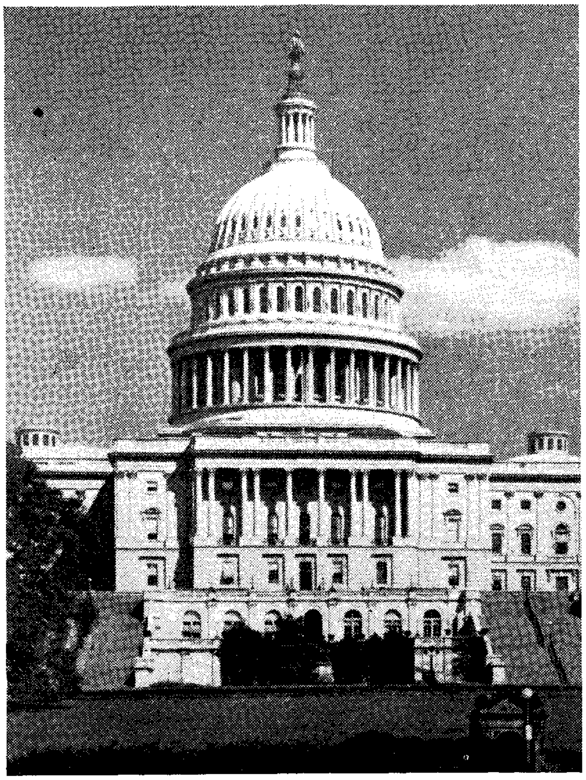
Committee hearings were held on the Calder-Nolan bill in October 1919, but neither the Senate nor House Committees reported the bill. It appears that the issuance of tax-exempt bonds, in view of the surfeit

[1] Throughout this article the term savings and loan association is used as a generic term to cover thrift and home-financing institutions called variously building, savings and loan associations, homestead associations, and cooperative banks.

of tax-free securities already on the market, was the main point of objection not only on the part of Committee members but of the Treasury. Although the bill, with certain modifications, was reintroduced in 1921 and later in the 68th, 69th, and 70th Congresses, no legislative action was taken, and interest of the savings and loan industry in the measure tapered off.

All Quiet During the Twenties

The prosperity of the twenties tended to obscure the need for improvement of the home-mortgage structure, and the problem of a national credit reservoir for home-financing institutions remained unsolved. In Florida (1924), Ohio (1928), California (1929), and Virginia (1930), attempts were made to set up State credit institutions for savings and loan associations under various plans, but they either did not materialize or were abandoned after a brief period of operation.



The savings and loan industry itself which, through the 1928 Convention of the Building and Loan League, had declared itself against a Federal system and in favor of State reserve institutions, reversed its position 3 years later. In 1931 the report of the League Committee on Reserve Credit and Banking Relations pointed out that "a State is too small a section to be organized into such a plan." At the same time, the Committee left undecided the question of a Federal credit reservoir but was directed by the Convention to continue its studies.

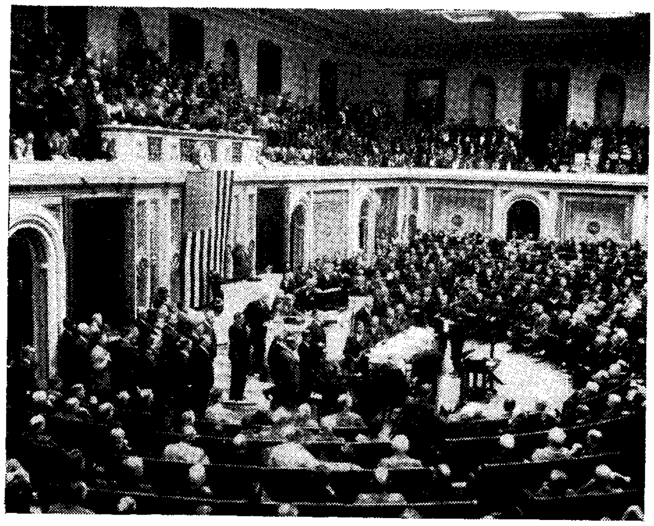
Meanwhile, cracks began to appear in the mortgage structure as the 1929 crisis broadened into the worst depression in history. Real-estate prices collapsed. New building activity declined rapidly. Foreclosures rose at a disastrous rate. The flow of savings into financial institutions dried up, while failing confidence and shrinking incomes caused increased withdrawals of accumulated funds. Home-mortgage lending came to a standstill. Mortgages became unmarketable and almost useless as collateral for credit because there was no organized machinery to meet this particular need. This situation set the scene for the developments which were to culminate in the adoption of the Federal Home Loan Bank Act.

Depression Reveals the Need

Spurred on by the depression experience, an Administration program merged with growing recognition by the home-financing industry of the need for organized mortgage-credit facilities. As early as May 1, 1930, President Hoover called public attention to the need for reorganization in the home-financing field.[2] Three months later he announced that he had decided to call a Conference on Home Building and Home Ownership and referred specifically to the inadequate organization of the home-mortgage market. Reform in this field became part and parcel of the Government's program to check deflation by fortifying the Nation's credit structure.

The President's Conference on Home Building and Home Ownership was to be the focal point for deliberations on suggested mortgage-credit reforms. However, while the preparatory studies of the Finance Committee of the Conference were in progress, President Hoover became more and more concerned about the growing crisis in the home-financing field. On October 7, 1931, he held a conference attended by the members of the Finance Committee and a few others. The President stated that he wished to have a concrete, workable plan providing a central organization for home financing as he

[2] "Our credit machinery has proved itself able to stand shock in the commercial field through the Federal Reserve System, in the industrial field through the bond market and the investment houses, in the farm-mortgage field to some extent through the Farm Loan System; and in the installment-buying field through the organization of powerful finance corporations. But if we examine the strains during the past six months we shall find one area of credit which is most inadequately organized and which almost ceased to function under the present stress. This is the provision of a steady flow of capital to the home builder." (Address before the U. S. Chamber of Commerce on May 1, 1930.)



Opening Session of 72nd Congress

desired to present such a plan for the approval of the Conference which was to hold its general session in December.

By that time, two private groups, the U. S. Building and Loan League and the National Association of Real Estate Boards, had developed plans for an improvement of credit conditions in the mortgage field. The League proposed an amendment to the Federal Reserve Act to permit rediscounting of savings and loan notes—a project under discussion as early as 1918. Representatives of the Real Estate Boards came forward with a sweeping plan to establish a mortgage-discount bank system open to *all* types of lenders. This plan had been submitted to the President and discussed in the Finance Committee of the President's Conference but met with almost unanimous opposition from the various mortgage-lending groups.

A Bill Takes Shape

Events moved swiftly after the October 7 meeting. The savings and loan group revised its program to nclude, in addition to the Federal Reserve discount provisions, a plan for a central credit agency for *savings and loan associations*. On November 2, 1931, representatives of the League presented this program to the President who indicated his interest in a long-term solution to the problem but doubted if the discount provisions of the Federal Reserve Act could be liberalized at that time. At this meeting President Hoover took from his desk a rough manuscript which outlined the structure of a mortgage-reserve system consisting of 12 regional banks and serving savings and loan associations, mutual savings banks, and other qualified mortgage-lending institutions. The outline had been drafted by officials in the Department of Commerce at the request of the President whose patience had been taxed by the failure of the various interested groups to agree on a program for legislative action.

On November 13, President Hoover announced that he would suggest to Congress the establishment of "a system of home loan discount banks" and described the Administration proposal in considerable detail. The Finance Committee, in its report to the Conference on Home Building and Home Ownership, endorsed the President's efforts only in a general fashion, with no specific reference to the proposed bill,[3] but the Conference itself on December 4 unanimously approved the plan. Four days later, the President in his annual message to Congress recommended "the establishment of a system of home loan discount banks as a necessary companion in our financial structure of the Federal Reserve Banks and our Federal land banks." On December 9 the Administration bill was introduced by Senator Watson and Representative Luce under the title "Federal home loan discount bank act."

However, before hearings began, the bill was revised and reintroduced on January 13, 1932 under the title "Federal Home Loan Bank Act." The rewritten bill, among other things, limited membership of banks to those institutions whose time deposits warranted long-term home-mortgage loans; established a withdrawal procedure; and provided for a larger business representation in the management of the regional banks.

Congressional Hearings

The very real interest of Congress in the home loan bank plan may be measured in some degree by the length of time spent in public hearings. The subcommittee of the Senate Committee on Banking and Currency opened hearings on January 14, 1932 and did not complete them until June 14. During this period about 15 days were devoted to hearing the evidence presented by some 70 witnesses. Thirty witnesses appeared before the subcommittee of the House Committee on Banking and Currency which held testimony during 2 weeks in March. The Administration as well as practically all types of

[3] "The Committee recognizes the existing emergency and is in sympathy with the view of the President that it must be met. Further, the Committee unanimously records its support of the President in any remedial measure he proposes." William E. Best, President of the U. S. Building and Loan League, submitted a dissenting statement disapproving the weak endorsement given to the President's plan.

financial institutions were represented at the hearings of the Congressional Committees.

Support of the bill was in no way unanimous. Government officials and many representatives of the building trades and of mortgage-lending as well as real-estate groups urged passage of the bill both as a recovery measure and as a needed permanent reform. Others recognized its importance as emergency legislation but denied the need for a permanent improvement of the mortgage-credit structure. A third group took the position that neither temporary relief nor permanent reform was necessary.

Eventually the bill, in revised form, was reported favorably to the House as well as the Senate. The majority report of the House Committee was accompanied by two dissenting opinions, one embodying the objections raised during the hearings, and the other rejecting specific features of the bill but endorsing the idea of a home loan bank system. The Senate Committee reported the bill essentially as passed by the House.

The Floor Debate

The House debate, which began on June 10, took the better part of 3 days and consumed over 80 pages of the *Congressional Record.* Although partisan feeling at that time ran high in the country and in Congress, it entered the debate only in a relatively small measure. The Senate had a Republican majority, while the Democrats controlled the House, but the line-up on the bill bore no apparent relation to party affiliations in either chamber.

The two major amendments adopted on the bill's first journey through the House restricted membership in the System to savings and loan associations and limited the charges which member institutions were permitted to make on their loans.

The debate in the Senate was both more extensive and more controversial than in the House. It consumed the better part of 8 days and took up approximately 185 pages of the *Congressional Record.* The line-up on the bill cut across party lines in much the same fashion as it had in the lower chamber. However, a number of "riders" irrelevant to the purpose of the bill, such as Senator Bingham's "beer amendment", a farm-relief proposal, and a currency-expansion measure, confused the issue and at times jeopardized the passage of the bill. Of these, only the currency-expansion amendment[4] was adopted.

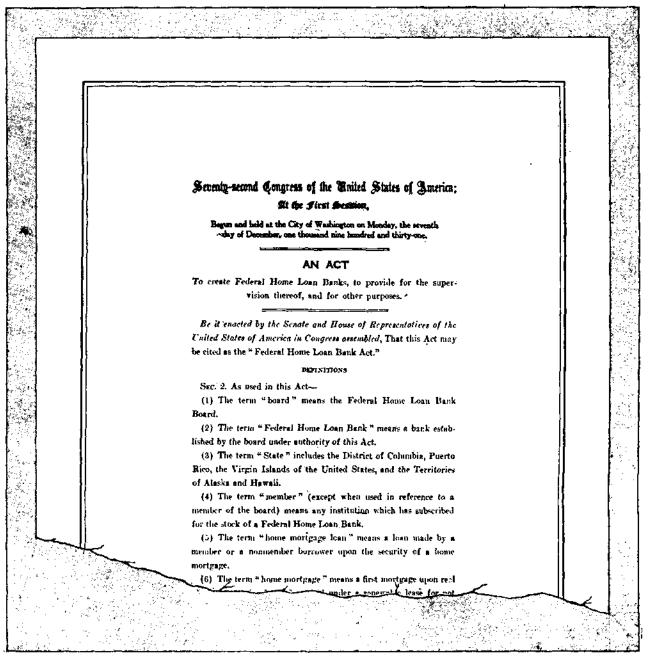
[4] This amendment gave authority, under specified conditions, to make certain Government bonds exchangeable for currency during a period of 3 years after adoption of the Act; the authority was never used.

Even the essential provisions of the original bill met with violent opposition. One amendment proposed to substitute RFC assistance for the entire Federal home loan bank legislation; another limited the active life of the system to 5 years. Both were rejected. Surprisingly, an amendment which was a distinct deviation from the philosophy of the bill and which was to become an extremely difficult administrative problem in the early days of the System, was inserted without much discussion. This was the provision for direct loans by the regional banks to home owners who were unable "to obtain mortgage money from any other source." In contrast to the House version of the bill, the Senate retained insurance companies and banks as institutions eligible for membership and included even mortgage-loan and mortgage-guaranty companies. The Senate passed the bill, as amended, on July 12.

The Last Hurdles: Conference and Appropriation

The next few days were devoted to the usual conference procedure to thrash out differences between the Senate and House versions of the bill. A protracted struggle developed in which all points of difference were finally resolved, with the exception of the currency-expansion amendment insisted upon by the Senate but unacceptable to the House. Three times the bill went back and forth between House and Senate; and even then, on July 16,

(*Continued on p. 367*)



Seventy-second Congress of the United States of America;
At the First Session,

Begun and held at the City of Washington on Monday, the seventh day of December, one thousand nine hundred and thirty-one.

AN ACT

To create Federal Home Loan Banks, to provide for the supervision thereof, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Home Loan Bank Act."

DEFINITIONS

Sec. 2. As used in this Act—

(1) The term "board" means the Federal Home Loan Bank Board.

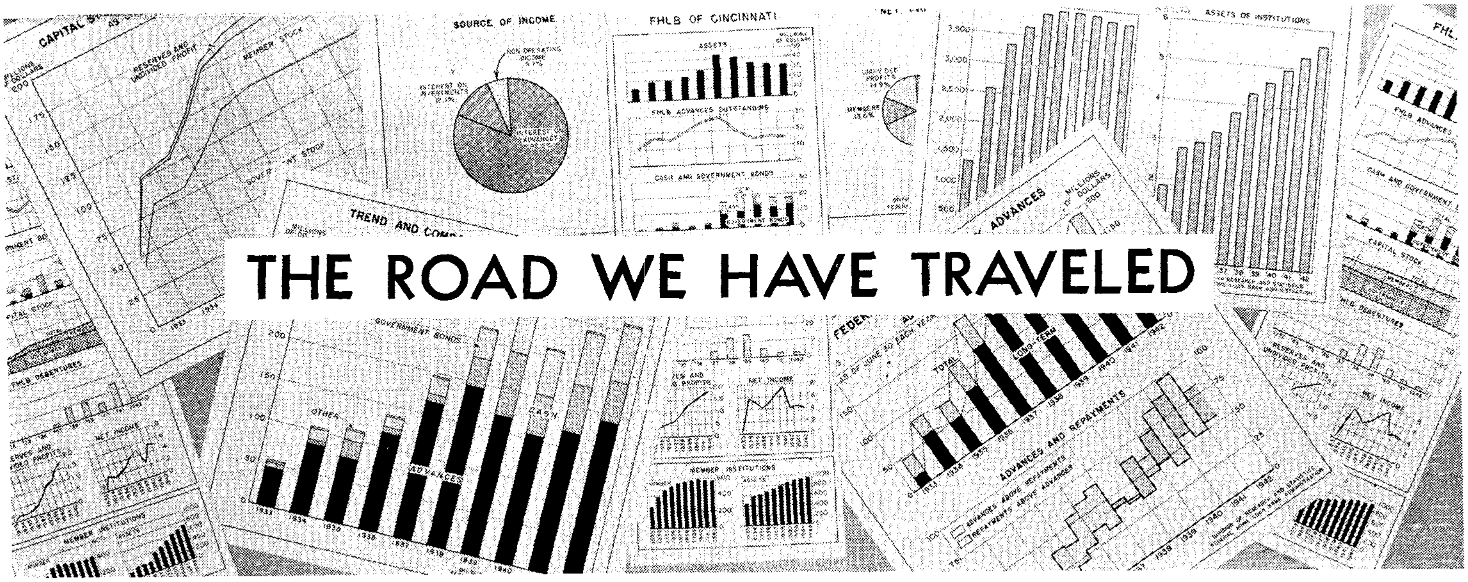
(2) The term "Federal Home Loan Bank" means a bank established by the board under authority of this Act.

(3) The term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands of the United States, and the Territories of Alaska and Hawaii.

(4) The term "member" (except when used in reference to a member of the board) means any institution which has subscribed for the stock of a Federal Home Loan Bank.

(5) The term "home mortgage loan" means a loan made by a member or a nonmember borrower upon the security of a home mortgage.

(6) The term "home mortgage" means a first mortgage upon real



THE ROAD WE HAVE TRAVELED

A Bird's-Eye View of Bank System Operations, 1932–1942

■ WITHIN 5 months of the adoption of the Act, the first Federal Home Loan Bank advance was disbursed in the Winston-Salem District on December 15, 1932 to the Standard Building and Loan Association in Columbia, South Carolina. Characteristically, this advance of $65,000 had been requested for the purpose of "making loans for repairs, modernization, additions, and other improvements, as well as new building operations."

At that time, the Bank System was still in its organization phase. The setting up of "bankers' banks" in the field of home-mortgage finance required a great deal of spade work. In addition, the early operations of the Bank System were handicapped by widespread misinterpretation of its functions as the general public, in an atmosphere of political turmoil and growing economic distress, expected the new Government agency to extend direct and unquestioned relief to home owners.

The Organization Phase

Three weeks after enactment of the Bill, the President appointed the first members of the Federal Home Loan Bank Board which was to administer the System. Four immediate responsibilities faced the Board: determination of the Districts, capitalization of the regional Banks, recommendation of enabling State legislation, and organization of the Banks.

The Act provided for not less than eight nor more than 12 Bank Districts, to be apportioned with due regard to convenience and customary course of business of eligible members. No District was to include a fractional part of a State. After studying the number and location of eligible member institutions, the distribution of outstanding mortgage debt, and the trends of current lending activity, the Board decided to establish 12 Districts. The boundaries today are as originally constituted. The Banks, as required by the Act, took their names from the cities in which they were located. Only three Banks have since been moved from their original locations.

Using the data prepared for districting purposes, a minimum capital for each Bank was projected making a total of $134,000,000 for the entire System. Initial member subscriptions aggregated $9,259,000, and in accordance with the provisions of the Act, the Treasury subscribed to the balance. Both the districting and the projection of Bank capital were completed by August 23, 1932.

At the beginning of operations, laws in only seven States permitted eligible institutions to become members of the System. Immediate passage of enabling legislation in other States was made difficult by the fact that 33 legislatures were not scheduled to meet until after January 1, 1933, and the Act had therefore provided that eligible institutions might become temporary members for 1 year or until the next meeting of their State legislatures. However, many were hesitant to apply for membership in the absence of specific State legislation.

By the end of March 1933 this obstacle had been largely removed as 43 States had paved the way for potential members to join the System and to take advantage of its services. However, the legislation in some States contained many conditions limiting the extent to which members could use the facilities of the Bank System. It was several years before more adequate legislation was adopted in each State.

During October 1932, the 12 Banks opened for business, and on November 22, exactly 4 months after enactment of the Federal Home Loan Bank law, the first membership application—by the Greenfield Building and Loan Association, Pittsburgh, Pennsylvania—was approved by the Board. At the year-end the Bank System comprised 101 member institutions, and advances totaled $837,500.

The Problem of Direct Loans and the Threat of Repeal

Meanwhile, the regional Banks were deluged with applications by distressed home owners for direct loans. Through June 1933, when the HOLC was created as an answer to this problem, almost 42,000 applications and inquiries were received. The fallacy of the direct-loan provision immediately became apparent. The theory of the Federal Home Loan Bank Act was one of wholesale operation with local financial institutions. Yet, when the direct-loan amendment was adopted, no change was made in the conservative lending powers—fitting for a central reserve credit organization—which had been prescribed in the Bill. This disqualified the vast majority of requests for direct loans. Only one of the 12 Banks closed any such loans—three in number and totaling $9,000. The cost of handling applications for direct loans was estimated at over $136,000 for all Banks and was responsible for the deficit shown in the first fiscal year.

Presentation of Check for First Federal Home Loan Bank Advance

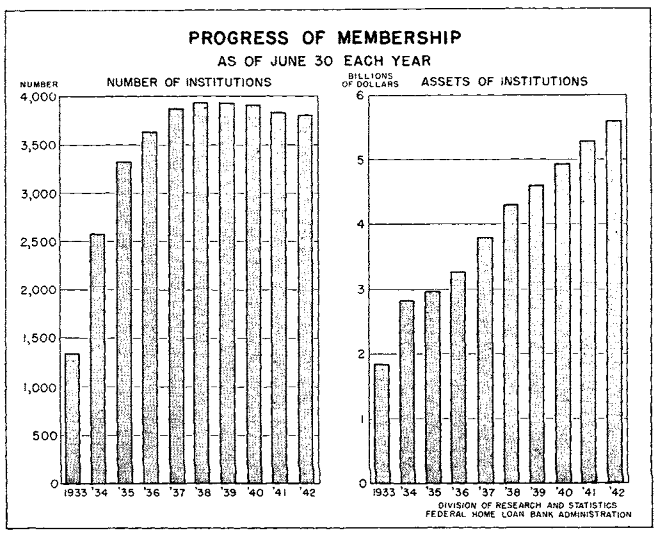
The failure of the direct-loan provision strengthened moves to scrap the Federal Home Loan Bank Act as the need for immediate assistance to home owners overshadowed the real and permanent functions of the System. A bill to repeal the Act, already brought up in December 1932, was again introduced in March 1933 but the measure was not reported by the Senate Banking and Currency Committee. Nevertheless, the mere threat of repeal acted as a deterrent to a speedy development of the System.

The Decks Are Cleared

After the new Administration came into power the roster of the Federal Home Loan Bank Board remained incomplete until June, when the newly formed HOLC was placed under its jurisdiction and all vacancies were filled.

The difficulties which beset the early period of operations helped at the same time to clarify the true functions of the System. By the Summer of 1933 the smoke that beclouded the beginnings of the new agency had cleared away. Direct relief to home owners had been assigned to the HOLC; the danger of repeal was removed; and the Federal Home Loan Bank System was able to apply itself fully to its permanent career as a National credit reservoir for thrift and home-financing institutions.

In mid-year 1933, the membership had jumped to 1,319 institutions and cumulative Bank advances totaled almost $50,000,000. Two years later there were 3,000 members, and gross advances aggregated over $148,000,000. Combined resources of member institutions rose steadily from less than $2,000,000,000 at the end of the first year of operation to approximately $4,000,000,000 in the Summer of 1937. By that time, the Banks had made cumulative advances of $341,000,000 of which over one-half was outstanding. At this point, about midway in its 10-year career, the System passed an important



milestone by the flotation of the first issue of consolidated Federal Home Loan Bank debentures.

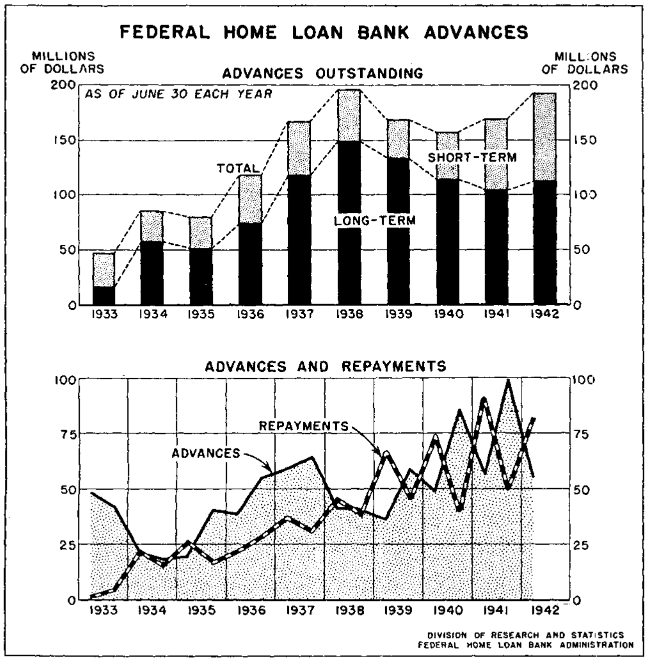
Trends in Membership

The Fall of 1938 saw the peak in membership—nearly 4,000 institutions. Since then the number of member institutions has been declining until on June 30 of this year there were 3,815 membership certificates outstanding. Primary factor behind this drop has been a wholesome process of consolidations and mergers of many of the smaller or inactive member savings and loan associations. This process has created larger and more vigorous institutions capable of playing an important role in the thrift and home-financing activities in their communities.

The growth in member assets meanwhile has continued without interruption. At the end of 1940, aggregate resources of member institutions passed the 5-billion-dollar mark and today they are in excess of $5,680,000,000. The importance of Bank members in the mortgage-financing field is demonstrated by the fact that loans of over 1 billion dollars have been made by these institutions in each of the past 2 calendar years.

Bank Advances Approach the Billion-Dollar Mark

During their first 10 years of operation, the Federal Home Loan Banks have advanced almost 1 billion dollars to thrift and home-financing institutions.



Through June 30, 1942, gross advances have been made totaling $929,000,000, and repayments have been received in the amount of more than $736,000,000. Both the volume of new loans made and of repayments received during the past fiscal year were the highest on record.

The period from the beginning of operations through the close of 1933 was one of rapid growth to a level of over $85,000,000 in advances outstanding as the initial requests for money were satisfied. The subsequent year saw little change. With the gradual recovery of home construction and home-financing activity, a period of rapid expansion began in April 1935 which lasted until the end of 1937 when the balance of advances crossed the $200,000,000-mark. This level was relatively well maintained throughout 1938. A sharp drop in the first few months of 1939 was somewhat offset by the seasonal recovery in the second half of that year, but a further decline during the first half of 1940 brought advances outstanding to the lowest level recorded in recent years ($134,000,000). From this low, the balance of advances rose to an all-time high of more than $219,000,000 at the end of 1941. Repayments during the first half of the current year were partially offset by the seasonal recovery in June, and the balance at the end of the month was $192,645,000.

As the Federal Home Loan Bank System became more firmly established, it attained a strategic position in the supply of credit to its members: Ever since 1938 the combined balance sheet of member savings and loan associations has shown Bank advances to account for over 90 percent of their total borrowings.

Variations in the Demand for Advances

Experience of the past 10 years has brought out certain characteristics of the demand for Federal Home Loan Bank advances: First, there are strong seasonal factors operating around the June and December dates when many member savings and loan associations declare their dividends. High demand for advances during these months has regularly been followed by more than normal repayments in January and July. Second, with the exception of 1933 and the period of rapid expansion during 1936–37, the first half of every year has shown an excess of repayments over advances and a net reduction in the outstanding balance. Conversely, the second half of every year has witnessed an increase in the outstanding advances to members as the demand for new loans exceeded repayments.

Emphasis on the use of short-term or long-term advances has varied greatly during the first decade of operation. In the initial period the predominant demand was for short-term money, but from 1934 through 1936 long-term advances represented roughly 60–70 percent of the total outstanding, and they continued to grow in importance until the middle of 1939 when 80 percent of the balance of advances was of the long-term variety. Since then, short-term borrowing has again become more common. In June of this year the distribution of long-term and short-term advances was approximately in the ratio of 60–40. The various uses which members may make of these borrowed funds at one time or another, the flow of private savings into member institutions, and interest-rate differentials for long-term and short-term advances are among the factors explaining members' preference for either type of money.

Regardless of the type of advance involved, it is significant that in almost a billion dollars of lending thus far, not a penny of loss has been incurred. In fact, except for five borrowers now in liquidation, there was not a single institution delinquent for more than 30 days at the end of June. This is probably the most eloquent proof of the safeguards surrounding the lending operations of the Banks.

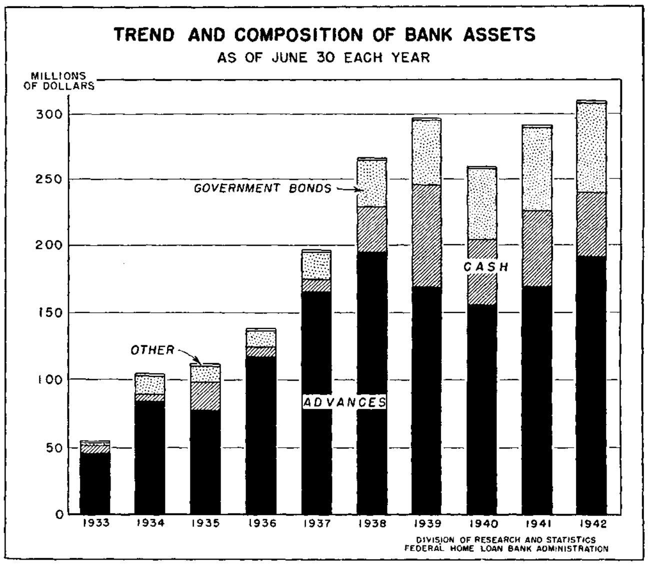
Deposit Services

Member deposits have varied between $25,000,000 and $35,000,000 during the past 3 fiscal years after rising steadily to this level in the first 6 years of operation. The trend in the past year has been gradually downward, and at the end of June these accounts had dropped to $27,700,000. While member deposits do not constitute a major source of funds for the Banks, they do represent a convenient means of establishing liquidity positions for many member institutions.

Interbank deposits have proved to be a useful vehicle for shifting funds within the resources of the System itself, to arrange for an interregional flow of money from areas of plenty to localities of scarcity. The volume of outstanding deposits of this type has varied greatly over the past decade, ranging from $1,000,000 to over $15,000,000 at fiscal year-ends. Their importance can more readily be grasped by the fact that to date more than $114,000,000 has been transferred from Bank to Bank by this means.

Debenture-Financing Begins in 1937

For almost 5 years from the beginning of operations, the capital of the Banks was sufficient to



meet the need for loanable funds. In 1937, however, the steadily increasing demand for advances resulting from the growth of the Bank System and the rising activity of its member institutions called for additional resources. In May of that year, the first issue of consolidated Federal Home Loan Bank debentures was floated on the securities market. Altogether, 11 separate series of debentures have been issued totaling $292,700,000 and the subscriptions for each issue have exceeded by far the amount offered for sale. Four series aggregating $91,500,000 are still outstanding although all will mature by April of next year.

Interest rates on the first few series varied from 1 to 2 percent, but those on the six most recent issues have been below 1 percent. Maturity dates have ranged from 2 months to 5 years. The tendency in the past 2 years has been toward the issuance of short-term securities which explains in part the lower rates of interest. These consolidated debentures are the joint and several obligations of all of the Federal Home Loan Banks, but participation by the individual Banks has varied considerably as shown in the charts on pages 368 to 371.

Growth and Composition of Assets

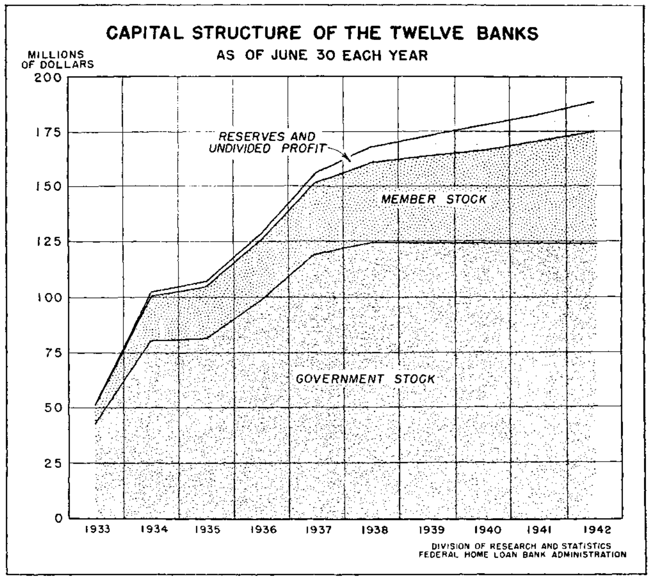
Consolidated assets of the 12 Federal Home Loan Banks have grown from little over $50,000,000 at the end of the first year of operation to more than $300,000,000, and on June 30, 1942 reached the highest figure for any fiscal year-end date.

Cash, investments in Government securities, and advances to member institutions account for virtually all of the assets of the Banks. The first two measure the immediate ability of the System to meet demands for additional advances, while the latter indicates the extent to which credit needs have already been met. In the earlier years of operation, the proportion of cash and holdings of Government securities which could be converted into cash ranged from 10 to 30 percent of total assets. During the past 4 years, however, it has been raised to 30–40 percent, and at the end of June these liquid assets made up 38 percent of the Banks' total resources.

A Joint Government-Business Enterprise

When the Federal Home Loan Bank System was created, subscription to the Banks' capital stock represented the first Government assistance ever extended in the field of home finance. At the end of June 1933, the Treasury had paid in $43,000,000, and by November 1937 the Government-owned capital stock had almost reached its statutory maximum of $125,000,000. In the meantime, stock subscriptions by member institutions had steadily increased and at this point represented approximately 21 percent of the total paid-in capital stock of the Banks. On June 30, 1942, stock held by members accounted for 29 percent of the total which was in excess of $175,500,000.

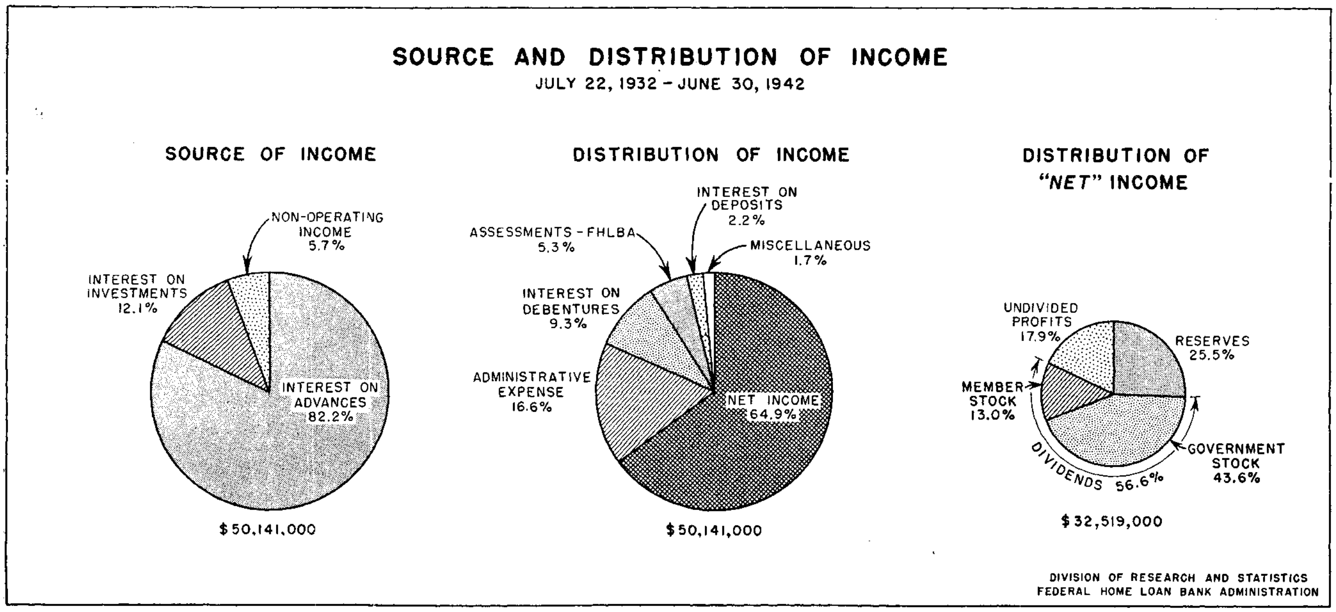
In 10 years of operation, the Federal Home Loan Banks have accumulated reserves and undivided profits in the aggregate amount of more than $14,000,000—equal to 4.6 percent of their present assets and 8 percent of the capital stock. These accounts have been increasing about $2,000,000 per year since 1937. The total capital of the Banks now is close to $190,000,000.



The Income and Expense Picture

The record of income and expense of the 12 Federal Home Loan Banks is instructive in view of the fears expressed by opponents of the Act 10 years ago. At that time it was argued that the Banks would never be able to operate without subsidy and that they would become a heavy burden on the public treasury. How did they fare?

Through June 30, 1942 the total gross income of the Banks has amounted to $50,000,000 and their *net* income was $32,500,000. They have been



entirely self-supporting and the Government investment in capital stock has yielded a moderate return. With the exception of the initial period of operation, the Banks have been in the black each year throughout their existence.

Slightly more than four-fifths of the gross income during the past decade has been derived from the interest charged on advances to member institutions. An additional 12 percent has been received from the investments of the Banks and the remainder from non-operating income items.

Compensation, travel, and other administrative expenses have absorbed 17 percent of gross income. Second largest charge—9 percent—has been the interest on debentures. Annual assessments for expenses of the Federal Home Loan Bank Administration, averaging approximately $300,000, have been equal to 5 percent of income. Other expenses and non-operating charges make up the balance of deductions. The total of all these charges has absorbed 35 percent of gross income.

Dividend payments to the Federal Government and to member institutions on their holdings of Federal Home Loan Bank stock have amounted to 57 percent of the net income of $32,500,000 for the 10-year period. The Government has received more than $14,000,000 while members have been paid a total of over $4,000,000. Annual dividend rates have varied from 1 to 2 percent per year.

One-fourth of all net income earned in these first 10 years of operation has been set aside in reserve accounts. This is substantially in excess of the legal requirements and aggregates almost $8,300,000. In addition, another $5,800,000 is being held in the undivided-profit accounts of the Banks and serves as additional protection for holders of the consolidated Bank debentures and of capital stock.

Trends in the Individual Banks

The next four pages present an individual chart and brief narrative description for each of the 12 Federal Home Loan Banks. The major balance-sheet accounts are discussed as well as the trend in net operating income during the decade. Fluctuations in membership and the steady growth of the assets of member institutions are also shown in a separate box. The data presented are for June 30 of each year from 1933 through 1942.

The Path We Came By

(Continued from p. 361)

before the end of the session, the two chambers seemed in deadlock until the lower chamber receded in order that the Federal Home Loan Bank bill might be saved. With the narrow margin of 6 votes (120–114) the House concurred in the Senate amendment and passed, in effect, the Federal Home Loan Bank bill.

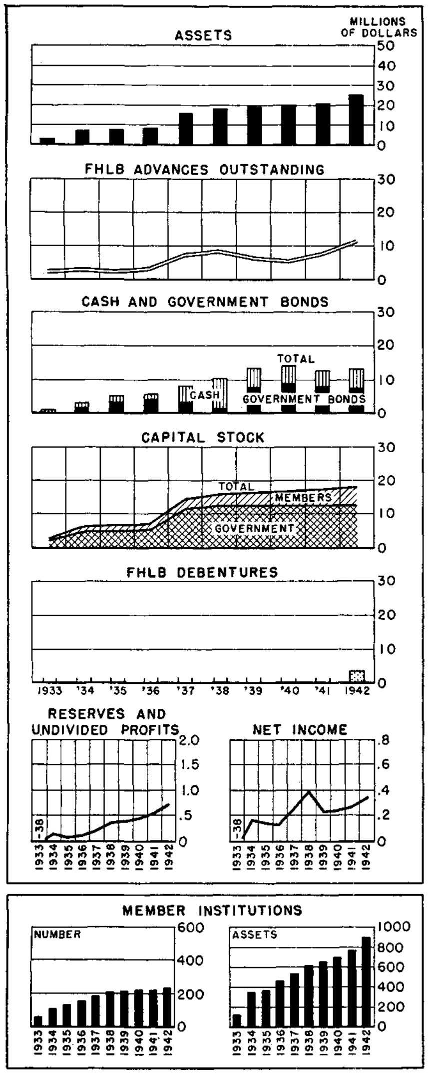
There remained the hurdle of an appropriation to make the Bank System work. There was real danger that the legislation might be "spiked", on this last day before adjournment, by failure to obtain the necessary unanimous consent to the suspension of a Senate rule requiring appropriation bills to lie over for a day. However, this danger was circumvented by a parliamentary device. The appropriation bill was offered in the form of an amendment to a measure "to authorize the closing of a portion of Virginia Avenue S. E. in the District of Columbia", which had already been read a second time in the Senate, and was agreed to.

On July 22 both the Federal Home Loan Bank bill and the Appropriation bill were signed by the President.

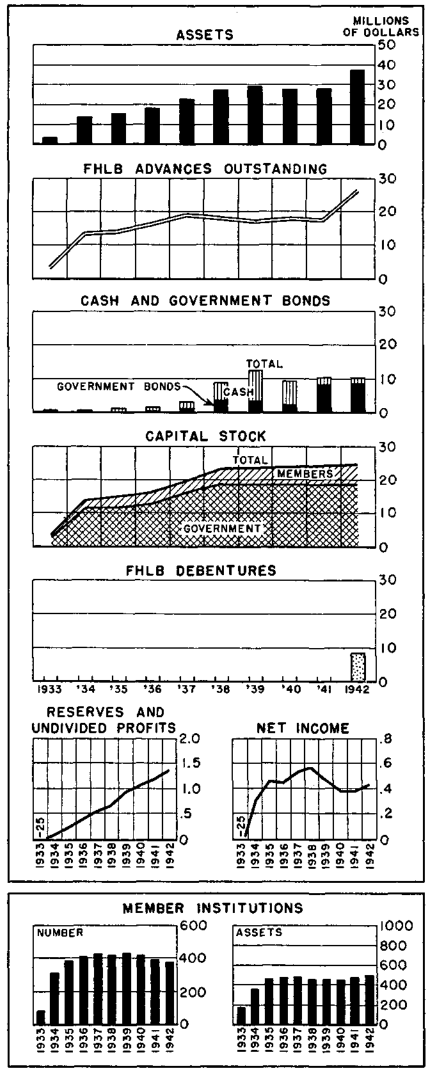
Considering the labyrinthian course that the Federal Home Loan Bank measure took in Congress, major alterations of the original bill were few. Perhaps the most important changes were the "direct-loan" provision and the exclusion of commercial banks from membership, which left as eligible members the following types of institutions: building, savings and loan associations, cooperative banks, homestead associations, insurance companies, and savings banks.

None of the later amendments have affected the basic structure of the Bank System as embodied in the Act of 1932. They were rather of a technical nature or were caused by adaptations to legislative measures taken in subsequent years. The only exception was the direct-loan provision added to the original bill in Congress. This section was deleted by amendment in 1933, when the Home Owners' Loan Corporation was created to extend direct assistance to home owners on a much larger scale than was contemplated at the time the Federal Home Loan Bank Act was placed on the statute books.

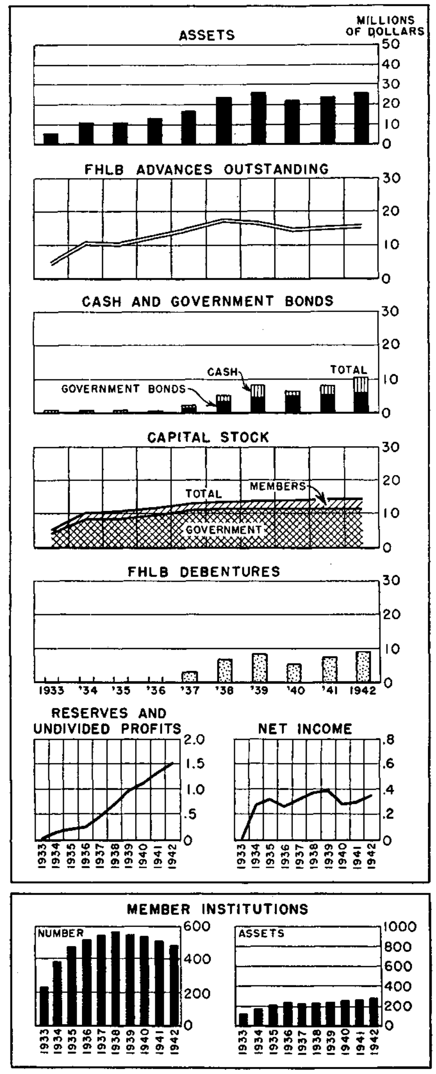
FHLB OF BOSTON



FHLB OF NEW YORK



FHLB OF PITTSBURGH



FHLB of BOSTON: Asset trend steadily upward throughout the period. Proportion of cash and Government bonds now the highest for any Bank (53%). Sharp increase in outstanding advances to members noted in past year, although cumulative lending to date ranks 9th among all Districts. Did not participate in debenture issues until 1942, and lists only 4% of outstanding total on its balance sheet. Member holdings equal to 30% of total stock of the Bank—about on a par with the average for all Banks. Accumulation of surplus has absorbed one-third of total net income for the 10-year period. Ratio of reserves and undivided-profit accounts is equivalent to 2.9% of assets; to 4.1% of capital stock.

Number as well as assets of members have risen each year since 1933. Member assets now 2nd largest for any Federal Home Loan Bank District.

FHLB of NEW YORK: A substantial increase in assets during the past year raised the total above $37,000,000—2nd largest of the 12 Banks. Recent gains have been reflected in outstanding advances, which are also the 2nd largest. Cumulative loans to members exceed $100,000,000. Only 3 Banks have passed this mark. A sharp rise in advances and a relatively low ratio of liquid reserves are clues to the initial participation in debenture-financing during 1941. Capital stock is the largest in the System; 23% is held by member institutions. Net income since 1932 totals almost $4,000,000—35% of which is in reserves and undivided profits. Ratios of these accounts to assets and capital stock are 3.7 and 5.7 percent, respectively.

Member assets at the end of June totaled almost $500,000,000 and held 4th rank in the System.

FHLB of PITTSBURGH: Assets during the past fiscal year have been only slightly below the peak of December 1940, and at the end of June were just over $25,000,000. Advances to members have been rising, but are still below the 1938–1939 level. Cumulative advances rank 6th among the 12 Districts. Capital stock is also about average size, with 22% owned by member institutions. Net income for the 10-year period ranks 5th among the Banks, and almost one-half has been placed in reserve and undivided profit accounts. Ratios of these surplus items to assets and to capital stock of 5.8% and 10.2%, respectively, are the 2nd highest among the various Banks.

Membership reached its peak in 1938, but assets of member institutions continue to climb, indicating an increase in the average size of members which has been relatively small.

FHLB of WINSTON-SALEM: Assets on June 30 were at the highest point in the decade and ranked 3rd among the Banks. Present volume of advances outstanding also ranks 3rd, but the cumulative loans to members are the largest in the System—almost $133,000,000. Thus far, the Bank's share in debenture issues has been 15% and it showed the largest amount outstanding for any Bank on June 30. Members hold almost 40 percent of the $15,000,000 of capital stock—the 2nd highest ratio. Net income for the period ranked 4th, and 57% was allocated to reserves and undivided profits, the highest proportion for any Bank. Ratio of these accounts to capital stock is 11.8%, ranking 1st, and to total assets, 5.1%.

The assets of member institutions have been moving steadily upward and now hold 3rd place.

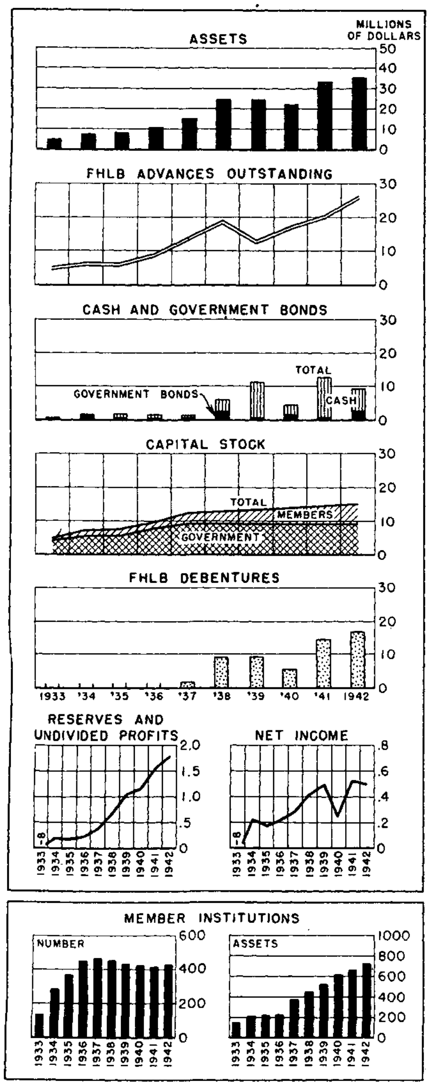
FHLB of CINCINNATI: Gradual decline in assets since 1938 has been marked by the retirement of most of this Bank's outstanding FHLB debentures and a drop in advances to member institutions. Outstanding advances on June 30 were about one-half the 1938 peak, and debentures on that date were only 3% of the total outstanding. Capital stock is in excess of $21,000,000, and 40.1% held by members—the highest ratio for any Bank. Total net income was the largest among the 12 Banks, and so was the amount set aside in reserve and undivided-profit accounts. Ratios of these accounts to total assets and capital stock of this Bank were 5.8% and 8.6%, respectively.

The number and assets of member institutions of the Cincinnati Bank are the highest in any District. Their assets are now approaching the billion-dollar mark.

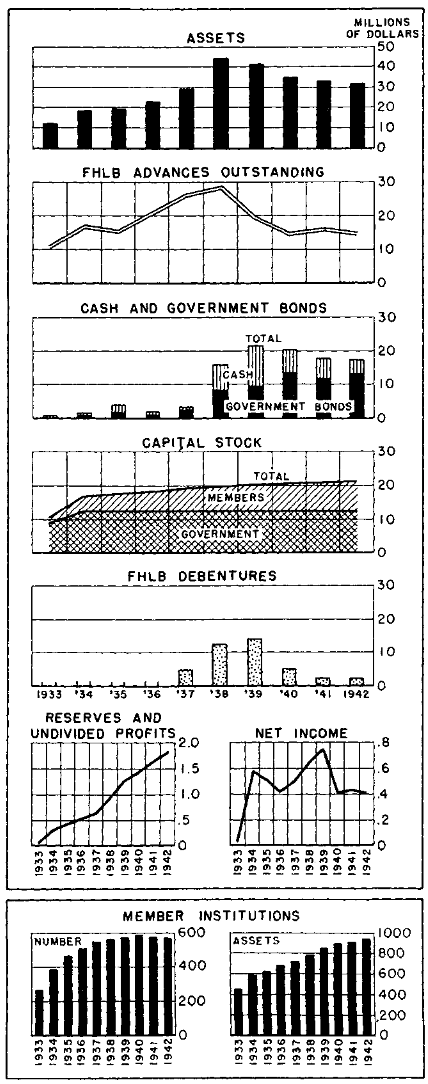
FHLB of INDIANAPOLIS: Assets on June 30 were at the highest level during the decade and are nearing $24,000,000. Advances made during the past 12 months were exceeded only in 1937, and the balance outstanding at the end of June was the greatest on record for that date. Cumulative advances of more than $53,000,000 stood 10th among the Districts. June statement showed 47% of liquid assets (cash and Government bonds). The Bank accounted for almost 10% of outstanding debentures. Capital stock exceeded $10,000,000 during the past year and the ratio of member holdings was the 3rd largest. More than 40% of the $2,100,000 net income has been retained in surplus accounts. Ratio of reserves and undivided profits to total assets is 3.7%; to capital stock, 8.6%.

On June 30, the 218 members had aggregate assets of $315,000,000.

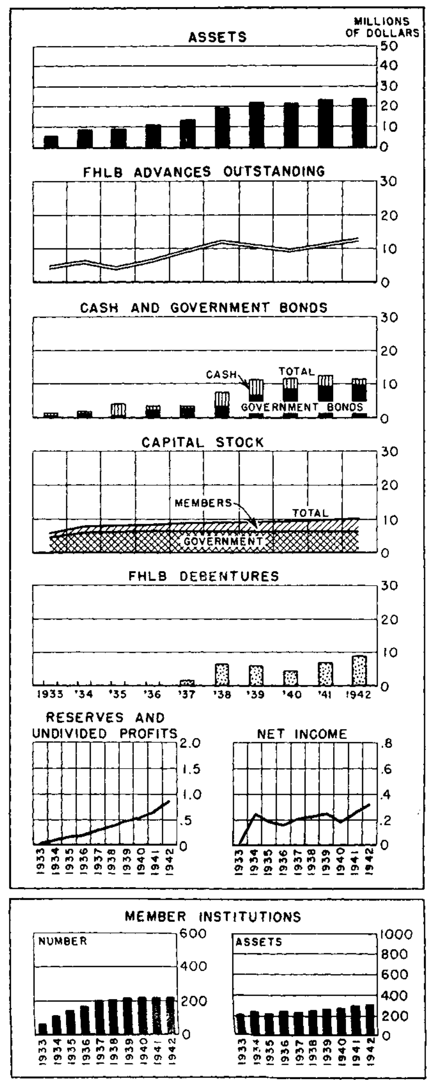
FHLB OF WINSTON-SALEM



FHLB OF CINCINNATI



FHLB OF INDIANAPOLIS



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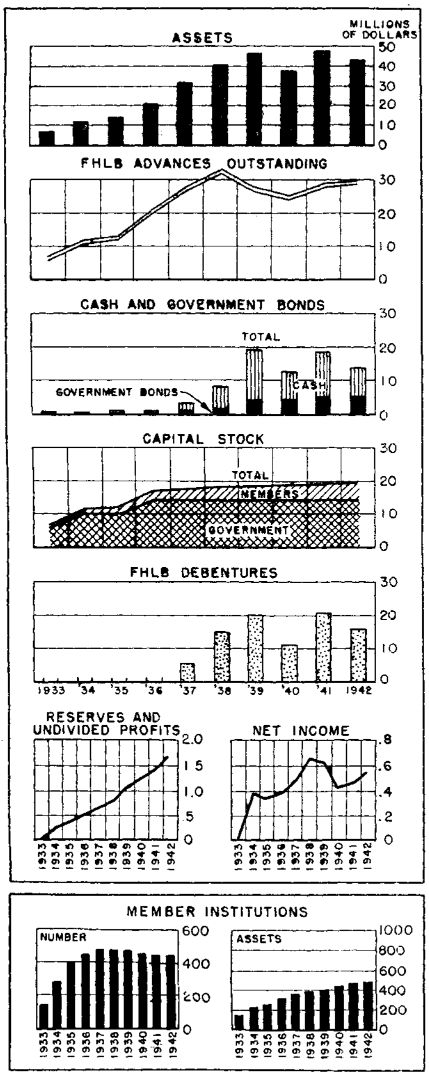
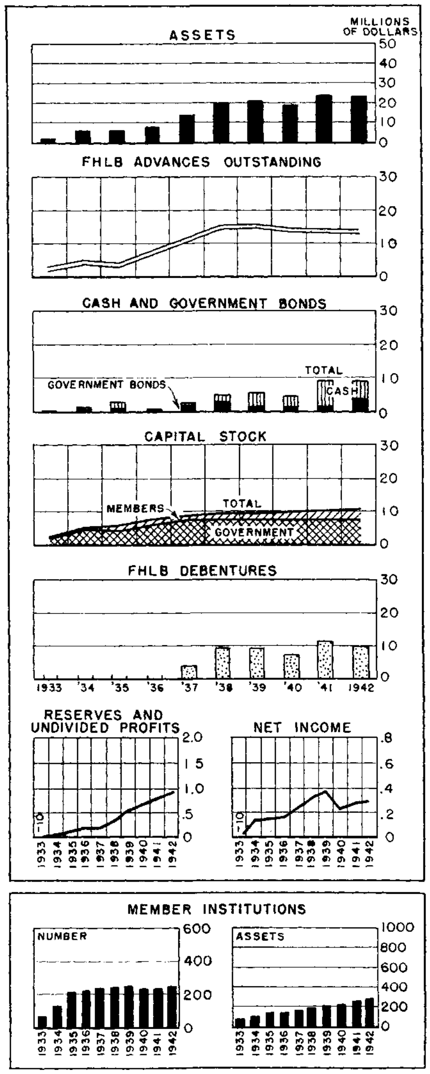
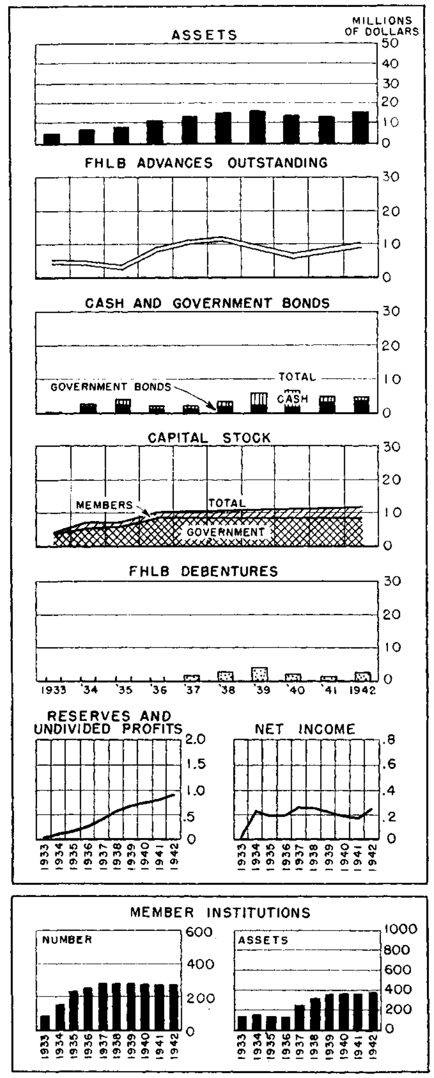
FHLB OF CHICAGO



FHLB OF DES MOINES



FHLB OF LITTLE ROCK



FHLB of CHICAGO: Largest of the Banks in point of assets, this institution also shows the highest volume of advances outstanding. Present totals, however, are well under peak operations. Cumulative loans to members ($115,000,000) are the 2nd largest in any region. A consistent user of debentures, this Bank's share was 18% of outstanding issues, and it has accounted for one-fifth of all series floated. Capital stock of almost $20,000,000 is the 3rd largest in the System and 29% is owned by members. Total net income for the 10 years ranks 2nd among the Banks, and reserve accumulations stand 3rd in dollar volume. Ratios of reserves and undivided-profit accounts to assets and capital stock are 3.9% and 8.5%, respectively.

Membership roll has declined since 1937; member assets are approaching the half-billion dollar mark.

FHLB of DES MOINES: Assets in June were only slightly below the previous high for that month set in 1941, despite the retirement of FHLB debentures. The balance of advances outstanding (over $14,000,000) ranked 7th. Total advances to member institutions since 1932 also ranked 7th. Approximately 40 percent of June assets were in cash or Government bonds. Its share of outstanding debentures (11%) was just above its participation in all issues. Capital stock of $10,500,000 stands 10th, with 29% member-held. Total net income amounts to $2,165,000, with more than $900,000 put away in reserves and undivided profits. Ratio of these items to total assets is 4.0%; to capital stock, 8.8%.

Increase in membership during the past 2 years has raised the total to the 1939 fiscal-year peak. Member assets have shown unbroken gains.

FHLB of LITTLE ROCK: Assets of $15,200,000 on June 30 were above 1941, but still under 1938–1939 levels for this date. Advances increased 22% over 1941, but the balance outstanding was well below previous peaks. Cash and Government bonds accounted for 36% of total assets at the end of June. Although adding debentures during the year, its share of outstanding issues was among the smallest for any Bank. Capital stock amounted to $11,200,000, of which 22% was member-owned. Net income in the 10-year period totaled almost $2,000,000, with 46% set aside as surplus funds. The ratio of reserves and undivided profits to total assets (5.9%) was the highest for any Bank; to capital stock, 8.0%.

A membership of 281 institutions with assets totaling almost $400,000,000 placed this Bank in the middle of the range for all Districts.

FHLB of TOPEKA: Despite the retirement of FHLB debentures, assets of the Bank have about maintained 1940–1941 levels. Advances outstanding on June 30 were the lowest for that date since 1936, and were the smallest for any region. Cumulative loans have passed the $40,000,000-mark. Cash and Government bonds were equal to 48% of total assets. The Bank has the smallest share of debentures outstanding. Capital stock now exceeds $9,300,000 with 21% in the hands of members. Almost 52% of net income to date has been allocated to reserves and undivided profits—3rd highest proportion for any Bank. Ratio of these items to assets is 5.6%; to capital stock, 7.9%.

On June 30, there were 223 members with assets of almost $200,000,000. The drop in assets from 1941–1942 was occasioned by liquidation cases and withdrawal of 2 insurance companies.

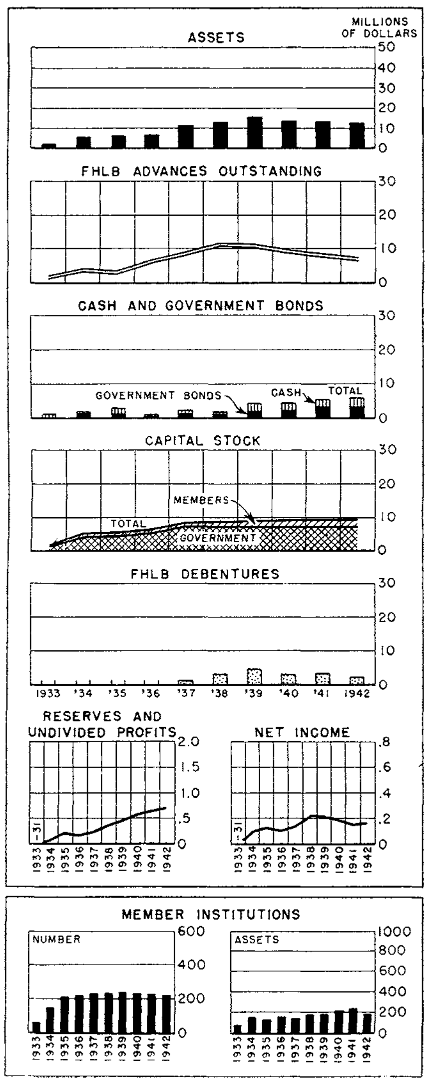
FHLB of PORTLAND: Assets of the Portland Bank reached a new high at the end of 1941, but are now just under the level of a year ago. Outstanding advances are next to the smallest for any Bank. Cumulative total of advances (over $51,000,000) also ranks 11th. Cash and Government bonds were equal to 40% of assets on June 30. FHLB debentures outstanding are $3,000,000, and the Bank's share of all series issued has been only 3%. Capital stock is the smallest for any Bank, and member holdings (20.7%) rank 12th. Half of the net income in 10 years has been retained in reserves and undivided profits. Ratios of these accounts to total assets (5.3%) and to capital stock (8.7%) were relatively high.

The number of member institutions has shown little change in the past 6 years, but assets of members have more than doubled in the same period.

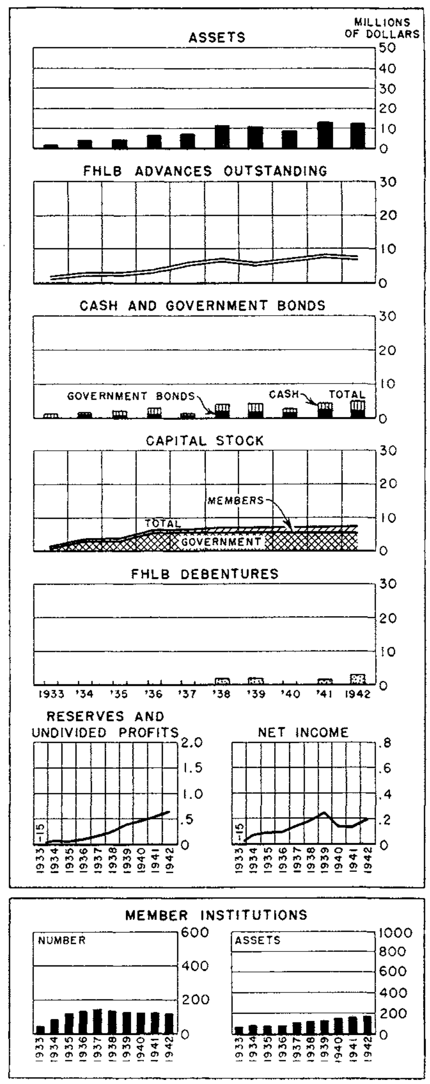
FHLB of LOS ANGELES: Assets at the end of June were exceeded only in June 1939, and stood 5th among the 12 Banks. Outstanding advances registered a good gain during the past year, and records were set for both new advances and repayments. Cumulative advances since 1932 are in excess of $92,000,000. Cash and Government bonds accounted for 30% of June assets. The Bank's share of outstanding debentures is 9%—about equal to its share of all series issued. Capital stock amounts to $13,700,000, of which 28% is member-owned. Net income for the past 12 months was the highest in 10 years. Accumulated surplus totals over $1,100,000. Reserves and undivided profits to total assets and capital stock are 4.3% and 8.1%, respectively.

With next to the smallest number of members, assets of these institutions rank 6th among the 12 Districts.

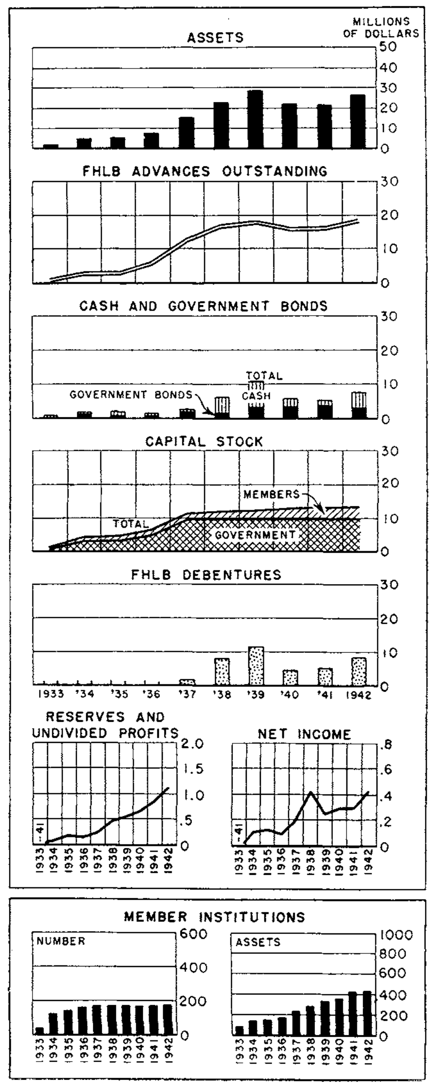
FHLB OF TOPEKA



FHLB OF PORTLAND



FHLB OF LOS ANGELES



THE HOME FRONT

War bond sales in July below goal

As this issue was going to press reports on the war-savings campaign in July indicated bond sales of $900,900,000. This was 10 percent short of the goal but represented an increase of 40 percent over the June figure.

As anticipated, the largest gains were registered in the sale of F and G bonds, owing to the raising of annual purchase limitations for these series. Total sales of F and G bonds were $393,000,000 compared with $200,000,000 in June. Sales of Series E bonds rose from $433,000,000 in June to $508,000,000 in July.

Publication of the July results was accompanied by an announcement that the goal for August was reduced to $815,000,000. The Treasury pointed out that because of seasonal variations in income distribution it would not be practicable to set monthly quotas at a uniform figure. However, the $12,000,000,000 goal for the fiscal year beginning July 1 will be maintained.

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Baltimore associations sponsor war bond rally

What savings and loan associations are doing, and can do, to promote the war-savings drive is illustrated by the "On-To-Victory" campaign sponsored by a group of these institutions in Baltimore, Maryland. Following three preliminary street rallies, this campaign culminated in a Freedom rally on July 6 for which speakers of national reputation as well as local civic leaders and well-known entertainers were secured. Net result: over $1,250,000 in war bonds and stamps sold in conjunction with this special drive.

The success of this effort is reflected in requests from neighboring communities that rallies be held there, and in numerous quests for information regarding "how it was done."

The sponsors defrayed the initial expenses and mapped out the campaign with the assistance of the State Administrator of the war-bond program. One important by-product of the campaign has been a demonstration of the ability of savings and loan associations to shoulder a major share of Maryland's war-bond drive. The State Administrator has now assigned to them the handling of contacts with small business concerns and has appointed a savings and loan executive to assist him in this job as well as in planning other aspects of a State-wide campaign.

☆ ☆ ☆ ☆ ☆

Over 100,000 housing units exempted from lumber curb

In order to permit the completion of more than 100,000 units of the most essential war-housing projects, the War Production Board has granted "specific authorization" for the sale of lumber previously restricted to military uses. The projects affected, located in 28 States and almost evenly divided between those publicly and privately financed, were selected after investigation by the National Housing Agency and WPB as being of primary importance in the war effort.

Authorization for the purchase of lumber for publicly financed housing may be granted upon certification of necessity by the local superintendent of the Federal Public Housing Authority. In the case of privately financed construction in the designated areas, both the contractor and an authorized agent of the Federal Housing Administration are required to certify to necessity of the requested purchase.

However, because the demand for certain kinds of lumber exceeds the present supply, authorizations for purchase cannot be immediately honored in every case.

☆ ☆ ☆ ☆ ☆

Home conversion given additional encouragement

Conversion of dwellings to make maximum use of existing housing has received further encouragement. The War Production Board has announced a streamlined procedure for projects which make available an additional dwelling unit with an outlay of not more than $100 worth of critical materials per room, nor more than $800 per structure, provided they are in a locality which is on a priorities list. Application for such eligible private undertakings should be made on Form PD-110 which does not require the submission of plans and specifications and is neither subject to critical scrutiny by FHA offices nor chargeable against quota allotments. The resulting accommodations are not limited to occupancy by war workers.

A further move to expedite conversions was contained in the National Housing Administration's delegation of authority to creditors and lenders to exempt remodeling and reconditioning loans from provisions of Regulation W. This authorizes any agent qualified as a "registrant" under the Federal Reserves Board's Regulation ($500 limitation for total cost of work) to designate certain of these projects as "defense housing." The registrant may accept from the obligor a signed statement that a project has received a priority rating from WPB, or that it satisfied specific conditions as to location, preference of occupancy by war workers, necessity for continued habitation, and shelter rent. Records of these exemptions must be kept for inspection but no longer require prior concurrence by the National Housing Agency or the Federal Reserve Board.

☆ ☆ ☆ ☆ ☆

Rent regulations invoked in more areas

Maximum rent regulations were put into effect in 21 additional areas on August 1. This brings the total to 96 localities in which the authority of the Office of Price Administration has been invoked to stabilize rents as of selected dates: 17 areas will operate under March 1942 ceilings and in the remaining four areas rents will be rolled back to January, April, or July 1941 levels.

Fifteen States are represented in these 21 designated localities which range in size from Key West, Florida with a population of 14,078 to Milwaukee, Wisconsin (987,181) and include approximately 4,000,000 residents in all.

The OPA has announced that investigations are continuing in the remaining 272 designated defense-rental areas with a view to making Federal regulations operative where the rental problem is most acute.

HONOR ROLL OF WAR BOND SALES

We have "raised the sights." This month's Honor Roll includes those member institutions which through June 30 have sold war bonds and stamps equal to 7½ percent or more of their assets. Previous lists were based on cumulative sales of at least 5 percent.

In the September issue the sights will be raised once more to a minimum of 10 percent. As the record of cumulative sales grows each month it is but natural that the standards for inclusion of associations in the Honor Roll must be revised from time to time in order that its distinctive character be maintained.

The following list names 266 associations which have met the 7½-percent goal set for this month. As in previous issues, one asterisk designates those institutions which have sold amounts equivalent to 10 to 15 percent, and each additional asterisk stands for another 5 percent.

Sales leaders with a record of $500,000 or more now number 24 as against 21 last month, and these 24 associations alone have sold almost $20,000,000 through June 30. Three institutions in this group sold more than $200,000 of war bonds in the single month of June and two others were within striking distance of this mark.

The following list reflects reports of cumulative sales through June 30. In the case of appreciation bonds, these reports are based on maturity values.

NO. 1—BOSTON

*Branford Federal Savings and Loan Association, Branford, Conn.
Bristol Federal Savings and Loan Association, Bristol, Conn.
Sharon Co-operative Bank, Sharon, Mass.
*Telephone Workers Co-operative Bank, Providence, R. I.
*Windsor Federal Savings and Loan Association, Windsor, Vt.

NO. 2—NEW YORK

**Amsterdam Federal Savings and Loan Association, Amsterdam, N. Y.
*Bellmore Savings and Loan Association, Bellmore, N. Y.
Black Rock-Riverside Savings and Loan Association, Buffalo, N. Y.
**Broad Avenue Building and Loan Association, Palisades Park, N. J.
Bronx Federal Savings and Loan Association, Bronx, N. Y.
*Carthage Savings and Loan Association, Palisades Park, N. Y.
**Center Savings and Loan Association, Clifton, N. J.
Chemung Valley Savings and Loan Association, Elmira, N. Y.
Cranford Savings and Loan Association, Cranford, N. J.
Dime Banking and Loan Association, Rochester, N. Y.
*First Federal Savings and Loan Association, New York, N. Y.
First Federal Savings and Loan Association, Rochester, N. Y.
Fourth Federal Savings and Loan Association, New York, N. Y.
*Genessee County Savings and Loan Association, Batavia, N. Y.
*Jackson Heights Savings and Loan Association, Jackson Heights, N. Y.
*Long Beach Federal Savings and Loan Association, Long Beach, N. Y.
Midtown Savings and Loan Association, Newark, N. J.
*New Brighton Savings and Loan Association, St. George, N. Y.
***Owego Federal Savings and Loan Association, Owego, N. Y.
Polifly Savings and Loan Association, Hasbrouck Heights, N. J.
Queens County Federal Savings and Loan Association, Jamaica, N. Y.
*Schuyler Building and Loan Association, Kearny, N. J.
Summit Federal Savings and Loan Association, Summit, N. J.
Union City Savings and Loan Association, Union City, N. J.
Walton Savings and Loan Association, Walton, N. Y.

NO. 3—PITTSBURGH

*Alvin Progressive Federal Savings and Loan Association, Philadelphia, Pa.
Ambridge Building and Loan Association, Ambridge, Pa.
*Colonial Federal Savings and Loan Association, Philadelphia, Pa.
**Ellwood City Federal Savings and Loan Association, Ellwood City, Pa.
First Federal Savings and Loan Association, Carnegie, Pa.
*First Federal Savings and Loan Association, Homestead, Pa.
First Federal Savings and Loan Association of South Philadelphia, Philadelphia, Pa.
*First Federal Savings and Loan Association, Wilkes-Barre, Pa.
**************First Federal Savings and Loan Association, Wilmerding, Pa.
Founders-Oxford Federal Savings and Loan Association, Philadelphia, Pa.
**Franklin Federal Savings and Loan Association, Pittsburgh, Pa.
Girard Federal Savings and Loan Association, Philadelphia, Pa.
Grand Union Federal Savings and Loan Association, Philadelphia, Pa.
*Mutual Building and Loan Association, Erie, Pa.
Peoples Federal Savings and Loan Association, Wheeling, W. Va.
Reading Federal Saving and Loan Association, Reading, Pa.

NO. 4—WINSTON-SALEM

**Bohemian American Building Association, Baltimore, Md.
***Bohemian Building Loan and Savings Association "Slavie," Baltimore, Md.
Citizens Building and Loan Association, Rocky Mount, N. C.
*First Federal Savings and Loan Association, Bessemer, Ala.
*First Savings and Loan Association, Columbus, Ga.
***First Federal Savings and Loan Association, Cordele, Ga.
First Federal Savings and Loan Association, Darlington, S. C.
First Federal Savings and Loan Association, Decatur, Ala.
*First Federal Savings and Loan Association, Eustis, Fla.
*First Federal Savings and Loan Association, Huntsville, Ala.
*First Federal Savings and Loan Association, Montgomery, Ala.
***First Federal Savings and Loan Association, Phenix City, Ala.
****First Federal Savings and Loan Association, Winder, Ga.
*Fort Hill Federal Savings and Loan Association, Clemson, S. C.
*****Home Building and Loan Association, Easley, S. C.
Jefferson Federal Savings and Loan Association, Birmingham, Ala.
Lithuanian Federal Savings and Loan Association, Baltimore, Md.
*Meriwether Federal Savings and Loan Association, Manchester, Ga.
Moutlrie Federal Savings and Loan Association, Moultrie, Ga.
Mutual Building and Loan Association, Martinsville, Va.
Peoples Mutual Building and Loan Association, Mount Gilead, N. C.
Seneca Building and Loan Association, Seneca, S. C.
Tifton Federal Savings and Loan Association, Tifton, Ga.

NO. 5—CINCINNATI

Bedford Savings and Loan Company, Bedford, Ohio
*Buckeye Loan and Building Company, Cincinnati, Ohio
Chagrin Falls Savings and Loan Company, Chagrin Falls, Ohio
Citizens Federal Savings and Loan Association, Delphos, Ohio
Citizens Savings and Loan Company, Akron, Ohio
Dollar Federal Savings and Loan Association, Hamilton, Ohio
**First Federal Savings and Loan Association, Bucyrus, Ohio
*First Federal Savings and Loan Association, Greeneville, Tenn.
First Federal Savings and Loan Association, Lorain, Ohio
First Federal Savings and Loan Association, Sidney, Ohio
*First Federal Savings and Loan Association, Van Wert, Ohio
Great Northern Building and Loan Company, Barberton, Ohio
H. B. Smith Building and Loan Company, Fremont, Ohio
*Hancock Savings and Loan Company, Findlay, Ohio
*Hickman Federal Savings and Loan Association, Hickman, Ky.
Home Loan and Savings Company, Coshocton, Ohio
*Lincoln Heights Savings and Loan Company, Cleveland, Ohio
*Logan Federal Savings and Loan Association, Logan, Ohio
McArthur Savings and Loan Company, McArthur, Ohio
*Ohio Savings and Loan Association, Fostoria, Ohio
Orleans Federal Savings and Loan Association, Cleveland, Ohio

Tops in volume

Member associations which have sold more than $500,000 of war savings bonds through June 30

1.	Old Colony Cooperative Bank, Providence, R. I.	$1,270,385
2.	First Federal Savings and Loan Association, New York, N. Y.	1,260,007
3.	Home Federal Savings and Loan Association, Tulsa, Okla.	1,128,228
4.	Minnesota Federal Savings and Loan Association, St. Paul, Minn.	1,080,840
5.	Railroad Federal Savings and Loan Association, New York, N. Y.	1,059,926
6.	Fourth Federal Savings and Loan Association, New York, N. Y.	985,868
7.	Worcester Cooperative Federal Savings and Loan Association, Worcester, Mass.	979,194
8.	First Federal Savings and Loan Association, Rochester, N. Y.	919,531
9.	Talman Federal Savings and Loan Association, Chicago, Ill.	917,731
10.	Pacific First Federal Savings and Loan Association, Tacoma, Wash.	917,069
11.	Edison Savings and Loan Association, New York, N. Y.	884,200
12.	Perpetual Building Association, Washington, D. C.	861,906
13.	First Federal Savings and Loan Association, Miami, Fla.	816,038
14.	Railroadmen's Federal Savings and Loan Association, Indianapolis, Ind.	807,595
15.	First Federal Savings and Loan Association, Chicago, Ill.	730,243
16.	Gem City Building and Loan Association, Dayton, Ohio	722,650
17.	Harvey Federal Savings and Loan Association, Harvey, Ill.	674,592
18.	Home Savings and Loan Company, Youngstown, Ohio	631,305
19.	First Federal Savings and Loan Association, Youngstown, Ohio	600,678
20.	First Federal Savings and Loan Association, Detroit, Mich.	588,091
21.	Home Federal Savings and Loan Association, Chicago, Ill.	584,976
22.	Long Beach Federal Savings and Loan Association, Long Beach, Calif.	563,875
23.	Osage Federal Savings and Loan Association, Pawhuska, Okla.	508,725
24.	Western Federal Savings and Loan Association, Chicago, Ill.	501,200

*Peoples Federal Savings and Loan Association, Leetonia, Ohio
Peoples Savings and Loan Association, Cleveland, Ohio
*Progress Savings and Loan Company, Cleveland, Ohio
**Suburban Federal Savings and Loan Association, Covington, Ky.
**Tatra Savings and Loan Company, Cleveland, Ohio
Third Equitable Building and Loan Company, Cadiz, Ohio
Third Federal Savings and Loan Association, Cleveland, Ohio
*Ukrainian Savings Company, Cleveland, Ohio
*Versailles Building and Loan Company, Versailles, Ohio
**Warsaw Savings and Loan Association, Cleveland, Ohio

NO. 6—INDIANAPOLIS

*Atkins Savings and Loan Association, Indianapolis, Ind.
Birmingham Federal Savings and Loan Association, Birmingham, Mich.
*Citizens Federal Savings and Loan Association, Port Huron, Mich.
*Crawfordsville Building Loan Fund and Savings Association, Crawfordsville, Ind.
*Dearborn Federal Savings and Loan Association, Dearborn, Mich.
Detroit Federal Savings and Loan Association, Detroit, Mich.
East Chicago Federal Savings and Loan Association, East Chicago, Ind.
First Federal Savings and Loan Association, East Chicago, Ind.
First Federal Savings and Loan Association, Jeffersonville, Ind.
*First Federal Savings and Loan Association, Kokomo, Ind.
First Federal Savings and Loan Association, Logansport, Ind.
First Federal Savings and Loan Association, New Albany, Ind.
*First Federal Savings and Loan Association, Washington, Ind.
First State Savings and Loan Association, Gary, Ind.
Gary Federal Savings and Loan Association, Gary, Ind.
*Griffith Federal Savings and Loan Assocation, Griffith, Ind.
Homestead Loan and Building Association, Albion, Mich.
*Liberty Savings and Loan Association, Whiting, Ind.
Loogootee Federal Savings and Loan Association, Loogootee, Ind.
*Marshall County Building and Loan Association, Plymouth, Ind.
*Muskegon Federal Savings and Loan Association, Muskegon, Mich.
Ottawa County Building and Loan Association, Holland, Mich.
*Peoples Federal Savings and Loan Association, East Chicago, Ind.
*Port Huron Loan and Building Association, Port Huron, Mich.
*Rural Loan and Savings Association, Hartford City, Ind.
***Sobieski Federal Savings and Loan Association, South Bend, Ind.
Steel City Federal Savings and Loan Association, Gary, Ind.
*Twelve Points Savings and Loan Association, Terre Haute, Ind.
Warren County Federal Savings and Loan Association, Williamsport, Ind.
*Wayne County Federal Savings and Loan Association, Detroit, Mich.

NO. 7—CHICAGO

*****Acme Savings and Loan Association, Milwaukee, Wis.
Amity Federal Savings and Loan Association, Chicago, Ill.
Austin Federal Savings and Loan Association, Chicago, Ill.
*Avondale Building and Loan Association, Chicago, Ill.
Chicago Heights Federal Savings and Loan Association, Chicago Heights, Ill.
***City Savings and Loan Association, Chicago, Ill.
*Continental Savings and Loan Association, Chicago, Ill.
***Cook County Federal Savings and Loan Association, Chicago, Ill.
*Copernicus Building and Loan Association, Chicago, Ill.
**Cragin Savings and Loan Association, Chicago, Ill.
Des Plaines State Building and Loan Association, Des Plaines, Ill.
*Fairfield Savings and Loan Association, Chicago, Ill.
***First Calumet City Savings and Loan Association, Calumet City, Ill.
First Federal Savings and Loan Association, Des Plaines, Ill.
First Federal Savings and Loan Association, Lansing, Ill.
**First Federal Savings and Loan Association, Moline, Ill.
*First Savings and Loan Association of Hegewisch, Chicago, Ill.
*Flora Mutual Building, Loan and Homestead Association, Flora, Ill.
*Grand Crossing Savings and Building Loan Association, Chicago, Ill.
*Guaranty Savings and Loan Association, Chicago, Ill.
*Haller Building and Loan Association, Chicago, Ill.
***Harvey Federal Savings and Loan Association, Harvey, Ill.
*Hemlock Savings and Loan Association, Chicago, Ill.
*****Investors Savings and Loan Association, Chicago, Ill.
****Jugoslav Savings and Loan Association, Chicago, Ill.
*Lawn Manor Building and Loan Association, Chicago, Ill.
Lawn Savings and Loan Association, Chicago, Ill.
********Lawndale Savings and Loan Association, Chicago, Ill.
*Lombard Building and Loan Association of DuPage County, Lombard, Ill
**Midwest Savings and Loan Association, Chicago, Ill.
*Morton Park Federal Savings and Loan Association, Cicero, Ill.
Mutual Federal Savings and Loan Association, Chicago, Ill.
*Naperville Building and Loan Association, Naperville, Ill.
*Naprstek Savings and Loan Association, Chicago, Ill.
New City Savings and Loan Association, Chicago, Ill.
New London Savings and Loan Association, New London, Wis.
North Side Federal Savings and Loan Association, Chicago, Ill.
North West Federal Savings and Loan Association, Chicago, Ill.
*Northwestern Savings and Loan Association, Chicago, Ill.
Peerless Federal Savings and Loan Association, Chicago, Ill.
Prairie State Savings and Loan Association, Chicago, Ill.
*Prospect Federal Savings and Loan Association, Chicago, Ill.
**Pulaski Savings and Loan Association, Chicago, Ill.
Radnice Savings and Loan Association, Chicago, Ill.
*Richland Center Federal Savings and Loan Association, Richland Center, Wis.
****St. Anthony Savings and Loan Association, Cicero, Ill.
Second Federal Savings and Loan Association, Chicago, Ill.
Security Federal Savings and Loan Association, Chicago, Ill.
Talman Federal Savings and Loan Association, Chicago, Ill.
Tocin Savings and Loan Association, Berwyn, Ill.
***Universal Savings and Loan Association, Chicago, Ill.
*Union Federal Savings and Loan Association, Kewanee, Ill.
*Uptown Federal Savings and Loan Association, Chicago, Ill.
*Valentine Federal Savings and Loan Association, Cicero, Ill.
**West Highland Savings and Loan Association, Chicago, Ill.
**West Pullman Savings and Loan Association, Chicago, Ill.
*Western Federal Savings and Loan Association, Chicago, Ill.

NO. 8—DES MOINES

*American Home Building and Loan Association, St. Louis, Mo.
*Burlington Federal Savings and Loan Association, Burlington, Iowa

(*Continued on p. 381*)

IMPOSSIBLE: "It is impossible for any individual or for any group of persons to benefit from inflation without suffering its penalties. This is equally true of the business man, the professional man, the farmer, the worker, and the investor."

Jesse H. Jones, July 8, 1942.

PLAN: "We must plan on a period of years during which our one big business will be war, and most other businesses will be directly or indirectly subsidiaries of that big one."

The Cleveland Trust Company, *Business Bulletin*, July 15, 1942.

INFLATION: "Inflation is theoretically supposed to aid the debtor class and ruin the creditor class; but the debtor class does not benefit because in the end the government takes away all the profits that the debtor class can obtain."

Ben H. Wooten, *The Fifth District Quarterly*, July 1942.

STRATEGY: "The war can be lost unless you and I . . . do the job that is assigned to us, and do it right. The President's program provides the strategy for the home front. It shows us our battle stations. It gives us our marching orders. The rest is up to us.

"We must produce to the limit of our capacity and strength. We must produce more than we have ever produced before. We must learn to live on less."

Leon Henderson, Administrator, Office of Price Administration, *Domestic Commerce*, June 25, 1942.

WAR HOUSING: "The war-housing problem, in all its complexity, boils down to this: Someone must take the responsibility for war housing *as a whole*—for house, utilities, school and community facilities, for rent control and rationing of existing living space."

Supplement to *Architectural Forum*, June 1942.

OPPORTUNITY: "There is something else that must accompany liberty, freedom, and equality of opportunity, and this is opportunity to work. A man out of employment with an empty stomach can't eat theories or enjoy liberty. If you are fighting to return to the conditions that existed during the past decade—the dole, the breadline, and millions of unemployed—you won't win the war."

Eric Johnston, President, U. S. Chamber of Commerce, July 4, 1942.

Poverty not inevitable . . . . .

"We are not fighting a purely defensive war. We are fighting *for* something. For a generation we have been living on the edge of a new world; we are only now beginning to realize it.

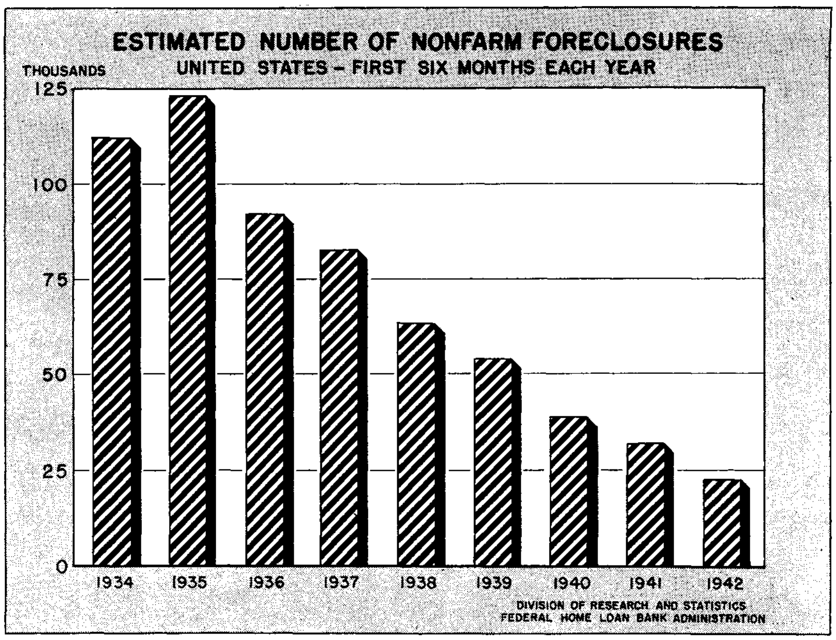
"For the first time in the history of the human race there can be enough of everything to go around. Poverty is not inevitable any more. The sum total of the world's greatest possible output of goods, divided by the sum total of the world's inhabitants, no longer means a little less than enough for everybody. It means more than enough. The possibilities in that simple statement are beyond calculation—and what we are fighting for is the right to turn some of those possibilities into realities."

Donald M. Nelson, Chairman, War Production Board, June 9, 1942.

War damage . . . . .

"In England, Wales, and Scotland there are 10,000,000 houses. One in 15 has been damaged by bombs or anti-aircraft debris, and one in 100 has been made uninhabitable. One-fifth of London is gone and migrations have decreased the population by 27 percent. Before the war there were 3,000 London firemen; now 30,000 plus several hundred thousand of the auxiliary fire force. For each thousand incendiary bombs dropped, 125 fires resulted."

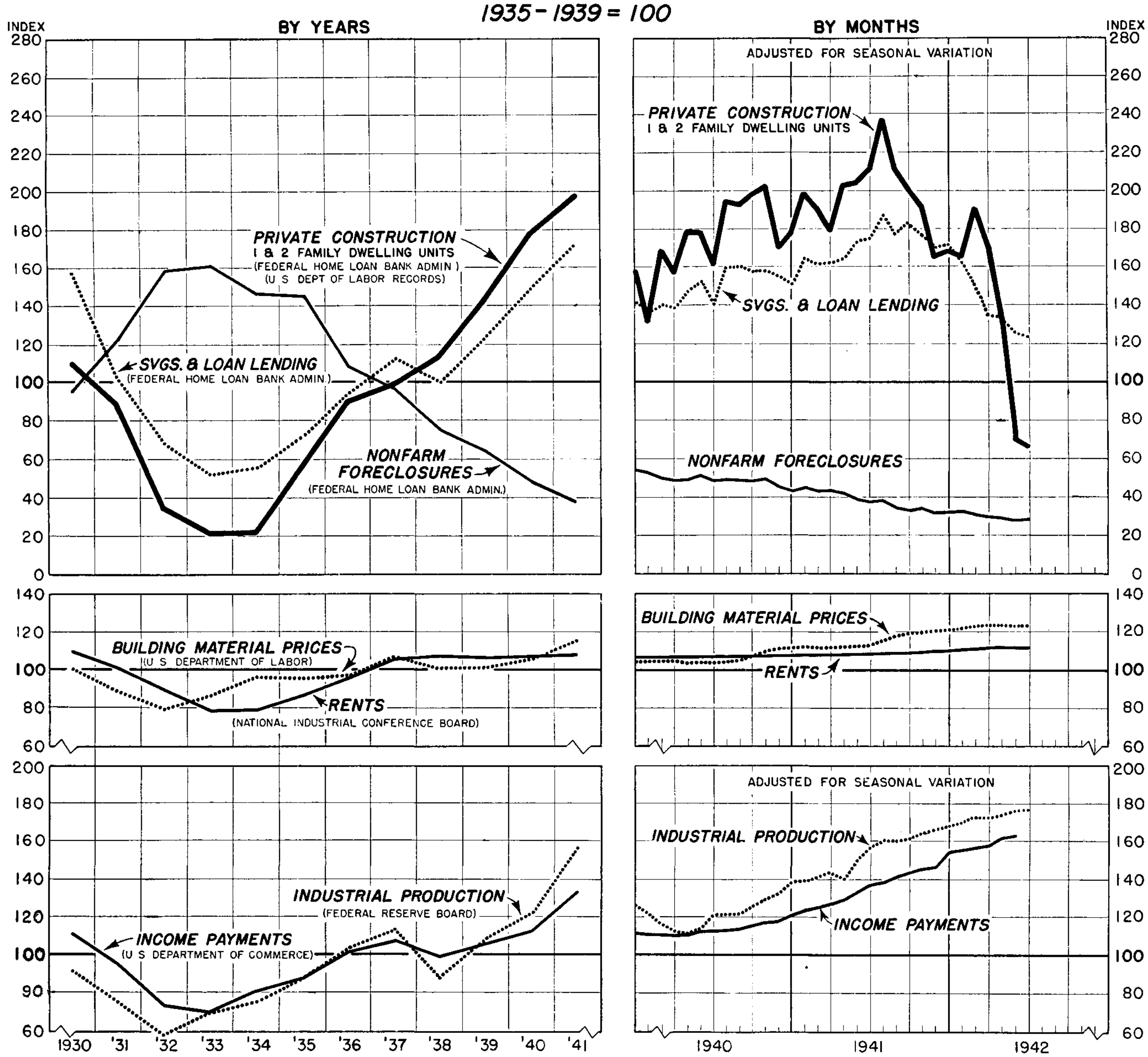
Davis M. DeBard, Stone & Webster Service Corporation, *The American City*, June 1942.

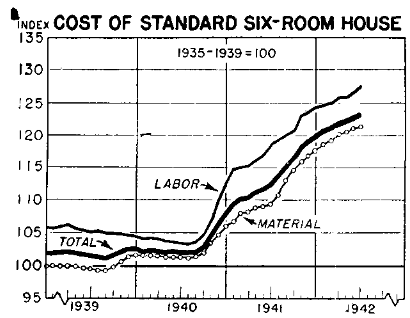


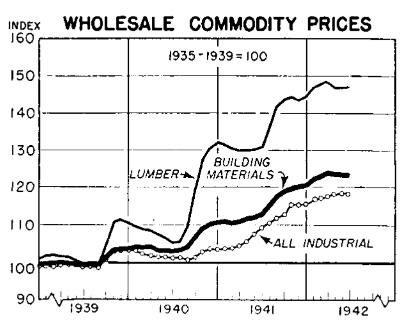
This chart portrays trends in nonfarm real-estate foreclosures for the first 6 months of each year since 1934. Ever since the peak of 1935 the number of foreclosures has been declining. Percentagewise, the drop from 1941 to 1942 has been one of the sharpest experienced during the period under study, reflecting generally improved real-estate conditions.

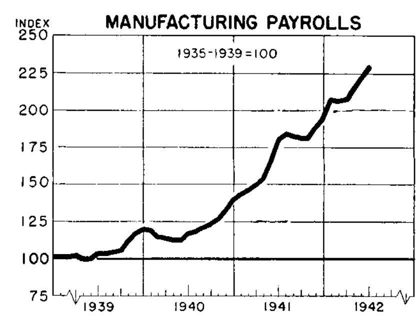
RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS

1935-1939 = 100









MIDWAY IN 1942

I. Reflecting ever-tightening control of building activity, total residential construction during the first half of this year (173,300 units) was almost 60,000 units below the same 1941 period; down 25 percent.

A. The drop in privately financed construction was even more pronounced, with new single-family homes the hardest hit. Six-month totals for private building: 119,800 units this year; 193,000 units a year ago.

B. Public projects for housing war workers, on the other hand, increased from 38,700 units last year to 53,500 units.

II. Increases in building costs during the first 6 months of 1942 were somewhat smaller than in the comparable period of 1941. However, the present level of costs is substantially higher than a year ago.

A. Material, labor, and total costs involved in the construction of the standard 6-room house have each risen about 3 percent in the past 6-month period. Total costs are now about 10 percent higher than in June 1941.

B. Wholesale prices of building materials have shown little change recently, but are currently 9 percent above 1941 data.

III. The past 6 months have witnessed the turning point in the upward trend in mortgage-financing activity which has accompanied the general recovery in home construction and real estate during recent years.

A. Recordings of all nonfarm mortgages of $20,000 or less, while still in excess of $2,000,000,000, were almost 10 percent under last year's peak volume.

B. Lending activity of all savings and loan associations fell 19 percent from 1941 totals. Construction lending was down 43 percent.

IV. General business conditions thus far in 1942 have been marked by the progressive conversion to a war economy, rising national income and employment, and increased efforts to curb inflation through price controls and voluntary savings. Industrial production in June was 11 percent higher than a year ago. Output of durable goods was up 25 percent, while that of nondurable items showed no change.

BUSINESS CONDITIONS

With the job of converting industry to a war basis by and large completed, new all-time highs have been reached in employment and pay rolls. Civil nonagricultural employment in June was estimated at 41,415,000, an increase of about 5 percent over last year. The index of manufacturing pay rolls gained nearly four times as much as the index of factory employment, reflecting longer working hours, overtime pay, and wage-rate increases.

The supply of raw materials has now become the principal factor limiting our production effort. The Federal Reserve Board's seasonally adjusted index of industrial output showed another small gain during June, but more significant is the fact that the manufacture of durable goods, which can be more or less identified with war production, was the only category to show an expansion, while production of non-durable goods remained the same as last month and was a little lower than a year ago.

The heavy burden imposed by the war effort on the Nation's transportation facilities is reflected in monthly indexes now available for the first time. According to these indexes, prepared by the Department of Commerce, the volume of all forms of transportation (land, sea, and air) in May of this year was almost twice as great as in August 1939, the month before the outbreak of the War. For the first 5 months of this year, the volume has been rising at an average rate of 5 percent per month. At the present time it is 50 percent above the 1929 monthly average and nearly 40 percent above the 1941 average. These figures include commodity traffic as well as passenger transportation which has to bear the brunt of new demands resulting from troop movements and the curtailment of private use of passenger automobiles.

Controlled prices showed little change in June, reductions in official schedules for some commodities being offset by increases permitted for others. However, retail prices of uncontrolled foods advanced sharply from May to June.

[1935-1939=100]

Type of index	June 1942	May 1942	Percent change	June 1941	Percent change
Home construction—private [1]	65.5	70.5	−7.1	211.5	−69.0
Foreclosures (nonfarm) [1]	28.0	27.2	+2.9	36.7	−23.7
Rental index (NICB)	111.5	111.7	−0.2	108.1	+3.1
Building material prices	122.9	122.9	0.0	112.8	+9.0
Savings and loan lending [1]	122.9	125.7	−2.2	174.7	−29.7
Industrial production [1]	p 177.0	r 174.0	+1.7	159.0	+11.3
Manufacturing employment [1]	p 144.7	r 141.4	+2.3	133.7	+8.2
Manufacturing pay rolls [1]	p 231.1	r 221.9	+4.1	180.8	+27.8
Income payments [1]	p 165.4	162.7	+1.7	137.0	+20.7

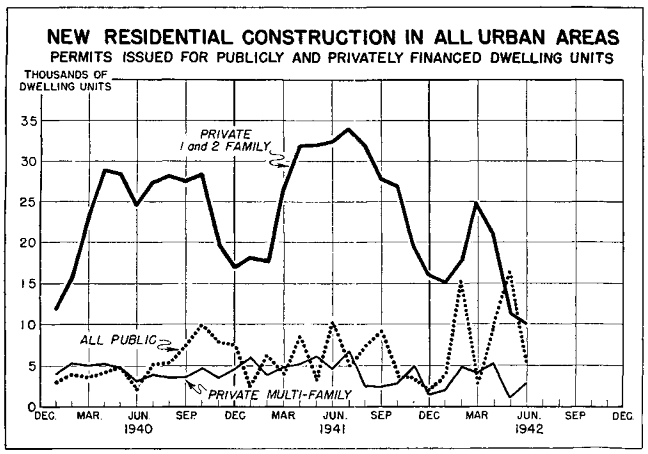
p Preliminary. r Revised.
[1] Adjusted for normal seasonal variation.

BUILDING ACTIVITY—June volume over 60 percent below last year

Home-building activity financed by private funds steadied somewhat in June after almost a year of substantial reductions. The index of 1- and 2-family construction, which has been adjusted for normal seasonal variations, displayed a 7-percent decrease at mid-year—compared with the 46-percent drop noted in May. The index now stands at about one-third of the peak level reached in July 1941.

In terms of estimated number of dwelling units placed under construction, the total of 1- and 2-family units declined 11 percent during June, but since a drop of 4 percent from May is usually experienced, this contraction is not quite as unfavorable as would appear. The volume of privately financed multi-family dwellings and of public housing projects has shown erratic movements in recent years, and these saw-tooth patterns were projected into June. In contrast to the sharp drop shown by the private apartment classification in May, a substantial rise was noted in the June figure. In the case of Government-financed structures, the June volume was only one-third of the all-time peak of activity, 16,600 units, reported for May.

The effect of war-time restrictions on residential building, both private and public, is reflected in the decline of new family units from 47,994 in June 1941 to 18,302 this year. [Tables 1 and 2.]



BUILDING COSTS—Rising tendencies still evident

Building costs for both material and labor continued to rise through the month of June. The Federal Home Loan Bank Administration's index of costs for constructing a standard 6-room frame house rose 0.6 percent to a new high of 123.5 (1935–1939=100). The labor used in the construction of this house showed the greater increase for the month and now stands 28 percent above the 1935–1939 average. Material prices advanced fractionally and the index for June was 21 percent higher than in the base period.

Changes in the total cost figures for individual communities during the period from April to July were mixed. Of the 18 cities reporting costs for July, increases of from \$100 to \$500 were registered in nine cities while changes of less than \$55 were reported by the remaining cities. Further analysis reveals that in all but one of these cities reporting increases of more than \$100, the rise was due primarily to an advance in labor costs; material costs showed less drastic changes.

The wholesale prices of building material remained unchanged from last month. However, the items making up this total varied. Lumber, brick and tile increased slightly while paint and paint materials showed a downward tendency. The remaining items which make up this index showed no change from May to June. [Tables 3, 4, and 5.]

Construction costs for the standard house

[Average month of 1935–1939=100]

Element of cost	June 1942	May 1942	Percent change	June 1941	Percent change
Material	p121. 3	121. 0	+0. 2	109. 2	+11. 1
Labor	p127. 8	126. 4	+1. 1	118. 6	+7. 8
Total	p123. 5	122. 8	+0. 6	112. 4	+9. 9

p Preliminary.

MORTGAGE RECORDINGS—Half-year total 10 percent below last year

During the month of June the total volume of mortgage financing (\$342,250,000) was 2 percent lower than in May and only four-fifths as large as in June 1941. The greatest monthly reduction, 6 percent, was experienced by life insurance companies, followed by a 4-percent decrease for commercial banks. Mutual savings banks and miscellaneous lenders reported the only rises—up 1 percent during the month.

In the first half of 1942, over \$2,000,000,000 of mortgages of \$20,000 or less each were recorded throughout the United States. This total falls 10 percent short of the post-depression high reached in

Mortgage recordings by type of mortgagee

[Amounts are shown in thousands of dollars]

Type of lender	Percent change from May 1942	Percent of June 1942 amount	Cumulative recordings (6 months)	Percent of total recordings
Savings and loan associations	−2.5	30.8	$599,417	29.9
Insurance companies	−6.3	8.7	188,268	9.4
Banks, trust companies	−3.8	21.8	460,171	22.9
Mutual savings banks	+0.9	4.7	83,347	4.2
Individuals	−1.7	18.3	361,982	18.0
Others	+1.2	15.7	312,293	15.6
Total	−2.3	100.0	2,005,478	100.0

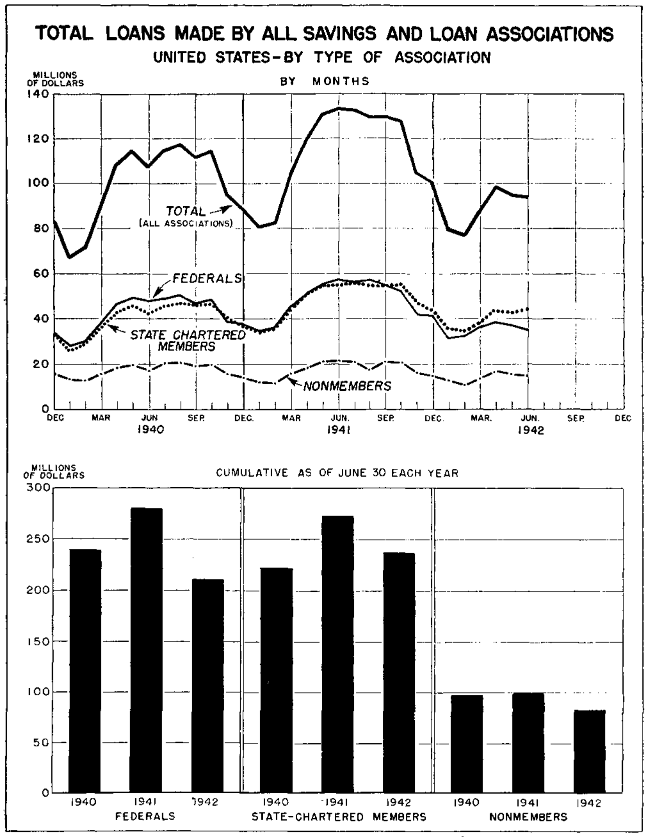
the comparable period of last year, but was still 6 percent above the volume of financing reported for the January–June period of 1940.

Banks and trust companies suffered the greatest percentage loss, 17 percent, in recording activity from the first 6 months of 1941 to the corresponding period of this year, followed by savings and loan associations which registered a 15-percent reduction. For these two classes—the leaders in volume—the losses so far in 1942 roughly compensated for rises experienced last year, leaving their current totals approximately on a par with those for the same 1940 period. [TABLES 8 and 9.]

MORTGAGE LENDING—Further decline in June

Receding to still lower levels, the seasonally adjusted index of lending activity by savings and loan associations in June stood nearly one-third under the level of a year ago. For 10 months now the trend in new loans has been downward, with the greatest loss noted during the first quarter of this year, as is evident from the chart on page 376. Although continuing to decline through June, the reduction of 8 percent in the index of lending activity during the past 3-month period represented a leveling-off from the 21-percent curtailment in the preceding quarter, after allowance for normal seasonal variations.

The dearth of construction loans continued as the primary cause for decreases in the total volume of lending activity. In June only $15,900,000 was loaned by savings and loan associations for this purpose, or slightly more than one-third the $44,200,000 advanced for construction loans during the same month of 1941. In the first half of this year loans for new home building amounted to $119,400,000, a decline of 43 percent from the volume registered during the same period in 1941.



In contrast to these drastic reductions in construction-loan business, home-purchase loans have remained relatively steady. In the first 6 months of this year over $266,200,000 was advanced by savings and loan associations for buying existing homes—3 percent in excess of the comparable figure for last year. [TABLES 6 and 7.]

New mortgage loans distributed by purpose

[Amounts are shown in thousands of dollars]

Purpose	June 1942	May 1942	Percent change	June 1941	Percent change
Construction	$15,930	$17,610	−9.5	$44,207	−64.0
Home purchase	52,112	53,095	−1.9	55,993	−6.9
Refinancing	15,184	13,607	+11.6	17,891	−15.1
Reconditioning	3,566	3,866	−7.8	5,633	−36.7
Other purposes	7,303	6,831	+6.9	9,916	−26.4
Total	94,095	95,009	−1.0	133,640	−29.6

FORECLOSURES—Widespread improvement over last year

Contrary to the normal seasonal decline of 2 percent in June, foreclosure cases slightly exceeded those for the month of May. There were 3,850 foreclosures registered in June compared with 3,813 cases during the preceding month. The seasonally adjusted index was 28.0 as against 27.2 in May (1935–1939=100).

Approximately half of the States showed increases in foreclosure cases from May to June. Of the 12 Federal Home Loan Bank Districts, nine participated in this upward movement.

The total number of cases for the first 6 months of 1942 represents a decline of nearly 28 percent from the same period a year ago. This improvement over 1941 in the foreclosure situation was widespread geographically. All Federal Home Loan Bank Districts joined in the downward movement, decreases ranging from 49 percent in the Indianapolis area to 18 percent in the Boston region. [TABLE 10.]

INSURED ASSOCIATIONS—8 years of insurance protection

As the Federal Home Loan Bank System was rounding out its tenth year of operation as a secondary credit reservoir for thrift and home-financing institutions, the Federal Savings and Loan Insurance Corporation completed in June the eighth year of its existence. This Corporation has been charged since mid-year 1934 with the responsibility of protecting the savings invested in insured savings and loan associations to a maximum of $5,000.

On June 30 this insurance protection encompassed 2,374 local, privately operated savings and loan associations with resources totaling over $3,460,000,000. The number of investors in these institutions exceeded 3,200,000. Insured associations now have some $215,000,000 in reserves and undivided profits.

Progress in number and assets of Federals

[Amounts are shown in thousands of dollars]

Class of association	Number		Approximate assets	
	June 30, 1942	May 31, 1942	June 30, 1942	May 31, 1942
New	640	640	$702, 879	$688, 020
Converted	824	824	1,503,042	1,482,848
Total	1, 464	1, 464	2,205,921	2,170,868

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

Since the end of January of this year, the number of savings and loan associations operating under Federal charter has increased from 1,461 to 1,464. The combined assets of these institutions, however, have advanced from $2,131,000,000 to $2,206,000,000 in the intervening period. This growth, though at a lower rate than in previous years, is notable because it occurred in a period in which the effects of the War on home-financing institutions had become more pronounced. [TABLE 15.]

Directory of Member, Federal, and Insured Institutions

Added during June–July

I. INSTITUTIONS ADMITTED TO MEMBERSHIP IN THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN JUNE 16, AND JULY 15, 1942

DISTRICT NO. 2

NEW YORK:
Whitestone:
The Whitestone Savings and Loan Association, 12-45 150th Street.

DISTRICT NO. 3

PENNSYLVANIA:
Pittsburgh:
North Side Savings and Loan Association, 708 East Street.
Pioneer Savings and Loan Association of Bloomfield, 4716 Liberty Avenue.
Red Hill:
Red Hill Savings and Loan Association, 237 Main Street.

DISTRICT NO. 8

MINNESOTA:
Brainerd:
First Federal Savings and Loan Association of Brainerd, 209 South Sixth Street.

DISTRICT NO. 11

WASHINGTON:
Centralia:
West Coast Savings and Loan Association, 119 West Main Street.

TERMINATIONS OF MEMBERSHIP IN THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN JUNE 16, AND JULY 15, 1942

CALIFORNIA:
Los Angeles:
Occidental Life Insurance Company, 756 South Spring Street.
KANSAS:
Colby:
The Home Savings Building and Loan Association.
KENTUCKY:
Newport:
Ideal Savings, Loan and Building Association of Newport, 9 East Fourth Street (liquidation).
MISSOURI:
Jefferson City:
Hub City Building and Loan Association, 305 Monroe Street.
NORTH CAROLINA:
Whitakers:
Whitakers Building and Loan Association (liquidation).
OHIO:
Wapakoneta:
The Wapakoneta Building and Savings Company, 22 East Auglaize Street (liquidation).
OREGON:
Corvallis:
Liberty Savings and Loan Association (liquidation).
PENNSYLVANIA:
Altoona:
First Federal Savings and Loan Association of Altoona, 2501 Fourth Street (liquidation).
Pittsburgh:
New American Building and Loan Association, 4716 Liberty Avenue (liquidation).

SOUTH DAKOTA:
Watertown:
Midland National Life Insurance Company.
WEST VIRGINIA:
Wheeling:
Wheeling Savings and Loan Association, 25 Eleventh Street (liquidation).

II. INSTITUTIONS INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION BETWEEN JUNE 16, AND JULY 15, 1942

DISTRICT NO. 2

NEW JERSEY:
Nutley:
Nutley Savings and Loan Association, 244 Chestnut Street.
NEW YORK:
Utica:
The Homstead Savings and Loan Association of Utica, 516 Seneca Street.
Whitestone:
The Whitestone Savings and Loan Association, 12-45 150th Street.

DISTRICT NO. 3

PENNSYLVANIA:
Pittsburgh:
Home Mutual Savings and Loan Association, 12 North Diamond Street.
North Side Savings and Loan Association, 708 East Street.
Pioneer Savings and Loan Association of Bloomfield, 4716 Liberty Avenue.
Sewickley:
Sewickley Building and Loan Association, 508 Broad Street.

DISTRICT NO. 4

ALABAMA:
Birmingham:
City Federal Savings and Loan Association, 314 North Twenty-first Street.
NORTH CAROLINA:
Lexington:
The Mutual Building and Loan Association, North Main Street.

DISTRICT NO. 6

INDIANA:
Scottsburg:
Scottsburg Building and Loan Association, 64 South Main Street.

DISTRICT NO. 7

ILLINOIS:
Peoria:
Central City Loan and Homestead Association, 510 Main Street.
WISCONSIN:
Racine:
Racine Junction Building and Loan Association, 1410 Owen Avenue.

DISTRICT NO. 8

MINNESOTA:
Brainerd:
First Federal Savings and Loan Association of Brainerd, 209 South Sixth Street.
MISSOURI:
Hannibal:
Mark Twain Savings and Loan Association, 115 Broadway.

DISTRICT NO. 11

MONTANA:
Great Falls:
Great Falls Building and Loan Association, 17 Fifth Street, North.
WASHINGTON:
Centralia:
West Coast Savings and Loan Association, 118 West Main Street.

INSURANCE CERTIFICATE CANCELLED BETWEEN JUNE 16, AND JULY 15, 1942

INDIANA:
Hammond:
Calumet Building and Loan Association, 423 Fayette Stret.

Honor Roll

(Continued from p. 374)

NO. 8—DES MOINES—Continued

First Federal Savings and Loan Association, Fargo, No. Dak.
*First Federal Savings and Loan Association, Rock Rapids, Iowa
**First Federal Savings and Loan Association, Sioux City, Iowa
*Independence Savings and Loan Association, Independence, Mo.
*Perry Federal Savings and Loan Association, Perry, Iowa.
Sentinel Federal Savings and Loan Association, Kansas City, Mo.

NO. 9—LITTLE ROCK

Amory Federal Savings and Loan Association, Amory, Miss.
Argenta Building and Loan Association, North Little Rock, Ark.
*Batesville Federal Savings and Loan Association, Batesville, Ark.
**Bell County Federal Savings and Loan Association, Belton, Tex.
Colorado Federal Savings and Loan Association, Colorado, Tex.
Corsicana Federal Savings and Loan Association, Corsicana, Tex.
*Deming Federal Savings and Loan Association, Deming, N. M.
******Electra Federal Savings and Loan Association, Electra, Tex.
**El Paso Federal Savings and Loan Association, El Paso, Tex.
First Federal Savings and Loan Association, Belzoni, Miss.
*First Federal Savings and Loan Association, Big Spring, Tex.
First Federal Savings and Loan Association, Dallas, Tex.
**First Federal Savings and Loan Association, Lubbock, Tex.
First Federal Savings and Loan Association, Waco, Tex.
**Home Building and Loan Association, Plainview, Tex.
*****Marianna Federal Savings and Loan Association, Marianna, Ark.
*Morrilton Federal Savings and Loan Association, Morrilton, Ark.
*Mutual Building and Loan Association, Las Cruces, N. Mex.
Mutual Deposit and Loan Company, Austin, Tex.
***Nashville Federal Savings and Loan Association, Nashville, Ark.
*Piggott Federal Savings and Loan Association, Piggott, Ark.
*Pocahontas Federal Savings and Loan Association, Pocahontas, Ark.
****Ponchatoula Homestead Association, Ponchatoula, La.
*****Quanah Federal Savings and Loan Association, Quanah, Tex.
Riceland Federal Savings and Loan Association, Stuttgart, Ark.

NO. 10—TOPEKA

*American Building and Loan Association, Oklahoma City, Okla.
Century Building and Loan Association, Trinidad, Colo.
Citizens Federal Savings and Loan Association of Wichita, Kan.
********First Federal Savings and Loan Association, Lamar, Colo.
**First Federal Savings and Loan Association, Shawnee, Okla.
**First Federal Savings and Loan Association of Sumner County, Wellington, Kan.
*Garnett Savings and Loan Association, Garnett, Kan.
*Home Federal Savings and Loan Association, Ada, Okla.
*Home Federal Savings and Loan Association, Grand Island, Neb.
*Home Federal Savings and Loan Association, Tulsa, Okla.
****Horton Building Loan and Savings Association, Horton, Kan.
Lyons Building and Loan Association, Lyons, Kan.
Monte Vista Building Association, Monte Vista, Colo.
****************Osage Federal Savings and Loan Association, Pawhuska, Okla.
**Peoples Federal Savings and Loan Association, Tulsa, Okla.
*******Schuyler Federal Savings and Loan Association, Schuyler, Neb.
Woodward Building and Loan Association, Woodward, Okla.

NO. 11—PORTLAND

*Auburn Federal Savings and Loan Association, Auburn, Wash.
Commercial Savings and Loan Association, Kelso, Wash.
*Deer Lodge Federal Savings and Loan Asscciation, Deer Lodge, Mont.
*Ellensburg Federal Savings and Loan Association, Ellensburg, Wash.
*First Federal Savings and Loan Association, Chehalis, Wash.
*First Federal Savings and Loan Association, Everett, Wash.
First Federal Savings and Loan Association, Idaho Falls, Idaho.
*First Federal Savings and Loan Association, Klamath Falls, Ore.
First Federal Savings and Loan Association, Lewiston, Idaho.
First Federal Savings and Loan Association, McMinnville, Ore.
***First Federal Savings and Loan Association, Mt. Vernon, Wash.
First Federal Savings and Loan Association, Port Angeles, Wash.
First Federal Savings and Loan Association, Sheridan, Wyo.
*First Federal Savings and Loan Association, The Dalles, Wash.
*Liberty Savings and Loan Association, Yakima, Wash.
*Mason County Savings and Loan Association, Shelton, Wash.
Olympia Federal Savings and Loan Association, Olympia, Wash.
*Polk County Federal Savings and Loan Association, Dallas, Ore.
Rawlins Federal Savings and Loan Association, Rawlins, Wyo.
*Thurston County Federal Savings and Loan Association, Olympia, Wash.
Wenatchee Federal Savings and Loan Association, Wenatchee, Wash.
*West Side Federal Savings and Loan Association, Seattle, Wash.
*Yakima Federal Savings and Loan Association, Yakima, Wash.

NO. 12—LOS ANGELES

Central Federal Savings and Loan Association, San Diego, Calif.
Century Federal Savings and Loan Association, Santa Monica, Calif.
Fresno Guarantee Building-Loan Association, Fresno, Calif.
Greater Arcadia Building-Loan Association, Arcadia, Calif.
North Hollywood Federal Savings and Loan Association, North Hollywood, Calif.
Wilshire Federal Savings and Loan Association, Los Angeles, Calif.

Table 1.—BUILDING ACTIVITY—Estimated number and valuation of new family dwelling units provided in all urban areas in June 1942, 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	
	June 1942	June 1941	June 1942	June 1941	June 1942	June 1941	June 1942	June 1941
UNITED STATES	18,302	47,994	$59,560	$177,551	10,032	32,760	$33,132	$130,370
No. 1—Boston	767	4,292	2,875	17,179	691	1,876	2,676	8,615
Connecticut	430	949	1,770	4,026	422	588	1,755	2,912
Maine	83	116	223	362	19	113	43	355
Massachusetts	208	2,245	725	9,203	204	941	721	4,317
New Hampshire	7	62	11	274	7	62	11	274
Rhode Island	37	896	144	3,198	37	148	144	641
Vermont	2	24	2	116	2	24	2	116
No. 2—New York	3,384	5,811	11,945	23,583	1,380	3,322	4,748	15,485
New Jersey	995	1,413	3,437	6,101	841	1,325	2,943	5,971
New York	2,389	4,398	8,508	17,482	539	1,997	1,805	9,514
No. 3—Pittsburgh	1,000	2,967	3,583	12,408	249	1,787	936	8,117
Delaware	151	21	626	94	1	17	1	84
Pennsylvania	477	2,679	1,825	11,360	226	1,513	864	7,107
West Virginia	372	267	1,132	954	22	257	71	926
No. 4—Winston-Salem	3,504	7,135	10,752	22,658	1,081	4,090	2,536	13,426
Alabama	209	477	321	977	158	455	171	932
District of Columbia	948	987	2,659	3,637	73	324	222	1,812
Florida	114	962	203	3,391	110	811	191	3,040
Georgia	95	715	196	1,516	95	579	196	1,198
Maryland	681	1,552	1,877	5,553	326	542	875	1,875
North Carolina	102	1,103	261	2,982	102	491	261	1,310
South Carolina	73	269	177	611	69	246	174	598
Virginia	1,282	1,070	5,058	3,991	148	642	446	2,661
No. 5—Cincinnati	953	3,620	3,650	14,598	887	2,741	3,484	12,053
Kentucky	60	302	176	857	48	298	154	852
Ohio	805	2,559	3,272	11,758	751	1,995	3,128	10,019
Tennessee	88	759	202	1,983	88	448	202	1,182
No. 6—Indianapolis	1,547	3,626	6,457	16,253	1,547	3,611	6,457	16,218
Indiana	466	863	1,738	3,399	466	860	1,738	3,396
Michigan	1,081	2,763	4,719	12,854	1,081	2,751	4,719	12,822
No. 7—Chicago	555	2,620	2,147	12,784	526	2,318	2,075	11,761
Illinois	392	1,815	1,530	9,368	377	1,551	1,505	8,443
Wisconsin	163	805	617	3,416	149	767	570	3,318
No. 8—Des Moines	505	1,993	1,655	8,010	446	1,947	1,495	7,903
Iowa	180	578	587	2,291	180	574	587	2,282
Minnesota	143	742	494	3,294	143	723	494	3,245
Missouri	173	530	568	1,923	114	511	408	1,883
North Dakota	3	56	2	226	3	56	2	226
South Dakota	6	87	4	276	6	83	4	267
No. 9—Little Rock	1,054	3,555	2,392	9,106	804	2,968	1,525	7,673
Arkansas	84	225	185	574	34	215	43	546
Louisiana	321	373	1,047	984	121	369	322	978
Mississippi	111	507	84	829	111	388	84	542
New Mexico	16	109	25	279	16	99	25	270
Texas	522	2,341	1,051	6,440	522	1,897	1,051	5,337
No. 10—Topeka	631	1,472	1,762	4,352	603	1,300	1,703	3,940
Colorado	138	460	340	1,344	130	304	325	959
Kansas	98	357	257	790	82	357	223	790
Nebraska	33	221	105	843	33	209	105	822
Oklahoma	362	434	1,060	1,375	358	430	1,050	1,369
No. 11—Portland	1,540	1,588	4,048	5,411	524	1,516	1,498	5,327
Idaho	8	130	9	377	8	108	9	341
Montana	5	92	13	299	5	88	13	296
Oregon	287	390	766	1,274	115	375	342	1,267
Utah	112	269	307	883	108	263	295	869
Washington	1,126	651	2,952	2,406	286	642	838	2,392
Wyoming	2	56	1	172	2	40	1	162
No. 12—Los Angeles	2,862	9,315	8,294	31,209	1,294	5,284	3,999	19,852
Arizona	12	117	21	319	8	85	13	270
California	2,809	9,153	8,186	30,611	1,249	5,154	3,908	19,303
Nevada	41	45	87	279	37	45	78	279

Table 2.—**BUILDING ACTIVITY**—Estimated number and valuation of new family dwelling units provided in all urban areas of the United States

[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.-June totals		Monthly totals			Jan.-June totals	
	June 1942	May 1942	June 1941	1942	1941	June 1942	May 1942	June 1941	1942	1941
Private construction	12,856	12,667	37,302	119,843	193,017	$42,320	$41,798	$143,129	$399,508	$715,057
1-family dwellings	8,952	10,384	30,549	90,349	150,619	30,083	35,511	124,474	320,629	598,007
2-family dwellings [1]	1,080	916	2,211	9,294	12,029	3,049	2,574	5,896	24,660	30,439
3- and more-family dwellings [2]	2,824	1,367	4,542	20,200	30,369	9,188	3,713	12,759	54,219	86,611
Public construction	5,446	16,564	10,692	53,459	38,677	17,240	50,559	34,422	176,129	122,665
Total urban construction	18,302	29,231	47,994	173,302	231,694	59,560	92,357	177,551	575,637	837,722

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

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

NOTE.—These figures are subject to correction

[Source: Federal Home Loan Bank Administration]

Federal Home Loan Bank District and city	Cubic foot cost		Total cost							
	1942	1941	1942			1941		1940	1939	1938
	July	July	July	April	Jan.	Oct.	July	July	July	July
No. 2—New York:										
Atlantic City, N. J	$0.310	$0.299	$7,433	$7,424	$7,291	$7,257	$7,165	$5,984	$5,867	$5,932
Camden, N. J	.333	.283	7,989	7,780	7,722	7,745	6,799	5,956	5,574	5,705
Newark, N. J	.326	.292	7,831	7,331	7,307	7,267	7,015	5,713	5,492	5,479
Albany, N. Y	.300	.276	7,197	6,774	6,853	6,735	6,631	5,634	5,522	5,667
Buffalo, N. Y	.302	.276	7,242	7,085	6,992	6,872	6,631	5,713	5,607	5,797
White Plains, N. Y	.294	.273	7,055	7,044	6,950	6,919	6,545	5,430	5,433	----
No. 6—Indianapolis:										
Evansville, Ind	----	.272	----	7,219	7,250	6,837	6,534	6,111	5,897	----
Indianapolis, Ind	----	.266	----	6,909	6,833	6,595	6,393	5,491	5,956	5,806
South Bend, Ind	----	.277	----	7,384	7,241	6,800	6,641	5,896	5,553	5,343
Detroit, Mich	----	.270	----	7,117	6,888	6,824	6,486	5,843	6,118	6,142
Grand Rapids, Mich	----	.272	----	7,541	7,345	7,157	6,536	5,658	5,824	5,914
No. 8—Des Moines:										
Des Moines, Iowa	.291	.259	6,983	6,792	6,675	6,506	6,212	6,352	6,287	6,117
Duluth, Minn	.291	.260	6,991	6,659	6,546	6,474	6,242	6,162	6,000	6,199
St. Paul, Minn	.299	.277	7,188	7,018	6,941	6,824	6,640	6,485	6,548	6,546
Kansas City, Mo	.295	.260	7,072	7,067	6,677	6,536	6,240	5,879	6,116	5,751
St. Louis, Mo	.254	.243	6,093	6,039	5,953	6,007	5,830	5,568	5,421	5,460
Fargo, N. D	.270	.242	6,488	6,362	6,184	6,162	5,813	5,752	5,605	5,843
Sioux Falls, S. D	.289	.260	6,946	6,593	6,702	6,617	6,230	6,164	6,016	6,374
No. 11—Portland:										
Boise, Idaho	----	.279	----	7,190	6,824	6,617	6,701	6,270	6,161	5,860
Great Falls, Mont	.320	.304	7,674	7,674	7,590	7,553	7,294	6,888	6,932	7,109
Portland, Ore	----	.221	----	----	5,708	5,686	5,299	5,202	5,132	5,087
Salt Lake City, Utah	.300	.284	7,192	7,179	7,156	7,057	6,807	6,010	6,016	5,911
Seattle, Wash	.315	.300	7,559	7,549	7,477	7,340	7,188	6,342	6,255	6,256
Spokane, Wash	.314	.289	7,536	7,575	7,180	7,166	6,939	6,314	6,114	6,620
Casper, Wyo	.273	.266	6,552	6,567	6,567	6,455	6,386	6,024	6,522	6,452

[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, and 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.

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

[Average month of 1935-1939=100]

Element of cost	June 1942	May 1942	Apr. 1942	Mar. 1942	Feb. 1942	Jan. 1942	Dec. 1941	Nov. 1941	Oct. 1941	Sept. 1941	Aug. 1941	July 1941	June 1941
Material	p 121.3	121.0	120.5	120.0	119.3	118.6	117.7	116.9	116.0	114.4	112.6	110.7	109.2
Labor	p 127.8	126.4	125.9	126.0	125.0	124.5	124.2	123.9	123.3	120.7	120.0	119.3	118.6
Total cost	p 123.5	122.8	122.3	122.0	121.2	120.6	119.9	119.2	118.5	116.5	115.1	113.6	112.4

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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
1940: June	103.2	99.3	99.4	105.6	104.7	105.8	103.5	100.6
1941: 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
December	120.4	106.4	102.5	144.1	118.6	117.1	103.5	110.8
1942: January	122.0	106.6	102.5	146.5	121.8	123.0	103.5	111.5
February	122.9	106.8	102.5	147.8	122.8	128.6	103.5	111.9
March	123.4	106.9	102.7	148.2	123.9	129.0	103.5	112.3
April	123.1	107.9	103.3	146.8	123.7	129.4	103.5	112.3
May	122.9	107.9	103.4	146.4	123.7	129.4	103.5	112.3
June	122.9	108.0	103.4	146.7	123.3	129.4	103.5	112.3
Percent change: June 1942—May 1942	0.0	+0.1	0.0	+0.2	−0.3	0.0	0.0	0.0
June 1942—June 1941	+9.0	+6.1	+2.5	+12.0	+11.1	+18.5	0.0	+7.2

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
1940	$398,632	$426,151	$198,148	$63,583	$113,065	$1,199,579	$509,713	$483,499	$206,367
Jan.-June	172,594	197,868	101,398	30,233	56,268	558,361	239,334	222,194	96,833
June	35,523	38,402	17,147	5,691	10,221	106,984	47,435	42,214	17,335
1941	437,065	580,503	190,573	61,328	109,215	1,378,684	584,220	583,804	210,660
Jan.-June	210,263	258,961	98,054	30,053	55,825	653,156	279,679	273,503	99,974
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	127,938	52,507	54,930	20,501
November	30,103	48,816	13,340	4,267	8,223	104,749	41,910	46,890	15,949
December	30,290	43,145	14,424	4,170	8,179	100,208	41,182	43,960	15,066
1942									
Jan.-June	119,393	266,229	81,703	21,390	43,092	531,807	210,115	238,488	83,204
January	22,791	34,127	12,854	3,190	6,571	79,533	31,142	35,312	13,079
February	20,799	33,769	12,325	3,138	6,725	76,756	31,919	33,939	10,898
March	21,775	40,930	13,225	3,547	7,890	87,367	36,325	38,030	13,012
April	20,488	52,196	14,508	4,083	7,772	99,047	38,484	43,937	16,626
May	17,610	53,095	13,607	3,866	6,831	95,009	36,966	43,005	15,038
June	15,930	52,112	15,184	3,566	7,303	94,095	35,279	44,265	14,551

Table 7.—**LENDING**—Estimated volume of new loans by savings and loan associations

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and class of association	New loans			Cumulative new loans (6 months)		
	June 1942	May 1942	June 1941	1942	1941	Percent change
UNITED STATES	$94, 095	$95, 009	$133, 640	$531, 807	$653, 156	−18.6
Federal	35, 279	36, 966	57, 542	210, 115	279, 679	−24.9
State member	44, 265	43, 005	54, 857	238, 488	273, 503	−12.8
Nonmember	14, 551	15, 038	21, 241	83, 204	99, 974	−16.8
Boston	9, 884	9, 963	14, 493	49, 871	65, 069	−23.4
Federal	2, 830	2, 911	4, 974	15, 342	22, 412	−31.5
State member	5, 923	5, 857	7, 503	26, 823	32, 615	−17.8
Nonmember	1, 131	1, 195	2, 016	7, 706	10, 042	−23.3
New York	9, 924	10, 336	14, 076	54, 277	61, 878	−12.3
Federal	2, 313	2, 118	3, 920	13, 056	17, 176	−24.0
State member	4, 141	3, 681	3, 978	19, 207	18, 446	+ 4.1
Nonmember	3, 470	4, 537	6, 178	22, 014	26, 256	−16.2
Pittsburgh	9, 293	8, 062	10, 991	47, 768	51, 260	−6.8
Federal	3, 440	3, 032	4, 849	16, 972	19, 961	−15.0
State member	2, 621	2, 827	2, 738	14, 592	13, 790	+5.8
Nonmember	3, 232	2, 203	3, 404	16, 204	17, 509	−7.5
Winston-Salem	13, 459	12, 382	18, 004	74, 215	89, 143	−16.7
Federal	5, 247	5, 483	8, 845	31, 821	43, 430	−26.7
State member	6, 523	5, 591	7, 752	34, 295	38, 034	−9.8
Nonmember	1, 689	1, 308	1, 407	8, 099	7, 679	+5.5
Cincinnati	17, 394	18, 470	23, 015	97, 332	113, 234	−14.0
Federal	6, 484	6, 829	8, 367	36, 468	42, 102	−13.4
State member	9, 404	9, 768	11, 322	51, 215	56, 863	−9.9
Nonmember	1, 506	1, 873	3, 326	9, 649	14, 269	−32.4
Indianapolis	4, 975	4, 996	6, 536	28, 870	33, 384	−13.5
Federal	2, 480	2, 475	3, 408	14, 231	17, 066	−16.6
State member	2, 344	2, 273	2, 881	13, 079	14, 980	−12.7
Nonmember	151	248	247	1, 560	1, 338	+16.6
Chicago	9, 172	9, 788	13, 165	53, 439	66, 875	−20.1
Federal	3, 332	3, 567	5, 204	19, 473	26, 027	−25.2
State member	4, 272	4, 473	5, 976	25, 955	31, 380	−17.3
Nonmember	1, 568	1, 748	1, 985	8. 011	9, 468	−15.4
Des Moines	4, 842	4, 602	7, 450	25, 608	35, 064	−27.0
Federal	2, 119	2, 277	3, 793	12, 027	17, 596	−31.6
State member	1, 853	1, 493	2, 286	9, 242	11, 643	−20.6
Nonmember	870	832	1, 371	4, 339	5, 825	−25.5
Little Rock	4, 013	4, 394	5, 892	26, 445	31, 881	−17.1
Federal	1, 241	1, 620	2, 529	10, 295	13, 511	−23.8
State member	2, 686	2, 711	3, 208	15, 700	17, 707	−11.3
Nonmember	86	63	155	450	663	−32.1
Topeka	3, 330	3, 824	5, 150	23, 112	26, 824	−13.8
Federal	1, 815	2, 193	2, 835	12, 905	14, 861	−13.2
State member	1, 032	936	1, 252	6. 545	6, 241	+4.9
Nonmember	483	695	1, 063	3, 662	5, 722	−36.0
Portland	2, 638	2, 835	4, 796	17, 063	24, 864	−31.4
Federal	1, 462	1, 777	2, 914	10, 646	16, 360	−34.9
State member	871	782	1, 829	5, 287	7, 893	−33.0
Nonmember	305	276	53	1, 130	611	+84.9
Los Angeles	5, 171	5, 357	10, 072	33, 807	53, 680	−37.0
Federal	2, 516	2, 684	5, 904	16, 879	29, 177	−42.1
State member	2, 595	2, 613	4, 132	16, 548	23, 911	−30.8
Nonmember	60	60	36	380	592	−35.8

Table 8.—**RECORDINGS**—Estimated nonfarm mortgage recordings, $20,000 and under

[June, 1942]
[Thousands of dollars]

Federal Home Loan Bank District and State	Savings and loan associations	Insurance companies	Banks and trust companies	Mutual savings banks	Individuals	Other mortgagees	Total
UNITED STATES	$105, 278	$29, 764	$74, 588	$16, 043	$62, 730	$53, 847	$342, 250
Boston	12. 317	1, 016	2, 907	8, 233	5, 992	3, 197	33, 662
Connecticut	1, 410	694	1, 278	1, 872	1, 604	2, 054	8, 912
Maine	758	115	233	630	445	115	2, 296
Massachusetts	8, 762	137	1, 036	4, 769	3, 284	800	18, 788
New Hampshire	283	-------	75	382	196	18	954
Rhode Island	822	29	198	344	301	166	1, 860
Vermont	282	41	87	236	162	44	852
New York	8, 584	1, 940	8, 459	5, 394	10, 626	6, 422	41, 425
New Jersey	3, 524	918	4, 912	639	4, 076	3, 324	17, 393
New York	5, 060	1, 022	3, 547	4, 755	6, 550	3, 098	24, 032
Pittsburgh	8, 068	2, 160	7, 825	854	4, 790	4, 773	28, 470
Delaware	216	183	233	111	337	110	1, 190
Pennsylvania	7, 183	1, 603	6. 498	731	3, 896	4, 478	24, 389
West Virginia	669	374	1, 094	12	557	185	2, 891
Winston-Salem	12, 926	4, 721	5, 909	280	7, 634	4, 871	36, 341
Alabama	446	576	403	-------	914	440	2, 779
District of Col	2, 133	360	582	-------	1, 183	506	4, 764
Florida	751	892	742	-------	1, 360	643	4, 388
Georgia	1, 329	579	1, 054	-------	777	746	4, 485
Maryland	3, 785	239	929	280	1, 002	932	7, 167
North Carolina	1, 986	277	664	-------	566	243	3, 736
South Carolina	525	244	470	-------	357	282	1, 878
Virginia	1, 971	1, 554	1, 065	-------	1, 475	1, 079	7, 144
Cincinnati	21, 032	3, 321	8, 176	731	4, 344	4, 525	42, 129
Kentucky	2, 105	526	774	-------	215	198	3, 818
Ohio	18, 297	1, 890	6, 571	731	3, 833	2, 453	33, 775
Tennessee	630	905	831	-------	296	1, 874	4, 536
Indianapolis	6, 371	2, 840	8, 407	31	2, 522	5, 090	25. 261
Indiana	4, 206	1, 102	2, 996	31	633	1, 031	9, 999
Michigan	2, 165	1, 738	5, 411	-------	1, 889	4, 059	15, 262
Chicago	10, 321	2, 089	6, 070	39	4, 652	7, 090	30, 261
Illinois	7, 383	1, 671	4, 045	-------	2, 528	5, 920	21, 547
Wisconsin	2, 938	418	2, 025	39	2, 124	1, 170	8, 714
Des Moines	5, 919	2, 720	5, 378	97	3, 846	4, 116	22, 076
Iowa	1, 496	387	1, 506	-------	527	465	4, 381
Minnesota	2, 008	1, 030	874	97	1, 209	534	5, 752
Missouri	2, 193	1, 242	2, 838	-------	1, 965	3, 063	11, 301
North Dakota	202	46	57	-------	53	36	394
South Dakota	20	15	103	-------	92	18	248
Little Rock	6, 891	4, 225	1, 383	-------	4, 214	5, 165	21, 878
Arkansas	436	237	165	-------	509	301	1, 648
Louisiana	2, 162	721	135	-------	628	617	4, 283
Mississippi	296	273	191	-------	478	249	1, 487
New Mexico	208	63	175	-------	96	20	562
Texas	3, 769	2, 931	717	-------	2, 503	3, 978	13, 898
Topeka	4, 481	843	1, 884	-------	2, 141	2, 539	11, 888
Colorado	811	83	265	-------	1, 153	1, 001	3, 313
Kansas	1, 149	142	676	-------	271	497	2, 735
Nebraska	860	236	149	-------	236	148	1, 629
Oklahoma	1, 661	382	794	-------	481	893	4, 211
Portland	2, 835	843	2, 488	384	1, 711	2, 515	10, 776
Idaho	95	69	57	-------	144	194	559
Montana	159	81	60	-------	155	16	471
Oregon	563	264	210	38	604	517	2, 196
Utah	536	110	811	-------	166	181	1, 804
Washington	1, 309	319	1, 282	346	487	1, 553	5. 296
Wyoming	173	-------	68	-------	155	54	450
Los Angeles	5, 533	3, 046	15, 702	-------	10, 258	3, 544	38, 083
Arizona	245	10	351	-------	316	54	976
California	5, 228	3, 034	15, 265	-------	9, 865	3, 477	36. 869
Nevada	60	2	86	-------	77	13	238

Table 9.—**MORTGAGE RECORDINGS**—Estimated volume of nonfarm mortgages recorded

[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
1941: 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
December	112,764	28.7	37,185	9.5	99,855	25.5	19,253	4.9	64,524	16.4	58,774	15.0	392,355	100.0
1942: January	90,572	28.2	31,062	9.7	77,631	24.1	13,523	4.2	59,033	18.4	49,575	15.4	321,396	100.0
February	86,752	29.3	28,546	9.7	70,221	23.7	10,405	3.5	53,383	18.0	46,734	15.8	296,041	100.0
March	100,296	29.9	32,650	9.7	78,086	23.3	12,162	3.6	60,322	18.0	52,120	15.5	335,636	100.0
April	108,582	30.2	34,466	9.6	82,082	22.8	15,310	4.2	62,707	17.4	56,821	15.8	359,968	100.0
May	107,937	30.8	31,780	9.1	77,563	22.2	15,904	4.5	63,807	18.2	53,196	15.2	350,187	100.0
June	105,278	30.8	29,764	8.7	74,588	21.8	16,043	4.7	62,730	18.3	53,847	15.7	342,250	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
1941: Jan.-June	31,941	3,601	4,876	6,884	16,580
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
December	4,337	524	659	1,028	2,126
1942: Jan.-June	23,074	2,419	3,717	5,155	11,783
January	4,000	439	635	814	2,112
February	3,630	370	592	808	1,860
March	3,935	669	678	863	1,944
April	3,856	461	561	867	1,967
May	3,813	333	623	968	1,889
June	3,850	367	637	835	2,011

Table 11.—**FHA**—Home mortgages insured [1]

[Premium-paying; thousands of dollars]

Period	Monthly volume			Total insured at end of period
	Title I Class 3	Title II	Title VI	
1941: June	[2] $3,289	$74,809	$230	$3,182,629
July	2,809	81,531	436	3,267,406
August	1,126	70,227	560	3,339,317
September	1,552	73,083	1,143	3,415,095
October	1,536	85,290	2,190	3,504,111
November	1,361	76,920	3,578	3,585,970
December	1,850	87,516	5,294	3,680,630
1942: January	1,885	87,167	6,556	3,776,238
February	1,455	70,799	8,483	3,856,975
March	1,502	67,780	12,273	3,938,530
April	1,967	55,448	11,424	4,007,369
May	1,867	60,177	13,554	4,082,967
June	1,781	65,810	15,876	4,166,434

[1] Figures represent gross insurance written during the period and do not take account of principal repayments on previously insured loans.
[2] January–June loans insured under February Amendment included in June total.

Table 12.—**FHL BANKS**—Lending operations and principal assets and liabilities

[Thousands of dollars]

Federal Home Loan Bank	Lending operations June 1942		Principal assets June 30, 1942			Capital and principal liabilities June 30, 1942			Total assets June 30, 1942 [1]
	Advances	Repayments	Advances outstanding	Cash [1]	Government securities	Capital [2]	Debentures	Member deposits	
Boston	$1,959	$1,794	$11,647	$5,674	$7,720	$18,606	$4,000	$2,374	$25,082
New York	2,677	1,304	26,716	1,928	8,488	25,930	8,500	2,776	37,243
Pittsburgh	1,822	568	15,523	3,476	6,201	15,840	9,000	361	25,277
Winston-Salem	2,731	972	25,829	7,133	2,325	16,928	16,750	1,522	35,396
Cincinnati	1,541	596	14,874	3,962	13,042	23,181	2,500	6,148	31,953
Indianapolis	1,130	359	12,668	1,325	9,810	11,059	9,000	3,672	23,841
Chicago	2,871	1,842	29,188	8,318	5,562	21,522	16,000	5,379	43,109
Des Moines	1,944	339	14,074	5,046	4,050	11,381	10,000	1,712	23,207
Little Rock	484	346	9,652	1,647	3,875	12,123	2,500	1	15,217
Topeka	663	302	6,828	2,669	3,620	10,052	2,000	1,084	13,146
Portland	1,398	618	7,307	2,934	1,930	8,166	3,000	983	12,194
Los Angeles	1,924	624	18,339	4,956	2,745	14,851	8,250	1,685	26,061
June 1942 (All Banks)	21,144	9,664	192,645	49,068	69,368	189,639	91,500	27,697	311,726
May 1942	6,884	11,017	181,165	58,035	68,130	189,958	91,500	24,946	308,516
June 1941	29,317	4,692	169,897	59,704	63,407	183,317	75,500	31,307	293,677

[1] Includes interbank deposits.
[2] Capital stock, surplus, and undivided profits.

Table 13.—SAVINGS—Sales of war bonds [1]

[Thousands of dollars]

Period	Series E [2]	Series F	Series G	Total
1941	$1,622,496	$207,681	$1,184,868	$3,015,045
June	102,517	28,876	183,134	314,527
July	145,274	27,359	169,499	342,132
August	117,603	20,318	127,685	265,606
September	105,241	18,099	108,987	232,327
October	122,884	22,963	124,866	270,713
November	109,475	18,977	105,035	233,487
December	341,085	33,272	154,242	528,599
1942: January	667,411	77,559	315,577	1,060,547
February	397,989	51,820	253,391	703,200
March	337,599	41,070	179,223	557,892
April	326,660	40,003	163,839	530,502
May	421,831	42,465	170,060	634,357
June	433,223	41,041	159,681	633,945

[1] U. S. Treasury War Savings Staff. Actual deposits made to the credit of the U. S. Treasury.
[2] Prior to May 1941: "Baby bonds."

Table 14.—SAVINGS—Held by institutions

[Thousands of dollars]

End of period	Insured savings and loans [1]	Mutual savings banks [2]	Insured commercial banks [3]
1940: June	$2,019,809	$10,589,838	$12,754,750
December	2,202,135	10,617,759	13,062,315
1941: June	2,433,513	10,606,224	13,107,022
July	2,449,807		
August	2,465,223		
September	2,486,992		
October	2,518,006		
November	2,551,528		
December	2,597,373	10,489,679	13,261,402
1942: January	2,589,466		
February	2,601,055		
March	2,615,277		
April	2,638,152		
May	2,660,302		
June	2,736,258	10,354,533	

[1] Private repurchasable capital as reported to the FHLB Administration.
[2] *Month's Work.* All deposits.
[3] FDIC. Time deposits evidenced by savings passbooks.

Table 15.—INSURED ASSOCIATIONS—Progress of institutions insured by the FSLIC [1]

[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	Operations: New mortgage loans	Operations: New private investments	Operations: Private repurchases	Operations: Repurchase ratio
ALL INSURED										
1941: June	2,313	$3,159,763	$2,555,393	$2,433,905	$206,301	$144,331	$85,117	$61,448	$26,779	43.6
July	2,317	3,156,362	2,596,746	2,450,759	203,512	142,870	84,994	103,886	90,728	87.3
August	2,322	3,187,935	2,638,165	2,466,175	195,572	147,044	84,794	62,374	48,010	77.0
September	2,330	3,223,510	2,673,826	2,487,146	195,584	153,897	82,993	61,495	42,800	69.6
October	2,332	3,262,886	2,712,697	2,518,158	195,787	159,298	80,767	67,132	40,142	59.8
November	2,343	3,303,296	2,738,311	2,552,037	196,059	161,199	65,241	60,818	33,263	54.7
December	2,343	3,362,942	2,751,938	2,597,525	196,240	193,275	63,506	74,801	35,728	47.8
1942: January	2,349	3,313,418	2,754,777	2,589,466	191,769	180,360	49,549	105,792	118,666	112.2
February	2,353	3,323,180	2,763,579	2,600,172	186,254	172,260	49,387	53,449	47,229	88.4
March	2,358	3,335,101	2,774,108	2,612,736	185,664	167,535	56,934	56,701	47,086	83.0
April	2,363	3,356,213	2,790,135	2,633,014	185,651	161,571	62,015	58,193	40,443	69.5
May	2,363	3,384,344	2,800,673	2,660,098	185,710	157,870	59,006	53,808	31,503	58.5
June	2,374	3,461,228	2,827,956	2,736,258	185,783	170,066	58,692	72,788	26,152	35.9
FEDERAL										
1941: June	1,452	2,028,138	1,687,086	1,553,712	169,247	103,696	57,542	40,030	14,530	36.3
July	1,457	2,025,020	1,717,451	1,566,751	166,464	102,513	56,564	70,290	61,061	86.9
August	1,458	2,051,305	1,750,843	1,580,623	159,622	106,624	57,592	40,730	30,443	74.7
September	1,459	2,076,618	1,775,117	1,595,179	159,614	112,033	54,786	40,254	26,765	66.5
October	1,458	2,103,674	1,801,033	1,615,812	159,775	116,723	52,507	44,341	23,799	53.7
November	1,462	2,127,561	1,815,666	1,637,238	159,925	117,666	41,910	39,212	18,984	48.4
December	1,460	2,173,326	1,824,646	1,668,415	160,060	144,049	41,182	48,872	20,400	41.7
1942: January	1,461	2,131,212	1,824,376	1,658,444	156,079	132,843	31,142	70,962	81,663	115.1
February	1,461	2,133,251	1,829,218	1,662,269	151,295	127,235	31,919	35,670	30,714	86.1
March	1,461	2,137,579	1,832,341	1,667,983	150,776	123,748	36,325	37,377	30,000	80.3
April	1,464	2,151,862	1,842,422	1,683,232	150,776	118,639	38,484	38,301	24,088	62.9
May	1,464	2,170,868	1,846,790	1,701,065	150,776	116,327	36,966	35,759	18,515	51.8
June	1,464	2,205,921	1,849,400	1,735,932	150,776	127,623	35,279	47,495	14,794	31.1
STATE										
1941: June	861	1,131,625	868,307	880,193	37,054	40,635	27,575	21,418	12,249	57.2
July	860	1,131,342	879,295	884,008	37,048	40,357	28,430	33,596	29,667	88.3
August	864	1,136,630	887,322	885,552	35,950	40,420	27,202	21,644	17,567	81.2
September	871	1,146,892	898,709	891,967	35,970	41,864	28,207	21,241	16,035	75.5
October	874	1,159,212	911,664	902,346	36,012	42,575	28,260	22,791	16,343	71.7
November	881	1,175,735	922,645	914,799	36,134	43,533	23,331	21,606	14,279	66.1
December	883	1,189,616	927,292	929,110	36,180	49,226	22,324	25,929	15,328	59.1
1942: January	888	1,182,206	930,401	931,022	35,690	47,517	18,407	34,830	37,003	106.2
February	892	1,189,929	934,361	937,903	34,959	45,025	17,468	17,779	16,515	92.9
March	897	1,197,522	941,767	944,753	34,888	43,787	20,609	19,324	17,086	88.4
April	899	1,204,351	947,713	949,782	34,875	42,932	23,531	19,892	16,355	82.2
May	899	1,213,476	953,883	959,033	34,934	41,543	22,040	18,049	12,988	72.0
June	910	1,255,307	978,556	1,000,326	35,007	42,443	23,363	25,293	11,358	44.9

[1] Data presented in this table have been revised in accordance with recently changed reporting procedures.

FEDERAL HOME LOAN BANK REVIEW

NATIONAL HOUSING AGENCY
John B. Blandford, Jr., Administrator

FEDERAL HOME LOAN BANK ADMINISTRATION
John H. Fahey, Commissioner

FEDERAL HOME LOAN BANK SYSTEM

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

HOME OWNERS' LOAN CORPORATION

UNITED STATES HOUSING CORPORATION

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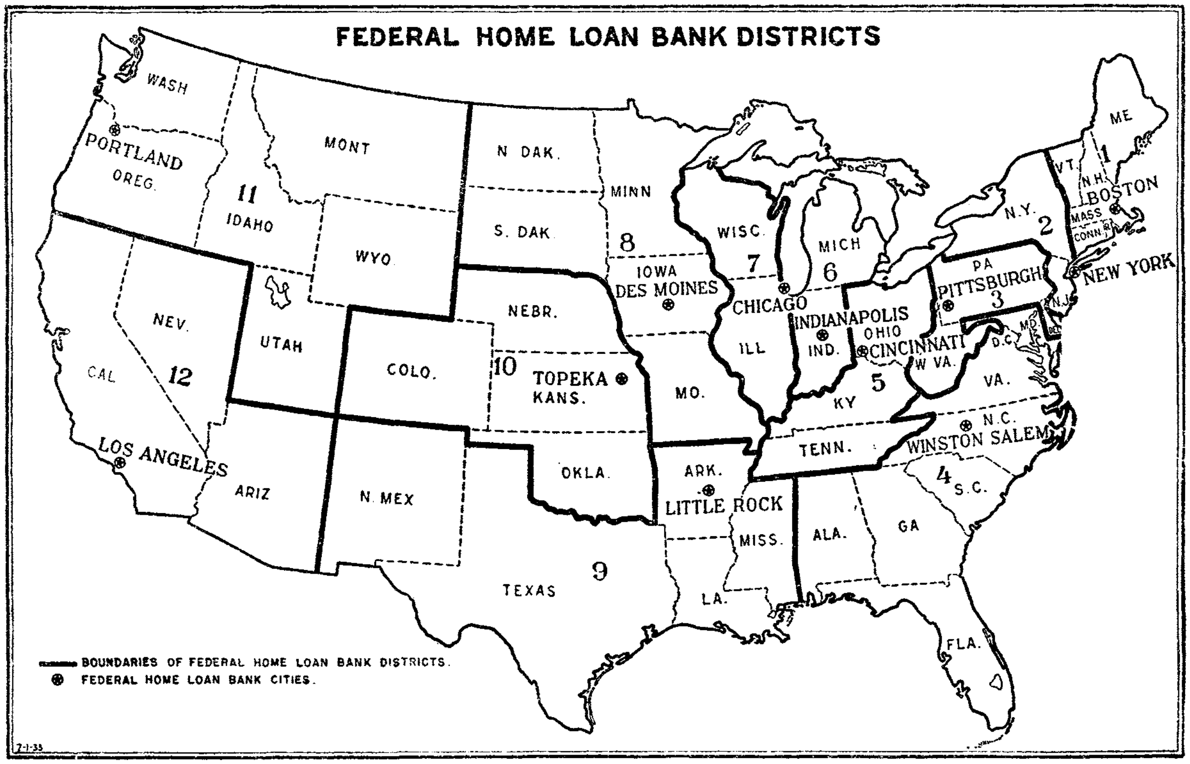

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