FEDERAL HOME LOAN BANK REVIEW

1943

FEDERAL HOME LOAN BANK ADMINISTRATION

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REFINANCING HOLC LOANS—A STATEMENT OF THE PROBLEM

The current movement by private mortgage lenders to secure prime HOLC loan accounts, if continued, will have a serious effect on the ultimate loss incurred by the Government in the largest salvaging process ever undertaken in the field of home ownership. The following statement summarizes the situation.

By John H. Fahey
Federal Home Loan Bank Commissioner

IN many respects, operations of the Home Owners' Loan Corporation during the past year have been marked by the most encouraging progress since it was created to cope with the mortgage crisis of 1933.

Increased employment and higher wages have resulted in a record-breaking rise in the number of home owners whose loan payments to the Corporation are being met on schedule, a sharp drop in foreclosures, and a significant upward trend of principal payments by HOLC borrowers in excess of their contract obligations.

The improved condition of the Corporation's loans, however, is now stimulating a development which, if continued, will seriously aggravate the final loss of the HOLC and increase the Government debt. This is the loss of loans which now represent practically no risk, the income from which is necessary to offset the losses incurred on those loans which were beyond rehabilitation and to meet the expense of servicing borrowers still in difficulty.

It was perhaps inevitable that some mortgage-lending institutions, with the number of new mortgages reduced by war-time restrictions, should regard the HOLC portfolio as an important source of profitable loans and undertake to secure the Corporation's best assets. For this reason, I feel it necessary to discuss frankly the possible consequences of such activity upon the final outcome of the Government's emergency program to protect the Nation's home owners, liquefy the frozen mortgage assets of the country's financial institutions, and stop the mortgage panic of 1932–1933.

Mortgage Accounts Now in Good Condition

Taking advantage of their increased incomes to reduce the mortgages on their homes, HOLC borrowers paid back $40,000,000 more than was regularly due on principal during 1942. Unquestionably, many of them were influenced by the President's appeal to support the Government's anti-inflation program in this manner. The number of borrowers making such advance payments every month is now over 100,000, an increase of 10,000 in recent months, while over 575,000 HOLC borrowers are meeting their monthly mortgage payments on regular schedule. In addition, borrowers during 1942 also paid off in full, out of their own savings, mortgages amounting to approximately $30,000,000. This is, of course, a very healthy development. It is a very different matter, however, when an HOLC borrower is prevailed upon merely to transfer and continue his loan somewhere else, often for a larger amount and at a higher interest rate.

The favorable developments of the past two years in the operations of the HOLC indicate that, if normal liquidation continues, the final loss of the Corporation in taking over more than a million defaulted home loans, amounting to three billion dollars, will be far less than was expected when the Corporation was established in the Spring of 1933. It was then estimated that the Government's final loss would run from half a billion to a billion dollars. It was maintained, however, that such losses would be justified because of the necessity of saving the mortgage situation.

Good Loans Offset the Losses

Despite the assumption that the Government must sustain substantial losses in taking over mortgages which on the average were nearly two years in default on principal and interest and almost three years on taxes, Congress naturally expected that every effort would be made to hold losses to a minimum. At the same time, it was believed—and has since been demonstrated—that the vast majority of borrowers would become current as economic conditions improved and that the interest income from good loans would be used to offset a major portion of the losses incurred through foreclosure and sale. Obviously, any development depriving the HOLC of this revenue must cause concern.

From time to time in recent years, private institutions have taken over HOLC loans which had been paid down to the point where they represented little, if any, risk. The loss of interest income to the Corporation on these refinanced loans (as compared with the interest income if the loans had continued to pay on the regular basis until maturity) represents a total of approximately $39,000,000.

In the past few months, the activity of private lenders in seeking to transfer the best HOLC loans to their own portfolios has more than doubled. The loss of interest on loans taken during 1942 alone, as against what the Corporation would receive if the borrowers had continued to pay on their regular schedules until the debt was discharged, amounts to over nine million dollars. In several sections of the country, lists of borrowers have been secured and campaigns have been started to induce home owners, who regularly make their payments on time, to transfer their loans to private holders. The activity is confined to a limited number of institutions out of the thousands of banks, savings and loan associations, mutual savings banks, and other mortgage-lending institutions, and it is obvious that those who are engaged in this effort do not realize the extent of the loss it necessarily imposes on the Home Owners' Loan Corporation and, in turn, on the Government.

The HOLC has, until now, been able to meet all its expenses and a major portion of its capital losses from its regular income and has not been obliged to ask the Treasury for assistance. Its estimated budget of ten million dollars for the next year represents a reduction of twenty-five million dollars from the peak. The number of employees will drop to 3,832, compared with approximately 21,000 at the height of operations. If its good loans are steadily drained away, however, no possible economies in operation can prevent greatly increased losses to the Government.

Transfers at the Expense of Borrowers

In numerous cases, the taking over of these loans by private lending institutions is increasing the mortgage indebtedness of the borrowers at a time when it should be cut down. When a home owner, whose property was saved from foreclosure by the HOLC, has gradually reduced his debt to the point where he is no longer in danger, it is neither in his interest nor in the public interest to encourage him to increase his indebtedness. It is surprising to find that in some instances the loans of HOLC borrowers are refinanced not only for more than they now owe but for longer periods of repayment. Both developments conflict with the Government's anti-inflationary program of reducing consumer obligations and shortening credit periods. More than that, in many cases borrowers are paying substantially higher rates of interest on their increased mortgages than the 4½ percent they were paying the HOLC.

Many Phases to the Problem of Liquidation

The problem of accelerating the liquidation of the HOLC is complicated and, after all, is a matter for Congress to consider and dispose of. The sale or refinancing of the HOLC's best loans, without consideration for the contingencies involved, offers no solution. The supposition of those who advocate such a plan is that the Government would be saved money. The fact is that the loss of income-producing assets, leaving the Corporation with its distressed loans, will mean that the Government and the general public eventually must bear the costs of liquidation without the offsetting revenues which now are available.

It should be realized that HOLC aided a large number of financial institutions in a period of extreme distress by taking over mortgages they were unable or unwilling to carry. It disbursed $932,000,000 to banks and trust companies, $767,900,000 to savings and loan associations, $192,000,000 to finance and mortgage companies, and $164,600,000 to insurance companies. Its responsibility under the law was to save homes and, avoiding foreclosures as far as possible, to turn poor loans into sound assets on a self-liquidating basis. Thanks to improved economic conditions and the good faith of borrowers, most encouraging progress has been made on this program. However, a continuation of the present drive, pressed by some who apparently do not understand what is involved, will undermine the financial balance upon which all HOLC operations have been based.

The financial institutions which were the beneficiaries of such extraordinary help from their Government in 1933, 1934, and 1935, and which are now engaged in many kinds of constructive war service, may, I think, well consider if it is not their responsibility to refrain from encouraging HOLC borrowers to transfer and refinance their loans.

THE HOME FRONT

Victory Fund far exceeds goal set

Heavy over-subscription of the Treasury's Victory Fund during December may postpone until April the second phase of the drive. Nearly $13,000,000,000, or over $3,900,000,000 above the quota set, was subscribed during the month.

The Victory Fund represents the largest financing operation in the history of the world. The full magnitude of the drive is best illustrated by a comparison with the largest loan previously floated—the $6,964,000,000 Fourth Liberty Loan subscribed in 3 weeks in 1918.

Of the total borrowed by the Treasury, $5,072,000,000 was loaned by banks and $7,834,000,000 came from non-banking sources. Purchases of Series E war-savings bonds by individuals amounted to $726,000,000, an all-time record for such sales in a month.

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Rent control extended to new areas

Taking the first step in bringing rent control into effect for Defense Rental Areas designated in the blanket order of October 5, OPA has issued regulations for the Hastings, Nebraska, rental area. On December 10, rents were set back to the levels prevailing on March 1, 1942.

An OPA order of December 30, extended rent control to certain counties in Oregon, Texas, Virginia, Washington, and Wisconsin. Effective January 1, the order set rents back to the level of March 1, 1942.

All areas in continental United States may become subject to rent control at any time OPA regulations are issued for the area.

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Plywood sales are strictly controlled

To allow distribution yards and retailers to replenish their stocks, future sales, shipments, or deliveries of soft plywood will be prohibited except on orders rated AA–5 or higher. The order does not apply to producers of plywood but does include warehouses, wholesale, or retail establishments controlled by producers.

The AA–5 rating now applicable to plywood orders will confine use of the material to essential military and civilian needs.

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Landlords charged with rent-control violations

Charges of criminally violating rent regulations have been filed against landlords in approximately 20 widely separated cities. OPA officials indicate that this may be the first step in a far-reaching drive for rent enforcement.

Charges include failure to register properties, filing of false registration statements, improper eviction of tenants, discontinuance of essential services, and the charging of rents higher than those permitted by the law.

Areas in which landlords are under indictment include Cleveland, Chicago, Detroit, Kansas City, Wichita, Milwaukee, Newark, and Mobile.

War insurance for money and securities

War insurance against direct losses of money and securities held in safe-deposit boxes, vaults, and safes may be obtained through agents of the War Damage Corporation. Money and securities in transit in armored cars also may be protected under plans which became effective December 21.

Four classes of coverage are provided for losses of money and a similar number for securities. Premiums range from 25¢ to $1.50 per $1,000 for damage of money and from 7½¢ to 45¢ per $1,000 for securities.

For losses of money, maximum limits of coverage range up to $750,000 for each of the premises covered and up to $2,000,000 for a single policy. Losses of securities are covered up to $5,000,000 for a single premises and up to $10,000,000 for each policy.

The new insurance supplements the general war damage protection which is being handled through local fire insurance agents. A group of 85 casualty and surety companies have been designated as fiduciary agents by the War Damage Corporation. Applications may be submitted to local agents of these companies or to local insurance brokers.

A JOINT DECLARATION OF POLICY

Increasing shortages of critical materials have made it imperative that the National Housing Agency and the War Production Board clarify certain policies and formalize certain procedures for the planning, programming, and construction of war housing. The following digest highlights the salient points of the statement issued on December 15, 1942.

1. NHA will determine what portion of war housing shall be permanent or temporary and the number of units to be publicly and privately financed. A considerable portion of all new construction will be temporary units.
2. War housing will be scheduled by the NHA after allocations of materials have been made by the WPB.
3. All projects must conform to War Housing Construction Standards.
   a. Only materials allocated by the WPB may be used in war-housing construction. Materials taken from stock, secured without priority assistance, or acquired by loan or gift may not be used.
   b. Particular emphasis will be placed on the standardization of the size of units and of utility and equipment instalations, to achieve maximum savings of critical materials.
4. NHA will inspect projects, reporting violations to WPB which will enforce compliance.
5. Occupancy of housing projects is limited to war-industry workers.
   a. Accessability of projects to plants employing workers will be a prime consideration of future housing.
   b. For privately financed housing, units must be rented for at least 4 months, after which they may be sold to the war worker occupying the unit.

BOND BUYING—A NEW INVESTMENT OUTLET

The purchase of Government securities by savings and loan associations presents a new set of management problems. Determining the kind and amount to buy requires careful analysis and study based on individual circumstances, but a few general observations are applicable.

■ SAVINGS and loan holdings of U. S. Government securities have increased at an extraordinary rate during the past year, as evidenced by the portfolio of insured associations which more than tripled in this period. And as long as the flow of new private share capital into these institutions continues at its present rate, and their normal outlets for mortgage loans are restricted, bond portfolios will account for an increasing proportion of association assets.

Managing an investment account of this type is a new experience for most association executives and requires first of all a clear-cut definition of the objectives which an institution is seeking to achieve. In its barest essentials, the purchase of Government bonds by savings and loan associations represents a convenient, safe, and patriotic solution to the problem of putting excess cash funds to work providing at least a minimum return and a maximum degree of liquidity.

For some institutions, the building of a bond portfolio is probably only a temporary expedient until a more normal volume of loans may be made. Others may regard these moves as initial steps in placing a greater proportion of their working funds in semiliquid outlets. For all, however, there will arise the question of how much they can invest, and how much they should invest in Government securities; and which types of U. S. issues are most suitable investments for the funds of savings and loan associations. Answers to these questions will be dictated by (1) legal limitations; and (2) management policies.

Legal Limitations

Federally chartered associations may invest without limit in obligations of, or obligations guaranteed as to principal and interest by, the United States, but a recent survey by the legal staff of the FHLBA revealed considerable variation in the laws under which State-chartered institutions operate. Based on a compilation of statutes dated December 1, 1942, there were only eight State statutes which did not contain any provision for the investment by State associations in Government obligations. It is possible that even institutions in these States may, by virtue of rules and regulations of the State supervisory agency or legal interpretation of their charters, have the power to purchase securities of this type. Seventeen of the statutes place no limitations upon the amount, and seventeen provide that only funds in excess of the demands of members can be used for this purpose. (See table on page 102).

Eleven States place specific limitations on the proportion of an association's assets which may be invested in Government obligations, ranging from 10 to 25 percent of total resources. Virginia establishes the maximum at four times the aggregate of reserves and undivided-profits accounts.

Types of Securities Available

A wide variety of Treasury bills, notes, certificates, and bonds are available from which savings and loan associations may choose the issue or issues most suited to their individual needs. In general, these may be divided into three classifications: (1) open market issues; (2) U. S. savings bonds; and (3) "tap" bonds and Treasury tax savings notes.

Open Market Issues

Open market issues offer a wide range of maturities and yields varying from a few days to 30 years and from small fractions of 1 percent to approximately 2½ percent. These issues are traded on the open market and are, therefore, easily convertible into cash. They consist of:

1. *Treasury bills.*—These are short-term obligations with maturities generally up to 91 days. The average yield on bills obtained on tender is about ⅜ percent while the current-market yield is slightly less. They are the equivalent of cash since they will be purchased at the option of the holder by any Federal Reserve Bank on a discount basis at the rate of ⅜ percent per annum.

2. *Certificates of indebtedness.*—These certificates are issued from time to time in limited amounts at par on a public subscription basis. Their maturities

are somewhat longer than the Treasury bills, but they always mature within 1 year. Being readily marketable, they are in the nature of a cash asset and recent issues have yielded up to a maximum of ⅞ percent per annum when bought on subscription.

3. *Treasury notes.*—Also offered on a subscription basis, the maturities of these obligations are from 1 to 5 years. They carry varying coupon rates, usually with a maximum of 1½ percent, but are likely to yield slightly less if bought in the open market.

Chart of statutory provisions affecting the power of State-chartered savings and loan associations to invest in United States Government obligations

[Based on compilation of statutes dated December 1, 1942]

State	No limitations upon amount invested in Government obligations	Limitations as to when funds may be invested in Government obligations	Investment in Government obligations limited as to amount	No power to invest in Government obligations	Power does not extend to obligations guaranteed by U. S.	Power does extend to obligations guaranteed by U. S.
Alabama	x					x
Arizona			x		x	
Arkansas		x	x		x	
California	x					x
Colorado	x					x
Connecticut		x				x
Delaware				x		
Florida		x			x	
Georgia				x		
Idaho				x		
Illinois		x	x			x
Indiana		x			x	
Iowa			x		x	
Kansas		x			x	
Kentucky		x			x	
Louisiana	x				x	
Maine		x				x
Maryland	x					x
Massachusetts	x					x
Michigan	x					x
Minnesota	x					x
Mississippi				x		
Missouri		x			x	
Montana	x					x
Nebraska			x		x	
Nevada				x		
New Hampshire		x			x	
New Jersey		x				x
New Mexico		x			x	
New York	x					x
North Carolina	x				x	
North Dakota	x				x	
Ohio	x					x
Oklahoma				x		
Oregon			x		x	
Pennsylvania			x			x
Rhode Island	x				x	
South Carolina				x		
South Dakota			x		x	
Tennessee				x		
Texas		x	x			x
Utah	x					x
Vermont		x				x
Virginia		x	x		x	
Washington	x				x	
West Virginia		x			x	
Wisconsin		x	x			x
Wyoming	x					x

4. *Treasury bonds.*—These are still longer term securities, with the maturities of the various issues varying from 5 to as much as 30 years. The longest-term bonds now outstanding carry coupons of 2½ percent but are quoted at a small premium to yield the investor slightly under that figure if bought on the open market. Included in the large-scale December financing operations was a 5½-year issue which yielded 1¾ percent per annum for this period.

With the exception of commercial banks, subscribers to recent issues have been allotted their full subscriptions. This is in contrast to the earlier procedure, when all subscribers were treated equally and were allotted on a percentage basis which sometimes ranged as low as 10 percent.

Savings Bonds

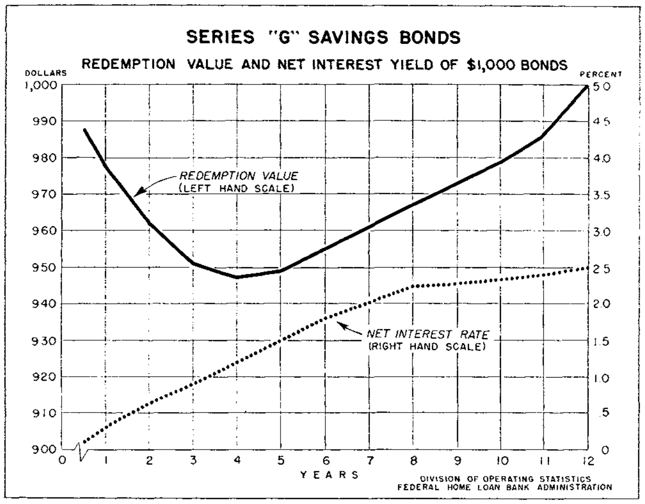
Series F and Series G savings bonds, which were classified as war-savings bonds prior to December 1, offer a different type of investment outlet for savings and loan associations. They are dated as of the first day of the month in which payment is made and mature 12 years from the date of issue. Both issues yield approximately 2½ percent if held to maturity.

There is one important difference between these two kinds of savings bonds: Series F are appreciation bonds which are bought at a discount. The interest is not disbursed but accumulates during the life of the bond, and is reflected in the increased maturity value. Series G, on the other hand, is an income bond, the owner of which receives a check from the Treasury twice a year at the rate of 2½ percent per annum.

After a period of 6 months, either series may be redeemed upon 1 month's notice, but the yield is increased in proportion to the length of time that the bonds are held. For example, at the end of 4 years the redemption value of a $1,000 Series G bond is $947, and the investment yield for this period is only about 1.2 percent. If surplus funds are invested in Series G in the expectation that the yield will amount to 2½ percent, and due to some emergency the bonds are redeemed in the earlier years, not only will the return be less than anticipated, but reserves must be drawn upon to meet the lower redemption value.

Tap Issues

In offering "tap" issues it is the practice of the Treasury to hold the subscription books open for a period of time during which allotments are made for



The above chart shows the redemption value of Series "G" savings bonds when they are not held to maturity. The dotted line at the bottom indicates the net interest yield based on the period of time the bond is held. A bond purchased for $1,000 and kept for only 4 years would have a redemption value of $947 and would yield a net return of 1.2 percent for that period.

the full amount of the subscriptions. The period in which books are kept open has varied from a few days to several weeks.

"Victory 2½'s"—Treasury bond of 1963–1968—which played an important part in the victory-fund drive during December, are an excellent example of tap bonds. They are designed specifically for the investment of long-term money such as that accumulated by life insurance companies, trusts, and similar funds of a rather permanent character. These bonds are generally long-term issues with maturities approximating 25 years, with a yield of 2½ percent. They are traded in the open market but may not be purchased by commercial banks for a period of approximately 10 years from the date of issue.

Treasury tax-savings notes are another form of tap issue with a considerably shorter maturity. They are adaptable for two purposes, (1) for tax reserves and (2) for the temporary or short-term investment of cash balances which are idle. These notes are dated the first day of the month in which purchased and mature in 3 years. They yield an average rate of about 1.07 percent if held until maturity, with a somewhat smaller yield if redeemed for cash or used for tax purposes at an earlier date.

Policy Considerations

The increasingly liquid position of many savings and loan associations must inevitably be reflected in the earning capacity of these institutions. Many managers and boards of directors will be faced with a choice of reducing dividend rates and/or refusing additional amounts of new private share capital. The imminence of this decision will vary greatly for individual institutions. Management policy in deciding between long- and short-term securities as investment outlets for excess cash funds will play an important role. For some institutions there will develop a "break-even" point beyond which the continued investment in relatively low-yield securities will necessitate downward dividend adjustments if reserve and undivided-profits positions are to be maintained.

Financing the tremendous expenditures involved in total war makes it imperative that all surplus money of individuals and business enterprise be placed at the disposal of the Treasury. From the point of view of raising the cash required to meet these obligations, it makes little difference which of the various issues are chosen for investment purposes. Savings and loan associations, therefore, can carry out their role in the financing program with maximum service to their country and themselves, first, by analyzing the character and permanency of their excess funds, and second, by choosing whichever of the securities are best adapted to their own needs.

Record Orders Deplete Lumber Stocks

■ THE production of lumber fell approximately 6 billion board feet short of 1942 requirements, according to estimates by the U. S. Department of Commerce based on preliminary 9-month data. The usual seasonal reduction in demand cannot be anticipated this year, and while the third-quarter production was the highest quarterly volume of the year it was still 6 percent less than new orders and 4 percent below the comparable period last year. Problems of labor, log supplies, and equipment preclude meeting production requirements.

Imports and withdrawals from available stocks were expected to increase the total lumber supplied during 1942 to 37.7 billion feet. This was still 300 million feet short of the record demand.

Action by the Government to balance lumber shipments with requirements has been instituted through controlled use of lumber, stabilization of employment in the industry, and priority assistance for operating equipment and maintenance.

« « « FROM THE MONTH'S NEWS » » »

NEW FRONTIERS: "Not only has the war loaded the business machine to capacity, but it has opened new frontiers for the future. It is clear that making the world a better place for living is all the frontier that could be asked. Making it safe for democratic living is the first job: then comes the task of making tangible the benefits of the democratic way of life."
Emerson Goble, *Architectural Record*, November 1942.

PRODUCTION FOR PEACE: "We need to rebuild America—urban redevelopment projects, rural rehabilitation, low-cost housing, express highways, terminal facilities, electrification, flood control, reforestation . . . We have seen how it is possible to mobilize the productive capacities of the country for war. We can also mobilize them for peace."
Alvin H. Hansen, *After the War—Full Employment*, National Resources Planning Board.

NEW PROSPECTS: "Since the curtailment of recreational expenditures, automobile sales, and similar luxury commodities, savings will be deflected much more into war bonds, land and homes. For the first time in years, most people are seeing their homes as havens rather than terminals for domestic traffic."
Percy Wilson, *National Real Estate Journal*, November 1942.

FUTURE CREDIT: "Private debt will be in a very healthy state at the end of the war, institutional funds will be plentiful, and thus credit will be amply available for any needed volume of residential construction; war savings in the hands of individuals can be converted into housing investments."
Thomas S. Holden, *Savings Bank Journal*, October 1942.

WAR SAVING: "We must save not merely for saving's sake; we must save, above all, so that we cannot spend. By abstaining from spending, we free labor and material for the purpose which has prior claim over all others."
David W. Smith, Chairman, British Building Societies Association, *Building Societies Year Book*, 1942.

DEPRECIATION: "The mortgage of the future should provide better for maintenance of the home. . . . Provisions in the covenant should enable the owner to borrow for repairs without a new mortgage.
Arthur G. Erdmann, *Insured Mortgage Portfolio*, Fourth Quarter, 1942.

Looking ahead . . . . .

"If the architects, the manufacturers of construction materials, and the professional builders apply the lessons they are learning now, I look forward to a resurgence of the instinct of home ownership, which will lead us into a large and sustained era of building. Savings and loan associations—and similar institutions—will be depended on for creative leadership in building a new and a better roof over America.

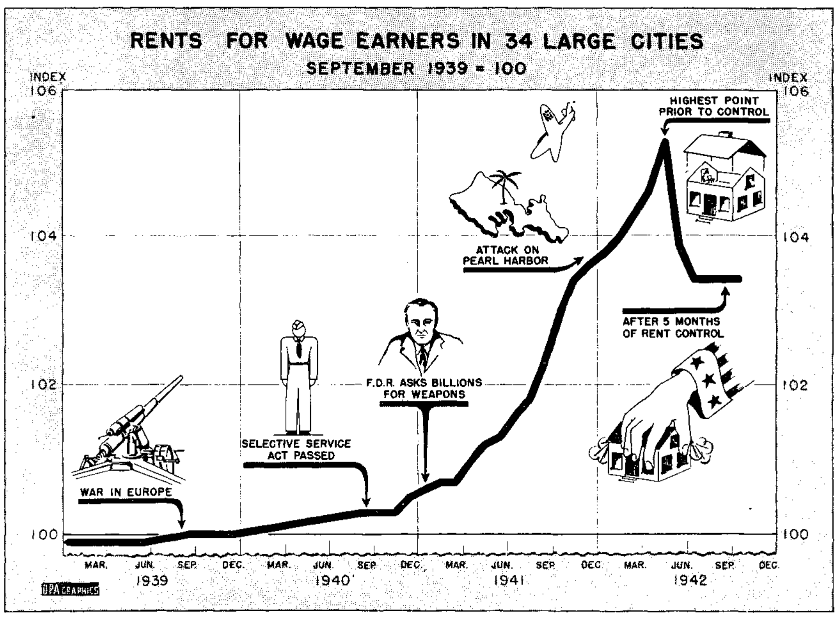
"Fortunately for civilization, not all of the processes of war represent waste. . . . A by-product as we rally our material and human forces together is the development of mutual cooperative effort. Private industry and government and community interests are working together on a common job."

John B. Blandford, Jr., *American Savings and Loan News*, December, 1942.

Post-war planning . . . . .

"Post-war demands to put men and materials to work rebuilding our cities must not find us seeking postponement because we are not ready. To prepare for that day, state laws defining city powers need to be rewritten; out-of-date and even vicious municipal building codes repealed or modified; and the construction industry and building labor unions must clear off the barnacles and get ready to do a real job."

Chester C. Davis, *Real Estate Record and Builders Guide*, Nov. 28, 1942.



The effect of rent control regulations upon rentals in 34 large cities throughout the country is graphically illustrated by the chart above. Contributing largely to the downward trend are rentals in four cities—Mobile and Birmingham, Alabama; Seattle, Washington; and Norfolk, Virginia—for which rent indexes dropped from 9 to 15 points within 5 months of the effective date of rent control. It will be noted that while rentals for the 25 cities have been set back to just below the level prevailing at the time of our entry into the War, the index still is well above that prevailing in September 1939.

Office of Price Administration.

MONTHLY REPORTS FOR ASSOCIATION DIRECTORS

Maximum use of the varied business backgrounds of directors can only be made if they are given adequate information about important developments in association operations. A survey of FHLBA supervisory files has yielded practical suggestions for analysis and presentation.

■ TO make the contribution of the directors of an association most effective, it is imperative that they have complete information about all phases of its operations. Only in this way can the varied backgrounds of these business, professional, and civic leaders be used to best advantage in forming the policies necessary to meet operating problems. It is, of course, a responsibility of the board of directors to see that it has adequate material with which to analyze the association's present position and to study trends. On the other hand, many managing officers—aware of the importance of having a well-informed directorate—are taking the initiative in improving the reports for their monthly board meetings.

Supervisory files of the Federal Home Loan Bank Administration contain a number of sample reports used by member associations, and this article highlights the outstanding features of several of these summaries.

Balance-Sheet Analysis

Although there is wide variation in the type of statistical information compiled by each institution, the basic data in every report studied includes a comprehensive analysis of balance-sheet trends. Condensed statements of condition for the latest available date, for the previous month, and for the corresponding point in the preceding year are indispensible for this purpose.

Percentage summaries similar to those included in examination reports provide a convenient means of measuring the changes in balance-sheet accounts from one period to the next. They demonstrate, for example, whether a dollar increase in the reserve position of an institution does result in a relative strengthening of the reserve ratio, or whether reserve accumulations have failed to keep pace with the gains shown in total assets.

In some cases, where special problems are present it may be advisable to include a detailed breakdown for certain asset and liability items. A complete summary of the real-estate-owned account, for example, would provide valuable additional data for directors of institutions in which this is still an important factor.

The Story of Monthly Operations

Basic in the presentation of this story, of course, is a statement of operations during the month, and a cumulative report of operations since the last complete accounting period. This phase of the monthly report to directors itemizes the gross operating income received, takes into consideration the operating expenses incurred, and arrives ultimately at the net income for the period.

The monthly statement of operations constitutes the "acid test" for the soundness of budgets prepared in advance. Some of the reports studied present the actual expenditures and budget estimates in two parallel columns and in this manner all variations from expected revenues and expenses are immediately evident. Comparisons such as this make it possible to bring operations into line or to adjust budget allocations to make the most efficient use of all available funds.

The inherent value of this information lies in its relation to dividend and reserve policies. By estimating the required reserve allocations and the potential dividend requirements, directors are able at a glance to follow these trends throughout the period. From this they can determine whether net income is sufficient to cover the dividends contemplated and at the same time set aside more than just the minimum legal reserves.

Operating Statistics

Next in importance is the report of the day-to-day operations during the month—the number and amount of new mortgage loans made, the acquisition or sale of real estate by the association, the investment and repurchase of private share capital, the securing or repayment of borrowed money, the pur-

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chase of Government bonds and other significant transactions.

In summarizing mortgage-loan operations for the month, these transactions may be conveniently broken down into an analysis of the new loans made, delinquencies, and loans paid-in-full. As in the case of all statistics of this type, it is helpful to have a comparison with the activity of the preceding month and in the same month of the previous year. Loans closed can be tabulated by the purpose for which the advances were made. One institution suggests analyzing mortgages which are delinquent in taxes as well as those which are behind in loan payments. Analysis of the loans paid-in-full in the light of all information available to the management will give additional clues to the number of mortgages lost through refinancing by other institutions.

Statistics on savings accounts may be somewhat simplified, but are nonetheless equally important. A schedule showing the status of share accounts at the beginning of the period, the volume of new investments and repurchases, and the balance at the end of the month are basic. From this it is possible to figure the repurchase ratio and estimate cash needs for the coming period. A similar schedule showing the number of new accounts opened, of old accounts closed, and the number on the books at the end of the period is easily obtainable.

Comparison With Industry Averages

Thus far, the reports discussed have dealt solely with the operations of an individual institution, but directors logically want also to know how their organization compares with the record of similar institutions in their own industry and of others with which they compete in their local mortgage and savings market.

An over-all comparison with the asset trends and operating statistics of all member savings and loan associations may be made at least once a year through the use of the consolidated statements published in the Review. Several of the Federal Home Loan Banks publish comprehensive information on association operations broken down by size of institution.

Through this means, it is possible to measure the efficiency of the operations of an individual association, for example, by comparing its ratio of operating expenses to gross operating income with that for a comparable group of institutions. Growth of the individual balance-sheet accounts can be measured in the same manner.

Data on operations—loans made, capital trends, and the like—are usually available from several sources. The regular tables in the Review provide the national, regional, and in some cases, State information on such subjects as mortgage loans and mortgage recordings.

The Federal Home Loan Banks, State savings and loan leagues, and several county and city groups also provide localized information about current operations which may be useful in preparing reports for directors.

The important thing, however, is not solely to find out whether a particular institution is operating behind, ahead of, or just equal to the pace set by other associations, but rather to be able to evaluate the operations of that institution and to highlight any unfavorable trends which may be developing.

Special Analyses

Nearly all of the reports described to this point have been roughly comparable in the scope of their information. But in the matter of special studies, the business acumen of the managing officer is demonstrated to its best advantage.

The article in this issue analyzing the mortgage-loan portfolio of an individual institution (*see* page 109) is an example of the special studies which can be made and used by boards of directors and managing officers in formulating operating policies. Private-share-capital accounts might be subjected to similar scrutiny in digging out the most important sources of new funds, in framing advertising policies, and in anticipating the relative stability of present investments. Once completed, for example, a geographical analysis of loans and investments would be a relatively simple project to keep up to date. Now that the new business of many institutions is at low ebb, it is logical that such studies can be made with a minimum of effort for use in post-war planning and a resumption of active lending at the end of the emergency.

Format Important

No small amount of the success of the reports which were the basis for this article was derived from the attractive and convenient form in which they were assembled. One institution has a loose-leaf flexible leather binder for each director and all schedules for the current accounting period are assembled in this folder with data for the most recent month on top. The book is indexed for the

(*Continued on p. 108*)

WAR AND BRITISH BUILDING SOCIETIES

Trends noted 2 and 3 years ago in balance sheets of British Building Societies now are manifesting themselves as current problems for American associations. This article, therefore, brings up to date previous material published by the REVIEW on the experience of England's home-mortgage-lending industry.

■ WHILE the condition of British Building Societies at the end of 1941 was less favorable, in several respects, than at the close of 1940, an analysis of the consolidated annual report of the institutions, published in the *Building Societies Year Book for 1942*, shows that they have been able to adapt themselves to wartime conditions with remarkable success. The second full year of the War seems merely to have emphasized the basic strength of home-financing institutions even under the most adverse conditions.

Assets Relatively Stable

The consolidated statement confirms the trends outlined in an earlier issue of the REVIEW [1] on the basis of individual reports from a number of representative societies. Total assets of the 947 institutions still were only about 3 percent below the all-time high level of $3,092,624,000 reached at the close of 1939, and are greater than at the end of the last full year of peacetime operation. In 1941 the decrease in assets amounted to only 0.9 percent as against a drop of 2.2 percent recorded in 1940.

The number of share and deposit accounts again declined only slightly, so that institutions still retain approximately 95 percent of their pre-war depositors and shareholders. Liabilities to these two groups have shown a remarkably small decrease. Shareholder liabilities were at a high of $2,238,904,000 at the end of 1939, and during the 2 succeeding years decreased 1.2 and 0.6 percent, respectively. The 1941 total of $2,194,000,000 is only slightly below the comparable figure for 1938.

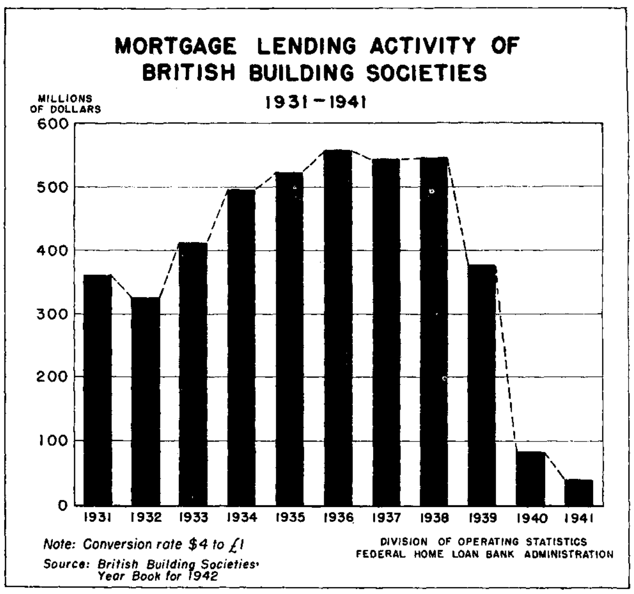
As might have been expected, liabilities to depositors dropped more rapidly than shareholder commitments. The 1941 decline of 2.4 percent was, however, far less than the 6.4-percent decline experienced in 1940.

War conditions do not seem to have stopped new investments in shares. New share subscriptions and deposits have declined, but the 1941 figure of nearly $181,000,000 was about 46 percent of the 1939 total received from these sources. In view of the percentage of British income now being syphoned off in taxes and war-bond purchases, it is interesting that private investments in home-financing institutions have held up so well.

The continued influx of new money has raised an investment problem for building societies. Advances on mortgages last year were only about one-tenth of the 1939 figure, and that year was by no means a peak season in building society lending activity. Even such mortgages as were made in 1941 were largely revisions of existing contracts, either to permit the repair of damaged property or to extend more favorable terms to certain individuals.

New Investments and Greater Liquidity

To compensate for the elimination of home mortgages as an investment outlet has been a major



New mortgage loans made by British Building Societies during the year ending December 31, 1941, were 93 percent below the record home-mortgage-lending peak of $561,240,000 reached in the year 1936. The 1941 total is below that of even the worst depression years of the twenties. Only in 1913 was a smaller volume of loans registered. Figures for the War years, 1914-1918, are not available.

[1] See "British Building Societies Carry On," FHLB REVIEW, April 1942, p. 220.

Trends in selected items from the balance sheets and operating statements of British Building Societies

[Amounts shown in thousands of dollars [1]]

Item	1941	1940	1939	Percent change	
				1940–1941	1939–1940
Share subscriptions and deposits	$180, 953	$248, 564	$412, 867	−27.0	−39.8
Advances on mortgages	39, 801	84, 870	378, 194	−53.1	−77.6
Management expense	13, 795	13, 676	15, 938	+0.9	−14.2
Total assets	2, 996, 478	3, 024, 970	3, 092, 624	−0.9	−2.2
Total mortgage assets	2, 575. 670	2, 711, 132	2, 822, 397	−5.0	−3.9
Total investments	312, 988	216, 975	193, 423	+44.3	+12.2
Liabilities to shareholders	2, 194, 904	2, 208, 905	2, 236, 483	−0.6	−1.2
Liabilities to depositors	555, 301	569, 019	607, 849	−2.4	−6.4
Balance of profits and reserves	193, 928	182, 218	175, 553	+0.9	+0.8

[1] Conversion figured on the basis of $4.00 to £1.

problem of British institutions. The new emphasis on such types of investments as war bonds and deposits in the Post Office Savings Bank is reflected in the 44.3-percent increase in investments other than mortgages from 1940 to 1941. This figure had shown a rise of almost 13 percent during the previous year. "Other assets" (including cash) increased some 11.3 percent during the year to more than $100,000,000, a figure which reflects substantial gains in the liquidity position of these institutions.

Lower Earnings and Dividend Rates

Liquidity has been gained at the price of lower earnings, and dividend payments have been reduced almost universally to a tax-free rate of 2½ percent, with 2 percent a general rate for deposits.

Lower rates are a result not only of the lesser return from new investments and of concessions made to many borrowers on interest payments, but also of a slight increase in management costs. In contrast to 1940 when management costs of the various institutions were reduced 14 percent, costs during 1941 showed an increase of nearly 1 percent for all institutions. Costs still are well below the 1939 figure, but it is evident that economies are insufficient to offset the reduction of gross income.

Monthly Reports

(Continued from p. 106)

Board's meeting agenda, schedules, budget material, statistics, charts, and miscellaneous. The addition of simple charts included in the directors' report shows graphically the significant trends in progress within that association. Drawn with pen and ink, it is an easy matter to keep these charts up to date for each meeting of the Board.

Another association mantains manila folders for each director, and sufficient copies of material to be discussed are obtained to provide each individual with complete information. These folders are usually distributed a day or two in advance of the Board meeting so that each director may have an opportunity to familiarize himself with the new data.

Other Sources of Background Material

The comprehensive monthly reports which have been discussed herein are only one indication of the increasing effort on the part of managing officers to provide adequate information for their directors. Many institutions have subscribed for personal copies of the Review and other important published material to be sent to the members of their Board. Attendance of directors at trade organization meetings has been encouraged, and special programs have been arranged for their interest. The responsibilities of an association director are manifold and the contribution of these men to the successful operation of an institution can be, and usually is, of major importance. The executive officer who is backed by the considered opinions of an informed directorate has a distinct advantage in coping with the complexities of present-day operations.

New War Housing Manual Is Issued

■ "WAR Housing Manual" a new compilation of information issued by the Housing Branch of the Construction Bureau of the WPB, is available for free distribution at all field offices of WPB and FHA and at many financial institutions.

Specifically designed for the use of persons or agencies sponsoring, financing, constructing, or furnishing materials for housing projects, the manual contains information of both a technical and general nature.

A new "Housing Critical List," which establishes maximum materials allowances for war-housing construction; an amended "Housing Utility Allowances" list; and a digest of procedures and requirements covering the filing and processing of applications are among material included. Information as to priorities assistance needed for certain types of projects also is given.

PORTFOLIO ANALYSIS—A TYPICAL EXAMPLE

Study of mortgage portfolios can provide savings and loan associations with a valuable test of the soundness of past operations as well as a guide for future activity. The survey of mortgage loans recently completed by the First Federal Savings and Loan Association of Waterbury, Connecticut, is an interesting example of constructive self-analysis.

■ OPERATIONS of savings and loan associations will be subject to many changes during the War. Fewer loan outlets; changing earning patterns due to mortgage prepayments and new types of investments: mortgage moratoria for borrowers in the armed forces—these are a few of the factors with which lenders must deal.

The extent to which these elements will affect a given institution is dependent, to a major degree, on the condition of its primary earning asset—home mortgages. Detailed analysis of the loan portfolio can provide management with information of immediate value in planning to meet war conditions, as well as with the basis for a continuing "inventory" of mortgage holdings.

It was with these and other considerations in mind that the First Federal Savings and Loan Association of Waterbury, Connecticut, recently undertook an analysis of its mortgage loans. While many of the methods employed can suitably be adopted by other institutions, the study probably should be considered as suggestive of a general thesis rather than as an outline for procedure. Two factors have dictated the use of a relatively simple method of approach—(1) the "youth" of the portfolio and (2) the general similarity of the term of the loans.

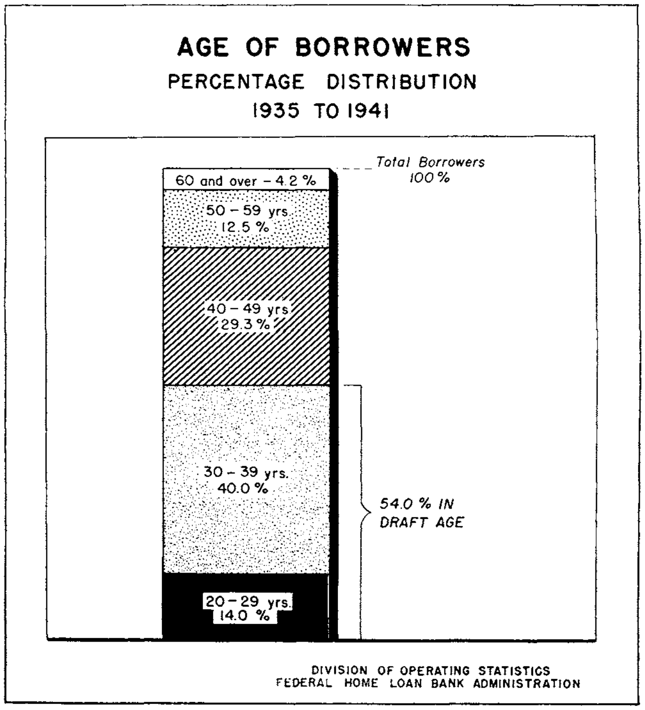
The Waterbury association was organized in 1935, but lending operations did not gather any considerable momentum until the beginning of 1938. About 63 percent of the 875 loans included in the analysis were 2 years old or less on December 31, 1941—the cut-off date—and more than 40 percent were made during the year 1941.

Age of Borrower

Every association is vitally concerned with the effect of the draft upon its borrowers. One of the most interesting tables prepared indicates the percentage of borrowers falling in various age groups. As the accompanying chart shows, almost 55 percent of the borrowers of the institution fall in the age bracket 20–39. This highlights the potential effects of the draft on the association and suggests that the institution must keep itself posted on matters relating to soldiers' and sailors' moratoria provisions.

It is interesting that up to the end of 1942 only four requests had been received by the institution for adjustments in the amortization schedules of borrowers called into the armed services. The married status of most mortgagors taken in conjunction with the fact that many are employed in vital war industries, should minimize the impact of the draft upon the mortgage accounts of the Waterbury association.

Of course, such a breakdown is of great value in normal operating practice. If the age distribution of existing borrowers is known, it is possible to reach



As the chart above demonstrates, more than half of the borrowers of the First Federal Savings and Loan Association of Waterbury, Connecticut, fall in the draft-age group. No information is available on the age of nearly 10 percent of all borrowers, but it may be supposed that the distribution into age groups would parallel that of the remaining groups of borrowers.

more valid conclusions as to the advisability of accepting future loan applications from older borrowers. It is also possible to develop general standards for relating loan maturity to the age of the borrower and to determine the extent to which borrowers should be required to protect the institution by taking out life insurance.

Employment of Borrower

Another table of both immediate and long-range interest is that dealing with the employment of borrowers. Many industrial communities are, or have been, largely one-industry or one-company cities. It was decided by the Waterbury institution that it would be well to discover whether or not the fortunes of the association were closely identified with the operations of any one industry or company.

The survey showed that the association's borrowers were well distributed throughout the industrial and business structure of the community. For example, the largest single group of borrowers—395 in number—were working in local companies where less than 7 other borrowers of the institution were employed. In addition, 99 borrowers were self-employed.

There were 8 companies for which less than 25 borrowers are listed. In three instances, companies employed more than 50 borrowers and the largest grouping of mortgagors in a single company was 99 borrowers. While it is not possible, for obvious reasons, to identify individual companies in which borrowers were employed, it was found that a considerable number of mortgagors were employed in industries essential to the war effort.

Location of Property

Loans also were classified by the location of the property in order to determine whether or not the property risks being assumed by the institution were warranted by the trend of real-estate conditions in the area. For this classification, loans were grouped first as to whether they were within or outside the city of Waterbury. Some 549 loans were found to involve properties within the city limits. These were, in turn, broken down by areas and it is intended within the next few years to carry the study to its logical conclusion—a breakdown by streets and blocks.

In order to benefit fully from such a study, it is suggested that institutions relate their findings to some such basic inventory of property as that provided by the 1940 Census of Housing. For many cities it will be possible to make a comparison between the property valuations, loan-value ratios, interest rates, etc., prevailing within certain areas, as reported by the Census, and loans made by the institution in these areas.

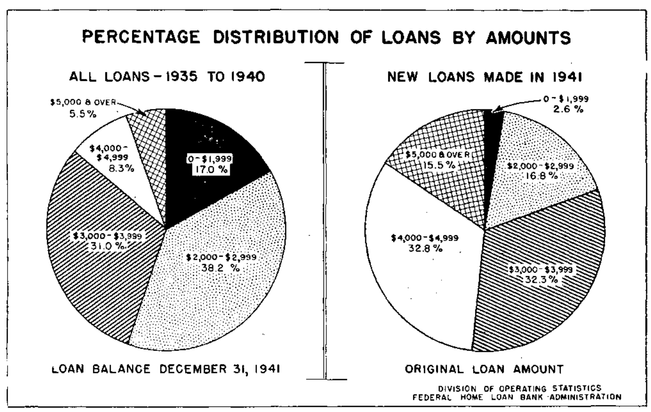
Analysis by Loan Amount

The most comprehensive analysis of loans undertaken was based on a table in which all loans were grouped by the year made, and by the balance of the loan outstanding on the cut-off date. The pie charts on this page compare the breakdown of loans from 1935 through 1940 with 1941 lending data.

While 1935–1940 loans are grouped by balance outstanding on the cut-off date, 1941 loans are classified according to the original loan amount. Under ordinary circumstances it would not be advisable to compare two groups of loans classified on a different basis. Because of the youth of the Waterbury portfolio (63 percent of the loans were made either during 1940 or 1941) and because of the long amortization period of most loans, few of the loans had been paid down enough to affect their classification in the chart.

It will be seen that, of the 1935 to 1940 loans outstanding at the end of 1941, some 69 percent represented loan balances between $2,000 and $3,999, with loans of between $2,000 and $2,999 accounting for 38 percent of this entire total. During 1941, however, only 17 percent of loans fell in the $2,000 to $2,999 classification. The heaviest group—65 percent— fell in the $3,000 to $4,999 bracket.

The fact that the average loan made in 1941 was substantially larger than the average for the previous



The shift in the size of mortgage loans made by the First Federal Savings and Loan Association of Waterbury, Connecticut, is demonstrated by the above chart. The fact that all loans made up to the end of 1940 are classified by loan-balance outstanding and 1941 loans are grouped on the basis of the original loan amount may have affected the classification to some extent.

5 years has led the management to analyze the possible causes for the increase. Consideration was given to several factors such as higher construction costs, the type of property being financed, rising property valuations, and the liberality of loan terms. Loans made during 1942 were likewise studied in the light of this information. With such a background the institution is now better able to check any tendency to "ease up" on valuations and loan amounts which operations in a competitive market might possibly bring about.

Loan-to-Value Ratios

The study of loan-to-value ratios also revealed a number of interesting facts. It was found, for example, that 1941 lending had varied from previous experience not only in the larger size of the average loan, but in a tendency toward higher loan-to-value ratios for mortgages in the $4,000 to $4,999 and the $5,000 to $5,999 brackets. For 1941, the average loan-to-value ratio for these groups of loans was 75 percent. In the previous 6 years the ratio of the loan to the property value for these same loan classifications had averaged 72 and 70 percent, respectively.

There was apparent, also, a tendency toward lower loan-to-value ratios for successively smaller loan amounts, a trend which had been less pronounced in previous years. For example, the average loan-to-value ratio of 1941 loans in the less-than-$1000 group was only 28 percent while in the preceding years this ratio had averaged just under 60 percent. For the next larger amount group—$1,000 to $1,999—the 1941 lending ratio was 40 percent while the average for the 6 prior years was 63 percent.

This wide divergence between current and past experience, for smaller loans, may be due to a number of factors. A breakdown of loans by the purpose for which they were made might explain at least a part of the difference. And the basis for the classification of loans (see comments above) would tend to influence the picture of 1935–1940 lending. Since relatively few loans fall in these groups, the average loan-to-value ratio is affected to a greater degree by variations in the ratios of individual loans.

Amortization Reduces Risks

The comparison between the loan-to-value ratio of original loans and that represented by loan balances outstanding on December 31, 1941, also was informative. As the accompanying table demonstrates, the risk of the institution in carrying its mortgage loans has been reduced substantially by amortization, even over the short life of the majority of these loans.

Summary of loans from 1935 through 1940

[As of December 31, 1941]

Loan balance	Number of loans	Percent of original loan to appraisal	Percent of loan balance to appraisal
Under 1000	20	57. 0	17. 5
1000–1999	66	63. 0	40. 0
2000–2999	194	68. 8	57. 8
3000–3999	157	72. 2	64. 3
4000–4999	42	72. 4	65. 7
5000–5999	18	70. 2	60. 2
6000 & over	10	72. 8	65. 6

The effects of amortization have been most pronounced in the case of the three classes of loans of less than $3,000. At the time the study was made, the average loan-to-value ratio of loans with an outstanding balance of $1,000 or less was 17 percent, having declined from 57 percent. The average ratio of loans of between $1,000 and $2,000 had dropped from 63 percent to 40 percent. Even among the larger loans, loan-to-value ratios had declined substantially—from 70 percent to just over 60 percent in one instance.

Some Comments

It has been suggested above that some of the methods employed in the Waterbury study might be varied or expanded by institutions in line with their individual needs. In selecting a basis for classifying loans, institutions may decide to group loans by the original amount advanced as well as by the loan balance outstanding on the cut-off date.

The use of the *outstanding balance* has the advantage of giving an accurate picture of the association's holdings on the cut-off date, and of providing a basis for estimating earnings more accurately. The classification based upon *original loan amount* has two definite advantages. First, where loans are grouped on the basis of the amount advanced initially, it is possible to use the study more effectively in comparing past lending experience with current loan trends. Second, the institution would find year-to-year use for such a breakdown, since current loan figures could be incorporated into the summary table and an up-to-date review of the lending history of the institution could thus be maintained.

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

■ ANNOUNCEMENT has been made recently by the Federal Home Loan Bank Administration of the election of Classes A, B, and C directors and directors-at-large to serve 2-year terms beginning January 1, 1943; and the designation of chairmen and vice chairmen to serve during the calendar year 1943 or until their successors are designated and qualified. Appointment of 10 public interest directors was announced in the December REVIEW.

DISTRICT NO. 1—FEDERAL HOME LOAN BANK OF BOSTON

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

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

Class A Director: Raymond P. Harold, Worcester Co-Operative Federal Savings and Loan Association, Worcester, Massachusetts (reelected).

Class B Director: George B. Lord, Portsmouth Savings Bank, Portsmouth, New Hampshire (reelected).

Class C Director: Walter P. Schwabe, Enfield Federal Savings and Loan Association, Thompsonville, Connecticut (reelected).

Director-at-Large: Milton A. Barrett, Fidelity Co-operative Bank, Fitchburg, Massachusetts (reelected).

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

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

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

Class A Director: Herman L. Reis, West Side Federal Savings and Loan Association, New York, New York.

Class B Director: Roy H. Bassett, Canton Savings and Loan Association, Canton, New York (reelected).

Class C Director: Joseph A. O'Brien, Fidelity Mutual Savings and Loan Association, Camden, New Jersey.

Director-at-Large: J. Alston Adams, Westfield Federal Savings and Loan Association, Westfield, New Jersey (reelected).

DISTRICT NO. 3—FEDERAL HOME LOAN BANK OF PITTSBURGH

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

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

Class A Director: Fred C. Klussmann, Revenue Building and Loan Association, Pittsburgh (Millvale Borough), Pennsylvania (reelected).

Class B Director: William Reinhardt, The Provident Building and Loan Association, Philadelphia, Pennsylvania (reelected).

Class C Director: James W. Turtle, Stephen Girard Savings, Loan and Building Association, Philadelphia, Pennsylvania.

Director-at-Large: C. E. Brown, First Federal Savings and Loan Association, Moundsville, West Virginia.

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

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

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

Class A Director: Edward C. Baltz (reelected).

Class B Director: J. F. Stevens, Gate City Building and Loan Association, Greensboro, North Carolina (reelected).

Class C Director: W. Brown Howell, First Federal Savings and Loan Association, Panama City, Florida.

Director-at-Large: Frank Muller, Jr., Liberty Federal Savings and Loan Association, Baltimore, Maryland.

DISTRICT NO. 5—FEDERAL HOME LOAN BANK OF CINCINNATI

Chairman: Richard Priest Dietzman, attorney, Louisville, Kentucky (reappointed).

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

Class A Director: William A. McMillen, The Cuyahoga Savings and Loan Company, Cleveland, Ohio (reelected).

Class B Director: Charles J. Haase, Home Federal Savings and Loan Association, Memphis, Tennessee (reelected).

Class C Director: R. A. Stevens, Dyer County Federal Savings and Loan Association, Dyersburg, Tennessee (reelected).

Director-at-Large: W. B. Furgerson, Portland Federal Savings and Loan Association, Louisville, Kentucky (reelected).

DISTRICT NO. 6—FEDERAL HOME LOAN BANK OF INDIANAPOLIS

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

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

Class A Director: Walter Gehrke, First Federal Savings and Loan Association, Detroit, Michigan.

Class B Director: Walter H. Dreier, Union Federal Savings and Loan Association, Evansville, Indiana (reelected).

Class C Director: Grant H. Longenecker, Peoples Savings Association, Benton Harbor, Michigan (reelected).

Director-at-Large: Fermor S. Cannon (reelected).

DISTRICT NO. 7—FEDERAL HOME LOAN BANK OF CHICAGO

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

(Continued on p. 128)

HONOR ROLL OF WAR BOND SALES

The Honor Roll is shorter this month now that it is based on war-bond sales equal to at least 15 percent of the assets of associations listed. However, whereas last month 261 institutions (those marked by one or more asterisks) attained that goal, November sales brought 335 institutions to the 15-percent minimum.

"Tops in Volume" now shows cumulative sales of at least a million dollars for everyone, with seven institutions as against two last month in the two-million-dollar class. Number 4 place is occupied this time by a newcomer to the box, the Bloomfield Savings Institution of Bloomfield, New Jersey, which is one of three savings-bank members on this list.

Top honors for monthly sales volume again go to the First Federal Savings and Loan Association of Chicago. On the basis of the first million-dollar war-bond month for any institution of its kind, this association went into first place; 2 months ago it was sixteenth on the list. The Citizens Federal Savings and Loan Association of Dayton, Ohio, was only slightly behind this pace, however, reporting sales of over $900,000 during November.

The Acme Savings and Loan Association of Milwaukee, after a month's absence from "Tops in Volume," came back with the outstanding record of one month's sales almost equal to the entire assets of the association.

Another change in designations is necessary, both because of the new minimum standard and because two associations report cumulative sales of more than double their total assets. One asterisk now denotes sales of 20 to 25 percent of assets, with an additional star for each 5 percent over that amount. Italics indicate sales equal to 100 percent of association assets, capital letters signify 200-percent sales, with one asterisk for each additional 5 percent in both of these categories.

NO. 1—BOSTON

Branford Federal Savings and Loan Association, Branford, Conn.
Bristol Federal Savings and Loan Association, Bristol, Conn.
*Telephone Workers Building and Loan Association, Providence, R. I.
***Windsor Federal Savings and Loan Association, Windsor, Vt.

NO. 2—NEW YORK

****Amsterdam Federal Savings and Loan Association, Amsterdam, 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.
Caldwell Building and Loan Association, Caldwell, N. J.
*****Center Savings and Loan Association, Clifton, N. J.
Central Savings and Loan Association, Albany, N. Y.
City Savings and Loan Association, Elizabeth, N. J.
Cranford Savings and Loan Association, Cranford, N. J.
***Economia Savings and Loan Association, Trenton, N. J.
First Federal Savings and Loan Association, New York, N. Y.
First Federal Savings and Loan Association, Rochester, N. Y.
Genesee 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.
Maywood Savings and Loan Association, Maywood, N. J.
New Brighton Savings and Loan Association, St. George, N. Y.
*North Belleville Savings and Loan Association, Belleville, N. J.
North Jersey Savings and Loan Association, Passaic, N. J.
North Park Savings and Loan Association, Elizabeth, N. J.
*****Owego Federal Savings and Loan Association, Owego, N. Y.
Schuyler Building and Loan Association, Kearny, N. J.
******Shepherd Savings and Loan Association, East Orange, N. J.
Summit Federal Savings and Loan Association, Summit, N. J.
*Totowa Savings and Loan Association, Paterson, N. J.
Union City Savings and Loan Association, Union City, N. J.
United Savings and Loan Association, Paterson, N. J.
Volunteer Building and Loan Association, Little Ferry, N. J.

NO. 3—PITTSBURGH

Alvin Progressive Federal Savings and Loan Association, Philadelphia, Pa.
Brentwood Federal Savings and Loan Association, Pittsburgh, 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 of Bucks County, Bristol, Pa.
*First Federal Savings and Loan Association, Homestead, Pa.
First Federal Savings and Loan Association, Logan, W. Va.
*First Federal Savings and Loan Association, Wilkes-Barre, Pa.
****First Federal Savings and Loan Association, Wilmerding, Pa.*
*Franklin Federal Savings and Loan Association, Pittsburgh, Pa.
Grand Union Federal Savings and Loan Association, Philadelphia, Pa.
Lansdowne Federal Savings and Loan Association, Lansdowne, Pa.
***Mid-City Federal Savings and Loan Association, Philadelphia, Pa.
*Mutual Building and Loan Association, Erie, Pa.
North Philadelphia Federal Savings and Loan Association, Philadelphia, Pa.
******United Federal Savings and Loan Association, Morgantown, W. Va.

No. 4—WINSTON-SALEM

Atlantic Federal Savings and Loan Association, Baltimore, Md.
***Bohemian American Building Association, Baltimore, Md.
**Bohemian Building Loan and Savings Association "Slavie", Baltimore, Md.
Carrollton Federal Savings and Loan Association, Carrollton, Ga.
*First Federal Savings and Loan Association, Andalusia, Ala.
**First Federal Savings and Loan Association, Bessemer, Ala.
First Federal 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, Forest City, N. C.
First Federal Savings and Loan Association, Gastonia, N. C.
First Federal Savings and Loan Association, Griffin, Ga.
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, Sumter, S. C.
**********First Federal Savings and Loan Association, Winder, Ga.
*Fitzgerald Federal Savings and Loan Association, Fitzgerald, Ga.
***Fort Hill Federal Savings and Loan Association, Clemson, S. C.
Home Building and Loan Association, Dunn, N. C.
*************Home Building and Loan Association, Easley, S. C.
Lake Worth Federal Savings and Loan Association, Lake Worth, Fla.
*Lithuanian Federal Savings and Loan Association, Baltimore, Md.
Meriwether Federal Savings and Loan Association, Manchester, Ga.
***Moultrie Federal Savings and Loan Association, Moultrie, Ga.

*Peoples Mutual Building and Loan Association, Mt. Gilead, N. C.
Raleigh Building and Loan Association, Raleigh, N. C.
**Southern Pines Building and Loan Association, Southern Pines, N. C.
*****Tifton Federal Savings and Loan Association, Tifton, Ga.

No. 5—CINCINNATI

Anderson Ferry Building and Loan Company, Cincinnati, Ohio
*Bedford Savings and Loan Company, Bedford, Ohio
Chagrin Falls Savings and Loan Company, Chagrin Falls, Ohio
*Citizens Federal Savings and Loan Association, Dayton, Ohio
East Cleveland Savings and Loan Company, East Cleveland, Ohio
***First Federal Savings and Loan Association, Bucyrus, Ohio
First Federal Savings and Loan Association, Covington, Ky.
First Federal Savings and Loan Association, Dickson, Tenn.
First Federal Savings and Loan Association, Galion, Ohio
**First Federal Savings and Loan Association, Greeneville, Tenn.
**First Federal Savings and Loan Association, Hopkinsville, Ky.
***First Federal Savings and Loan Association, Lorain, Ohio
*First Federal Savings and Loan Association, Van Wert, Ohio
First Federal Savings and Loan Association, Warren, Ohio
Glandorf German Building and Loan Company, Glandorf, Ohio
Great Northern Building and Loan Company, Barberton, Ohio
Hancock Savings and Loan Company, Findlay, Ohio
**Hickman Federal Savings and Loan Association, Hickman, Ky.
Hicksville Building, Loan and Savings Company, Hicksville, Ohio
Home Federal Savings and Loan Association, Knoxville, Tenn.
Hopkinsville Federal Savings and Loan Association, Hopkinsville, Ky.
Lincoln Heights Savings and Loan Company, Cleveland, Ohio
Logan Federal Savings and Loan Association, Logan, Ohio
McArthur Savings and Loan Company, McArthur, Ohio
Murfreesboro Federal Savings and Loan Association, Murfreesboro, Tenn.
North Hill Savings and Loan Company, Akron, Ohio
*Ohio Savings and Loan Association, Fostoria, Ohio
Orleans Federal Savings and Loan Association, Cleveland, Ohio
*Peoples Federal Savings and Loan Association, Leetonia, Ohio
*Progress Savings and Loan Company, Cleveland, Ohio
*Suburban Federal Savings and Loan Association, Covington, Ky.
****Tatra Savings and Loan Company, Cleveland, Ohio
Third Federal Savings and Loan Association, Cleveland, Ohio
*Ukrainian Savings Company, Cleveland, Ohio
Van Wert Federal Savings and Loan Association, Van Wert, Ohio
*Versailles Building and Loan Company, Versailles, Ohio
***Warsaw Savings and Loan Association, Cleveland, Ohio
West Jefferson Building and Loan Company, West Jefferson, Ohio

NO. 6.—INDIANAPOLIS

**Bedford Federal Savings and Loan Association, Bedford, Ind.
Citizens Federal Savings and Loan Association, Port Huron, Mich.
******Detroit Federal Savings and Loan Association, Detroit, Mich.
East Chicago Federal Savings and Loan Association, East Chicago, Ind.
Fayette Federal Savings and Loan Association, Connersville, Ind.
First Federal Savings and Loan Association, Indianapolis, Ind.
First Federal Savings and Loan Association, Kokomo, Ind.
*First Federal Savings and Loan Association, Washington, Ind.
***Griffith Federal Savings and Loan Association, Griffith, Ind.
Homestead Loan and Building Association, Albion, Mich.
Industrial Savings and Loan Association of Indiana Harbor, East Chicago, Ind.
***Liberty Savings and Loan Association, Whiting, Ind.
Loogootee Federal Savings and Loan Association, Loogootee, Ind.
***Marshall County Building and Loan Association, Plymouth, Ind.
Monon Building, Loan and Savings Association, Monon, Ind.
Muskegon Federal Savings and Loan Association, Muskegon, Mich.
Niles Federal Savings and Loan Association, Niles, Mich.
*Peoples Federal Savings and Loan Association, East Chicago, Ind.
*Peoples Federal Savings and Loan Association, Monroe, Mich.
Peoples Savings and Loan Association, Huntington, Ind.
*Port Huron Loan and Building Association, Port Huron, Mich.
*****Sobieski Federal Savings and Loan Association, South Bend, Ind.
*Twelve Points Savings and Loan Association, Terre Haute, Ind.
*Wayne County Federal Savings and Loan Association, Detroit, Mich.

NO. 7—CHICAGO

*****ACME SAVINGS AND LOAN ASSOCIATION, MILWAUKEE, WIS.
Amery Federal Savings and Loan Association, Amery, Wis.
Austin Federal Savings and Loan Association, Chicago, Ill.
*Avondale Building and Loan Association, Chicago, Ill.
******City Savings and Loan Association, Chicago, Ill.
Clyde Savings and Loan Association, Cicero, Ill.
Concord 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.
*Cudahy Savings and Loan Association, Cudahy, Wis.
DuQuoin Home Loan Association, DuQuoin, Ill.
*Fairfield Savings and Loan Association, Chicago, Ill.
******First Calumet City Savings and Loan Association, Calumet City, Ill.
*First Federal Savings and Loan Association, Chicago, Ill.
*First Federal Savings and Loan Association, Des Plaines, Ill.
**First Federal Savings and Loan Association, Moline, Ill.
First Federal Savings and Loan Association, Shelbyville, Ill.
First Savings and Loan Association of Hegewisch, Chicago, Ill.
*Flora Mutual Building, Loan and Homestead Association, Flora, Ill.
Gage Park Savings and Loan Association, Chicago, Ill.
GEORGE WASHINGTON SAVINGS AND LOAN ASSOCIATION, CHICAGO, ILL.
*Grand Crossing Savings and Building Loan Association, Chicago, Ill.
*Guaranty Savings and Loan Association, Chicago, Ill.
Guaranty Savings and Loan Association, Milwaukee, Wis.
************Haller Savings and Loan Association, Chicago, Ill.
********Harvey Federal Savings and Loan Association, Harvey, Ill.
*Hemlock Savings and Loan Association, Chicago, Ill.
***********Homewood Building and Loan Association, Homewood, Ill.
******Investors Savings and Loan Association, Chicago, Ill.
**Jackson County Federal Savings and Loan Association, Black River Falls, Wis.
Joliet Federal Savings and Loan Association, Joliet, Ill.

Tops in volume

The 25 member institutions which have reported the largest cumulative sales of war-savings bonds and stamps through November 30

1.	First Federal Savings and Loan Association, Chicago, Ill.	$2,679,908
2.	Citizens Federal Savings and Loan Association, Dayton, Ohio	2,432,857
3.	Old Colony Cooperative Bank, Providence, R. I	2,291,348
4.	Bloomfield Savings Institution, Bloomfield, N. J	2,281,778
5.	First Federal Savings and Loan Association, New York, N. Y	2,261,378
6.	Edison Savings and Loan Association, New York, N. Y	2,187,400
7.	First Federal Savings and Loan Association, Rochester, N. Y	2,039,700
8.	Trenton Savings Fund Society, Trenton, N. J	1,939,499
9.	Harvey Federal Savings and Loan Association, Harvey, Ill	1,697,641
10.	Minnesota Federal Savings and Loan Association, St. Paul, Minn	1,680,482
11.	Home Federal Savings and Loan Association, Tulsa, Okla	1,670,132
12.	Worcester Co-Operative Federal Savings and Loan Association, Worcester, Mass	1,650,635
13.	Pacific First Federal Savings and Loan Association, Tacoma, Wash	1,532,635
14.	Colonial Federal Savings and Loan Association, Philadelphia, Pa	1,530,686
15.	Railroad Federal Savings and Loan Association, New York, N. Y	1,511,513
16.	Acme Savings and Loan Association, Milwaukee, Wis	1,483,289
17.	Fourth Federal Savings and Loan Association, New York, N. Y	1,408,770
18.	Railroadmen's Federal Savings and Loan Association, Indianapolis, Ind	1,378,915
19.	Talman Federal Savings and Loan Association, Chicago, Ill	1,326,762
20.	Perpetual Building Association, Washington, D. C	1,276,550
21.	Gem City Building and Loan Association, Dayton, Ohio	1,237,550
22.	First Federal Savings and Loan Association, Miami, Fla	1,182,537
23.	Dime Savings Institution, Newark, N. J	1,116,255
24.	First Federal Savings and Loan Association, Youngstown, Ohio	1,064,843
25.	Home Savings and Loan Company, Youngstown, Ohio	1,035,661

***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.
Liberty Savings and Loan Association, Chicago, Ill.
***Libertyville Federal Savings and Loan Association, Libertyville, Ill.
*Lombard Building and Loan Association of Du Page County, Lombard, Ill.
*Merchants and Mechanics Building and Loan Association, Springfield, Ill.
*Midwest Savings and Loan Association, Chicago, Ill.
***Naperville Building and Loan Association, Naperville, Ill.
Naprstek Savings and Loan Association, Chicago, Ill.
Narodni Savings and Loan Association, Chicago, Ill.
National Savings and Loan Association, Milwaukee, Wis.
*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 Shore Building and Loan Association, North Chicago, Ill.
*Northwestern Savings and Loan Association, Chicago, Ill.
Ogden Federal Savings and Loan Association, Berwyn, 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.
Republic Savings and Loan Association, Chicago, Ill.
******Richland Center Federal Savings and Loan Association, Richland Center, Wis.
Ripon Federal Savings and Loan Association, Ripon, Wis.
Security Federal Savings and Loan Association, Chicago, Ill.
***Springfield Building and Loan Association, Springfield, Ill.
*****St. Anthony Savings and Loan Association, Cicero, Ill.
****Sturgeon Bay Building and Loan Association, Sturgeon Bay, Wis.
Union Federal Savings and Loan Association, Kewanee, Ill.
**Universal Savings and Loan Association, Chicago, 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.

NO. 8—DES MOINES

*Burlington Federal Savings and Loan Association, Burlington, Iowa
First Federal Savings and Loan Association, Fargo, N. Dak.
*****First Federal Savings and Loan Association, Jamestown, N. Dak.
First Federal Savings and Loan Association, Rock Rapids, Iowa
*First Federal Savings and Loan Association, Sioux City, Iowa
Home Building and Loan Association, Marion, Iowa
*Independence Savings and Loan Association, Independence, Mo.
*Insurance Plan Savings and Loan Association, Mount Pleasant, Iowa
Lake City Federal Savings and Loan Association, Lake City, Minn.
**Owatonna Federal Savings and Loan Association, Owatonna, Minn.
**Perry Federal Savings and Loan Association, Perry, Iowa
Provident Building and Loan Association, St. Joseph, Mo.
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.
****Atlanta Federal Savings and Loan Association, Atlanta, Tex.
****Batesville Federal Savings and Loan Association, Batesville, Ark.
Bell County Federal Savings and Loan Association, Belton, Tex.
*****Clay County Federal Savings and Loan Association, West Point, Miss.
*Colorado Federal Savings and Loan Association, Colorado, Tex.
Conroe Federal Savings and Loan Association, Conroe, Tex.
*Delta Federal Savings and Loan Association, Greenville, Miss.
*****_Deming Federal Savings and Loan Association, Deming, N. Mex._
***********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, Corinth, Miss.
****First Federal Savings and Loan Association, Corpus Christi, Tex.
*First Federal Savings and Loan Association, Dallas, Tex.
First Federal Savings and Loan Association, El Paso, Tex.
*First Federal Savings and Loan Association, Helena, Ark.
First Federal Savings and Loan Association, Las Vegas, N. Mex.
***First Federal Savings and Loan Association, Lubbock, Tex.
*First Federal Savings and Loan Association, McComb, Miss.
First Federal Savings and Loan Association, Monroe, La.
First Federal Savings and Loan Association, Starkville, Miss.
*First Federal Savings and Loan Association, Waco, Tex.
***Gladewater Federal Savings and Loan Association, Gladewater, Tex.
***Greater New Orleans Homestead Association, New Orleans, La.
Hammond Building and Loan Association, Hammond, La.
*Home Building and Loan Association, Plainview, Tex.
Lufkin Federal Savings and Loan Association, Lufkin, Tex.
****Marianna Federal Savings and Loan Association, Marianna, Ark.
Mineral Wells Building and Loan Association, Mineral Wells, Tex.
****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.
Navasota Federal Savings and Loan Association, Navasota, Tex.
Oak Homestead Association, New Orleans, La.
Orange Federal Savings and Loan Association, Orange, Tex.
Panola County Federal Savings and Loan Association, Batesville, Miss.
Piggott Federal Savings and Loan Association, Piggott, Ark.
Pioneer Building and Loan Association, Waco, Tex.
**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.
Roswell Building and Loan Association, Roswell, N. Mex.
Ruston Building and Loan Association, Ruston, La.
San Angelo Federal Savings and Loan Association, San Angelo, Tex.
San Antonio Building and Loan Association, San Antonio, Tex.
**Slidell Savings and Homestead Association, Slidell, La.
St. Tammany Homestead Association, Covington, La.
Tucumcari Federal Savings and Loan Associations, Tucumcari, N. Mex.

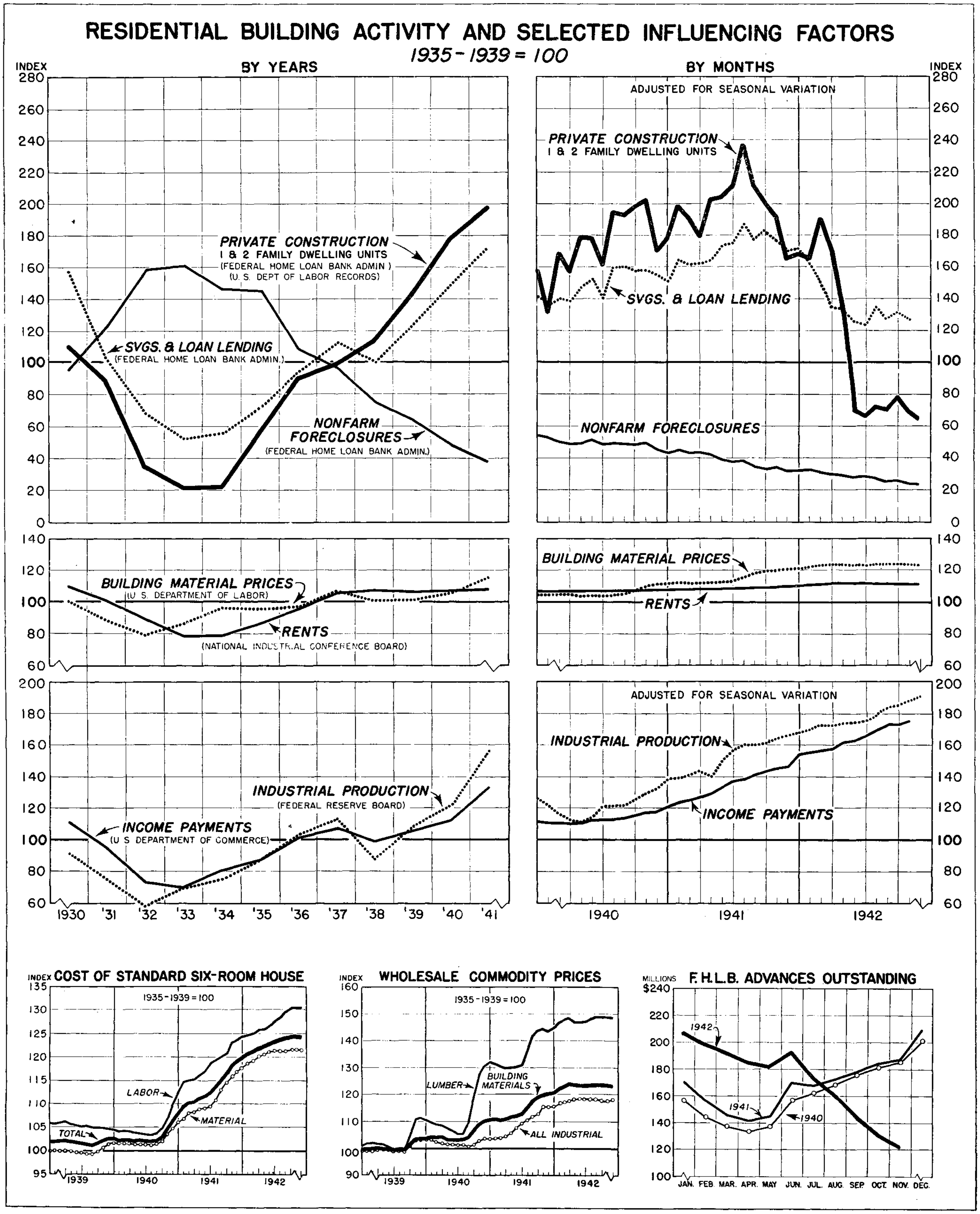
NO. 10—TOPEKA

American Building and Loan Association, Oklahoma City, Okla.
Citizens Federal Savings and Loan Association, Wichita, Kans.
*Erie Building and Loan Association, Erie, Kans.
First Federal Savings and Loan Association, Beloit, Kans.
First Federal Savings and Loan Association, Englewood, Colo.
**************First Federal Savings and Loan Association, Lamar, Colo.
*First Federal Savings and Loan Association, Liberal, Kans.
*First Federal Savings and Loan Association, Shawnee, Okla.
*********First Federal Savings and Loan Association of Sumner County, Wellington, Kans.
**First Federal Savings and Loan Association, Wakeeney, Kans.
Hays Building and Loan Association, Hays, Kans.
Home Federal Savings and Loan Association, Ada, Okla.
**Home Federal Savings and Loan Association, Grand Island, Nebr.
*Home Federal Savings and Loan Association, Tulsa, Okla.
********Horton Building, Loan and Savings Association, Horton, Kans.
Monte Vista Building Association, Monte Vista, Colo.
****************Osage Federal Savings and Loan Association, Pawhuska, Okla.
*Peoples Federal Savings and Loan Association, Tulsa, Okla.
*Routt County Federal Savings and Loan Association, Oak Creek, Colo.
**********Schuyler Federal Savings and Loan Association, Schuyler, Nebr.

NO. 11—PORTLAND

***Auburn Federal Savings and Loan Association, Auburn, Wash.
*Cheyenne Federal Savings and Loan Association, Cheyenne, Wyo.
Commercial Savings and Loan Association, Kelso, Wash.
Deer Lodge Federal Savings and Loan Association, 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, Oreg.
*First Federal Savings and Loan Association, Lewiston, Idaho
First Federal Savings and Loan Association, McMinnville, Oreg.
****First Federal Savings and Loan Association, Mt. Vernon, Wash.
*First Federal Savings and Loan Association, Pendleton, Oreg.
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, Oreg.
Liberty Savings and Loan Association, Yakima, Wash.
**Mason County Savings and Loan Association, Shelton, Wash.
Mutual Federal Savings and Loan Association, Salem, Oreg.
**Polk County Federal Savings and Loan Association, Dallas, Oreg.

(Continued on p. 121)



RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
1935-1939 = 100
BY YEARS
BY MONTHS
INDEX
ADJUSTED FOR SEASONAL VARIATION
PRIVATE CONSTRUCTION
1 & 2 FAMILY DWELLING UNITS
(FEDERAL HOME LOAN BANK ADMIN.)
(U. S. DEPT OF LABOR RECORDS)
SVGS. & LOAN LENDING
(FEDERAL HOME LOAN BANK ADMIN.)
NONFARM FORECLOSURES
(FEDERAL HOME LOAN BANK ADMIN.)
BUILDING MATERIAL PRICES
(U. S. DEPARTMENT OF LABOR)
RENTS
(NATIONAL INDUSTRIAL CONFERENCE BOARD)
INDUSTRIAL PRODUCTION
(FEDERAL RESERVE BOARD)
INCOME PAYMENTS
(U. S. DEPARTMENT OF COMMERCE)
1930 '31 '32 '33 '34 '35 '36 '37 '38 '39 '40 '41
1940 1941 1942
COST OF STANDARD SIX-ROOM HOUSE
1935-1939 = 100
LABOR
MATERIAL
TOTAL
WHOLESALE COMMODITY PRICES
LUMBER
BUILDING MATERIALS
ALL INDUSTRIAL
1939 1940 1941 1942
F. H. L. B. ADVANCES OUTSTANDING
MILLIONS
1942
1941
1940
JAN. FEB. MAR. APR. MAY JUN. JUL. AUG. SEP. OCT. NOV. DEC.

« « « **MONTHLY SURVEY** » » »

HIGHLIGHTS

I. Seasonal influences, construction decreases, and OPA regulations affecting the sale of tenant-occupied properties combined to bring about a significant reduction in the volume of home-financing activity during November.

A. Mortgage recordings of $20,000 or less declined 22 percent to $278,000,000. This is the lowest level of recording activity since February 1940. All types of mortgagees showed smaller volumes during the month.

B. Mortgage-lending activity of all savings and loan associations was 19 percent less than in October. Loans for the purchase of existing homes were 22 percent less than during the preceding monthly period—their first major decline of the year.

II. Total residential-construction activity in all urban areas reached a new low point in its current decline, with only 13,601 permits issued during November. Permits for publicly financed dwelling units were 37 percent less than in October; privately financed 1- and 2-family-home permits dropped 21 percent.

III. The curve of building costs, as measured by the standard-house index turned downward for the first time in more than 2 years. Material charges declined while labor costs remained unchanged. The Department of Labor index of wholesale building-material prices also dropped fractionally during November.

IV. During October, private share capital for the first time exceeded total mortgage holdings of all insured savings and loan associations. The November gain in private investments in insured associations widened this spread between repurchasable share capital and mortgage holdings to more than $37,000,000.

A. The combined mortgage balance of insured institutions increased by only $123,000,000 during the first 11 months of 1942. This is less than one-third of the net growth during the corresponding period of 1941.

B. Only the addition of mortgage portfolios of newly insured associations prevented an actual decline in the total mortgage holdings of all insured associations from October to November.

SUMMARY

Barometers for measuring the pressure of the all-out war economy upon the home-financing field again registered reductions during November, after a period of relative calm. Declines in home construction and lending activity were of such proportions that they appeared to be the forerunners of a new phase in the housing picture.

As early as the Summer of 1941, a pinch was felt in the amount of certain materials available for building homes. This scarcity, and the resulting priority-allocation measures taken by the Government, caused the private home-construction curve on the opposite page to tilt sharply downward through November of that year. After a brief respite last Winter, while existing inventories were being consumed, the building-materials supply situation became increasingly acute so that the WPB issued its first "Stop Construction" order which prohibited all nonessential building activity.

Results of this order were evident in the second down-sweep of the construction curve in the Spring of 1942. Then after 5 quiet months, the second WPB order was issued. This October order, as well as OPA restrictions on sales of tenant-occupied homes, contributed to 2 successive monthly declines in new mortgage-lending activity of savings and loan associations. Since all classes of lenders participated in the greater-than-normal reduction in mortgage-recording volume noted in November, it appeared that these factors were exerting a depressing effect throughout the home-financing field and that further contractions might be expected.

The low level of lending reported during the Summer and Autumn of 1942 has caused the mortgage portfolios of savings and loan associations to remain fairly static. Principal repayments, stimulated by higher incomes, have now reached the point of actually offsetting new loan business. In the case of insured savings and loan associations, for which comprehensive information is available, private share

[1935-1939=100]

Type of index	Nov. 1942	Oct. 1942	Percent change	Nov. 1941	Percent change
Home construction (private) [1]	64.8	68.6	−5.5	163.2	−60.3
Foreclosures (nonfarm) [1]	23.6	r 24.4	−3.3	31.9	−26.0
Rental index (NICB)	111.3	111.3	0.0	109.7	+1.5
Building material prices	122.9	123.3	−0.3	120.0	+2.4
Savings and loan lending [1]	120.4	r 126.5	−4.8	170.4	+29.3
Industrial production [1]	p 191.0	r 189.0	+1.1	166.0	+15.1
Manufacturing employment [1]	p 156.7	152.7	+2.6	135.8	+15.4
Manufacturing pay rolls [1]	p 309.4	285.4	+8.4	188.7	+64.0
Income payments [1]	p 186.0	r 180.5	+3.0	146.3	+27.1

p Preliminary. r Revised.

[1] Adjusted for normal seasonal variation.

capital is continuing to be received in large volume. With normal investment outlets restricted, these associations have purchased substantial quantities of Government bonds. Additional funds have been used to repay FHLB advances in record volume and to continue the repurchase of Government share investments, while the amount of cash held by the associations has become still greater.

BUSINESS CONDITIONS—Employment and income reach record levels

Income payments continued their upward movement to new record levels, aggregating nearly $10,280,000,000 in October. This was the second successive month in which income payments exceeded the ten-billion-dollar mark. As a result, the seasonally adjusted index of the Department of Commerce rose from 172.8 in September to 175.5 in October (1935–1939=100). For the first 10 months of the year income payments to individuals amounted to just over $90,800,000,000 as against $74,622,000,000 for the same period of 1941.

The number of employees in non-agricultural establishments reached a total of 38,555,000 in the September 15–October 15 period, the highest figure recorded by the Department of Labor. Employment during the October reporting period was approximately 2,500,000 greater than during October 1941.

Maintenance of November industrial production at levels almost equivalent to October brought a rise in the seasonally adjusted production index of the Federal Reserve Board from 189 to 191 percent of the 1935 to 1939 average. The output of durable goods—munitions and industrial equipment for new plants—was largely responsible for this contra-seasonal increase in production. Nondurable manufactures declined seasonally.

Reaching the highest level in 16 years, the Bureau of Labor Statistics' index of nearly 900 wholesale prices rose fractionally to 100.5 on December 12. The index of farm products which has shown a steady increase in recent months was 21 percent higher in the middle of December than on the corresponding date of 1941. The index for all commodities other than foods and farm products increased only 2.6 percent from the middle of December 1941 to the same period in 1942.

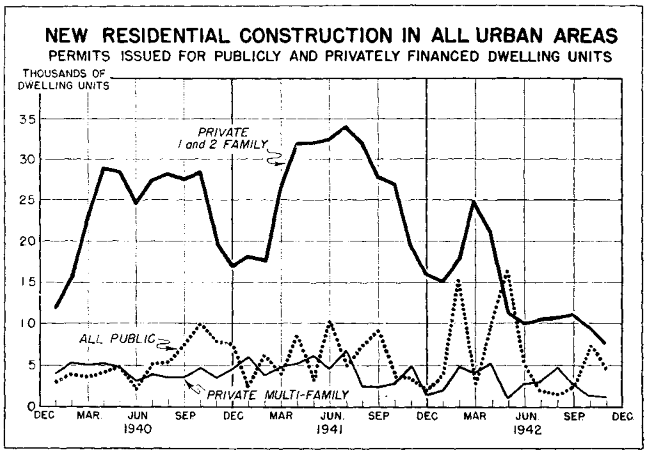
On November 17, the index for retail food costs had risen to a point 40 percent above the level prevailing at the outbreak of the War in Europe and was higher than at any time since January 1930.

War expenditures of the Federal Government in November totaled $6,112,000,000, or almost 7 percent higher than in October. During the first 11 months of the year, expenditures of the Government for war purposes were almost four times those for the same period of last year.

BUILDING ACTIVITY—Private construction activity hits new low

Seasonal contractions were noted during November for all types of residential construction. Units provided through new Government housing projects, which increased sharply in the previous month, were 37 percent fewer in November than in October. The 21-percent decline in the volume of privately financed 1- and 2-family houses compared unfavorably with the 16-percent reduction usually noted during November; and the seasonally adjusted index dropped 6 percent to 64.8 (average month 1935–1939=100).

During the first year of the War, with the limitations on the use of vital materials and labor, total residential construction declined approximately 40 percent. Government housing projects in urban areas during the January–November period of this year provided 68,000 dwelling units—more than during the 11 months preceding our entry into the War. Residential construction financed by private funds, on the other hand, provided 182,000 units, 48 percent less than in the corresponding period in 1941. [TABLES 1 and 2.]



BUILDING COSTS—First declines noted in more than 2 years

The cost of building a standard 6-room frame house dropped fractionally during the month of November. While this is the first decline noted since the Summer of 1940, a leveling off has been in evidence since March 1942. Dealers' prices for materials were responsible for the decline in total costs, while labor costs revealed no change during the month.

The total cost index now stands 24 percent above the average month of 1935–1939. Labor costs are 30 percent above the average month of the base period and dealers' prices for materials are nearly 22 percent higher.

An analysis of individual cities reveals that during the period from September to December, costs involved in the construction of the standard house were generally unchanged. Of the 26 cities reporting costs for the past quarter, 14 reported no change, 7 registered declines, and 5 indicated increases.

Wholesale building-material prices as reported by the U. S. Department of Labor also moved downward fractionally during the month of November, carrying the composite index (1935–1939=100) to 123, a decline of 0.3 percent from October. [TABLES 3, 4, and 5.]

Construction costs for the standard house

[Average month of 1935–1939=100]

Element of cost	November 1942	October 1942	Percent change	November 1941	Percent change
Material	121.5	121.6	−0.1	116.9	+3.9
Labor	130.2	130.2	0.0	123.9	+5.1
Total	124.4	124.5	−0.1	119.2	+4.4

MORTGAGE LENDING—Home purchase loans show significant drop

New mortgage-lending activity of savings and loan associations in November was 19 percent less than during the previous month, a decline greater than the seasonal 15-percent drop usually noted in the month. As a result, the seasonally adjusted index of mortgage lending dropped 5 percent and now stands at 120 percent of the 1935–1939 level.

Loans for the purchase of existing homes, which had been maintained during previous months of 1942 at levels approximating those for 1941, shared in the October-to-November curtailment. These loans, amounting to approximately $44,000,000, were 10 percent below the total for the previous year and about 22 percent less than during October.

Loans for the construction of new houses continued their decline. The volume for November was less than $10,000,000. This is the lowest monthly total for loans of this class since February 1936. [TABLES 6 and 7.]

New mortgage loans distributed by purpose

[Amounts are shown in thousands of dollars]

Purpose	Nov. 1942	Oct. 1942 r	Percent change	Nov. 1941	Percent change
Construction	$9,275	$10,572	−12.3	$30,103	−69.2
Home purchase	43,984	56,528	−22.2	48,816	−9.9
Refinancing	12,472	14,694	−15.1	13,340	−6.5
Reconditioning	3,007	3,498	−14.0	4,267	−29.5
Other purposes	5,241	6,380	−17.9	8,223	−36.3
Total	73,979	91,672	−19.3	104,749	−29.4

r Revised.

MORTGAGE RECORDINGS—November volume down sharply

After sustaining relatively small declines during the first 10 months of this year despite drastic curtailments in privately financed home construction, mortgage-financing activity fell off sharply during November to the lowest level since the short month of February 1940. In addition to seasonal influences and lowered home-construction activity, still another factor should be considered in analyzing the October-November decline: This was the first full month in which OPA regulations for the sale of tenant-occupied properties were in effect.

November recordings of nonfarm mortgages of $20,000 or less amounted to approximately $278,000,000—a drop of $79,000,000, or 22 percent, from the previous month and $99,000,000, or 26 percent, from November 1941. This sharp curtailment in mortgage financing was general throughout the coun-

Mortgage recordings by type of mortgagee

[Amounts are shown in thousands of dollars]

Type of lender	Percent change from Oct. 1942	Percent of Nov. 1942 amount	Cumulative recordings (11 months)	Percent of total recordings
Savings and loan associations	−21.5	29.1	$1,095,052	29.8
Insurance companies	−20.3	9.3	338,440	9.2
Banks, trust companies	−26.1	21.0	828,660	22.5
Mutual savings banks	−21.7	4.2	155,034	4.2
Individuals	−17.4	20.1	678,490	18.5
Others	−23.8	16.3	581,531	15.8
Total	−22.1	100.0	3,677,207	100.0

try. October-November declines by Federal Home Loan Bank Districts ranged from 17 to 32 percent, with greatest decreases shown in the Little Rock and Portland Districts. Among the several classes of mortgagees, declines ranged from 17 percent for individuals to 26 percent for banks and trust companies. [TABLES 8 and 9.]

FORECLOSURES—November shows decline from revised October figures

Reductions in the number of nonfarm real-estate foreclosures continued through November. The total of 3,112 cases estimated for that month represents a decrease of 1 percent from the previous month (on a revised basis)—a favorable movement when compared with the customary October-to-November increase of 2 percent. As a result, the seasonally adjusted foreclosure index declined 3 percent and now stands at another new low of 23.6 (average month of 1935–1939=100).

November foreclosures were down 26 percent from the same month of 1941. Each Federal Home Loan Bank District and all but seven States shared in this improvement. In the first 11 months of the past year 39,327 nonfarm real-estate foreclosure actions were recorded—27 percent below the same period in the previous year. [TABLE 10.]

BANK SYSTEM—Further reduction in Bank advances

The rate of decline in the balance of advances outstanding was somewhat slower in November, but the balance had dropped to $121,886,000—the lowest figure since June 1936 and $65,000,000 below the corresponding month in 1941. During November the decrease amounted to approximately $9,500,000 compared with a drop of $13,375,000 during the month of October.

Advances made ($4,011,000) reflected the usual November downward trend, decreasing $1,679,000 from the previous month. This was the lowest total of monthly advances since February 1941. Only the Pittsburgh and Chicago Banks made greater advances in November than in October. Two Bank Districts—Little Rock and Portland—reported no new advances made during November. This is the first time since May 1934, and only the second month since operations began, that any Bank has failed to make some monthly advances.

Total repayments received by all of the 12 Federal Home Loan Banks were $5,500,000 below October receipts but were almost twice as high as those of November 1941. The Cincinnati and Des Moines Banks reported greater repayments in November than during the preceding month. All Bank Districts showed an excess of current repayments over advances.

Despite the general decrease in lending activity, however, total assets of all 12 Banks were higher on November 30, 1942 than at the end of October of this year or November 1941.

At the end of November 1942 there were 3,802 member institutions in the Bank System with assets of $5,710,902,000. [TABLE 12.]

INSURED ASSOCIATIONS—Repayments almost balance new loans

The restricted lending operations of savings and loan associations in the past year have resulted in a gradual slackening in the rate of growth of the mortgage portfolios of all insured institutions. By November, repayments were slightly larger than new mortgage lending. Only the addition of the loan portfolios of new institutions prevented an actual decline in the total mortgage holdings of all insured associations.

During the first 11 months of 1942 only $123,000,000, or less than one-third of the $395,000,000 net growth during the corresponding period of 1941, was added to the combined mortgage balance of insured associations. November operations brought the total of mortgages outstanding to $2,875,000,000.

Private repurchasable capital invested in insured savings and loan associations increased $39,000,000 during the month, the largest monthly gain of the year. Total share capital of all insured associations amounted to $2,913,000,000 at the end of the period.

During the year 1942, there was a consistent tendency for share investments of individuals in insured associations to increase more rapidly than new mortgage loans made by the institutions. In October the total private share capital exceeded the balance of mortgage-loans outstanding for the first time. November activity, with its new high level of investments and lower volume of new lending, widened this spread between investments and mortgage holdings to nearly $38,000,000.

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

Assets of the 1,468 associations operating under Federal charters on November 30, 1942, stood at nearly $2,260,000,000 after expanding $24,000,000 during the month. As in the case of State-chartered

Progress in number and assets of Federals.

[Amounts are shown in thousands of dollars]

Class of association	Number		Approximate assets	
	Nov. 30, 1942	Oct. 31, 1942	Nov. 30, 1942	Oct. 31, 1942
New	642	642	$717, 502	$709, 685
Converted	826	824	1, 542, 168	1, 526, 041
Total	1, 468	1, 466	2, 259, 670	2, 235, 726

insured institutions, the continued growth in resources is attributable to increases in private capital rather than mortgages held. As was pointed out in the December REVIEW, insured associations are investing a large share of surplus funds in U. S. Government obligations, and Federal associations are participating actively in this war financing. [TABLE 15.]

Directory of Member, Federal, and Insured Institutions

Added during November–December

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

DISTRICT NO. 1

VERMONT:
Randolph:
Randolph Co-Operative Savings and Loan Association, Main Street.

DISTRICT NO. 2

NEW JERSEY:
Bloomfield:
The Bloomfield Savings Institution, 11 Broad Street.
NEW YORK:
Buffalo:
Schiller Park Savings and Loan Association, 2133 Genesee Street.

DISTRICT NO. 7

ILLINOIS:
Geneva:
Geneva Building and Loan Association, 12 South Third Street.

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

CALIFORNIA:
San Francisco:
Provident Mutual Loan Association, 160 Sutter Street between Kearny and Montgomery Streets (liquidation).
KENTUCKY:
Bellevue: (Newport)
The Union Building Association, 217 Fairfield Avenue (liquidation).
Newport:
Newport Building and Loan Association #1, Tenth and Anna Streets (liquidation).
The Progressive Loan and Building Association, Tenth and Monmouth Streets (liquidation).
NEVADA:
Las Vegas:
Mutual Building and Loan Association of Las Vegas, 115 South Second Street (liquidation).
NEW JERSEY:
Harrison:
Consolidated Building and Loan Association of the Town of Harrison, New Jersey, 313 Harrison Avenue (segregation and consolidation with Monarch Savings and Loan Association, Kearny).

NEW JERSEY—Continued.
Newark:
North Newark Building and Loan Association of Newark, New Jersey, 46 West Market Street (sale of assets to Plymouth Savings and Loan Association, Newark).
Superb Building and Loan Association, 60 Branford Street (liquidation).
WISCONSIN:
Beloit:
Beloit Savings Bank, Box 512.

II. FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTERED BETWEEN NOVEMBER 16 AND DECEMBER 15, 1942

DISTRICT NO. 2

NEW YORK:
Buffalo:
Schiller Park Federal Savings and Loan Association of Buffalo, 2133 Genesee Street.

CANCELLATION OF FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTER BETWEEN NOVEMBER 16 AND DECEMBER 15, 1942

PENNSYLVANIA:
Philadelphia:
Locomotive Engineers Federal Savings and Loan Association, 532 Real Estate Trust Building (merger with North Philadelphia Federal Savings and Loan Association, Philadelphia).

III. INSTITUTIONS INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION BETWEEN NOVEMBER 16 AND DECEMBER 15, 1942

DISTRICT NO. 2

NEW JERSEY:
Kearny:
Monarch Savings and Loan Association, 255 Kearny Avenue.

DISTRICT NO. 4

NORTH CAROLINA:
Durham:
Home Building and Loan Association, 108 North Corcoran Street.
Security Building and Loan Association, 214 West Main Street.
SOUTH CAROLINA:
Greenwood:
Greenwood Building and Loan Association, 110 West Court Street.

DISTRICT NO. 12

CALIFORNIA:
Anaheim:
The Savings, Loan and Building Association of Anaheim, 211 East Center Street.
Oakland:
Golden West Building and Loan Company, 1632 Franklin Street.
Santa Barbara:
Santa Barbara Mutual Building and Loan Association, 1035 State Street.

Honor Roll of War Bond Sales

(Continued from p. 115)

Port Angeles Savings and Loan Association, Port Angeles, Wash.
*Prudential Savings and Loan Association, Seattle, Wash.
Rawlins Federal Savings and Loan Association, Rawlins, Wyo.
Thurston County Federal Savings and Loan Association, Olympia, Wash.
*****Umpqua Savings and Loan Association, Roseburg, Oreg.
Walla Walla Federal Savings and Loan Association, Walla Walla, Wash.
Washington Federal Savings and Loan Association, Bothell, 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.
****First Federal Savings and Loan Association, Huntington Park, Calif.
First Federal Savings and Loan Association, Santa Monica, Calif.
Hollywood Building and Loan Association, Hollywood, Calif.
*Home Federal Savings and Loan Association, San Diego, Calif.
Liberty Building-Loan Association, Los Angeles, Calif.
Santa Maria Guarantee Building-Loan Association, Santa Maria, Calif.

Table 1.—BUILDING ACTIVITY—Estimated number and valuation of new family dwelling units provided in all urban areas in November 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: Number of family dwelling units		All residential dwellings: Permit valuation		All private 1- and 2-family dwellings: Number of family dwelling units		All private 1- and 2-family dwellings: Permit valuation	
	Nov. 1942	Nov. 1941	Nov. 1942	Nov. 1941	Nov. 1942	Nov. 1941	Nov. 1942	Nov. 1941
UNITED STATES	13,601	27,868	$42,594	$99,587	7,621	19,208	$25,868	$72,002
No. 1—Boston	1,181	1,141	3,969	4,900	393	1,124	1,528	4,829
Connecticut	434	450	1,694	1,972	234	441	952	1,937
Maine	607	53	1,786	184	27	45	107	149
Massachusetts	131	460	466	1,997	123	460	446	1,997
New Hampshire	....	44	....	178	....	44	....	178
Rhode Island	4	112	11	466	4	112	11	465
Vermont	5	22	12	103	5	22	12	103
No. 2—New York	1,460	2,089	4,846	8,798	660	1,592	2,167	6,885
New Jersey	608	824	1,850	3,581	380	684	1,151	3,071
New York	852	1,265	2,996	5,217	280	908	1,016	3,814
No. 3—Pittsburgh	720	1,334	3,055	5,792	486	1,065	1,998	4,734
Delaware	....	10	....	48	....	10	....	48
Pennsylvania	710	1,156	3,030	5,172	476	899	1,973	4,140
West Virginia	10	168	25	572	10	156	25	546
No. 4—Winston-Salem	3,208	3,777	7,926	11,690	968	2,470	2,672	8,198
Alabama	137	319	255	598	137	312	255	586
District of Columbia	400	357	1,070	1,136	6	149	8	731
Florida	97	919	225	3,075	93	542	212	2,045
Georgia	1,172	324	2,926	647	172	300	531	637
Maryland	158	251	461	858	146	247	434	846
North Carolina	912	378	2,094	954	162	364	501	931
South Carolina	12	182	13	798	12	178	13	796
Virginia	320	1,047	882	3,624	240	378	718	1,626
No. 5—Cincinnati	563	1,845	2,320	7,510	531	1,566	2,237	6,565
Kentucky	4	156	7	384	4	134	7	332
Ohio	548	1,437	2,301	6,471	516	1,194	2,218	5,586
Tennessee	11	252	12	655	11	238	12	647
No. 6—Indianapolis	1,866	1,742	6,796	7,204	1,506	1,438	6,188	6,062
Indiana	671	852	1,567	3,224	311	552	959	2,097
Michigan	1,195	890	5,229	3,980	1,195	886	5,229	3,965
No. 7—Chicago	786	2,076	2,886	9,686	528	1,274	2,028	6,431
Illinois	626	1,689	2,299	8,018	368	897	1,441	4,779
Wisconsin	160	387	587	1,668	160	377	587	1,652
No. 8—Des Moines	242	1,001	620	3,999	149	944	447	3,893
Iowa	60	276	192	1,141	60	269	192	1,121
Minnesota	34	385	110	1,703	34	385	110	1,703
Missouri	94	280	249	963	46	233	129	884
North Dakota	....	18	....	55	....	18	....	55
South Dakota	54	42	69	137	9	39	16	130
No. 9—Little Rock	1,193	2,543	2,833	6,689	933	2,383	2,013	6,162
Arkansas	80	192	207	446	80	192	207	446
Louisiana	248	307	792	877	100	307	342	877
Mississippi	47	301	22	693	47	186	22	271
New Mexico	9	110	14	306	9	110	14	306
Texas	809	1,633	1,798	4,367	697	1,588	1,428	4,262
No. 10—Topeka	191	979	431	2,880	187	875	423	2,614
Colorado	5	277	10	841	5	190	10	605
Kansas	29	173	84	424	25	167	76	412
Nebraska	51	143	124	488	51	143	124	488
Oklahoma	106	386	213	1,127	106	375	213	1,109
No. 11—Portland	306	1,620	1,033	5,671	302	874	1,020	3,034
Idaho	....	48	....	134	....	48	....	134
Montana	2	46	2	146	2	42	2	140
Oregon	51	181	197	591	47	155	184	534
Utah	96	111	284	366	96	105	284	356
Washington	157	1,181	550	4,216	157	476	550	1,667
Wyoming	....	53	....	218	....	48	....	203
No. 12—Los Angeles	1,885	7,721	5,879	24,768	978	3,603	3,147	12,595
Arizona	33	73	70	256	1	65	1	239
California	1,769	7,561	5,534	24,254	894	2,871	2,871	12,130
Nevada	83	87	275	258	83	275	275	226

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.-Nov. totals		Monthly totals			Jan.-Nov. totals	
	Nov. 1942	Oct. 1942	Nov. 1941	1942	1941	Nov. 1942	Oct. 1942	Nov. 1941	1942	1941
Private construction	9,046	11,181	24,337	181,875	352,367	$29,124	$36,224	$87,369	$595,593	$1,317,948
1-family dwellings	6,745	8,527	17,910	132,771	280,510	23,543	28,958	68,541	458,665	1,119,303
2-family dwellings [1]	876	1,133	1,298	15,055	21,583	2,325	3,367	3,461	41,886	55,884
3-and more-family dwellings [2]	1,425	1,521	5,129	34,049	50,274	3,256	3,899	15,367	95,042	142,761
Public construction	4,555	7,271	3,531	68,345	67,877	13,470	26,401	12,218	227,851	229,170
Total urban construction	13,601	18,452	27,868	250,220	420,244	42,594	62,625	99,587	823,444	1,547,118

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

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

[Average month of 1935-1939=100]

NOTE:—These figures are subject to correction

Federal Home Loan Bank District and city	1942				1941	1940	1939	1938	1937	1936
	Dec.	Sept.	June	Mar.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.
No. 1—Boston:										
Hartford, Conn	129.9	129.9	130.0	128.3	123.4	106.3	101.1	100.7	104.1	99.1
New Haven, Conn	131.1	131.1	130.9	129.0	127.0	108.4	102.6	99.5	103.3	99.5
Portland, Me	103.6	103.6	103.2	103.1	103.3	99.2	98.6	98.9	107.4	98.8
Boston, Mass	120.1	120.1	123.0	120.2	118.0	107.0	103.1	102.4	105.9	95.1
Manchester, N. H	109.2	109.2	108.9	108.9	108.6	104.6	97.9	101.1	101.9	101.1
Providence, R. I	118.9	118.9	120.1	118.3	116.2	108.0	104.2	102.2	104.0	97.7
Rutland, Vt	124.4	124.4	121.7	120.2	115.8	99.1	96.0	99.6	106.5	97.6
No. 4—Winston-Salem:										
Birmingham, Ala	127.7	128.7	128.7	128.7	127.9	109.5	93.4	102.0	109.2	
Washington, D. C	125.9	125.9	125.9	121.6	116.4	116.7	104.4	106.5	109.5	98.8
Tampa, Fla		119.4	114.0	113.8	112.8	109.2	103.4	99.9	101.0	98.5
Atlanta, Ga	122.7	122.5	122.3	122.7	122.6	108.7	97.5	99.1	104.3	101.5
Baltimore, Md	131.9	132.6	131.9	130.6	130.1	117.2	99.6	96.9	101.9	104.7
Cumberland, Md	122.1	122.1	120.5	114.1	114.2	105.9	99.5	98.9	102.5	99.8
Asheville, N. C	119.7	120.1	120.1	118.8	118.8	106.4	102.3	101.5	108.2	98.8
Raleigh, N. C	125.3	125.5	125.3	125.3	118.0	102.8	99.3	101.1	105.8	100.6
Columbia, S. C	132.1	132.2	132.2	131.9	128.3	114.7	98.3	102.8	102.3	101.1
Richmond, Va	118.6	118.6	119.5	117.9	118.0	107.6	98.4	100.9	106.7	98.9
Roanoke, Va	125.2	125.0	130.4	128.1	125.1	116.1	105.5	103.5	103.7	97.7
No. 7—Chicago:										
Chicago, Ill	118.2	118.2	116.7	116.7	115.6	101.4	99.8	100.5	106.2	100.5
Peoria, Ill	119.7	119.8	119.8	119.8	119.4	110.9	107.1	99.8	103.9	97.7
Springfield, Ill	134.2	134.2	135.5	135.5	136.5	128.4	122.5	118.0		115.5
Milwaukee, Wis	146.2	145.2	139.8	139.8	133.9	118.6	107.9	102.4	106.9	98.7
Oshkosh, Wis	133.6	133.6	125.2	125.1	122.2	108.6	100.7	102.3	104.5	100.3
No. 10—Topeka:										
Denver, Colo	111.5	111.8	110.5	110.1	108.5	100.6	98.9	102.2	105.3	97.2
Wichita, Kans	122.2	117.8	117.1	116.2	114.3	102.5	103.9	106.9	101.8	94.9
Omaha, Neb	122.4	121.1	112.1	111.0	109.1	103.6	105.5	99.2	103.7	98.8
Oklahoma City, Okla	178.7	178.7	174.9	169.3	169.3	139.2	130.7	128.0	127.4	119.5

[1] The house on which costs are reported is a detached 6-room home of 24,000 cubic volume. Living room, dining room, kitchen, and lavatory on first floor; three bedrooms and bath on second floor. Exterior is wide-board siding with brick and stucco as features of design. Best quality materials and workmanship are used throughout.

The house is *not* completed ready for occupancy. It includes all fundamental structural elements, an attached 1-car garage, an unfinished cellar, an unfinished attic, a fireplace, essential heating, plumbing, and electric wiring equipment, and complete insulation. It does *not* include wall-paper nor other wall nor ceiling finish on interior plastered surface, lighting fixtures, refrigerators, water heaters, ranges, screens, weather stripping, nor window shades.

Reported costs include, in addition to material and labor costs, compensation insurance, and allowance for contractor's overhead and transportation of materials plus 10 percent for builder's profit.

Reported costs do *not* include the cost of land nor of surveying the land, the cost of planting the lot, nor of providing walks and driveways; they do *not* include architect's fee, cost of building permit, financing charges, nor sales costs.

In figuring costs, current prices on the same building materials list are obtained every three months from the same dealers, and current wage rates are obtained from the same reputable contractors and operative builders.

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

[Average month of 1935-1939=100]

Element of cost	Nov. 1942	Oct. 1942	Sept. 1942	Aug. 1942	July 1942	June 1942	May 1942	Apr. 1942	Mar. 1942	Feb. 1942	Jan. 1942	Dec. 1941	Nov. 1941
Material	121.5	121.6	121.5	121.2	121.2	121.3	121.0	120.5	120.0	119.3	118.6	117.7	116.9
Labor	130.2	130.2	130.2	129.4	128.5	127.8	126.4	125.9	126.0	125.0	124.5	124.2	123.9
Total cost	124.4	124.5	124.4	124.0	123.7	123.5	122.8	122.3	122.0	121.2	120.6	119.9	119.2

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 November	110.4	99.3	99.7	130.8	105.4	105.8	103.5	101.9
1941: 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
July	123.2	107.9	103.4	148.0	123.8	123.6	103.5	112.3
August	123.2	108.6	103.4	148.1	123.1	123.6	103.5	112.3
September	123.3	108.6	103.4	148.3	123.4	123.6	103.5	112.3
October	123.3	108.6	103.4	148.4	124.2	123.6	103.5	111.7
November	122.9	108.5	103.4	148.2	123.8	122.4	103.5	111.3
Percent change:								
Nov. 1942-Oct. 1942	−0.3	−0.1	0.0	−0.1	−0.3	−1.0	0.0	−0.4
Nov. 1942-Nov. 1941	+2.4	+2.1	+1.2	+3.4	+5.6	+6.0	0.0	−0.3

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
January-November	368,600	394,686	183,573	59,335	104,832	1,111,026	471,998	446,770	192,258
November	32,584	33,875	14,441	4,869	8,798	94,567	38,896	40,143	15,528
1941	437,065	580,503	190,573	61,328	109,215	1,378,684	584,220	583,804	210,660
January-November	406,775	537,358	176,149	57,158	101,036	1,278,476	543,038	539,844	195,594
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									
January-November	181,966	532,292	153,048	39,496	73,071	979,873	385,447	443,329	151,097
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
July	17,709	52,190	16,097	3,671	6,130	95,797	37,007	43,665	15,125
August	12,568	55,301	14,019	4,126	6,549	92,563	36,620	41,549	14,394
September	12,449	58,060	14,063	3,804	5,679	94,055	37,987	42,249	13,819
October [r]	10,572	56,528	14,694	3,498	6,380	91,672	35,555	41,937	14,180
November	9,275	43,984	12,472	3,007	5,241	73,979	28,163	35,441	10,375

[r] Revised.

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: November 1942	New loans: October[r] 1942	New loans: November 1941	Cumulative new loans (11 months): 1942	Cumulative new loans (11 months): 1941	Percent change
United States	$73,979	$91,672	$104,749	$979,873	$1,278,476	−23.4
Federal	28,163	35,555	41,910	385,447	543,038	−29.0
State member	35,441	41,937	46,890	443,329	539,844	−17.9
Nonmember	10,375	14,180	15,949	151,097	195,594	−22.7
Boston	6,959	9,348	11,951	97,121	136,296	−28.7
Federal	1,933	2,823	3,419	29,291	46,341	−36.8
State member	3,962	4,827	6,619	52,329	69,729	−25.0
Nonmember	1,064	1,698	1,913	15,501	20,226	−23.4
New York	7,905	8,909	11,562	99,519	127,103	−21.7
Federal	1,974	2,271	3,534	23,735	37,700	−37.0
State member	3,728	3,922	3,775	38,307	39,680	−3.5
Nonmember	2,203	2,716	4,253	37,477	49,723	−24.6
Pittsburgh	7,414	8,980	9,075	90,350	102,902	−12.2
Federal	2,546	3,146	3,278	33,167	39,186	−15.4
State member	2,278	2,498	2,641	26,894	26,825	+0.3
Nonmember	2,590	3,336	3,156	30,289	36,891	−17.9
Winston-Salem	9,437	10,913	15,511	130,767	176,056	−25.7
Federal	3,674	4,438	7,276	55,569	85,538	−35.0
State member	4,664	5,120	6,880	60,716	74,915	−19.0
Nonmember	1,099	1,355	1,355	14,482	15,603	−7.2
Cincinnati	14,006	17,719	18,076	181,435	218,174	−16.8
Federal	4,625	6,114	6,514	66,760	81,148	−17.7
State member	7,824	9,421	9,724	95,661	109,511	−12.6
Nonmember	1,557	2,184	1,838	19,014	27,515	−30.9
Indianapolis	3,710	5,251	5,210	53,110	65,305	−18.7
Federal	1,938	2,678	2,483	26,651	32,877	−18.9
State member	1,563	2,337	2,419	23,723	29,810	−20.4
Nonmember	209	236	308	2,736	2,618	+4.5
Chicago	6,719	8,641	9,306	94,915	126,446	−24.9
Federal	2,610	3,274	3,440	34,661	48,884	−29.1
State member	3,510	4,285	4,593	46,345	60,732	−23.7
Nonmember	599	1,082	1,273	13,909	16,830	−17.4
Des Moines	3,109	4,538	5,359	47,586	69,644	−31.7
Federal	1,634	2,188	2,705	22,521	34,748	−35.2
State member	1,090	1,738	1,827	17,588	23,157	−24.0
Nonmember	385	612	827	7,477	11,739	−36.3
Little Rock	3,130	3,880	4,909	45,414	62,417	−27.2
Federal	1,078	1,508	2,075	17,046	26,352	−35.3
State member	2,007	2,312	2,776	27,530	34,650	−20.5
Nonmember	45	60	58	838	1,415	−40.8
Topeka	2,968	3,603	3,558	41,292	50,548	−18.3
Federal	1,666	2,022	1,889	22,770	27,838	−18.2
State member	921	1,024	1,017	11,913	12,320	−3.3
Nonmember	381	557	652	6,609	10,390	−36.4
Portland	2,302	3,054	3,338	30,651	45,468	−32.6
Federal	1,511	1,954	2,042	19,283	29,345	−34.3
State member	613	816	1,047	9,298	14,361	−35.3
Nonmember	178	284	249	2,070	1,762	+17.5
Los Angeles	6,320	6,836	6,894	67,713	98,117	−31.0
Federal	2,974	3,139	3,255	33,993	53,081	−36.0
State member	3,281	3,637	3,572	33,025	44,154	−25.2
Nonmember	65	60	67	695	882	−21.2

[r] Revised.

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

November, 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	$80,970	$25,950	$58,519	$11,596	$55,830	$45,456	$278,321
Boston	8,349	843	2,197	5,963	4,833	1,988	24,173
Connecticut	997	468	727	1,457	1,266	1,092	6,007
Maine	534	77	255	472	358	55	1,751
Massachusetts	5,961	265	780	3,275	2,622	650	13,553
New Hampshire	198	10	101	273	162	10	754
Rhode Island	547	19	277	332	333	177	1,685
Vermont	112	4	57	154	92	4	423
New York	6,624	1,140	6,092	3,821	8,580	5,593	31,850
New Jersey	3,246	477	3,344	413	3,283	2,980	13,743
New York	3,378	663	2,748	3,408	5,297	2,613	18,107
Pittsburgh	6,326	2,769	5,675	685	4,041	4,109	23,605
Delaware	193	638	249	79	211	50	1,420
Pennsylvania	5,361	1,735	4,270	595	3,280	3,895	19,136
West Virginia	772	396	1,156	11	550	164	3,049
Winston-Salem	10,107	4,269	3,711	110	6,355	4,649	29,201
Alabama	307	357	377	--------	965	426	2,432
District of Columbia	1,811	665	270	--------	830	723	4,299
Florida	405	404	327	--------	1,192	407	2,735
Georgia	1,072	636	800	--------	818	548	3,874
Maryland	3,421	289	554	110	917	1,266	6,557
North Carolina	1,263	222	227	--------	520	427	2,659
South Carolina	362	230	272	--------	359	261	1,484
Virginia	1,466	1,466	884	--------	754	591	5,161
Cincinnati	16,504	3,997	8,128	534	3,636	4,119	36,918
Kentucky	1,882	351	768	--------	207	118	3,326
Ohio	14,099	3,079	6,985	534	3,129	2,688	30,514
Tennessee	523	567	375	--------	300	1,313	3,078
Indianapolis	4,366	3,072	6,919	38	2,077	4,367	20,839
Indiana	2,840	939	2,736	38	791	1,124	8,468
Michigan	1,526	2,133	4,183	--------	1,286	3,243	12,371
Chicago	7,455	1,586	4,849	10	3,850	6,893	24,643
Illinois	5,785	1,200	3,285	--------	2,177	6,239	18,686
Wisconsin	1,670	386	1,564	10	1,673	654	5,957
Des Moines	4,727	1,972	3,347	65	3,243	2,572	15,926
Iowa	1,152	171	806	--------	448	259	2,836
Minnesota	1,686	902	616	65	1,073	220	4,562
Missouri	1,697	820	1,786	--------	1,595	2,074	7,972
North Dakota	158	79	59	--------	43	15	354
South Dakota	34	--------	80	--------	84	4	202
Little Rock	4,622	2,573	999	--------	3,483	2,495	14,172
Arkansas	283	207	116	--------	163	257	1,026
Louisiana	1,373	453	93	--------	552	400	2,871
Mississippi	212	101	177	--------	405	201	1,096
New Mexico	82	10	54	--------	177	13	336
Texas	2,672	1,802	559	--------	2,186	1,624	8,843
Topeka	3,767	842	1,731	--------	2,176	2,290	10,806
Colorado	556	38	191	--------	1,069	562	2,416
Kansas	957	138	724	--------	362	735	2,916
Nebraska	706	306	247	--------	234	132	1,625
Oklahoma	1,548	360	569	--------	511	861	3,849
Portland	2,585	685	1,981	370	1,528	2,566	9,715
Idaho	104	12	46	--------	157	61	380
Montana	93	42	62	--------	190	48	435
Oregon	622	276	231	22	617	665	2,433
Utah	323	90	510	--------	115	60	1,098
Washington	1,401	265	1,108	348	371	1,713	5,206
Wyoming	42	--------	24	--------	78	19	163
Los Angeles	5,538	2,202	12,890	--------	12,028	3,815	36,473
Arizona	172	13	131	--------	512	17	845
California	5,296	2,184	12,705	--------	11,306	3,791	35,282
Nevada	70	5	54	--------	210	7	346

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: 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
July	104, 712	29. 6	31, 898	9. 0	80, 736	22. 8	15, 669	4. 4	64, 808	18. 4	55, 688	15. 8	353, 511	100. 0
August	102, 628	30. 5	28, 299	8. 4	72, 480	21. 5	14, 793	4. 4	62, 824	18. 6	55, 826	16. 6	336, 850	100. 0
September	104, 155	30. 1	31, 448	9. 1	77, 530	22. 4	14, 812	4. 3	65, 423	18. 9	52, 596	15. 2	345, 964	100. 0
October	103, 170	28. 9	32, 577	9. 1	79, 224	22. 2	14, 817	4. 2	67, 623	18. 9	59, 672	16. 7	357, 083	100. 0
November	80, 970	29. 1	25, 950	9. 3	58, 519	21. 0	11, 596	4. 2	55, 830	20. 1	45, 456	16. 3	278, 321	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	5,000–10,999	20,000–59,999	60,000 and over
1941: Jan.-Nov.	54, 044	5, 944	8, 341	11, 633	28, 126
November	4. 204	448	705	890	2, 161
December	4, 337	524	659	1, 028	2, 126
1942: Jan-Nov.	39, 327	4, 280	6, 318	8, 803	19. 916
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
July	3, 558	333	565	727	1, 933
August	3, 072	401	499	707	1, 465
September	3, 360	303	527	818	1, 717
October	r 3, 151	r 470	524	683	r 1, 474
November	3, 112	364	486	718	1, 544

r Revised.

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: 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
July	919	62, 728	20, 621	4, 250, 702
August	1, 246	51, 813	25, 030	4, 328, 791
September	104	47, 573	31, 524	4, 407, 992
October	802	44, 470	38, 265	4, 491, 529
November	726	48, 964	40, 195	4, 581, 414

[1] Figures represent gross insurance written during the period and do not take account of principal repayments on previously insured loans.

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

[Thousands of dollars]

Federal Home Loan Bank	Lending operations November 1942		Principal assets November 30, 1942			Capital and principal liabilities November 30, 1942			Total assets November 1942
	Advances	Repayments	Advances outstanding	Cash	Government securities	Capital [1]	Debentures	Member deposits	
Boston	$500	$829	$10, 181	$4, 424	$10, 296	$18, 823	$4, 000	$2, 182	$25, 017
New York	754	1, 460	21, 813	4, 892	10, 101	26, 429	8, 500	1, 954	36, 924
Pittsburgh	517	868	11, 541	5, 875	8, 163	16, 010	9, 000	582	25, 674
Winston-Salem	9	2. 639	11, 868	16, 582	5, 874	17, 149	16, 500	682	34, 407
Cincinnati	50	803	9, 753	3, 173	17, 576	23, 356	2, 500	4, 781	30, 660
Indianapolis	138	464	9, 084	5, 245	10, 575	11, 886	9. 000	4, 082	25, 013
Chicago	989	1, 841	19, 541	13, 426	10, 392	21, 647	16, 000	5, 742	43, 471
Des Moines	198	1, 214	7, 671	6, 363	7, 017	11, 280	8, 500	1, 299	21, 118
Little Rock		774	3, 674	2, 649	7, 300	12, 188	1, 500	1	13, 693
Topeka	131	432	4, 757	2, 439	5, 920	10, 143	2, 000	1, 027	13, 176
Portland		450	1, 395	2, 349	7, 899	8, 164	3, 000	520	11, 692
Los Angeles	725	1, 729	10, 608	6, 061	6, 621	14, 781	7, 000	1, 575	23, 383
All Banks (November 1942)	4, 011	13, 503	121, 886	73, 478	107, 734	191, 856	87, 500	24, 427	304, 228
October 1942	5, 690	19, 065	131, 377	64, 528	106, 278	191, 377	87, 500	23, 719	303, 070
November 1941	9, 930	7, 157	187, 084	41, 422	62, 004	186, 622	75, 500	25, 217	291, 690

[1] 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
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
July	508,118	73,691	319,053	900,862
August	453,967	52,268	191,020	697,255
September	509,855	60,803	184,026	754,684
October	587,900	51,321	175,178	814,353
November	541,573	44,766	148,211	734,550

[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	$2,020,123	$10,589,838	$12,754,750
December	2,202,556	10,617,759	13,062,315
1941: June	2,433,513	10,606,224	13,107,022
November	2,552,037	-----	-----
December	2,597,525	10,489,679	13,261,402
1942: January	2,589,466	-----	-----
February	2,600,172	-----	-----
March	2,612,736	-----	-----
April	2,633,014	-----	-----
May	2,660,098	-----	-----
June	2,736,258	10,354,533	13,030,610
July	2,757,929	-----	-----
August	2,798,621	-----	-----
September	2,834,079	-----	-----
October	2,873,822	-----	-----
November	2,912,717	-----	-----

[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

[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										
1940: June	2,237	$2,709,184	$2,130,124	$2,020,123	$236,913	$124,133	$67,751	$43,626	$20,418	46.8
December	2,277	2,932,305	2,343,047	2,202,556	220,789	171,347	56,363	65,586	22,865	34.9
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
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	58,642	72,788	26,152	35.9
July	2,380	3,439,097	2,837,925	2,757,929	176,995	152,302	61,062	103,821	87,059	83.9
August	2,380	3,482,056	2,856,588	2,798,621	169,493	139,670	58,785	70,262	41,534	59.1
September	2,386	3,513,096	2,866,497	2,834,079	169,202	125,308	61,508	68,082	40,114	58.9
October	2,390	3,548,692	2,871,968	2,873,822	169,162	113,856	r 59,021	73,124	37,720	51.6
November	2,396	3,588,995	2,875,165	2,912,717	169,257	103,329	48,017	64,697	30,738	47.5
Federal										
1940: June	1,421	1,725,817	1,403,289	1,266,041	197,268	90,489	47,435	29,404	11,022	37.5
December	1,437	1,871,379	1,544,494	1,386,823	181,431	127,255	37,715	44,531	12,135	27.3
1941: June	1,452	2,028,138	1,687,087	1,553,712	169,247	103,696	57,542	40,030	14,530	36.3
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
July	1,465	2,182,337	1,852,972	1,748,584	143,324	113,347	37,007	69,919	58,508	83.7
August	1,464	2,198,357	1,856,269	1,767,665	136,779	103,180	36,620	45,724	26,707	58.4
September	1,466	2,214,101	1,861,062	1,788,000	136,518	92,943	37,987	44,589	24,745	55.5
October	1,466	2,235,726	1,862,593	1,814,156	137,108	83,095	r 35,555	47,222	22,019	46.6
November	1,468	2,259,670	1,862,796	1,839,506	137,208	75,865	28,163	42,076	18,174	43.2
State										
1940: June	816	983,367	726,835	754,082	39,645	33,644	20,316	14,222	9,396	66.1
December	840	1,060,926	798,553	815,733	39,358	44,092	18,648	21,055	10,730	51.0
1941: June	861	1,131,625	868,307	800,193	37,054	40,635	27,575	21,418	12,249	57.2
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
July	915	1,256,760	984,953	1,009,345	33,671	38,955	24,005	33,902	28,551	84.2
August	916	1,283,699	1,000,319	1,030,956	32,714	36,490	22,165	24,538	14,827	60.4
September	920	1,298,995	1,005,435	1,046,079	32,684	32,365	23,521	23,493	15,369	65.4
October	924	1,312,966	1,009,375	1,059,666	32,054	30,761	23,466	25,902	15,701	60.6
November	928	1,329,325	1,012,369	1,073,211	32,049	27,464	19,854	22,621	12,564	55.5

r Revised.

Federal Home Loan Bank Officers

(Continued from p. 112)

DISTRICT NO. 7—CHICAGO—Continued

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

Class A Director: Ben F. Bohac, Talman Federal Savings and Loan Association, Chicago, Illinois.

Class B Director: Rilen McConachie, First Federal Savings and Loan Association, Sparta, Illinois.

Class C Director: Edward J. Czekala, National Savings and Loan Association, Chicago, Illinois (reelected).

Director-at-Large: William E. Hodnett, Lincoln Savings and Loan Association, Lincoln, Illinois (reelected).

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

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

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

Class A Director: E. Paul Smith, St. Louis Federal Savings and Loan Association, St. Louis, Missouri.

Class B Director: William F. St. Clair, Boone National Savings and Loan Association, Columbia, Missouri.

Class C Director: Walter H. Brown, Joplin Federal Savings and Loan Association, Joplin, Missouri.

Director-at-Large: H. A. Thompson, Gate City Building and Loan Association, Fargo, North Dakota.

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

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

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

Class A Director: J. J. Miranne, Security Building and Loan Association, New Orleans, Louisiana (reelected).

Class B Director: R. H. McCune, Roswell Building and Loan Association, Roswell, New Mexico (reelected).

Class C Director: H. T. Leonard, Kosciusko Building and Loan Association, Kosciusko, Mississippi (reelected).

Director-at-Large: Grover J. Casselberry, First Federal Savings and Loan Association, El Paso, Texas (reelected).

DISTRICT NO. 10—FEDERAL HOME LOAN BANK OF TOPEKA

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

Vice Chairman: L. W. Bauerle, Southwest Federal Savings and Loan Association, Wichita, Kansas.

Class A Director: J. E. Barry, Jr., Oklahoma City Federal Savings and Loan Association, Oklahoma City, Oklahoma.

Class B Director: Malcolm E. Collier, First Federal Savings and Loan Association, Denver, Colorado.

Class C Director: A. G. Hartronft, Lyons Building and Loan Association, Lyons, Kansas.

Director-at-Large: Evald M. Forsyth, First Federal Savings and Loan Association, Lincoln, Nebraska (reelected).

DISTRICT NO. 11—FEDERAL HOME LOAN BANK OF PORTLAND

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

Vice Chairman: A. C. Boucher, Great Falls Building and Loan Association, Great Falls, Montana.

Class A Director: Ray R. Glenn, Yakima Federal Savings and Loan Association, Yakima, Washington.

Class B Director: Keith Powell, Salem Federal Savings and Loan Association, Salem, Oregon.

Class C Director: C. O. Dierdorff, First Federal Savings and Loan Association, Everett, Washington.

Director-at-Large: H. R. Grant, First Federal Savings and Loan Association, Twin Falls, Idaho.

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

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

Vice Chairman: Horace S. Wilson, Southern California Building and Loan Association, Los Angeles, California.

Class A Director: J. Arthur Younger, Citizens Federal Savings and Loan Association, San Francisco, California.

Class B Director: C. A. Carden, Quaker City Federal Savings and Loan Association, Whittier, California.

Class C Director: J. B. Kidwell, Eureka Federal Savings and Loan Association, San Francisco, California.

Director-at-Large: Douglas H. Driggs, Western Savings and Loan Association, Phoenix, Arizona.

Amendment to Rules and Regulations

FHLBA
Bulletin No. 13

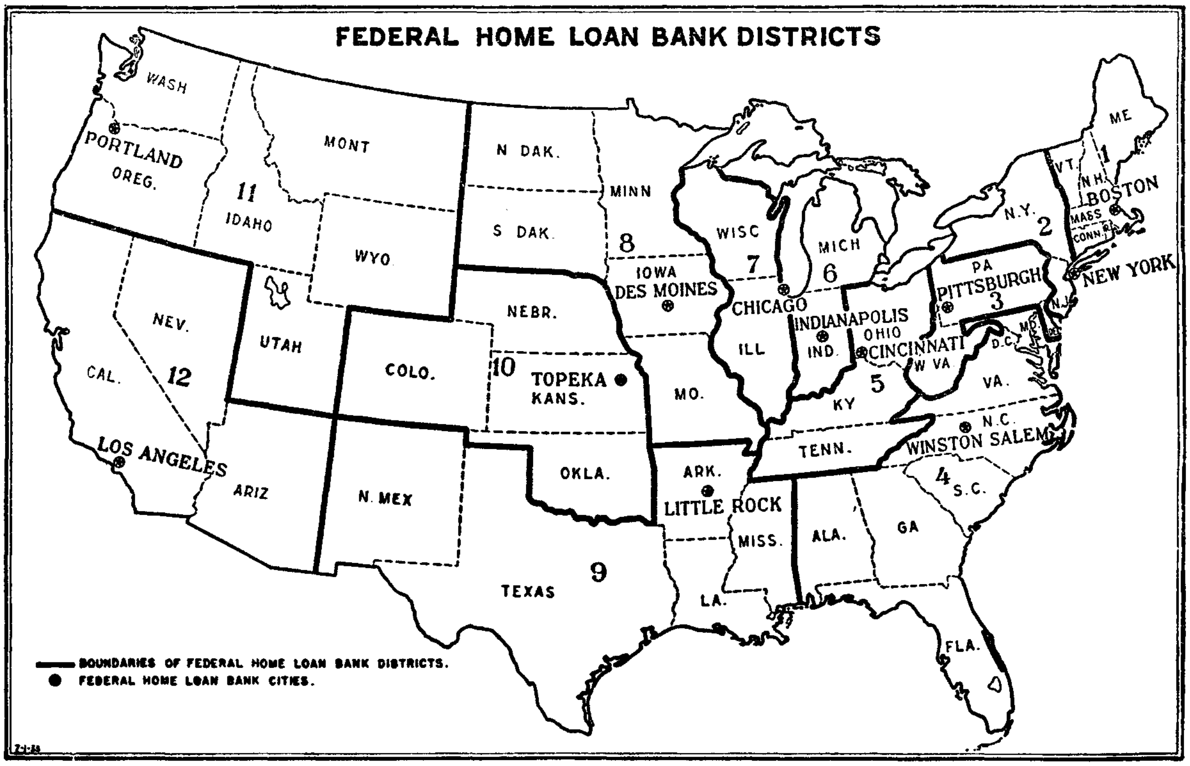
AMENDMENT TO THE RULES AND REGULATIONS FOR THE FEDERAL SAVINGS AND LOAN SYSTEM RELATING TO THE OWNERSHIP OF SHARE ACCOUNTS ACCEPTABLE AS SECURITY FOR LOANS MADE BY FEDERAL ASSOCIATIONS (Adopted December 16, 1942; effective December 17, 1942).

The authority of Federal savings and loan associations to make loans upon the security of their share accounts has been broadened by a recent amendment to Section 203 of the Rules and Regulations for the Federal Savings and Loan System.

Subsection 20, now in effect, was proposed on October 19, 1942 and printed in the November REVIEW. The text of the new amendment reads:

> "203.20 *Other loans and investments.* A Federal association having a Charter K may invest its funds in loans to its members on the security of share accounts of the association owned by a member other than the borrower. To secure such loans the association shall obtain a lien upon, or a pledge of, the share account. No such loan shall exceed 90 percent of the repurchase value of the share account securing such loan. No such loan shall be made when the association has applications for repurchase which have been on file more than 30 days and not reached for payment."

U. S. GOVERNMENT PRINTING OFFICE: 1943



OFFICERS OF FEDERAL HOME LOAN BANKS

Boston

B. J. Rothwell, Chairman; E. H. Weeks, Vice Chairman; W. H. Neaves, President; H. N. Faulkner, Vice President; L. E. Donovan, Secretary-Treasurer; P. A. Hendrick, Counsel; Beatrice E. Holland, Assistant Secretary.

New York

George MacDonald, Chairman; F. V. D. Lloyd, Vice Chairman; Nugent Fallon, President; Robert G. Clarkson, Vice President; Denton C. Lyon, Secretary; H. B. Diffenderfer, Treasurer.

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E. T. Trigg, Chairman; C. S. Tippetts, Vice Chairman; R. H. Richards, President; G. R. Parker, Vice President; H. H. Garber, Secretary-Treasurer.

Winston-Salem

H. S. Haworth, Chairman; E. C. Baltz, Vice Chairman; O. K. LaRoque, President-Secretary; Jos. W. Holt, Vice President-Treasurer; T. Spruill Thornton, Counsel.

Cincinnati

R. P. Dietzman, Chairman; Wm. Megrue Brock, Vice Chairman; Walter D. Shultz, President; W. E. Julius, Vice President-Secretary; A. L. Maddox, Treasurer; Taft, Stettinius & Hollister, General Counsel.

Indianapolis

H. B. Wells, Chairman; F. S. Cannon, Vice Chairman-Vice President; Fred T. Greene, President; G. E. Ohmart, Vice President; C. Russell Parker, Secretary-Treasurer; Hammond, Buschmann, Krieg & DeVault, Counsel.

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C. E. Broughton, Chairman; H. G. Zander, Jr., Vice Chairman; A. R. Gardner, President; J. P. Domeier, Vice President; H. C. Jones, Treasurer; Constance M. Wright, Secretary; Ungaro & Sherwood, Counsel.

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Topeka

P. F. Good, Chairman; L. W. Bauerle, Vice Chairman; C. A. Sterling, President-Secretary; R. H. Burton, Vice President-Treasurer; John S. Dean, Jr., General Counsel.

Portland

Ben A. Perham, Chairman; A. C. Boucher, Vice Chairman; F. H. Johnson, President-Secretary; Irving Bogardus, Vice President-Treasurer; Mrs. E. M. Jenness, Assistant Secretary; Verne Dusenbery, Counsel.

Los Angeles

D. G. Davis, Chairman; Horace S. Wilson, Vice Chairman; M. M. Hurford, President; C. E. Berry, Vice President; F. C. Noon, Secretary-Treasurer; Vivian Simpson, Assistant Secretary; Helen Fredericks, Attorney.